



Electric Utilities in Louisiana: A Survey of AARP Members



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Electric Utilities in Louisiana: A Survey of AARP Members

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AARP is a nonprofit, nonpartisan membership organization that helps people 50+ have independence, choice and control in ways that are beneficial and affordable to them and society as a whole. We produce *AARP The Magazine*, published bimonthly; *AARP Bulletin*, our monthly newspaper; *AARP Segunda Juventud*, our bimonthly magazine in Spanish and English; *NRTA Live & Learn*, our quarterly newsletter for 50+ educators; and our website, www.aarp.org. AARP Foundation is our affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. We have staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

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Background

The state of Louisiana has some of the highest electric bills in the nation. In 2003, Louisiana ranked fourth in the nation in electricity expenditure per residential customer.¹ While high electric bills adversely affect all consumers, they are particularly taxing on Louisiana's low and fixed income households.

Electric Utilities in Louisiana: A Survey of AARP Members explores member support for a state program that helps consumers use less energy and lowers their electric bills, support for a low-income energy assistance program, and member opinion on who should pay for these programs.

This report is part of a larger mail survey of 914 Louisiana AARP members conducted between May and June 2005 prior to hurricane season. During the 2005 hurricane season, there was a historic amount of devastation in Louisiana from hurricane Katrina, specifically in the New Orleans area. If the survey was conducted today, the results would probably be much stronger given the mass destruction to natural gas facilities and a significant amount of loss of natural gas reserves. According to the Federal Energy Regulatory Commission, natural gas rates will increase to meet demand and to offset the costs of damages and loss (FERC, 2005).² The full questionnaire is contained in the appendix to this report. Throughout the report, statistics representing member responses are reported in percentages.³ In some instances, percentages are small and may not seem to represent a significant proportion of members, yet when projected to the total Louisiana membership the actual number of people may be substantial. As of November 2005, the number of AARP members in Louisiana was 460,069.

¹ Average Monthly Bill by Sector, Census Division, and State, 2003, Energy Information Administration: <http://www.eia.doe.gov/cneaf/electricity/esr/table1abcd.xls#Table1!A1>

² Federal Energy Regulatory Commission. Retrieved November 29, 2005. <http://www.ferc.gov/press-room/statements/kelliher/10-12-05-kelliher.asp>

³ Percentages may not add up to 100 due to rounding.

Highlights

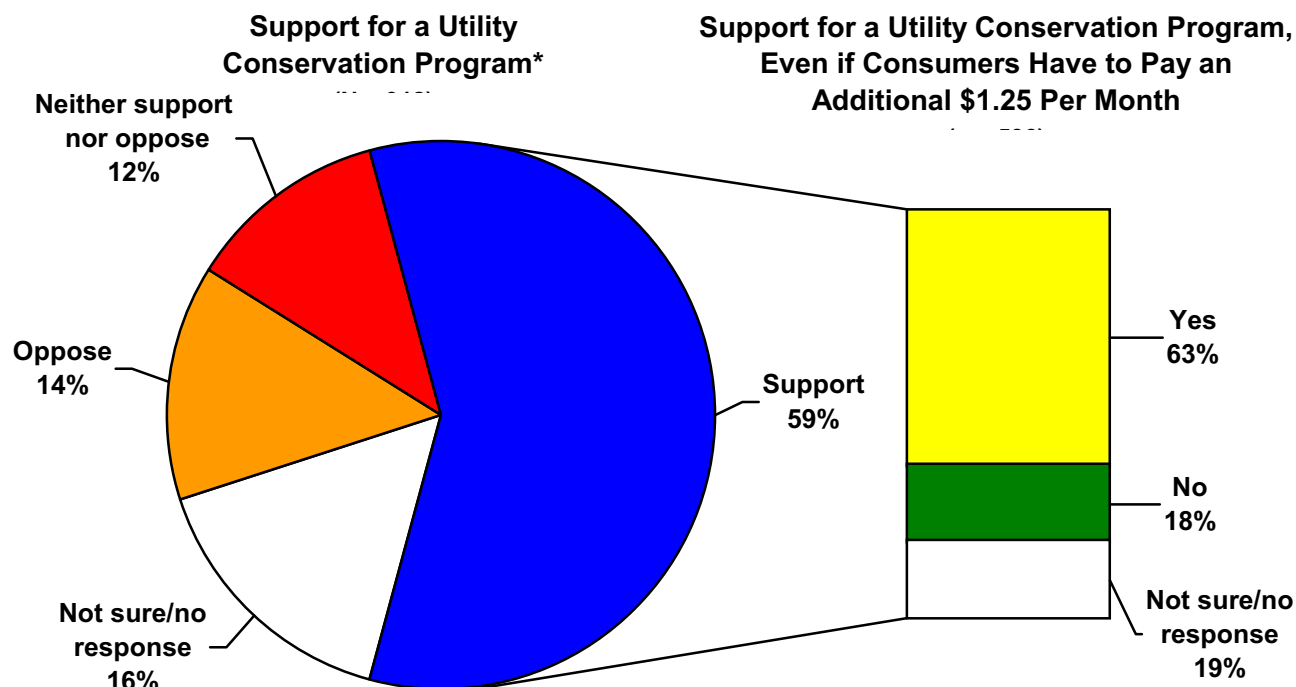
- Approximately six in ten Louisiana members strongly or somewhat support a state program that uses a small portion of their utility payments to fund a state utility conservation program.
 - Of those members who support this program, over six in ten still support the program, even if it meant that everyone had to pay an additional \$1.25 each month on their electric bill.
- Seven in ten Louisiana members strongly or somewhat support a program that helps make electricity affordable to households with low-incomes.
 - Of those members who support this program, more than six in ten say they would still support such a program even if it meant all consumers had to pay an additional \$1.25 per month on their electric bill.
- Seven in ten Louisiana members agree that all customers including business, industrial, and commercial users should contribute to state programs that help consumers use less energy and provide energy assistance to low-income households.

