Carbon Pricing and Economic Justice

There are a lot of reasons to support putting a price on carbon pollution and, although it may come as a surprise to some, social justice is at the top of the list. Not only are low to moderate income Vermonters the most vulnerable to the increasing effects of a warming planet, but they also disproportionately suffer from our reliance on fossil fuels. From heating our homes and apartments to driving to work and school, dependence on fossil fuels is a costly and volatile way to energize our lives. The sooner we move towards a clean renewable energy economy, the sooner we all will benefit.

Extreme weather hurts low-income Vermonters

- Extreme heat and cold are the byproduct of a rapidly changing climate. While some with higher incomes can afford to crank the air conditioning or turn up the heat, Vermonters living paycheck to paycheck don’t have that option.
- Violent weather systems like Tropical Storm Irene are especially difficult for low income families in flood zones, mobile homes, as well as the elderly and those on fixed incomes. Low income Vermonters are also less likely to have quality insurance or savings necessary to recover from the increasingly violent weather that is a natural consequence of a warming world.

Our fossil-fueled energy system is especially burdensome for low income Vermonters

- A study by Vermont Law School found that the ten percent of Vermonters with the lowest household incomes spend $2,431 on household energy a year – or 27.7 percent of their annual income. The top 10 percent spend $4,042 on energy, but because their household incomes are so much higher their energy burden is just 1.9 percent of their income.
- An Efficiency Vermont report in 2016 found that the towns with the highest total energy burden (thermal, electricity and transportation costs relative to median household income) also had some of the lowest median household incomes in the state.

Pricing carbon pollution helps low income Vermonters

- Revenue from a price on carbon – be it tax cuts, dividends, or investments can be targeted towards low income Vermonters.
- Almost all of the money we spend on fossil fuels leaves the state. This amounts to about $2 billion that could be creating jobs and income in our local communities.
- States participating in the Regional Greenhouse Gas Initiative – which prices carbon emissions from the electricity sector – have outperformed other economies outside the compact.

“Pricing carbon pollution will help reduce our dependence on fossil fuels while at the same time protecting the most vulnerable Vermonters from shouldering an unfair share of the burden.”

Steve Geller, President, Southeastern Vermont Community Action