



**HIRI**

HOME IMPROVEMENT  
RESEARCH INSTITUTE

# Motivating Homeowners to Pursue **Energy Retrofits**

# Motivating Homeowners to Pursue Energy Retrofits

Energy efficiency and renewable energy have been part of the home improvement conversation for decades, but today's market presents a more layered challenge. HIRI's Government Incentives and Energy Retrofit study reveals that while adoption of energy-efficient upgrades is broad, it is also uneven, shaped by income, age, geography, and differing levels of trust and awareness. Understanding these nuances can help manufacturers and retailers better align communications and product strategies with homeowner needs.



# Broad Adoption Driven by Practical Necessity

More than eight in ten homeowners have completed an energy retrofit in the past five years, led by **essential upgrades** such as energy-efficient windows and doors, improved insulation, and high-efficiency HVAC systems. These **necessity-driven improvements** reflect the **strong influence** of rising energy costs, aging equipment, and the promise of long-term household savings. **Discretionary technologies**, including solar panels, battery storage, and EV charging stations, **lag behind** significantly in comparison.

## Adoption Is Strongest Among Young, Affluent, and Urban Homeowners

The study shows that retrofit participation is closely tied to **capacity**. **Younger and higher-income** homeowners are far more likely to have completed energy-efficiency projects, while adoption falls among **older and lower-income groups**. Urban households also outpace rural households in both completed and planned retrofits, reflecting differences in familiarity with incentive programs, confidence in return on investment, and access to qualified support.



### More Likely to Retrofit

Younger Generations

Higher-Income

Higher DIY Skill Level



### Less Likely to Retrofit

Older Generations

Lower-Income

Lower DIY Skill Level

# Looking Forward: Planned Projects Center on Practical Efficiency

Looking ahead to the next 12 months, **six in ten homeowners** are planning an energy-efficient upgrade. Their focus remains on **pragmatic improvements** such as new windows and doors, smart thermostats, improved insulation, and water-saving plumbing fixtures. Aspirational upgrades—including solar, heat pumps, and EV charging—remain **secondary priorities**, though interest increases among **younger, urban, higher-income, and advanced DIY** households. **Government incentives** act as an accelerant, influencing planning nearly **twice as much** as familiarity alone.

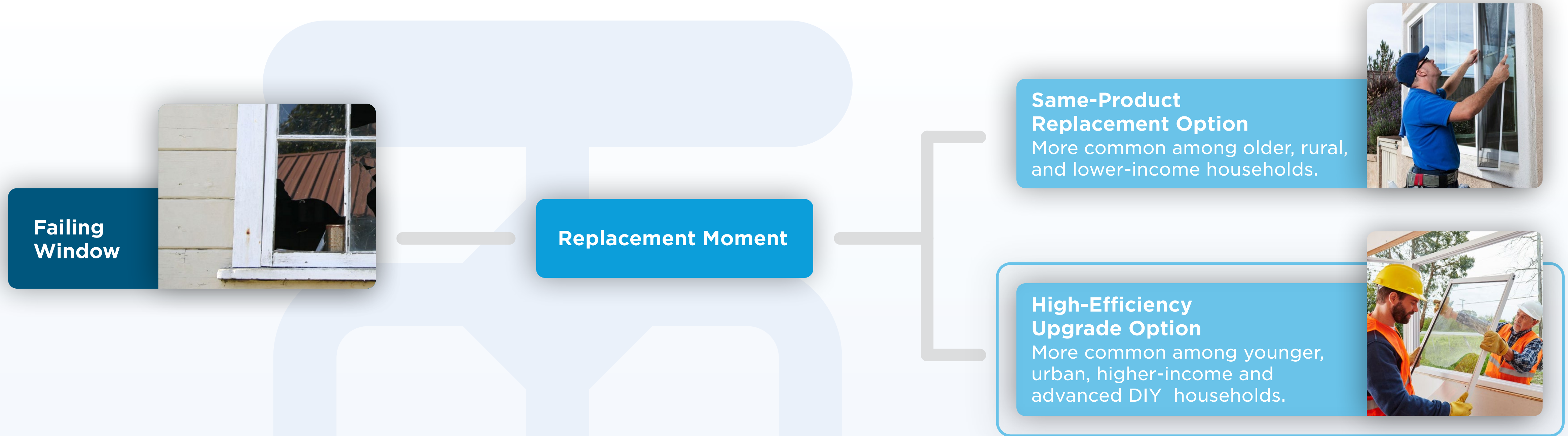
## What Motivates Homeowners to Invest

**Practicality** is the dominant force. Homeowners are most motivated by lowering utility bills, protecting against rising energy costs, maintaining or increasing home value, and replacing old equipment. For **Millennials, Gen Z, and urban homeowners**, improving air quality, reducing environmental impact, and adopting innovative technologies carry more weight.