Findings

Nearly six in ten Louisiana members support a utility conservation program but support wanes when an additional monthly fee of \$1.25 is added to pay for the program.

Utility conservation programs help consumers use less energy and as a result can lower their monthly electric bills. Members were asked how strongly they support or oppose a state program that uses a small portion of their utility payments to fund a state utility conservation program. About six in ten members strongly (33%) or somewhat support (26%) this program.

Members who support a utility conservation program were then asked if they would still support this program, even if it meant that everyone had to pay an additional \$1.25 each month on their electric bill. Of those members who support the program, over six in ten (63%) continue to support it even if it costs an additional \$1.25 each month. This means that among the 59 percent who support a utility conservation program, 37 percent still support the program even if it costs an additional \$1.25 each month and 22 percent do not support it (11%) or are unsure (11%).

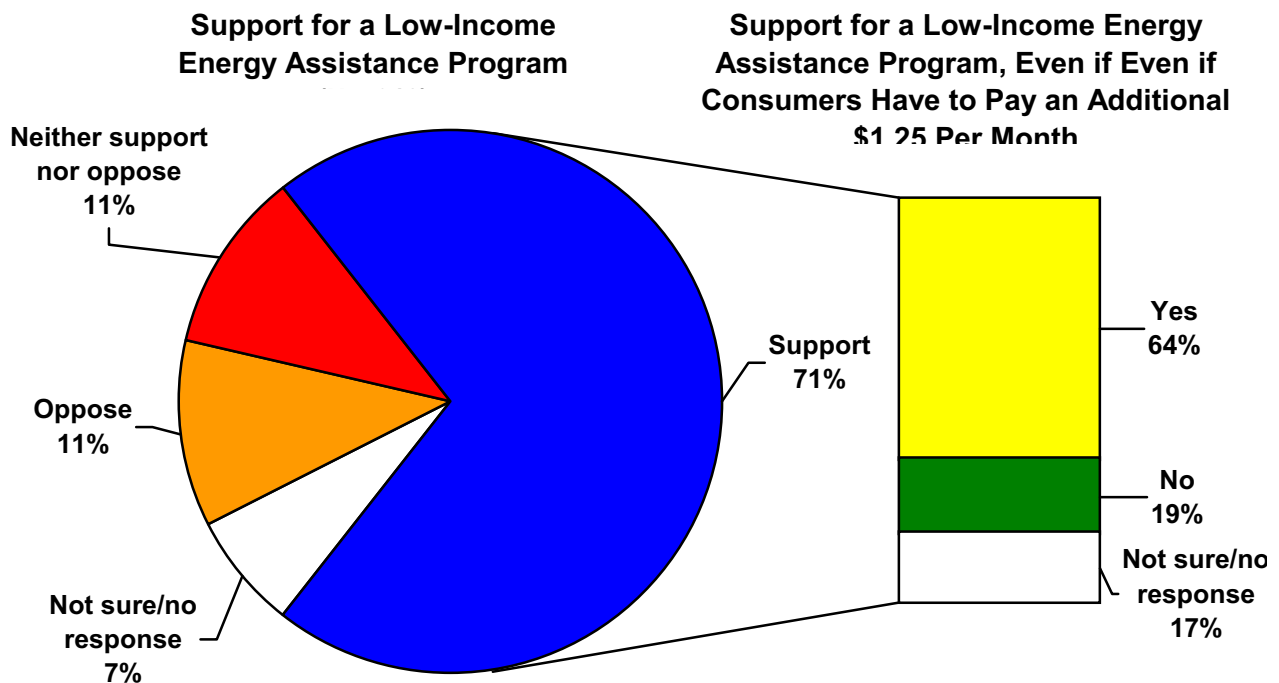


