As part of the U-M Energy Survey’s ongoing reports regarding the affordability of energy, this brief focuses on the newest wave of data through October 2015. We measure American consumers’ views of their energy costs with two indices, one for home energy and the other for gasoline. Each index is based on the costs that consumers say they would find unaffordable compared to their actual energy costs—that is, their own home energy bills and the national average price of gasoline—during the month they were surveyed. (See the Affordability Indices Overview for further detail on how we compute each index.)

As shown in the graph below, the affordability index for home energy in October 2015 was 122 (±10), remaining statistically similar to its average over the previous eight quarters. In October 2015, consumers said that they spent an average of $170 per month on home energy bills. They also responded, on average, that they would find a monthly energy bill of $342 to be unaffordable.

The affordability index for gasoline in October 2015, however, significantly increased from the previous quarter. There was a 27 point increase in the index from 85 (±6) in July 2015 to 112 (±7) in October. The average price of gasoline was $2.41 per gallon in October, while consumers on average reported that they would find gasoline to be unaffordable if it reached $5.44 per gallon. Despite lower pump prices that consumers have experienced over the past year, their stated threshold for unaffordability—that is, when the pain-at-the-pump would force lifestyle changes—remains quite high, not that far below the $5.65 per gallon average they told us the previous year (through October 2014).

Across the previous eight quarters of data collected (not including October 2015 data), the average index of 125 (±5) for home energy was notably higher than the 80 (±2) average for gasoline. But that gap has now clearly closed, with the latest Energy Survey data showing that Americans now find gasoline and home energy to be similarly affordable.

**KEY FINDINGS**

- In October 2015, the affordability index for home energy was 122 and the affordability index for gasoline was 112.
- For gasoline, the affordability index jumped by 27 points from July to October, but at 112 was still below its high of 138 in January 2015.
- Over the previous eight quarters (not including October 2015), the affordability indices were 125 (±5) for home energy and 80 (±2) for gasoline.
- As of October, the affordability of home energy was similar to what it was the previous quarter and to its average over the prior two years.

![Affordability Indices: Oct 2013 through Oct 2015](chart.png)