

NEADA PRESS RELEASE

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Consumers Continue to Fall Behind on Utility Bills Arrearages Approach \$5 billion, Up 14.8% from Last Year

The National Energy Assistance Directors' Association (NEADA), representing the state directors of the Low Income Home Energy Assistance Program (LIHEAP), announced today that the households in arrears to utilities are now at record levels. This follows a recent study by NEADA showing the number of households receiving LIHEAP funds this year at 5.8 million households, the highest in 16 years.

As shown in the following table, an estimated 15.6 million households owed almost \$5 billion of March 31, 2008, an increase of almost \$640 million or 9.5% over the comparable period in 2007. The average amount owed is \$318 up from \$303 in 2007. Approximately 14.8% of all households are at least 30 days behind in the utility bill payments up from 13.5% last year.

Households in Arrears - 3/31/08 as compared to 3/31/07				
	3/31/08	3/31/07	Difference	
Arrearages	\$4,958,082,858	\$4,318,115,503	\$639,967,355	14.8%
Households	15,607,913	14,259,636	1,348,277	9.5%
% of Total Households	14.8%	13.5%	1.3%	N/A
Average	\$318	\$303	\$15	4.9%

Source: Based on a representative sample of utilities collected from state and utility-reported data.

According to Mark Wolfe, Executive Director of NEADA, "additional funding for LIHEAP is essential if we are to prevent a major increase in utility shut-offs this spring as winter shut-off moratoriums ends across the country. These families have very little discretionary income and it is increasingly going to pay high energy bills – both to heat their home and drive their cars. The states are calling on Congress to add a \$1 billion to LIHEAP in order to prevent a massive increase in the number of families shut-off from essential utility service."

LIHEAP's growth rate for FY 08 (3.7 percent) almost matches that of the Food Stamp program (5.1 percent). While the Food Stamp program was able to expand with increasing demand as it is funded on an entitlement basis, LIHEAP is funded as a discretionary grant program and so could not grow similarly.

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