



# Ensuring Energy for Low-Income Households of Color

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BY KETURAH A. BROWN \* | FEBRUARY 9, 2017

## The Problem

**M**any low-income Americans are forced to choose between energy and basic needs like food and medicine. One study found that 37 percent of low-income households struggling to address energy needs did not seek medical or dental attention, 34 percent did not fill medical prescriptions or failed to take the recommended dosages, 33 percent used an oven or stove to heat the home, 24 percent did not consume food for at least one day, 23 percent maintained a home temperature that was unhealthy or unsafe, and 19 percent became ill due to low home temperatures.<sup>1</sup>

**Without energy service, low-income households find it difficult to function.** Energy is necessary to stay warm in the winter, avoid heat stroke on dangerously hot summer days, refrigerate perishables, cook food, and power home medical devices.<sup>2</sup> Adults and children need energy service at home to be productive at work and school.

**African-American and Latino households are disproportionately affected.** African Americans and Latinos pay similar or lower utility bills than whites, but African Americans and Latinos pay a higher percentage of their household income on energy bills.<sup>3</sup> This stems, in part, from the fact that a larger share of Latinos and African Americans live in poverty. While a larger *number* of whites live in poverty (17.7 million) than African Americans (10.0 million), Latinos (12.1

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million) or American Indians (1.5 million), a larger percentage of American Indians (28.3 percent), African Americans (24.1 percent), and Latinos (21.4 percent) live in poverty than whites (9.1 percent).<sup>4</sup>

**Recently, Congress has underfunded LIHEAP—energy assistance for low-income Americans. Consequently, funding and the number of low-income households served have declined in recent years.** Under the Low Income Home Energy Assistance Program (LIHEAP),<sup>5</sup> the U.S. Department of Health and Human Services (HHS) provides grants to states, the District of Columbia, American Indian tribes, and U.S. territories to assist low-income households that pay a high proportion of their income for home energy.<sup>6</sup> Although the majority of the program is focused on heating, it also provides funding for cooling and weatherization costs to increase home energy efficiency.<sup>7</sup> In recent years, LIHEAP funding has declined by 30 percent and the number of households served has declined by 14 percent.<sup>8</sup>

**LIHEAP funding is inadequate. Only 20 percent of the households eligible for LIHEAP actually receive energy assistance.** Federal guidelines limit LIHEAP eligibility to those with an income at or below 150 percent of the HHS poverty guidelines (or 60 percent of State Median Income, whichever is greater). Most LIHEAP funds are allocated to the states in the form of block grants based on factors such as state fuel prices, weather, and the percentage of low-income individuals.<sup>9</sup> Some states have stricter income standards than federal guidelines to focus limited resources on those with the greatest need.<sup>10</sup> Using the stricter state standards, in FY 2014 31.1 million households were eligible for LIHEAP assistance,<sup>11</sup> but only 6.9 million households were served due to inadequate funding.<sup>12</sup>

