



NATIONAL ENERGY ASSISTANCE DIRECTORS' ASSOCIATION

Press Release

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The National Energy Assistance Directors Association (NEADA) representing the state directors of the Low Income Home Energy Assistance Program (LIHEAP) today applauded the Senate's action to include an additional \$1 billion for LIHEAP in the Continuing Appropriations and Ukraine Supplemental Appropriations Act of 2023.

According to NEADA Chair Barbara Klug, "the additional funds will help some of the nation's most vulnerable households afford the rapidly rising cost of home energy this winter." Ms. Klug added, "we appreciate the work of Senators Reed and Collins in leading a bipartisan [letter of support](#) asking for additional funding for LIHEAP."

Background: LIHEAP helps more than six million low income families afford the cost of heating and cooling but funding is only sufficient to help one out of six eligible households. The additional funds will help address the reduction in the program's purchasing power which has been declining at an alarming rate due to rising energy prices across all major fuel sources.

Consumer Price Index data for the last 12 months show the price of heating fuel is up by 75.6%, natural gas 30.5% and electricity 15.2%. These increasing prices are reflected in the day-to-day average cost of home heating and cooling. For example, the price of electricity for cooling this summer increased from about \$450 to \$550, the average cost of home heating last winter increased from \$888 to \$1,025.

Based on current market prices, the cost of home heating next winter could go as high as \$1,202 on average. For those using heating oil, prices could increase from \$1,212 two years ago to \$2,115. The American Recovery Act provided \$4.5 billion in supplemental funds for LIHEAP. Those funds are fully obligated, resulting in a funding cliff for the program with just the regular appropriation for states to help low income families struggling to pay these high bills.

For many struggling families, higher prices can mean being forced to choose between heat, food or medication. About 29% of Americans who were surveyed had to reduce or forego expenses for basic household necessities to pay an energy bill in the last year, according to the U.S. Census Bureau's Pulse Survey. And that was before fuel prices started to rise.

Of even greater concern with rising prices is the amount owed by families to their local utilities. About 20 million families now owe on average about \$16 billion to their local utilities or about \$800 per family, up from about \$8 billion or \$400 per family prior to the start of the pandemic.

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NEADA is the primary educational and policy organization for the state directors of LIHEAP, a federal program providing formula grants to states to help low-income families pay their heating and cooling bills.