

50



Where Consumers Go For Help Paying Utility Bills

The National Regulatory Research Institute (NRRI) releases results from its Consumer Utility Benchmark Survey.

Posted to Website April 2003

Hispanic consumers, low income consumers and consumers over age 55 tend to seek help from different sources when they have trouble paying their utility bills, according to NRRI's national survey on customer service by utilities and telecommunications companies. Hispanics go more frequently to friends and relatives than either low-income consumers or seniors. Low-income consumers are more likely to look for help from social service agencies. Consumers over age 55 are more likely to look for help directly from the utility company. The results are important information for state regulatory commissions, utilities and others concerned about consumer education, particularly for sometimes hard-to-reach groups.

As Figure 1 shows, the survey results suggest that when those of Hispanic origin look for help, close to half think first of friends or relatives. (Hispanics are indicated by the yellow bar; all others, by the red one. Respondents could make more than one choice.) Non-Hispanics are also likely to go to a friend or relative for help, but not to the same degree. Non-Hispanics are more likely than Hispanics to contact the utility that sent them the bill. The 380 Hispanics who responded to the survey are also more likely to go to state government for help than non-Hispanics.

Figure 2 shows results for the same question by income. The low-income consumers appear more connected to social service agencies than Hispanics or at least more willing to approach them.

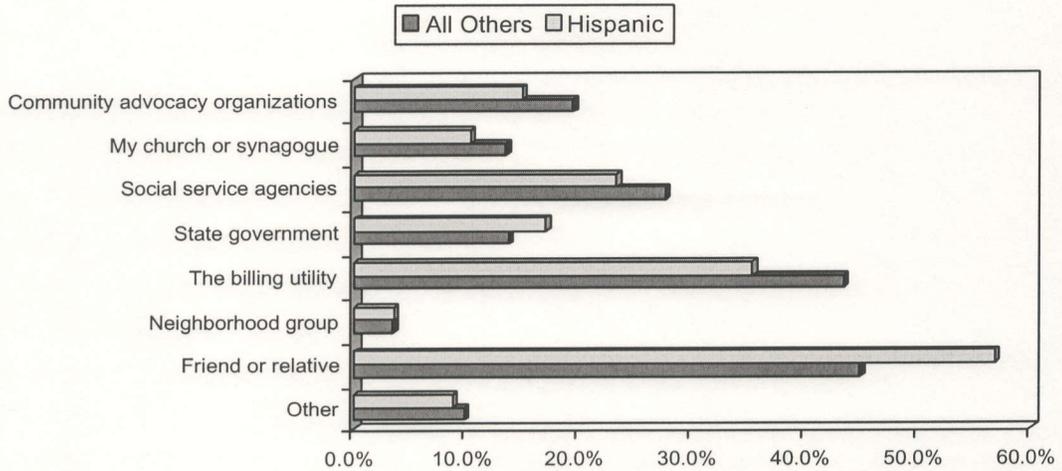
The results could suggest that utilities and commissions need to assess their outreach to Hispanic customers to inform them of programs like Lifeline and Link-Up. Nontraditional consumer education such as grass-roots campaigns might be more appropriate for hard-to-reach groups such as Hispanics.

Figure 3 shows where people aged 55 and above say they would go to get help, compared to all the respondents in the survey who were younger than 55. This

age cohort relies much less on people close to them, compared to younger people, and much more on the utility company.

A total of 18,793 Internet users offered opinions on their utility service quality in a survey conducted by the National Regulatory Research Institute and BIGresearch between Jan. 9, 2003, and Feb. 3, 2003. The purpose of the survey was to provide state public utility commissions, utilities, telecommunications industries and other stakeholders with insights into consumer perceptions of utility service, as well as the impact of competition on consumer perceptions of utility service and prices.

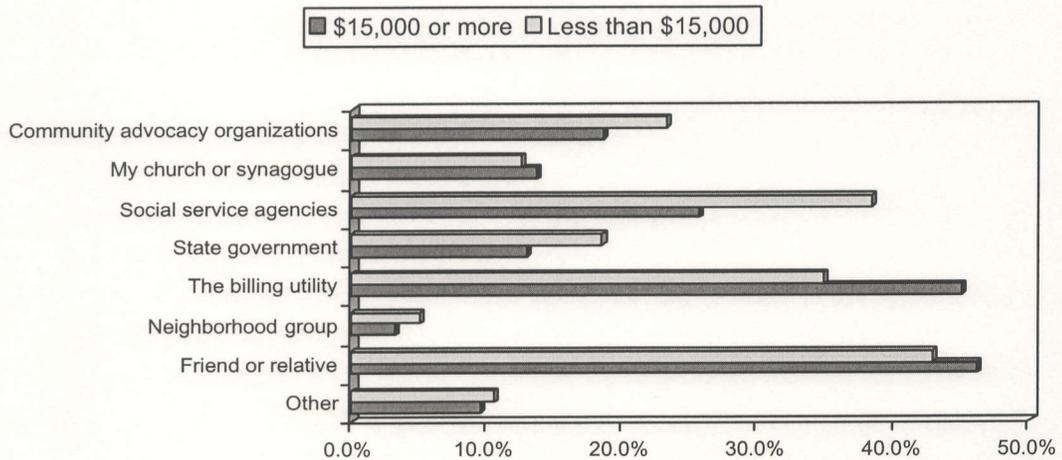
Finding Help Paying Utility Bill: Hispanic vs. All Others



Source: NRRI/BIGresearch, FEB-03, n=18,793

Fig. 1. Finding help paying utility bill: Hispanic vs. all others.