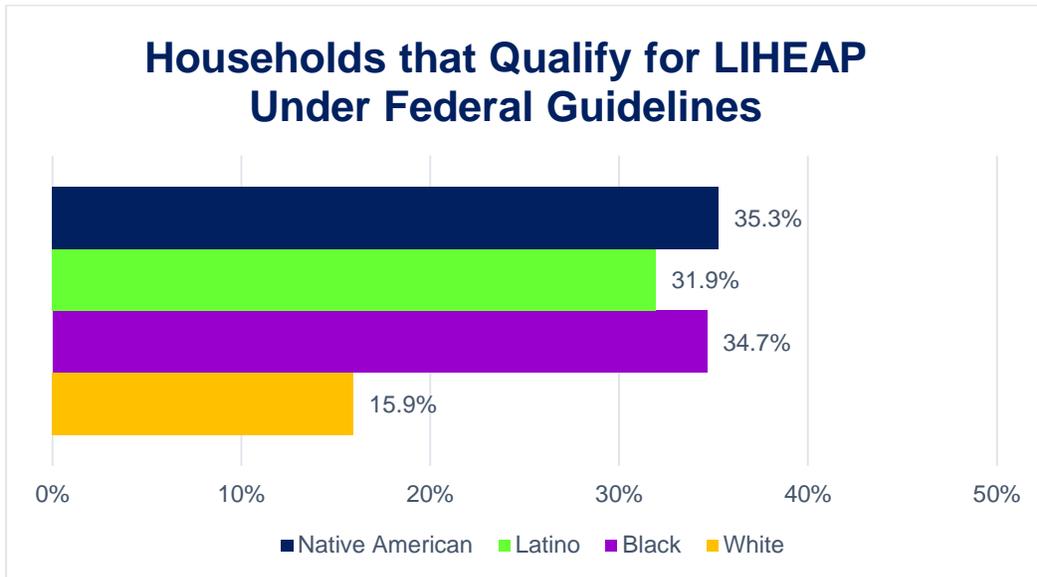
**2009-14 LIHEAP Funding**<sup>13</sup>

<b>FY</b>	<b>Appropriations (in billions)</b>	<b>Average Grant</b>	<b>Households Served (in millions)<sup>14</sup></b>	<b>Eligible Households Not Served (in millions)</b>
2009	\$5.1	\$505	7.3	21.5
2010	\$5.1	\$520	8.1	24.6
2011	\$4.71	\$481	8.0	25.3
2012	\$3.47	\$413	6.9	24.1
2013	\$3.25	\$398	6.7	24.8
2014	\$3.43	\$406	6.9	24.8

In FY 2015, LIHEAP received \$3.39 billion in congressional funding, but only \$3.36 billion in FY 2016.<sup>15</sup> For FY 2017, the House Appropriations

Committee proposed \$3.49 billion for LIHEAP funding, while the Senate Appropriations Committee proposed \$3.36 billion.<sup>16</sup>

**Blacks, Latinos, and Native Americans are disproportionately affected by lowered LIHEAP funding.** Under federal guidelines (incomes at or below 150 percent poverty level), larger percentages of Native American (35.3 percent), African-American (34.7 percent), and Latino (31.9 percent) households qualify for LIHEAP than white (15.9 percent) households.<sup>17</sup>



Source: American Community Survey 2015, IPUMS-USA, University of Minnesota. Data tabulated by the Urban Institute.

**Low-income African Americans, Latinos, and whites believe LIHEAP funding should be increased.** The percentage of low-income Americans who want to increase funding is larger than those who want it to stay the same, and much larger than those who want to decrease spending.

**LIHEAP Spending**<sup>18</sup>

Respondents with Households Incomes Under \$35,000 by Race	Increase Spending	Keep the Same	Decrease Spending	Don't Know
Black	64%	30%	3%	3%
Latino	47%	48%	4%	1%
White	44%	38%	14%	4%

**Most LIHEAP funding is used for heating.** Of the approximately 6.9 million households served by LIHEAP in FY 2014, 6.3 million received assistance with heating costs through heating or winter crisis assistance.<sup>19</sup> LIHEAP allocates 7.6 times as much on standard heating assistance as it does on standard cooling assistance.<sup>20</sup>

**Most LIHEAP households have a vulnerable member who is elderly, disabled, or a child age five or younger.** Of the households receiving heating assistance in FY 2014, 32.6 percent had at least one member 60 years or older, 37.9 percent had at least one member with a disability, and approximately 19 percent had at least one child age five years or younger.<sup>21</sup> Of the 5.7 million households that received heating assistance in FY 2014, approximately 74 percent had at least one vulnerable member (elderly, disabled, or a young child).<sup>22</sup>

**LIHEAP benefits indigenous communities.** In FY 2014, 153 Native American tribes and tribal organizations located in 22 states received funding through LIHEAP.<sup>23</sup>

**City, county, state, and federal officials can take several steps to help ensure more low-income households of color can address their energy costs.**

