



Citizens' Climate Lobby

Financial Impact on Households of Carbon Fee and Dividend Local Impacts in California - District 13

Introduction

This study on the impact to households of Carbon Fee and Dividend was funded to respond to concerns expressed by members of Congress that constituents in their district would not benefit under our proposal. Key to the concerns expressed was not only understanding how the average constituent did, but how different groups of constituents fared. Concern for low-income constituents, for instance, is common for members of both parties.

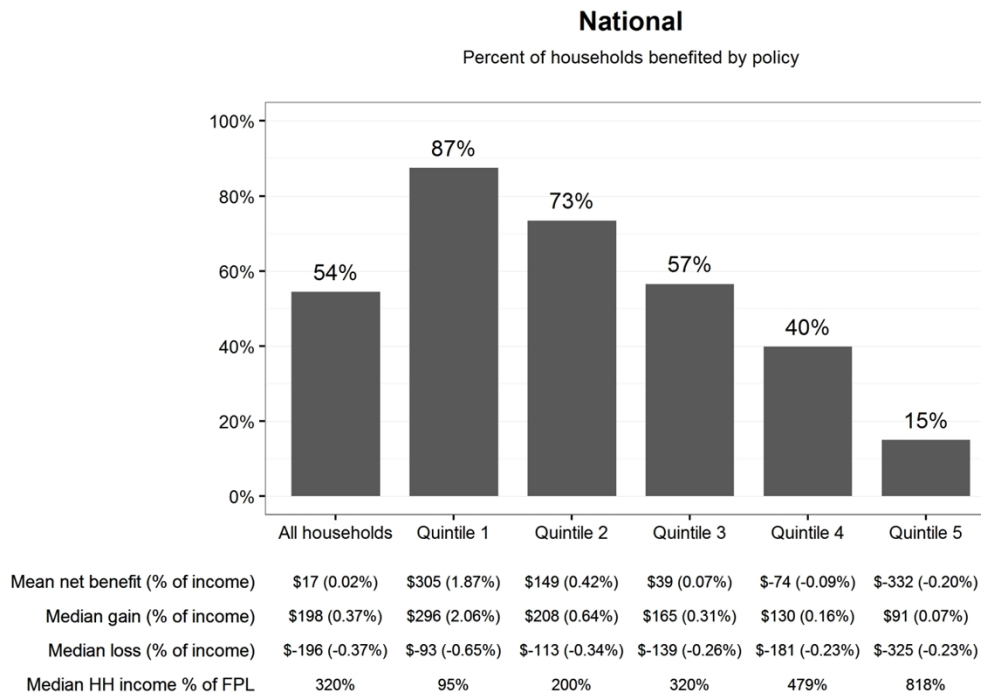


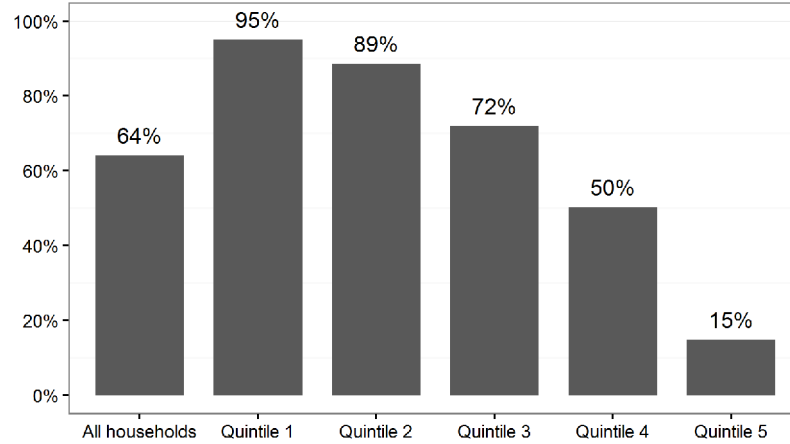
Figure 1: National Averages by Economic Quintile. Note that the three lowest-income quintiles show a benefit for the mean (average) household. The average benefit for the lowest-income quintile is 1.87% of income, whereas households in the top quintile, on average, experience losses of a similar absolute magnitude (-\$332) but less relative to income (-0.2%).

