

# Financing the Revolution

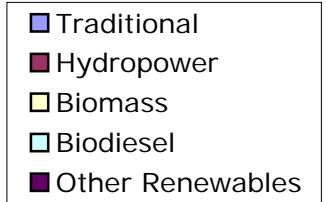
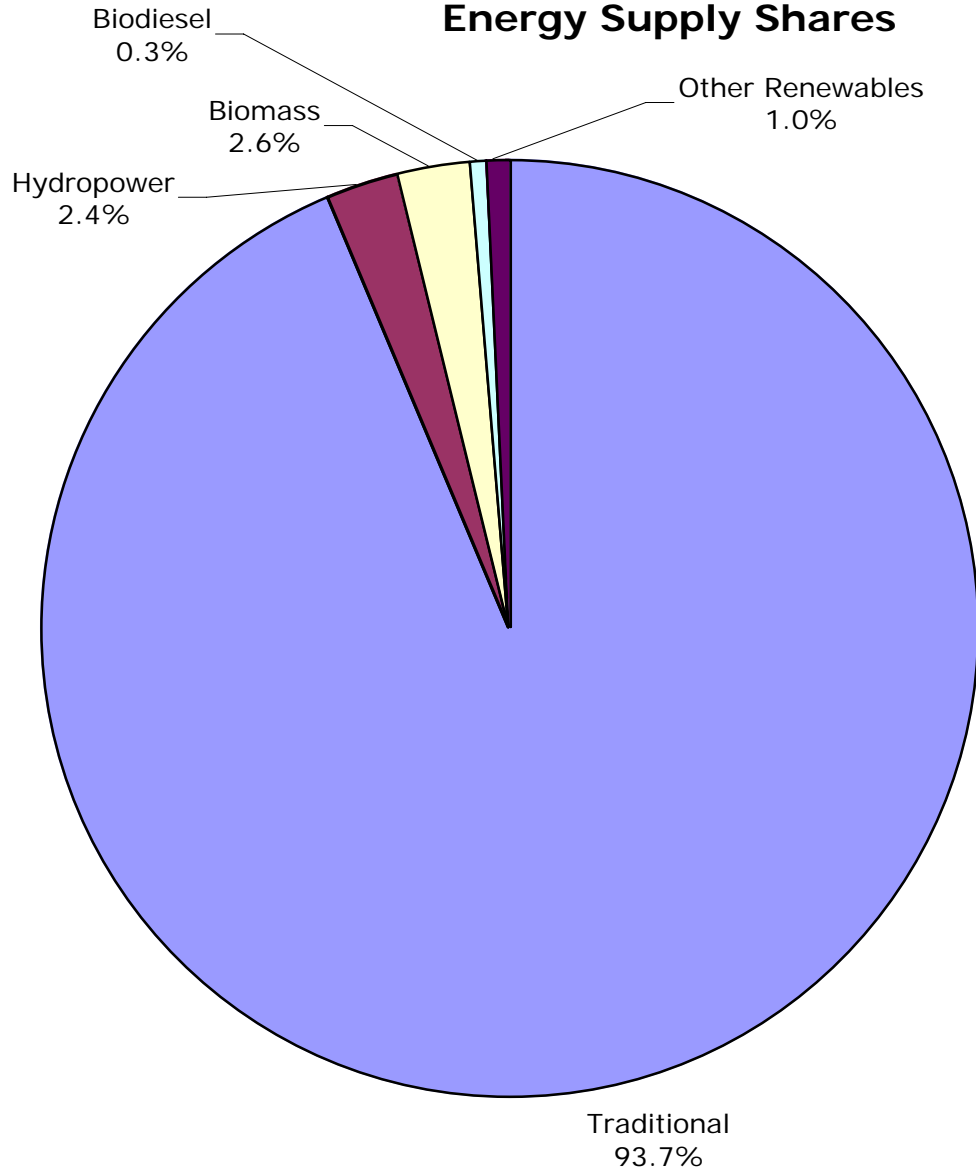
James P. Barrett