## Recommendations

**Tell your U.S. Senators and Congressperson to support increased LIHEAP funding.** Regardless of whether your U.S. Senators and U.S. House Representative have supported increased LIHEAP funding in the past, call and tell them to support increased funding. Even with increased funding, the majority of eligible households will likely not receive assistance due to lack of funds.<sup>24</sup>

**Participate in LIHEAP advocacy on Capitol Hill.** LIHEAP Action Day is an annual event held early in the year where LIHEAP supporters gather on Capitol Hill and meet with various congressional offices to stress the importance of adequate LIHEAP funding for individuals in need.<sup>25</sup> Contact the Campaign for Home Energy Assistance or the National Energy and Utility Affordability Coalition for information about participating in LIHEAP Action Day.<sup>26</sup>

**Ensure your constituents receive their fair share of LIHEAP assistance.** Under LIHEAP, states design and implement LIHEAP programs for their residents. Thus, requirements and outreach to communities of color for LIHEAP will vary from state to state.<sup>27</sup> State and local elected officials should

engage with their state and local agencies and LIHEAP councils to ensure that communities of color are included in the LIHEAP process and other state and local programs that address low-income energy needs. Potential improvements can include simplified application and renewal processes, and providing multiple methods to apply for funding (e.g. online and in-person applications). Also, participate in the development of your LIHEAP state plan to ensure it is designed to include and benefit your constituents (the state plan is filed by October 1 of each year).<sup>28</sup>

**Help eligible constituents access LIHEAP.** Share with your constituents information about LIHEAP, encourage eligible constituents to enroll for LIHEAP support,<sup>29</sup> and assist (or find assistance) for those who need help applying.

**Promote Weatherization Assistance Programs. On average, African Americans and Latinos live in less energy-efficient housing that results in larger energy bills.** The Weatherization Assistance Program, administered by the Department of Energy, aims to reduce energy bills of low-income families by providing these families assistance with increasing the energy efficiency of their homes.<sup>30</sup> Weatherization makes energy-efficient changes to the home, such as improving the building envelope, electrical system, electricity-consuming appliances, and climate control systems.<sup>31</sup> An estimated 20-30 million families are eligible to receive weatherization services under the program.<sup>32</sup> African-American and Latino households pay more for utilities per square foot than the average household, and increasing efficiency to the average household would eliminate 42 percent of African-American and 68 percent of Latino excess energy expenses.<sup>33</sup>

**Develop strategic public-private partnerships with energy sector leaders.** Even if Congress increases LIHEAP funding, it is unlikely to do so at a level to serve all eligible households. Forging strategic public-private partnerships circumvents some of the political hurdles and allows industry leaders to serve their communities. Many electric utility companies collaborate with community-based organizations to provide direct energy assistance to residents in need.

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## Key Resources

[1.5-Minute Companion Video](#), JOINT CENTER FOR POLITICAL AND ECONOMIC STUDIES (2017).

[Low-Income Home Energy Assistance Act](#), 42 U.S.C. §§ 8621 – 8630 (2014).

[Weatherization Assistance for Low-Income Persons](#), 42 U.S.C. §§6861-6873 (2014).

[Campaign for Home Energy Assistance](#) (a campaign that works with states, local governments, utilities, and charitable organizations to highlight the importance of energy assistance).

[National Energy & Utility Affordability Coalition](#) (a coalition of member organizations and individuals who work to emphasize the energy needs of low-income households).

[Low Income Home Energy Assistance Program: Report to Congress for Fiscal Year 2014](#), U.S. DEP'T OF HEALTH AND HUMAN SERV. (the most HHS recent report to Congress on the LIHEAP assistance received by each state, the number of assisted households in each state, and how the energy assistance was spent for fiscal year 2014).

[LIHEAP Clearinghouse](#), U.S. DEP'T OF HEALTH AND HUMAN SERV. (a website provided by HHS of each state's LIHEAP characteristics and non-federal low income energy programs).

[HHS LIHEAP Reports to Congress](#), U.S. DEP'T OF HEALTH AND HUMAN SERV. (a website provided by HHS that contains detailed LIHEAP reports to Congress from FY 2006 – 2014).

