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CONGRESSIONAL FUEL AID CUTS THREATEN TO LEAVE MILLIONS OF FAMILIES IN THE COLD

WASHINGTON – Consumer advocates at the National Consumer Law Center and the National Community Action Foundation are calling on Congress to restore funding to the highly effective federal Low Income Home Energy Assistance Program (LIHEAP).

LIHEAP helps millions of low-wage working families, the recently unemployed, retirees and medically challenged consumers pay their heating bills and keep their homes at safe temperatures during the frigid winter months.

Congress has slashed LIHEAP funding for the coming winter by almost 40 percent, which will have a huge impact on millions of households in every state of the country.

“This would be the worst moment to remove a small, but powerful, support for families struggling to stay together in a warm home for the winter,” says David Bradley, Executive Director of the National Community Action Foundation. “We hear daily reports from our member Community Action Agencies, who are the ‘frontline’ source for energy bill help. Demand for the LIHEAP resources they manage is soaring.”

Currently the states’ regular LIHEAP grants range 39% to 50% lower than at the same time last year, depending on the state, while energy bills are projected to be higher and unemployment remains high.

“Unless Congress acts to restore LIHEAP funding to current levels, this vital safety net will be in tatters. Studies show that households sacrifice food, medicine and medical care as well as other necessities to pay heating bills. The purpose of LIHEAP is to protect health and safety, especially in populations particularly vulnerable to extreme temperatures – the medically frail,

seniors and the very young,” says Olivia Wein, staff attorney at the National Consumer Law Center.

High unemployment, unaffordable energy bills and cold weather create an urgent need for LIHEAP assistance, especially in low-income households where energy bills take up a disproportionately large percent of income. On average, households in poverty pay around 16% of their income on home energy versus 3.6% for the non-low income population.

“Millions of families who never expected to be the people seeking help are now eligible because they have not yet found new jobs that support their basic needs. Losing their utilities or fuel would plunge many into health crisis and even homelessness as well as end their efforts to restore their credit. Once these preventable setbacks occur, it becomes much more difficult and costly for a family to get ‘back on its feet’ on the road to economic security. LIHEAP is the secret to prevention: it is pennywise and pound-foolish to cut it at the time of greatest need,” explains Bradley.

State by state information about the reductions in energy assistance can be found at:
www.nclc.org/images/pdf/energy_utility_telecom/liheap/liheap-funding-cuts-nov2010.pdf