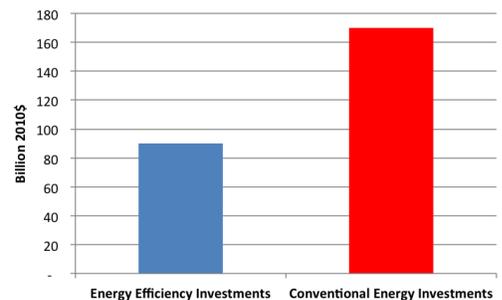


# The Importance of Energy Efficiency to the U.S. Economy

Since 1970, the compound benefits of energy efficiency investments have added up quickly. While our demand for travel, heating, lighting, and other energy services grew dramatically over the past few decades, 74 percent of that growth in energy-related demand was met through new efficiency improvements, compared to 26 percent from conventional energy supply methods. In other words, we are clearly doing more with less—that’s good news.

ACEEE estimates that in 2010<sup>1</sup> \$479–670 billion was spent in the U.S. on energy efficiency goods and services such as energy efficiency program expenditures, sales of ENERGY STAR products, investments in building efficiency improvements, repairs and new construction, trends in manufacturing energy use and investments, and sales of efficient vehicles. The incremental cost of increased energy efficiency (e.g., upgrading from an average refrigerator to an ENERGY STAR model) was \$72–\$101 billion in 2010. This estimate is consistent with studies by others and is significantly greater than our earlier estimate for investments in made in 2004.

**Investments in Energy Efficiency and Conventional Energy Supply in 2010**



By contrast, \$170 billion was spent on conventional energy supply in 2010, which is about twice the investment in energy efficiency. Investments in energy efficiency and the resulting energy cost savings supported about 300,000 jobs in 2010 in the American economy. The productivity of our economy may be currently more directly tied to greater levels of energy efficiency than to energy supply. Energy efficiency could become even more important in the future with policies that support and promote efficiency... **In short, energy efficiency is as important as conventional energy to the economy, and because of efficiency, the economy is more productive for a lower incremental cost.**

The information in this fact sheet largely comes from: Laitner, Skip, 2013, *Calculating the Nation’s Annual Energy Efficiency Investments*. Washington, DC: American Council for an Energy-Efficient Economy.

<http://aceee.org/research-report/e133>

1. This estimate is based on our analysis of available data for 2010—the last year for which reasonably complete data is available on these types of investments.

**Trends for Service Demand, Energy Use, and Energy Intensity, 1970–2012**