Ariel Drehobl and Lauren Ross, [Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low Income and Undeserved Communities](#), AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY (April 2016) (analyzing home energy burdens of the 48 largest U.S. cities and providing strategies to alleviate the burdens).

David Honig and Joe Gibbons, [LIHEAP: Impact on Communities of Color](#), ENERGY EQUITY ALLIANCE (2015) (reviewing the need for LIHEAP, explaining that it is underfunded, and making recommendations to increase the number of vulnerable households that receive energy assistance).

[Investing in LIHEAP: Assessing the Impact of Economic Stressors on the Home Energy Crisis](#), CAMPAIGN FOR HOME ENERGY ASSISTANCE (2017) (reviewing the perpetuation of economic stressors on low-income families, the reliance of many working poor families on LIHEAP and LIHEAP funding levels, and making policy recommendations).

[Poverty Rate in Your Congressional District](#), TALKPOVERTY, CENTER FOR AMERICAN PROGRESS (interactive map to learn more about the economic health by state and congressional district across a variety of indicators).

## Endnotes

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<sup>1</sup> Jo-Ann Choate and Mark Wolfe, [National Energy Assistance Survey](#), NAT'L ENERGY ASSISTANCE DIR' ASS'N (Nov. 2011).

<sup>2</sup> David Honig and Joe Gibbons, [LIHEAP: Impact on Communities of Color](#), ENERGY EQUITY ALLIANCE, 1 (Mar. 2015).

<sup>3</sup> Black households spend 5.4 percent, Latino households spend 4.1 percent, and white households spend only 3.3 percent of their household income on energy bills. Ariel Dreihobl and Lauren Ross, [Lifting the High Energy Burden in America's Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities](#), AMERICAN COUNCIL FOR AN ENERGY-EFFICIENT ECONOMY, 4 (Apr. 2016).

<sup>4</sup> Bernadette D. Proctor, Jessica L. Semega, and Melissa A. Kollar, [Income and Poverty in the United States: 2015](#), U.S. CENSUS BUREAU, 13 (Sept. 2016). See also [American Indian and Alaska Native Heritage Month: November 2015](#), U.S. CENSUS BUREAU, 5 (Nov. 2015).

<sup>5</sup> [Low-Income Home Energy Assistance Act](#), 42 U.S.C. §§ 8621 – 8630 (2014). Currently, LIHEAP is housed under the Department of Health and Human Services, the Administration for Children and Families, Office of Community Services, Division of Energy Assistance.

<sup>6</sup> See *id.*

<sup>7</sup> [Investing in LIHEAP: Why Energy Assistance is More Important than Ever](#), CAMPAIGN FOR HOME ENERGY ASSISTANCE, 5 (2014).

<sup>8</sup> *Id.* at 2-4.

<sup>9</sup> See generally [Low-Income Home Energy Assistance Act](#), 42 U.S.C. § 8629 (2014).

<sup>10</sup> Stricter state standards can be no less than 110 percent of the federal poverty guidelines. See *id.*

<sup>11</sup> [Low Income Home Energy Assistance Program: Report to Congress for Fiscal Year 2014](#), U.S. DEP'T OF HEALTH AND HUMAN SERV., v (Dec. 7, 2016). See also *supra* at 2 (even when funding was at its highest in 2010, “only 21 percent of those deemed eligible by federal guidelines received LIHEAP assistance.”).

<sup>12</sup> The discrepancies between households served can be accounted by the different standards used to estimate the households. Under federal guidelines—income at or below 150 percent poverty level, a larger number of households qualify for LIHEAP than under the stricter state standards—up to 110 percent poverty level.

