



## Local Self-Reliance

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<http://www.motherearthnews.com/Nature-Community/1978-07-01/Energy-Industry-Boom.aspx>

*By the Mother Earth News editors*

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For the past several years, the good folks at the Institute for Local Self-Reliance in Washington, D.C. have worked to help urban residents gain greater control over their lives through the use of low-technology, decentralist tools and concepts. We strongly believe that more people (city dwellers and country folk alike) should be exposed to the Institute's efforts ... which is why we're now making this "what's happening where" report by ILSR staffers one of MOTHER's regular features.

Wall Street has its ups and downs, and economic trends are as hard to predict as ever, but most financial wizards are agreed on one thing: Energy-related industries are experiencing a "boom" right now . . . a boom that can be expected to continue right on through the next decade. Experts point out that in the solar industry alone, sales could reach \$1 billion by 1980. . . perhaps \$10 billion in 1985.

This upsurge in energy-related business activities presents an unusual opportunity for community development corporations, civic groups, and entrepreneurs. Energy-related manufacturing, installation, and service enterprises can in many cases be started with very little capital . . . and once launched such enterprises can fill an important niche in the community by creating jobs, providing training, and reducing local residents' energy needs.

Most important (from a community development standpoint), such new manufacturing/installation/service businesses can provide long-term employment for jobless residents who have not had sophisticated training or prior experience in energy systems.

Here are just a few energy-related businesses that the Institute for Local Self-Reliance has examined in some detail:

### **CELLULOSE INSULATION.**

The demand for cellulose insulation (which is made by mixing fire-retardant chemicals with pulverized newspaper) is currently at an all-time high. In at least one state, there's a six-month backlog in orders for the material. The amount of capital required to open a cellulose insulation plant, however, is prohibitive for the

typical community development corporation.

Instead of jumping right into the manufacture of cellulose insulation, then, a community group might choose to enter the industry with a combined newspaper recycling operation and home insulating service. In this setup, the company would buy and pick up newsprint from individual homes and offices . . . haul the paper to the nearest cellulose insulation plant (where it would be exchanged for a somewhat smaller quantity of ready-to-use insulation) . . . and send workers out to insulate private customers' homes.

A typical operation of this type could (we feel) deliver 40 tons of newsprint weekly in exchange for approximately 550 25-pound bags of insulation ... enough to complete 10 average insulation jobs (at \$500 each). On this scale, a total of 10 installers, four truckers, and six office workers could be employed. Total monthly operating expenses would run close to \$19,000.

## WINTERIZATION ANALYSIS SERVICE.

There are plenty of contractors in the U.S. who are willing and able to winterize homes . . . however, the demand by consumers for winterization services has been as large as contractors had hoped. The contractors we've interviewed believe that this reluctance of homeowners to winterize is a result of customers not knowing exactly what kind of work needs to be done, how much it'll cost, who to do it, and what the potential saving (through lower heating bills) will be. A simple, retrofit-oriented home inspection service could answer all these questions on a house-by-house basis, at a nominated cost to the homeowner.

An analysis service of this type (which -like a home insulating service-could be launched with very little "upfront" capital) might do between 200 and 300 jobs per month-at \$25 each-and employ eight persons: five in the field and three clerical workers. Monthly operating cost would run between \$5,000 and \$8,000.

**SOLAR WATER HEATER INSTALLATION.** The real bottleneck in the solar industry right now lies not in the manufacture of equipment, but in the distribution and installation of space-heating and water-heating systems. Of the two types of systems, water heating is less complex (and more cost-effective). A solar water heating system can usually be fitted into an existing hot water setup . . . and the assembly of such a system from stock components requires no hard-to-learn skills.

A small business geared to the installation of solar water heaters would probably do well-in the beginning-to use partially assembled manufacturers' kits. Later, the business might assemble collectors from component parts. ILSR has determined, that an enterprise which could do two installations a day would employ four regular workers in the field, a supervising master plumber, and two office workers. The enterprise would have monthly operating expenses of between \$4,900 and \$8,500, and would charge from \$1,350 to \$1,425 for a standard installation.

These are just a few of the possible ways community groups can get into the energy business. If you're interested in learning more about such activities-the start-up capital needed, problems relating to markets and equipment, helpful organizations and contacts-you'll want to read *Starting Your Own Energy Business*, a new publication from ILSR (and from which the preceding ideas and figures were taken). To obtain a copy, send \$4.00 (plus 25¢ postage) to ILSR at the address shown below. . . and ask for *Starting Your Own Energy Business*.

To get on the mailing list for ILSR's bi-monthly magazine, *Self-Reliance*, send \$6.00 to ILSR, 1717 18th St. N. W., Washington, D.C. 20009. Better yet, become an associate member of the Institute (and-in addition to receiving their magazine-obtain a 20% discount on ILSR publications) by sending \$25 (\$19 of which is tax-deductible) to the above address?-MOTHER.