*Percentages may not add up to 100 due to rounding.

Over seven in ten Louisiana members support a state low-income electric utility program but support declines when an additional monthly fee of \$1.25 is added to pay for the program.

Electricity is a necessity and paying for it can often be difficult for low or fixed-income households. When members were asked if they would support or oppose a program that would provide low-income energy assistance, 71 percent say they strongly (46%) or somewhat support (25%) such a program.

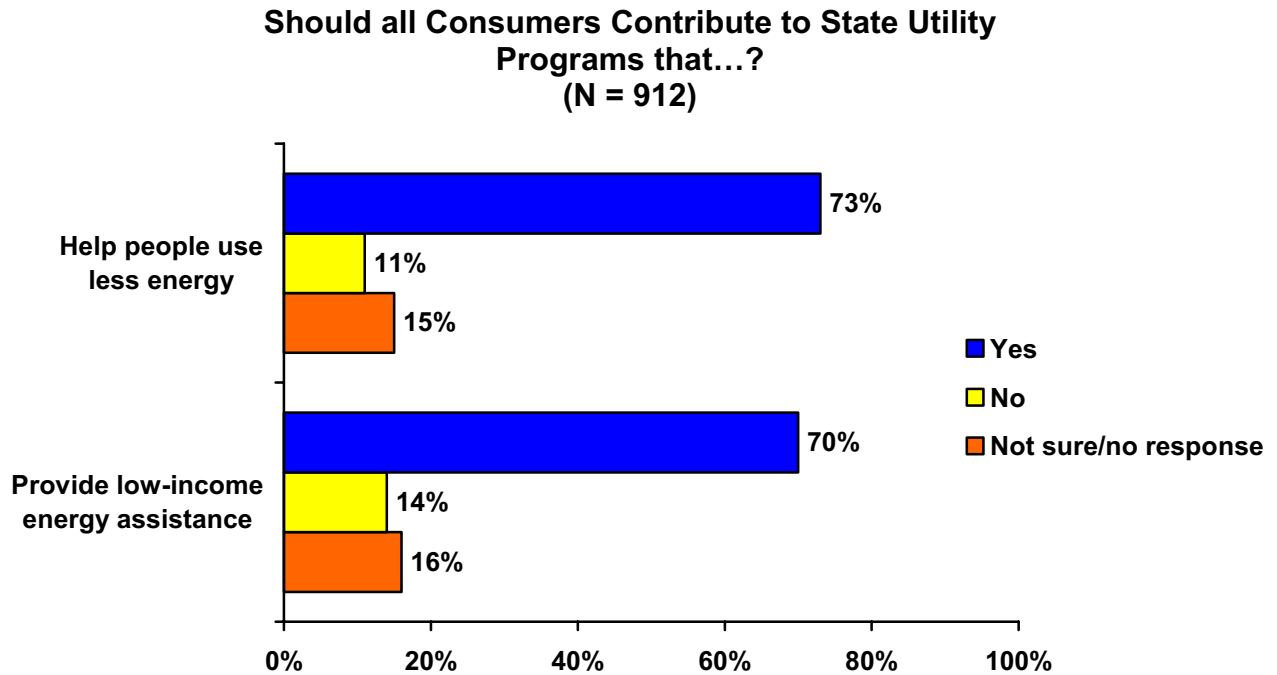
Louisiana members who support this program were then asked if they would still support such a program, even if it meant everyone had to pay an additional \$1.25 each month on their electric bill. Of those members who support the program, more than six in ten (64%) say they would still support it even if it meant an additional \$1.25 per month. This means that among the 71 percent who support a low-income energy assistance program, 45 percent still support the program even if it costs an additional \$1.25 each month and 25 percent do not support it (14%) or are unsure (11%).⁴



⁴ One percent did not answer the question.