This shift underscores important **differences** in how segments perceive **value beyond cost savings**.







# The Repair-Replace Moment as a Trigger

Replacing old or failing equipment is a key inflection point, with many homeowners choosing to **upgrade** to more efficient or renewable options when a **replacement is already required**. The study confirms that efficiency upgrades are perceived as providing **better long-term value**, making this a **critical moment** for product messaging, retail recommendations, and contractor influence.

# Incentives Amplify Existing Motivations

Although government incentives rarely serve as the primary motivation, they meaningfully **influence decisions**—especially among younger, urban, higher-income, and advanced DIY households. Older, rural, and lower-income homeowners remain less responsive, often because incentives feel **less accessible or credible**.

Incentive programs work best when aligned with practical triggers such as **equipment replacement or expected cost savings**.

# Barriers That Manufacturers Can Address

**Cost** is both a motivator and a barrier, particularly for **lower-income and older homeowners** who remain skeptical about ROI timelines. Many homeowners are **unsure** whether they qualify for incentives, and **fewer than one in five** report high familiarity with programs.

Awareness declines significantly with **age, income, and lower DIY skill levels**, pointing to a **critical gap** in clarity and communication across segments.

Manufacturers can play a pivotal role by **addressing these concerns directly**—clarifying eligibility, simplifying messaging about expected savings, and building trust with segments that remain doubtful. Highlighting short- and long-term cost savings alongside clear ROI explanations can help **reduce hesitation and build confidence**.

## Using Research to Tailor Messaging

HIRI’s Government Incentives and Energy Retrofit study offers a comprehensive view of adoption patterns, motivators, barriers, and demographic differences. For **manufacturing brands and retailers**, these insights can support messaging that emphasizes **affordability and trust**, aligns product recommendations with **practical upgrade triggers**, and better **educates consumers** on incentive eligibility.

Dive deeper into the data to understand homeowner behavior across **attitudinal and demographic segments**. HIRI members have access to the full report along with additional home improvement research that can support strategy, product positioning, and customer engagement.

[Access the Full Report](#)

## Homeowner Barriers & How to Address

### Cost

▶ Highlight Cost Savings  
Clear ROI Explanations ◀

### Skepticism

▶ Build Trust with Doubtful Segments ◀

### Lack of Familiarity with Government Incentives

▶ Clarify Eligibility ◀



# Unlock \$1M in Industry Insights

Join 100+ Leading Companies with On-Demand, Unlimited Access to Home Improvement Research

## Executives Across Business Units Are Able To:

- Understand Key Purchase Drivers in the Evolving Marketplace
- Understand Pro and Consumer Attitudes and Behaviors
- Increase Organization ROI
- Identify Emerging Opportunities & New Revenue Streams

## Directors & Managers Use HIRI Research To:

- Extend Departmental Budgets and Increase ROI
- Be Better Informed to Execute on Departmental Initiatives
- Drive Decisions with Authoritative Customer- and Market-Centric Research

## Customer Insights Analysts & Researchers Are Able To:

- Spend Less Time on Data Collection
- Provide Well-Rounded Analysis to Executives
- Decrease Turnaround Times
- Leverage Historical Data to Inform Leadership's Understanding of Emerging Questions of the Day

## Perks of a HIRI Membership

- ★ \$1M in up-to-date, primary market research conducted by industry recognized researchers at The Farnsworth Group
- ★ No limits on the number of users with full access to HIRI resources within each organization
- ★ On-demand access to raw data files alongside a Research Report on every study
- ★ Support from HIRI's research specialists
- ★ Member exclusive participation rights in the annual HIRI Summit. The HIRI Summit facilitates presentations by leading home improvement industry experts so that HIRI members maintain a comprehensive understanding of how to stay ahead of the changes impacting the home improvement market.



Join the Ranks of 100+ Leading Companies Driving the Home Improvement Industry

**Contact Dave King**



801-669-0866



dking@hiri.com



meetings.hubspot.com/dking17

**Learn More About HIRI Membership**



# HIRI

HOME IMPROVEMENT  
RESEARCH INSTITUTE

**Book a Consultation to Learn More  
About HIRI Membership**

[Learn More](#)