All data is from the 2016 working paper, “Impact of CCL’s proposed carbon fee and dividend policy: A high-resolution analysis of the financial effect on U.S. households” by Kevin Ummel, Research Scholar, Energy Program, International Institute for Applied Systems Analysis (IIASA).

Current working paper and summary available at <http://citizensclimatelobby.org/household-impact/>

California - Congressional district No. 13

Percent of households benefited by policy

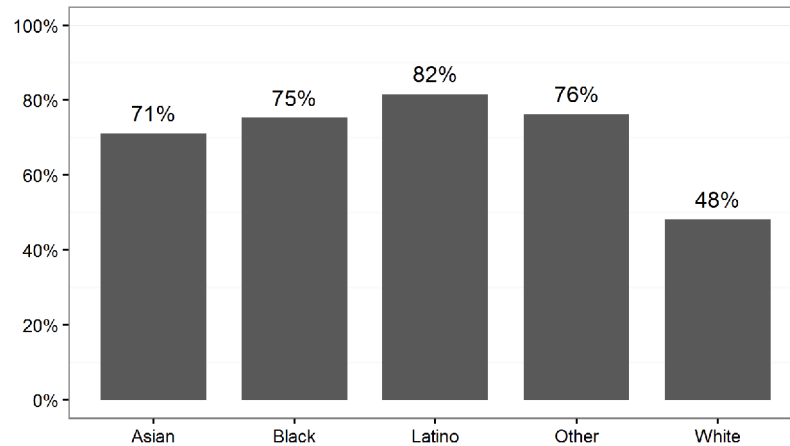


Mean net benefit (% of income)	\$106 (0.13%)	\$429 (2.81%)	\$294 (0.78%)	\$145 (0.23%)	\$-16 (-0.02%)	\$-323 (-0.17%)
Median gain (% of income)	\$239 (0.41%)	\$396 (3.03%)	\$274 (0.85%)	\$196 (0.35%)	\$134 (0.15%)	\$79 (0.05%)
Median loss (% of income)	\$-192 (-0.33%)	\$-105 (-0.80%)	\$-103 (-0.32%)	\$-109 (-0.20%)	\$-149 (-0.17%)	\$-308 (-0.19%)
Median HH income % of FPL	363%	92%	206%	363%	583%	1006%

Figure 2: Impact by Quintile for California - District 13. Looking at the categories on the bottom of this graph, only the numbers for “Mean Net Benefit” and “Median HH income % of FPL” include all households in a given quintile (FPL = Federal Poverty Line). Numbers for the “Median gain” category do not reflect outcomes for households experiencing a net loss, and vice-versa for “Median loss.”

California - Congressional district No. 13

Percent of households benefited by policy



Mean net benefit (% of income)	\$206 (0.27%)	\$172 (0.33%)	\$322 (0.51%)	\$257 (0.37%)	\$-62 (-0.06%)
Median gain (% of income)	\$314 (0.54%)	\$238 (0.62%)	\$380 (0.78%)	\$355 (0.64%)	\$157 (0.20%)
Median loss (% of income)	\$-183 (-0.31%)	\$-147 (-0.38%)	\$-157 (-0.32%)	\$-193 (-0.35%)	\$-213 (-0.27%)
Median HH income % of FPL	329%	243%	239%	291%	534%

Figure 3: Impact by Race for California - District 13. Minority households tend to have a larger net benefit than white households, given that minorities tend to have lower income and/or more people per household, which are useful predictors of a lower per-capita carbon footprint.