Seven in ten Louisiana members agree that all customers should contribute to a state utility conservation program and a low-income energy assistance program.

Louisiana members overwhelmingly agree that all electric utility consumers, including business, industrial, and commercial users, should contribute to state programs that help consumers use less energy (73%) and provide energy assistance to low-income households (70%).



Conclusions

Big businesses are the largest users of electricity in the state of Louisiana. Louisiana members believe that all electric utility customers including business, industrial, and commercial users should contribute to state programs that will help consumers use less energy and provide energy assistance to low-income households.

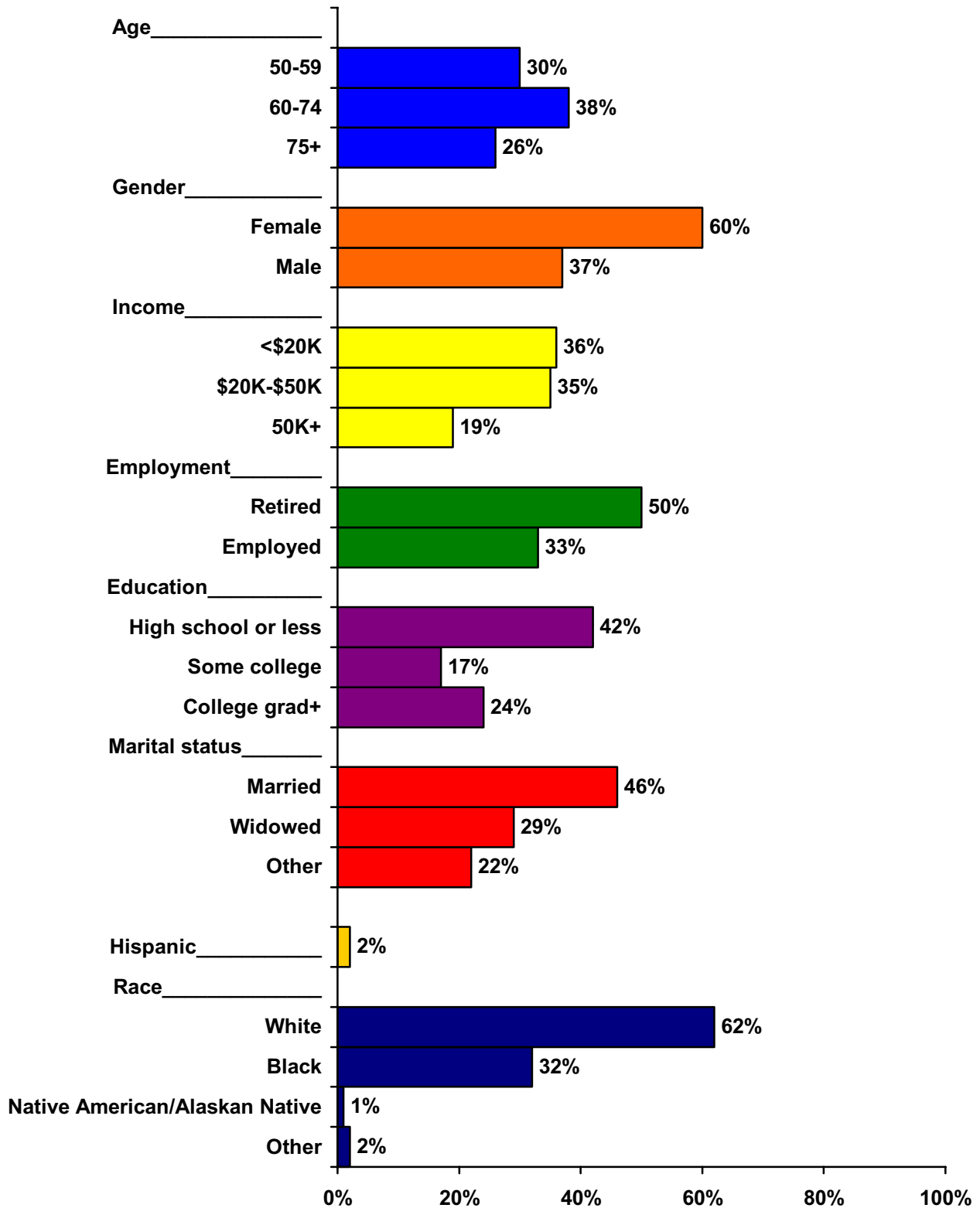
As AARP Louisiana continues to work with community partners to establish a utility conservation program and a low-income energy assistance program, the findings from this survey further support the need and desire for these programs. The majority of AARP Louisiana members support the establishment of a state program that will help all consumers use energy more efficiently and a program that provides energy assistance to low-income households. However, support for these programs declines when a \$1.25 per month charge is added to pay for these programs. AARP Louisiana must be sure that these programs will not add substantially to the costs of residents' monthly electric bills.

