Chart of the Week #2023-32
U.S. Energy Security
As Measured by Affordability

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U.S. Consumer Expenditures on Motor Fuel & Other Energy as a %age of Disposable Income

1954 - 2022

Analysis Based on BEA Data

Energy Policy Research

- 1974 Arab Oil Embargo
- 1979 Iranian Revolution and high inflationary period
- 2008 Financial Crisis
- 2022 Post-Covid Inflation
Energy security is described in three dimensions: availability, affordability, and acceptability.

Affordability is further broken down into domestic and import prices.

One way of measuring affordability is to divide consumer expenditures on motor vehicle fuel and other energy goods by total disposable personal expenditures in order to derive a time-series percentage.

Since the mid-1950s and using inflation-adjusted data provided by the U.S. Bureau of Economic Analysis, the overall trend has been declining from approximately 5% to 2%. However, there have been spikes along the way. These have been caused by things such as foreign supply shocks like the events in the mid-to late-1970s coupled with domestic economic challenges such as high inflation and recessions.

Policy interventions have taken place seeking to mitigate the adverse episodes, but not all with measurable success, and some even with controversy.

This slide deck is available at: https://eprinc.org/chart-of-the-week/

For more information on this chart, please contact Max Pyziur (maxp@eprinc.org).