Chief Economist

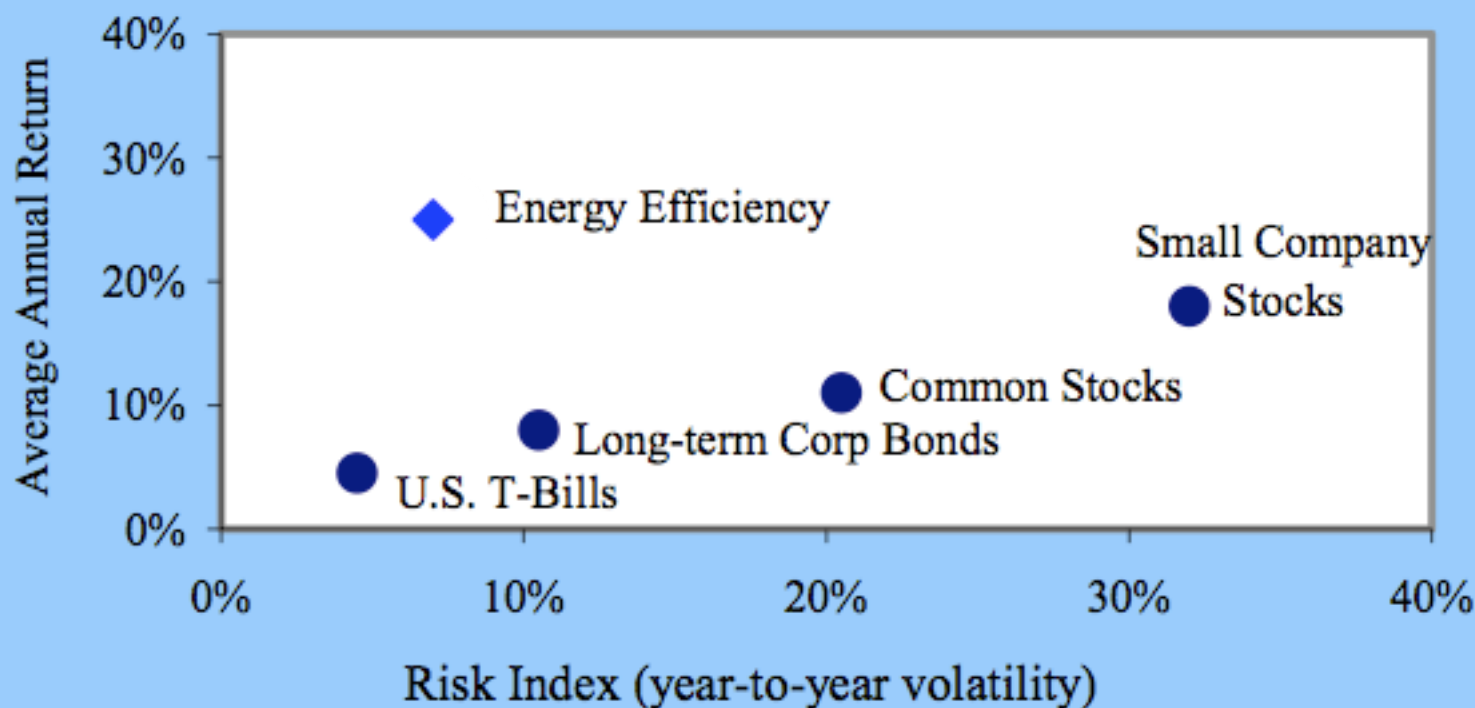
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# Energy Supply Shares



## Efficiency Investment Risks and Returns



Source: Adapted by ACEEE from the U.S. EPA and the Vanguard Group

453 x 8.4 ≠ Industrial Revolution

Cost of Capital (Treas.)	2.5%
Administrative Cost	+ 1.5%
Risk Spread (Unsecured)	+ 4.0%
Cost of Lending	8.0%

Loan Size	\$5000
Term	7 Years
Interest Rate	8%
Monthly Payment	\$78

Loan Size	\$5000
Term	7 Years
Interest Rate	8%
Monthly Payment	\$78
Annual Energy Bill	\$2,500
Energy Cost Savings	30%
Implied ROI	15%
Monthly Cost Savings	\$63

Loan Size	\$5000
Term	15 Years
Interest Rate	6%
Monthly Payment	\$42
Annual Energy Bill	\$2,500
Energy Cost Savings	30%
Implied ROI	15%
Monthly Cost Savings	\$63



# Prime Auto

Average Rate	6.19%
FICO Scores	750-800
Repossessions	1.5-2.5%
Average Term	5.5 Years

# Unemployment Rate by Ethnicity