Methodology

AARP conducted the *2005 Louisiana Member Survey of AARP Members* from May 4 through June 1, 2005. A random sample of 2,000 AARP members in Louisiana, proportionally stratified by three age segments, 50 to 59, 60 to 74, and 75+, was selected from AARP's membership database. Each sampled member was contacted about the survey in four ways: a pre-notification postcard, the survey itself, a reminder postcard, and a second survey.

Forty-six percent of the sampled Louisiana members returned surveys by the cut-off date, providing 914 useable surveys for analysis. Thus, the survey has a sampling error of plus or minus 3.3 percent. Survey responses were weighted to reflect the distribution of the age segments in the member population of Louisiana. Due to rounding of the weights, the final number of cases for the weighted dataset is 912. As of November 2005, the number of AARP members in Louisiana was 460,069.

Demographic Characteristics (N = 912)



Annotated Questionnaire

2005 Louisiana Member Survey

(AARP Members Weighted n = 912; Response Rate = 46%; Sampling Error = 3.3± %)
 (Percentages may not add to 100% due to rounding or multiple response.)

State Legislative Issues

1. To be effective, AARP Louisiana wants to work on the most important issues facing Louisiana AARP members. Keeping in mind what is most important to you, how much of a priority should it be for AARP to work on the following legislative issues in Louisiana?

	Top Priority ▼	High Priority ▼	Medium Priority ▼	Low Priority ▼	Not a Priority ▼	No Answer ▼
a. Protecting people from home equity fraud	44%	34%	14%	3%	3%	3%
b. Making sure older persons have long-term care services that allow them to live in their own homes and communities as they age	65%	28%	5%	*	*	1%
c. Making sure that high quality health care is available and affordable	80%	17%	1%	*	*	2%
d. Making sure people can get affordable prescription drugs	79%	16%	2%	*	*	3%
e. Making sure older persons have equal access to jobs, promotions, and employee benefits	44%	35%	16%	2%	1%	1%
f. Preventing the abuse of older persons who are receiving long-term care services in their home, in their community, or in nursing homes	76%	16%	5%	1%	1%	2%
g. Making sure people have access to affordable utilities	53%	34%	9%	2%	1%	2%
h. Protecting older persons from identity theft and other consumer scams	64%	25%	8%	2%	1%	1%
i. Improving the quality of long-term care services	61%	31%	6%	1%	*	3%
j. Finding transportation options for older persons and persons with disabilities	47%	34%	15%	2%	1%	1%
k. Helping grandparents raising grandchildren to get financial, medical, educational, and legal services for their grandchildren	42%	30%	19%	5%	3%	1%
l. Helping older persons find affordable housing	51%	31%	13%	3%	1%	1%

Social Security

2. Based on what you have heard, read, or experienced with Social Security, what is your overall view of the present system?

