



# 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 13 million people) received LIHEAP funds last year. 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 disproportionate amount of their budgets to energy costs. While the average U.S. consumer spends about 6 percent of his/her monthly budget on energy costs, low-income families spend up to 30 percent, particularly during the peak winter heating and summer cooling months.
7. The struggling U.S. economy has forced more Americans to apply for LIHEAP assistance in recent years. According to a NEADA study, LIHEAP households face many challenges in addition to their energy bills, including unemployment, unhealthy home conditions, and medical issues.
8. NEADA estimates that the average LIHEAP grant was \$481 in FY 2010.
9. Despite overwhelming demand for energy assistance and strong bipartisan support for the program, President Obama is proposing to cut funding for LIHEAP in half in FY 2012. Such a drastic funding cut would impact at least 3.1 million low-income U.S. households, NEADA warns.
10. Maintaining LIHEAP funding at \$5.1 billion in FY 2012 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.