



# Support LIHEAP

Low-Income Families Depend On It

## 10 Reasons Why Congress Should Fully Fund LIHEAP

1. Since 1981, the Low Income Home Energy Assistance Program (LIHEAP) has helped millions of vulnerable Americans pay their energy bills. According to the National Energy Assistance Directors Association (NEADA), more than 90 percent of LIHEAP recipients have at least one elderly household member, disabled household member, or child in their homes.
2. Congress must appropriate funds for LIHEAP each fiscal year (FY). There are two types of program funding—base formula funding that is allotted to the states based on a formula prescribed in the statute and contingency funding that allows the President to supplement regular appropriations in response to extreme weather conditions or spikes in energy prices.
3. LIHEAP is an efficient and targeted program with low overhead costs. States are mandated to spend no more than 10 percent of allocated funds on administrative costs, and state block grants flow directly to local agencies rather than to consumers.
4. Nearly 9 million households (approximately 23 million people) received LIHEAP funds in FY 2011. And while LIHEAP was fully funded at the authorized \$5.1 billion level in both FY 2009 and FY 2010, the program still was able to serve only 1 out of every 5 eligible households.
5. To be eligible for LIHEAP assistance, families must have incomes at or below 150 percent of the federal poverty level or 60 percent of the state's median income level. The majority of LIHEAP recipients fall well below these minimum requirements.
6. Low-income families dedicate a large and disproportionate amount of their budgets to energy costs. According to a recent study by the American Coalition for Clean Coal Electricity, the average U.S. consumer spends about 11 percent of his/her monthly budget on energy costs, while low-income families spend up to 24 percent. The greatest costs fall upon the poorest families: those earning less than \$10,000 a year spend a staggering 78 percent on energy bills. While the need for LIHEAP funding is great, particularly during the peak winter heating and summer cooling months, the average grant this year will be only \$308.
7. The struggling U.S. economy has increased the number of Americans in need of and applying for LIHEAP assistance in recent years. In 2010, the number of Americans living in poverty reached an all-time high at 46.2 million or 15.1 percent of the overall population. According to NEADA, LIHEAP households face many challenges in addition to their energy bills, including unemployment, unhealthy home conditions, and medical issues.
8. There has been a dramatic rise in the number of LIHEAP households with at least one member who has served in the military. According to NEADA, the number of veteran households served by LIHEAP jumped from 700,000 in FY 2008 to 1.78 million in FY 2011, which represents an increase from 12 percent to 20 percent of total LIHEAP recipients.
9. Despite overwhelming demand for energy assistance and strong bipartisan support for the program, President Obama is proposing to cut funding for LIHEAP even further in FY 2013. Such a drastic funding cut would impact at least 1 million low-income U.S. households, NEADA warns.
10. Returning LIHEAP funding to \$5.1 billion in FY 2013 is the most immediate and direct way that Congress can ensure that states will receive the funds necessary to provide both heating and cooling assistance to Americans in need.