	<u>%</u>
Extremely favorable	18
Very favorable	25
Somewhat favorable	26
Not very favorable	13
Not at all favorable	8
Not sure	7
No Answer	3

3. How strongly do you favor or oppose keeping the Social Security system as close to the present system as possible?

	<u>%</u>
Strongly favor	59
Somewhat favor	21
Neither favor nor oppose	7
Somewhat oppose	5
Strongly oppose	4
No Answer	3

4. Please check which of the following statements comes closest to your opinion about Social Security. (Please check only ONE)

	<u>%</u>
Social Security has no serious problems that require changing the current system	17
Social Security has minor problems that can be fixed with slight changes to the current system	51
Social Security's problems are serious and can be fixed only with substantial changes to the current system	26
Social Security's problems are so bad that the current system should be replaced	2
No Answer	4

5. How confident are you that the Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today?

	<u>%</u>
Extremely confident	10
Very confident	24
Somewhat confident	33
Not very confident	16
Not at all confident	8
Not sure	5
No Answer	3

6. Some people propose allowing workers to invest some of their Social Security payroll taxes in the stock market through individual retirement work accounts sometimes referred to as private accounts. For the average worker, this portion could be up to \$1,300 per year that they could invest. How strongly do you favor or oppose this approach?

	<u>%</u>
Strongly favor	9
Somewhat favor	14
Neither favor nor oppose	19
Somewhat oppose	12
Strongly oppose	34
Not sure	9
No Answer	3

7. If creating private accounts could mean changes in the way Social Security benefits are calculated, resulting in cuts for everyone and not just the people who choose to participate in the private account, how strongly do you favor or oppose proposals for private accounts?

	<u>%</u>
Strongly favor	5
Somewhat favor	7
Neither favor nor oppose	11
Somewhat oppose	14
Strongly oppose	51
Not sure	9
No Answer	4

8. If creating private accounts meant that you would have more control over where your retirement money is invested, how strongly do you favor or oppose proposals for private accounts?

	<u>%</u>
Strongly favor	12
Somewhat favor	21
Neither favor nor oppose	14
Somewhat oppose	9
Strongly oppose	30
Not sure	10
No Answer	4

9. If creating private accounts will drain money out of Social Security and require large new Federal debt to pay the Social Security benefits for current retirees, how strongly do you favor or oppose proposals for private accounts?

	<u>%</u>
Strongly favor	4
Somewhat favor	5
Neither favor nor oppose	8
Somewhat oppose	13
Strongly oppose	60
Not sure	6
No Answer	4

10. If creating private accounts meant that you would have the potential to earn more money for your retirement, how strongly do you favor or oppose proposals for private accounts?

	<u>%</u>
Strongly favor	19
Somewhat favor	21
Neither favor nor oppose	13
Somewhat oppose	9
Strongly oppose	25
Not sure	9
No Answer	4

11. If creating private accounts will require the creation of a new government agency to oversee the accounts, how strongly do you favor or oppose proposals for private accounts?

	<u>%</u>
Strongly favor	4
Somewhat favor	11
Neither favor nor oppose	12
Somewhat oppose	15
Strongly oppose	44
Not sure	11
No Answer	4

12. If creating private accounts meant that you could leave the balance in your private account to your children when you die, how strongly do you favor or oppose proposals for private accounts?

	<u>%</u>
Strongly favor	28
Somewhat favor	23
Neither favor nor oppose	10
Somewhat oppose	5
Strongly oppose	20
Not sure	9
No Answer	4

13. If creating private accounts meant that you would receive a lower guaranteed Social Security benefit, how strongly do you favor or oppose proposals for private accounts?

	<u>%</u>
Strongly favor	4
Somewhat favor	7
Neither favor nor oppose	7
Somewhat oppose	14
Strongly oppose	58
Not sure	7
No Answer	4

14. Thinking about all of the possible effects of creating private accounts, how strongly do you favor or oppose allowing workers to invest some of their Social Security payroll taxes in the stock market?

	<u>%</u>
Strongly favor	6
Somewhat favor	15
Neither favor nor oppose	13
Somewhat oppose	12
Strongly oppose	40
Not sure	10
No Answer	4

15. Do you think allowing workers to invest some of their Social Security payroll taxes in the stock market will strengthen or weaken the Social Security system?

	<u>%</u>
Strengthen	10
Weaken	57
Not sure	29
No Answer	3

Electric Utilities

16. How strongly do you support or oppose a state program that uses a small portion of all electric utility payments to help consumers use less energy so their monthly bills are lower?

	<u>%</u>
Strongly support	33
Somewhat support	26
Neither support nor oppose (Go to question 18)	12
Somewhat oppose (Got to question 18)	5
Strongly oppose (Go to question 18)	8
Not sure (Go to question 18)	11
No Answer	5

17. Would you still support having a state program to help consumers use less energy, even if it meant everyone had to pay an additional \$1.25 each month on their electric bill to support the program? (n=536)

	<u>%</u>
Yes	63
No	18
Not sure	18
No Answer	1

18. If there was a state program to help consumers use less energy, should all customers, including business, industrial and commercial electric users, contribute to the program?

