

THE FIGHT TO PRESERVE WATER ACCESS AND AFFORDABILITY

What's The Problem With Our Current System?

Since peaking in 1977, federal funding for water infrastructure per capita has been cut by 82 percent¹. As a result of the deep cuts in federal funding, public water utilities are increasingly reliant on rates to generate revenue. In other cases, public water utilities turn toward privatization as a quick fix to decades of disinvestment in its aging infrastructure, despite a track record of private water failures. In the end, ratepayers always foot the bill.

Water rates have skyrocketed across the country in recent years. Water service is deemed affordable when it is no more than 3% of someone's household income. Prior to the COVID-19 pandemic, nearly 15 million households were already unable to afford their water bills, after seeing their rates increase more than 40% since 2010². The highest shutoff rates were disproportionately in cities with high poverty rates, high unemployment rates and people of color. It is estimated that by the end of 2022, more than a third of all households across the nation will be unable to pay their water bill, being billed more than 3% of their income³.

What Impact Does This Have on our Communities?

Few utilities provide real water affordability programs for their community. Many utilities offer insufficient assistance programs that do not meet the needs of low-income families. Water assistance programs often provide temporary, emergency assistance to ratepayers. Affordability programs, such as percentage of income billing, keep water bills at a capped rate, affordable for low income families⁴. Bills won't rise until their income does. Assistance programs, such as a flat discount or one time credit, offer some help, but still leave many with bills they can't afford.

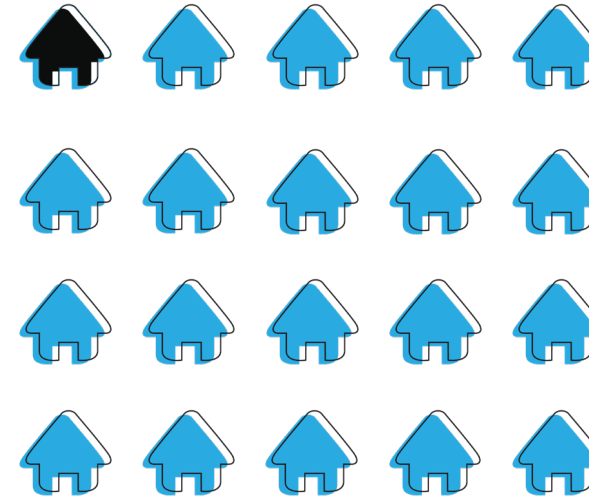
Families who still cannot afford their bills face cruel collections mechanisms as a result, including water shutoffs and tax sale foreclosures. In one year alone, research showed 15 million people experienced water unaffordability, resulting in water shutoffs⁴. The highest shutoff rates were disproportionately in cities with high poverty rates, high unemployment rates and people of color. As the Coronavirus continues to move through the U.S., millions of people remain unemployed and underemployed⁶, with low-paying jobs in the retail, service and hospitality sectors being hit the hardest — industries that disproportionately employ black and brown workers. It becomes nearly impossible for people with existing debt and no income to catch up on past due bills.

An unaffordable bill is just that, unaffordable. But, ratepayers are hit even harder when Wall Street owns their water. Why? Public utilities use rates to pay for operating and capital expenses, like upgrades to infrastructure and service delivery. Private utilities also carry these expenses, with the added expense of paying out shareholders. Privatized water systems typically charge 59 percent more⁷ for water service than local government utilities. And if that water system is controlled by a private equity firm, ratepayers should expect even higher bills- like Bayonne, NJ. Above all, privatized water systems must deliver "superior shareholder return" and companies promise shareholders their returns even during crises, and even during a pandemic.

Quick Facts

- An analysis of 12 diverse cities shows the combined price of water and sewage increased by an average of 80 percent between 2010 and 2018.
- Fifteen million people in the U.S. experienced a water shutoff in 2016, or a shocking 1 out of every 20 households.
- The highest shutoff rates were disproportionately in cities with more people living in poverty, more unemployment and more people of color.
- Water affordability programs are not the same as water assistance programs. Water affordability programs are permanent, tiered and based on a percentage of a ratepayers income, like the Philadelphia Tiered Assistance Program (TAP). Water assistance programs provide temporary, emergency assistance to ratepayers. Both are necessary.

In 2016, 1 out of every 20 households in the U.S. experienced a water shutoff.



Rampant disinvestment in our public utilities, redlining, and neglect of Tribal water rights are major barriers to affordable, accessible water. People of color, specifically, Black and Indigenous households are disproportionately impacted by utility disconnections compared to other races⁸. Although Black and White households receive notices at similar rates, Black households are disconnected more frequently. While black households make up approximately 14 percent of U.S. housing stock, they represent 29 percent of the total disconnections⁹.

In the midst of a pandemic, millions of people across our country are at risk of losing access to water. The COVID-19 financial crisis has cost tens of millions of people their jobs and wages; unaffordable bills, including water bills, are all that's left. When utilities send families sky-high bills, many municipalities will shut off water service to try and compel people to pay. But when people can't access water, they're at risk, and so are our communities. All residents should have running water, regardless of ability to pay. Service disruption because of inability to pay is a form of punishment against poor and black and brown residents.

How Do We Fight Back?

We MUST Pass the WATER Act. The WATER Act is the most comprehensive approach to improving our water systems and helping ensure that every person has access to safe and clean water in the United States. We need a major federal investment in our public water infrastructure to renovate our nation's old water pipes. The WATER Act will simultaneously deliver water justice to the millions of people in the United States who lack access to safe water, while creating nearly a million jobs.

We MUST Ban Water Shutoffs Because of Inability to Pay. Access to safe drinking water is critical in protecting public health. In the face of the Coronavirus, many cities and states issued moratoriums on water disconnection. Voluntary moratoriums are important, but mandatory moratoriums ensure every household has access to water - during and after the pandemic ends.

Sources:

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