Finding Help Paying Utility Bill: Less than \$15,000 vs. \$15,000 and more



Source: NRRI/BIGresearch, FEB-03, n=18,793

Fig. 2. Finding help paying utility bill: Income of less than \$15,000 vs. \$15,000 and more.

Finding Help Paying Utility Bill: 55 and above vs. less than 55

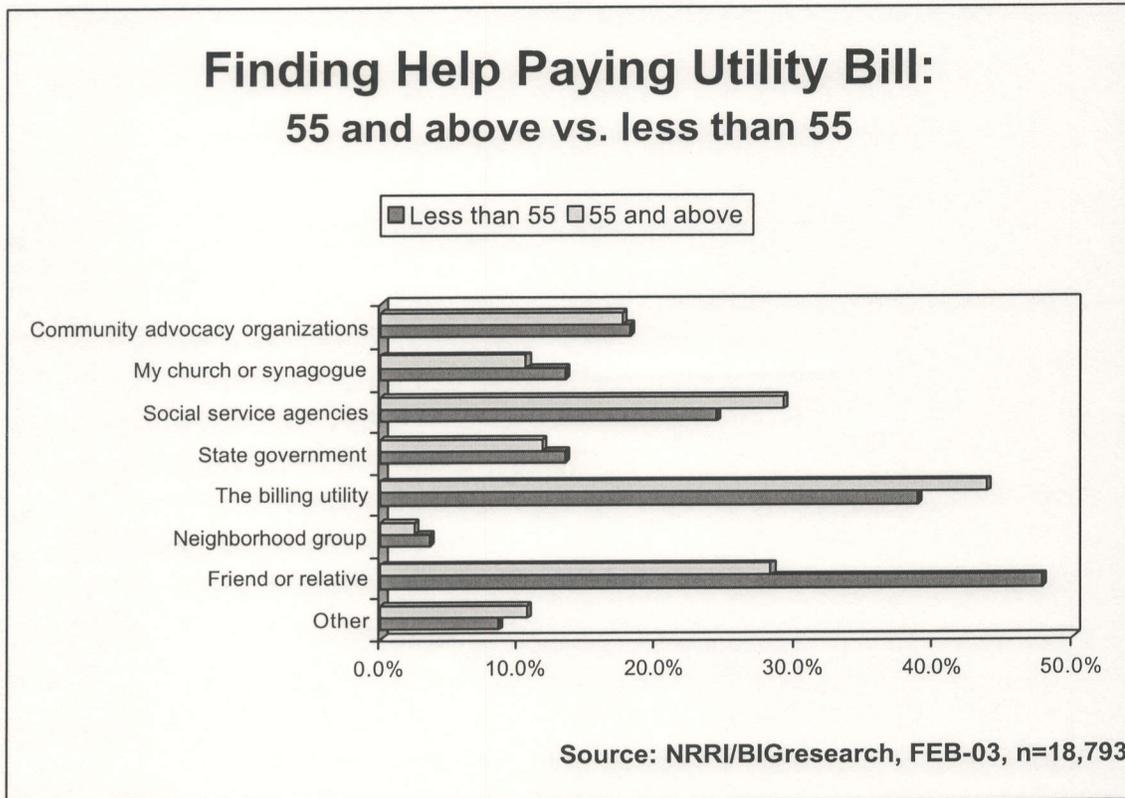


Fig. 3. Finding help paying utility bill: Age less than 55 and 55 and above.

CONTACT

Vivian Witkind Davis, Ph.D.

Davis.241@osu.edu

(614) 292-9423

The NRRI was established by the National Association of Regulatory Utility Commissioners in 1976 at the Ohio State University. The NRRI provides client-driven research and services to inform and advance regulatory policy. NRRI programs of regulatory research and service include utility infrastructure; utility markets; consumer affairs and education; and commission organization, process and development. <http://www.nrri.ohio-state.edu>.

BIGresearch is a consumer market intelligence firm that provides unique consumer insights that are gathered online utilizing very large sample sizes. BIGresearch's syndicated *Consumer Intentions and Actions* survey monitors the pulse of more than 7,000 consumers each month providing insights for identifying opportunities in today's competitive and changing marketplace. <http://www.bigresearch.com/>.