	<u>%</u>
Yes	73
No	11
Not sure	14
No Answer	2

19. How strongly do you support or oppose having a state program that helps make electricity affordable to households with low incomes?

	<u>%</u>
Strongly support	46
Somewhat support	25
Neither support nor oppose (Go to question 21)	11
Somewhat oppose (Go to question 21)	5
Strongly oppose (Go to question 21)	6
Not sure (Go to question 21)	4
No Answer	3

20. Would you still support having a state program to provide low-income energy assistance, even if it meant everyone had to pay an additional \$1.25 each month on their electric bill to support the program? (n=643)

	<u>%</u>
Yes	64
No	19
Not sure	16
No Answer	1

21. If there was a low-income energy assistance program in the state, should all customers, including business, industrial and commercial electric users, contribute to the program?

	<u>%</u>
Yes	70
No	14
Not sure	15
No Answer	2

Long-term care

Long-term care refers to support and services provided over an extended period of time at home, in a community setting, or in a nursing home. These supports and services are available to people of all ages who are frail, ill, or have a disability and who need help with regular daily activities – such as getting dressed, bathing, preparing meals, or eating. **Home and community-based services** refer to long-term care support and services received by people in their homes or in other home-like settings.

22. Have you or anyone in your family -- such as grandparents, parents, children, or a sister or brother -- used long-term care services within the last five years?

	<u>%</u>
Yes	27
No	70
Not sure	2
No Answer	1

23. How likely is it that you or a family member may need long-term care services in the next five years?

	<u>%</u>
Extremely likely	15
Very likely	19
Somewhat likely	26
Not very likely	17
Not at all likely	4
Not sure	18
No Answer	1

24. People sometimes worry about whether they will have enough choices about where they or their family members will be able to get long-term care services. How worried are you about it?

	<u>%</u>
Extremely worried	14
Very worried	18
Somewhat worried	36
Not very worried	17
Not at all worried	7
Not sure	5
No Answer	3

25. If you or a family member needed long-term care services, how would you prefer to receive those services? (Please check only ONE)

	<u>%</u>
Have family and friends provide all the care at home	12
Be able to pay a nurse or a personal care aide to provide care at home	37
Have care provided in a home-like setting such as an assisted living or a care home where housing, food, and personal help with bathing, dressing, and other activities are provided to those who need them	31
Have care provided in a nursing home	4
Not sure	13
No Answer	4

26. If you or a family member needed long-term care services, how important would it be to you to have services that would allow you or your family member to stay at home as long as possible?

	<u>%</u>
Extremely important	53
Very important	35
Somewhat important	6
Not very important	1
Not at all important	*
Not sure	2
No Answer	2

27. If you needed home care services in the future – like home delivered meals, housecleaning, nurse’s care, or transportation – and these types services were not available in your community, how willing would you be to move into a nursing home to receive these services?

	<u>%</u>
Extremely willing	6
Very willing	8
Somewhat willing	22
Not very willing	29
Not at all willing	24
Not sure	9
No Answer	3

28. Almost eight in 10 nursing home residents in Louisiana have their nursing home bills paid for by Medicaid, the state health insurance program funded with federal and state tax dollars. Currently, more than 90 percent of the state Medicaid money spent on long-term care pays for nursing homes rather than services that give people the choice to stay in their own homes or in a community setting like an adult day care center. In 2004, more than 8,000 nursing home beds were empty.

28. (continued) How strongly do you support or oppose legislation that would increase Medicaid funding for services that help people stay in their own homes longer, even if it meant reducing funding for nursing homes?

	<u>%</u>
Strongly support	48
Somewhat support	24
Neither support nor oppose (Go to question 30)	9
Somewhat oppose (Go to question 30)	3
Strongly oppose (Go to question 30)	2
Not sure (Go to question 30)	9
No Answer	5

29. Would you still support legislation that reduced funding for nursing homes if it meant that nursing homes with a lot of empty beds might have to close or be consolidated with another facility? (n=663)

	<u>%</u>
Yes	51
No	19
Not sure	28
No Answer	2

30. How strongly do you support or oppose AARP Louisiana advocating to increase funding of long-term care services that help people stay in their own homes or communities?

