

LIHEAP Funding Levels Must Be Increased

Low-Income Families Need Energy Assistance Now More Than Ever

Rising gasoline and energy prices are affecting all energy consumers—industrial, commercial, and residential. However, low-income consumers are especially vulnerable to rising prices and need immediate and increased relief from the federal government.

To help address significantly higher energy prices this year, Congress should support an \$800-million increase in LIHEAP funding for this year. In December 2007, President Bush signed a \$560-billion omnibus appropriations bill that contains nearly \$2.57 billion for LIHEAP, including almost \$586 million in emergency contingency funds—whose availability to low-income households depends upon release by the Administration. In fiscal year 2006, LIHEAP funding totaled \$3.2 billion. An additional \$800 million for fiscal year 2008, divided equally between block grants and emergency funding, would enable LIHEAP to help more of the eligible at-risk households.

Increased funding for LIHEAP is the most immediate and effective way to ensure that states will receive the funds necessary to provide assistance to this country's most vulnerable citizens during the winter heating and summer cooling seasons.

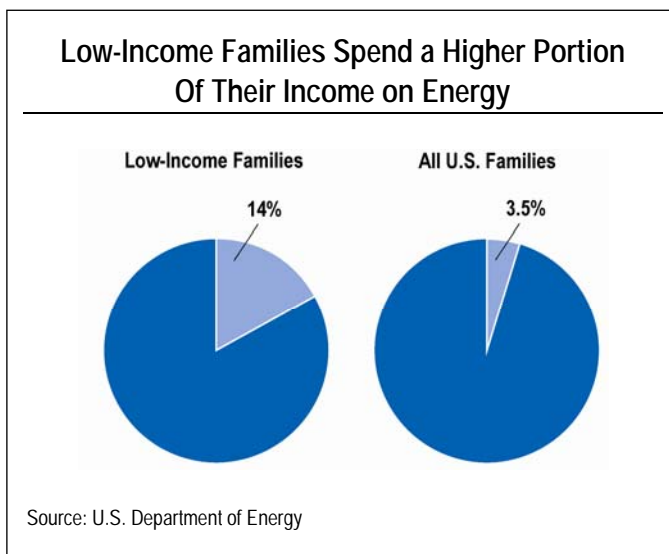
LIHEAP Helps Eligible Families with High Energy Burdens and Special Needs

LIHEAP is the federal government's primary source of home energy assistance for the poor. LIHEAP is a block grant to states, the District of Columbia, U.S. territories and commonwealths, and qualified Indian tribes, to provide home energy assistance for needy households. Funds can be used for many types of energy assistance, including heating and cooling, crisis intervention, low-cost residential weatherization, and other energy-related home repairs.

High Energy Prices Often Have the Greatest Impact on Those Who Can Least Afford Them

A low-income family spends a greater percentage of its income on energy costs than other families. Low-income households spend 14 percent of income on energy; most households spend 3.5 percent.

To be eligible for LIHEAP assistance, families must have incomes at or below 150 percent of the federal poverty level. In fact, two-thirds of LIHEAP families earn less than \$8,000 per year. These households must often spend 30 percent or more of their total income on heating costs alone; cooling costs add an additional burden. As a result, many must choose between paying their energy bill and buying food or medicine.



LIHEAP Funding Levels Have Not Kept Pace With Increasing Need

LIHEAP funding is dependent on federal appropriations, meaning that the amount granted to the program varies from year to year. Since LIHEAP's inception, the number of households eligible for assistance has increased 78 percent—yet, in fiscal year 2006, LIHEAP served less than a quarter of the 24.4 million eligible households. Because federal funding has not kept pace with the growing need, an increasing percentage of eligible families simply cannot get help and are forced to make difficult choices between feeding their families and paying their energy bills. For vulnerable individuals and households, LIHEAP makes a real difference in their ability to address such formidable challenges.

Energy Assistance to Low-Income Households Must Be Increased

Energy is a necessity for all households, and often those who are least able to afford high energy prices face the largest bills as a percentage of their income. LIHEAP should be expanded and funding increased to assist low-income households with paying their energy bills. Unless funding is increased, high energy prices will overwhelm this country's most vulnerable citizens.

To help address significantly higher energy prices, Congress should support an \$800-million increase in LIHEAP funding for this year. Increased funding for LIHEAP is the most immediate and direct way to ensure that states will receive the funds necessary to provide both heating and cooling assistance to low-income households.