

ABSTRACT

NATIONAL ENERGY ASSISTANCE SURVEY REPORT

In FY 2004 LIHEAP will provide close to \$2 billion in heating and cooling assistance to more than 4.9 million low-income households throughout the United States. The National Energy Assistance Directors' Association (NEADA), representing the state directors of the Low Income Home Energy Assistance Program (LIHEAP), contracted with APPRISE Incorporated to conduct a national survey of 2,161 LIHEAP recipients to collect information on the choices made by households in FY 2003 when faced with high energy bills. Among the findings of the study:

Who Receives LIHEAP? The majority of households have at least one member who is disabled (43%), elderly (41%), and/or have a child under the age of 5 years old (18%). Most families are very low-income: 74% have incomes below \$15,000 and 50% have incomes below \$10,000. Almost 43% are homeowners, 36% are working or self-employed and 36% are retired. In addition, 31% were unemployed at least sometime during the year. LIHEAP families pay on average 13% of their family income for total residential energy costs, as compared to 3% for all other families.

Does LIHEAP Make a Difference? The survey found that LIHEAP is essential in helping a large number of low-income Americans meet their home energy needs. Furthermore, LIHEAP assistance reduces the percentage of household income spent on total residential energy costs from 14% to 11%. Before LIHEAP, only 9% of the recipient households had energy burdens of less than 5%, and after LIHEAP the proportion increased to 27%. Of even greater significance, the percentage of families with energy burdens above 25% of income declined from 12% to 4% with LIHEAP benefits. This reduction was achieved through a relatively small average grant of \$313 in FY 2003.

Despite the small grant, the findings point to very large benefits:

88% of recipients said that LIHEAP has been very important in helping meet their needs; another 8% said it was somewhat important.

- 62% of those who lost their heat due to an inability to pay their energy bills said that LIHEAP helped to restore their heat.
- 54% of recipients said that they would have kept their home at an unsafe or unhealthy temperature if LIHEAP had not been available.
- 48% of recipients said that they would have had their electricity or home heating fuel discontinued if LIHEAP had not been available.

Unaffordable energy bills have serious, long-term impacts on families. In the past five years:

Impact on Health: 22% went without food for at least one day, 38% of LIHEAP recipients went without medical or dental care, 30% went without filling a prescription or taking the full dose of a prescribed medicine, 21% became sick because their home was too cold, 7% became sick because their home was too hot, and 5% reported that an illness resulted in a doctor or hospital visit. Of growing concern, 20% of recipients said that they were not able to pay their energy bills due to medical expenses.

Impact on Shelter: 28% did not make a rent or mortgage payment, 9% reported that they moved in with family or friends, 4% were evicted, and 4% were homeless.

Some LIHEAP recipients faced life-threatening challenges. In FY 2003, 17% were unable to use their main source of heat due to

discontinued utility service or an inability to pay for fuel, and 8% had their electricity shut off due to nonpayment.

Even with LIHEAP families have to take drastic actions to pay their energy bill:

- 78% reduced basic expenses for household necessities to afford their energy bill
- 30% used their kitchen stove for heat
- 51% paid less than their entire home energy bill

Almost all LIHEAP recipients took constructive actions to lower their energy bills:

- 44% put plastic on their windows
- 76% turned down the heat when they went to bed
- 83% kept shades and curtains closed during the daytime in the summer
- 78% used fans and opened windows
- 65% washed clothes in cold water
- 44% used compact fluorescent light bulbs

The study found significant differences among LIHEAP recipients based on fuel type and homeownership. In FY 2003:

- 31% of bulk fuel respondents said that they experienced a loss of energy service due to discontinued utility service or an inability to pay for fuel, compared to 15% of respondents that use natural gas or electricity as the primary fuel for heating their home.
- 72% of bulk fuel respondents who were without heat due to inability to pay their energy bill said that LIHEAP helped restore their heat, compared to 49% of respondents

that use natural gas or electricity as the primary fuel for heating their home.

- 53% of renters said that they needed to borrow from a friend or relative to pay their residential energy bill, compared to 38% of homeowners.
- 56% of renters said that they skipped paying or paid less than the whole residential energy bill, compared to 46% of homeowners.

How Long Do LIHEAP Recipients Receive LIHEAP? Only 21% of LIHEAP recipients reported that they received LIHEAP five times in the past five years. Approximately 25% of households with at least one elderly family member and 27% of households with at least one disabled family member have received LIHEAP five times in five years, compared to 9% of households with a child under the age of five, and 12% of households without vulnerable members.

The need for LIHEAP far exceeds the availability of current appropriations. Approximately 4.6 million households received LIHEAP in 2003, only 13% of the over 34.6 million households that were eligible to receive LIHEAP.

Summary

The study clearly documents that low-income households spend an inordinate amount of their household income on energy; households that receive LIHEAP face significant hardship in attempting to pay their energy bills; and yet LIHEAP makes a significant difference for recipient households.

For further information about this study contact: Mark Wolfe, NEADA, 202-237-5199, mlwolfe@neada.org. A complete copy of the study can be downloaded from the NEADA website: www.neada.org.