	<u>%</u>
Strongly support	65
Somewhat support	20
Neither support nor oppose (Go to question 32)	6
Somewhat oppose (Go to question 32)	1
Strongly oppose (Go to question 32)	*
Not sure (Go to question 32)	5
No Answer	4

31. Would you still support AARP Louisiana advocating to expand funding for long-term care services that help people stay in their own homes and communities even it meant reducing funding for nursing homes? (n=775)

	<u>%</u>
Yes	68
No	8
Not sure	23
No Answer	1

32. How likely would you be to vote for a candidate for state office in Louisiana who supports shifting funds from nursing homes to long-term care services that help people to stay in their own homes and communities longer.

32. (continued) Would you be more likely to vote for that candidate, less likely to vote for him or her, or would it not make any difference?

	<u>%</u>
More likely	59
Would not make a difference	16
Less likely	7
Not sure	15
No Answer	3

33. How strongly do you support or oppose the state of Louisiana strengthening the enforcement of quality standards for nursing homes?

	<u>%</u>
Strongly support	76
Somewhat support	12
Neither support nor oppose	4
Somewhat oppose	*
Strongly oppose	*
Not sure	5
No Answer	3

34. Assisted living is a residential setting that provides or coordinates personal care services, activities, and health related services with the goals of maximizing resident privacy and independence. How strongly do you support or oppose the state of Louisiana strengthening the enforcement of quality standards for assisted living facilities?

	<u>%</u>
Strongly support	71
Somewhat support	16
Neither support nor oppose	4
Somewhat oppose	1
Strongly oppose	*
Not sure	5
No Answer	3

35. How strongly do you support or oppose the state of Louisiana strengthening the enforcement of quality standards for providers of home and community-based services?

	<u>%</u>
Strongly support	71
Somewhat support	17
Neither support nor oppose	4
Somewhat oppose	*
Strongly oppose	*
Not sure	5
No Answer	3

About You

The following questions are for classification purposes only and will be kept entirely confidential.

D1. In the last 12 months, have you accessed the Internet from your home or work, or from some other source such as your local library?

	<u>%</u>
Yes	45
No	52
No Answer	3

D2. Are you male or female?

	<u>%</u>
Male	37
Female	60
No Answer	3

D3. What is your age as of your last birthday? _____ (in years)

	<u>%</u>
50-59	30
60-74	38
75+	26
No Answer	6

D4. What is your current marital status?

	<u>%</u>
Married	46
Separated	1
Divorced	15
Widowed	29
Single, that is never married	5
Single, living with partner	1
No Answer	3

D5. Thinking about your state elections for Louisiana Governor and Legislators in the last ten years, which of the following best describes your voting behavior?

	<u>%</u>
Always vote	70
Sometimes miss one	19
Rarely vote	5
Never vote	2
Not sure	1
No Answer	3

D6. What is the highest level of education that you completed?

	<u>%</u>
Less than high school graduate	12
High school graduate	30
Technical school/Other	5
Some college	17
Graduated college	14
Graduate school or more	10
No Answer	12

D7. Which of the following best describes your current employment status?

	<u>%</u>
Employed full-time	28
Employed part-time	6
Not employed	4
Retired	50
Homemaker	5
Other	3
Temporarily unemployed	1
No Answer	4

D8. Are you of Hispanic, Spanish, or Latino origin or descent?

	<u>%</u>
Yes	2
No	91
Not sure	2
No Answer	5

D9. What is your race?

	<u>%</u>
White	62
Black	32
Asian/Oriental/Chinese/Japanese	*
Native American/American Indian	1
Other	2
No Answer	4

D10. What is your 5-digit zip code? (WRITE IN YOUR ZIP CODE.) _ _ _ _ _

D11. What was your annual household income before taxes in 2004?

	<u>%</u>
Less than \$10,000	15
\$10,000 to \$19,999	21
\$20,000 to \$29,999	15
\$30,000 to \$39,999	11
\$40,000 to \$49,999	10
\$50,000 to \$74,999	9
\$75,000 or more	10
No Answer	11

Thank you for completing this survey. Please use the postage-paid envelope and return it to State Member Research, AARP, 601 E Street, NW, Washington, DC 20049, by **June 1, 2005**.

AARP
Knowledge Management
For more information contact Joanne Binette (202) 434-6303