<sup>13</sup> [Low-Income Home Energy Assistance Program: Report to Congress for Fiscal Year 2009](#), U.S. DEP'T OF HEALTH AND HUMAN SERV.; [Low-Income Home Energy Assistance Program: Report to Congress for Fiscal Year 2010](#), U.S. DEP'T OF HEALTH AND HUMAN SERV.; [Low-Income Home Energy Assistance Program: Report to Congress for Fiscal Year 2011](#), U.S. DEP'T OF HEALTH AND HUMAN SERV.; [Low-Income Home Energy Assistance Program: Report to Congress for Fiscal Year 2012](#), U.S. DEP'T OF HEALTH AND HUMAN SERV.; [LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM: REPORT TO CONGRESS FOR FISCAL YEAR 2013](#), U.S. DEP'T OF HEALTH AND HUMAN SERV.; [Low-Income Home Energy Assistance Program: Report to Congress for Fiscal Year 2014](#), U.S. DEP'T OF HEALTH AND HUMAN SERV.

<sup>14</sup> See *supra* note 7, at 2. HHS is unable to calculate a national total of an unduplicated count of households receiving “[a]ny type of LIHEAP assistance.” See also *supra* note 11, at v. The Campaign for Home Energy Assistance estimates unduplicated households served using survey data from the National Energy & Utility Affordability Coalition. See generally [National Energy & Utility Affordability Coalition](#).

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<sup>15</sup> [Low-Income Energy Programs Funding History 1966-2016](#), U.S. DEP'T OF HEALTH & HUMAN SERV., LIHEAP CLEARINGHOUSE.

<sup>16</sup> [House Appropriations Committee Provides \\$100 Million Increase for LIHEAP](#), NAT'L ENERGY ASSISTANCE DIR' ASS'N.

<sup>17</sup> Qualification in this graph is based on 150 percent of federal poverty level cutoff. See [Annual Update of the HHS Poverty Guidelines](#), Federal Register 80 No. 14. See also American Community Survey 2015, [IPUMS-USA](#), University of Minnesota. Data tabulated by the [Urban Institute](#). As discussed above, some states have stricter standards than federal guidelines but must remain above 110 percent of the poverty level.

<sup>18</sup> Survey Question: Should the government increase spending for programs designed to assist low income residents with their energy bills, decrease spending in this area or keep spending in this area the same? William Cubbison, *Black Voters in 2016: Low Income Heating*, JOINT CENTER FOR POLITICAL AND ECONOMIC STUDIES (Sept. 2016) (unpublished survey data of 600 African Americans, 600 whites, and 300 Latinos, on file with the Joint Center for Political and Economic Studies).

<sup>19</sup> See *supra* note 7, at vi.

<sup>20</sup> *Id.* at 18.

<sup>21</sup> *Id.* at vi-vii.

<sup>22</sup> *Id.* at vi, 34.

<sup>23</sup> [Investing in LIHEAP: Assessing the Impact of Economic Stressors on the Home Energy Crisis](#), CAMPAIGN FOR HOME ENERGY ASSISTANCE, 11 (2017).

<sup>24</sup> *Id.* at 18.

<sup>25</sup> Claire Krawscyn, [LIHEAP Action Day: Bringing LIHEAP to Capitol Hill](#), CAMPAIGN FOR HOME ENERGY ASSISTANCE.

<sup>26</sup> See [LIHEAP Action Day 2016](#), NAT'L ENERGY & UTILITY AFFORDABILITY COALITION.

<sup>27</sup> See [LIHEAP Clearinghouse](#) (a website provided by HHS of each state's LIHEAP characteristics and non-federal low income energy programs).

<sup>28</sup> See *supra* note 2, at 6.

<sup>29</sup> *Id.*

<sup>30</sup> Weatherization Assistance for Low-Income Persons, U.S.C. §§6861-6873 (2014); See also [Weatherization Assistance Program Overview](#), WEATHERIZATION ASSISTANCE PROGRAM TECHNICAL ASSISTANCE CENTER.

<sup>31</sup> [What is Weatherization](#), U.S. DEP'T OF ENERGY OFFICE OF ENERGY EFFICIENCY & RENEWABLE ENERGY.

<sup>32</sup> See *id.*

<sup>33</sup> See *supra* note 3, at 19.



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