California - Congressional district No. 13

Percent of households benefited by policy

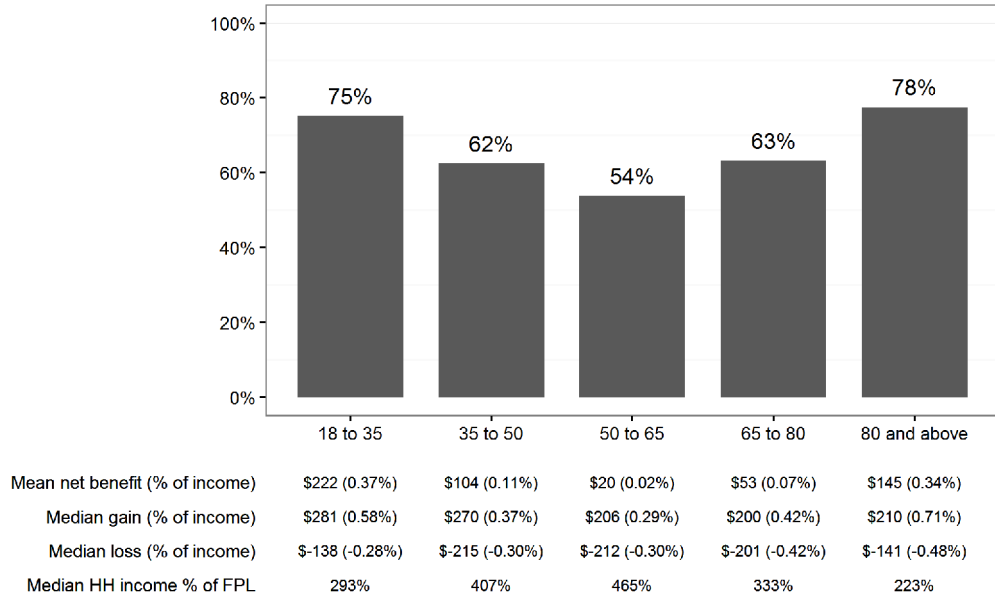


Figure 4: Impact by Age Group for California - District 13. The pattern of benefits across age groups makes sense given the impact of age on both carbon footprints and dividend received. Older households tend to have smaller footprints, reflecting reduced mobility and less consumption as a result of low fixed incomes. Younger households tend to be larger – and therefore benefited by the dividend formula – in addition to less income/consumption in early career.

California - Congressional district No. 13

Percent of households benefited by policy

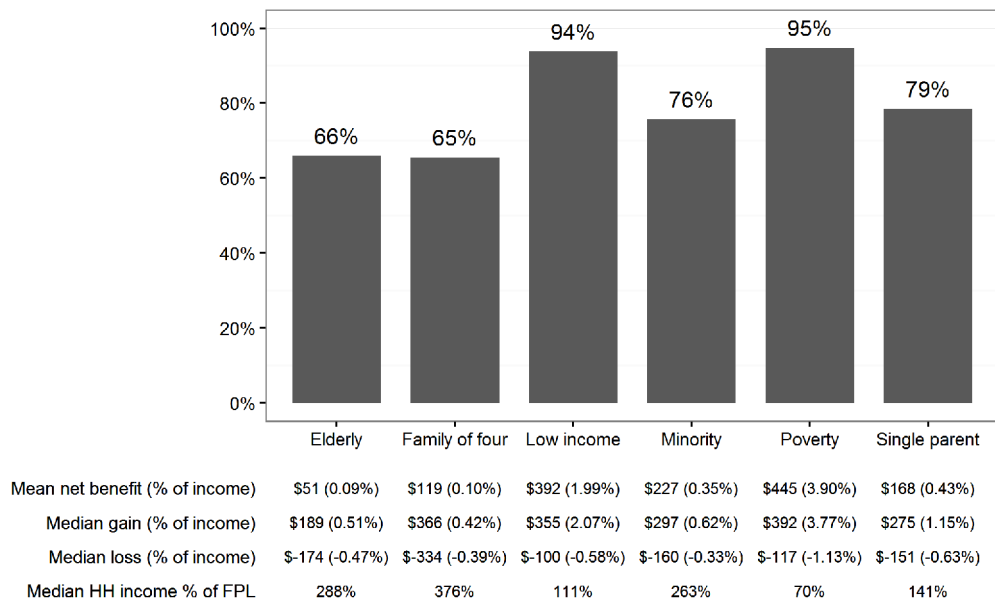


Figure 5: Impact by Household Type for California - District 13. This graph reports data for demographic groups of particular interest to many legislators. “Elderly” households are defined as having a household head age 65 or older, no more than two adults, and no children present. “Poverty” and “Low income” refer to households with income below 100% and 200% of FPL, respectively.