

## MAXIMIZE LIHEAP FUNDING IN 2023

### Minnesota by the Numbers<sup>1</sup>

<p>Gross LIHEAP allocation to Minnesota in 2021</p> <p><b>\$125,591,309</b></p> <p>for utility payment assistance and home weatherization programs<sup>2</sup></p>	<p>Only</p> <p><b>19.16%</b></p> <p>of the eligible population in Minnesota received LIHEAP in 2021</p>
<p><b>607,152</b></p> <p># of households eligible for LIHEAP in Minnesota<sup>3</sup></p>	<p><b>116,336</b></p> <p># of low-income households that received LIHEAP in Minnesota in 2021</p>

**77.93%**  
of LIHEAP recipients in Minnesota have at least one vulnerable member:



elderly over 60  
42.36%



disabled  
47.20%



child under 6  
18.46%

**Federal home heating/cooling assistance saves Minnesota lives.**

**NEUAC urges Congress to maximize LIHEAP funding for FY23.**

## Why Maximize LIHEAP Funding?

The Low Income Home Energy Assistance Program (LIHEAP) is a critical, life-saving program that targets and serves the most vulnerable households, including older Americans, individuals with disabilities, and families with young children. Many rely on fixed monthly incomes, meaning that their pay does not increase when the cost of heating and cooling their homes increases. LIHEAP recipients make heartbreaking choices every day between food, medicine, or utilities.

### **LIHEAP is not an entitlement.**

Unlike entitlement programs, LIHEAP is funded by the annual congressional appropriations process. While states set eligibility rates, federal statute limits household income to a maximum of 150 percent of the federal poverty guideline, or 60 percent of the state median income. For example, 150 percent of the FY22 poverty guideline for a family of three is \$32,940.<sup>4</sup> Most LIHEAP recipients earn much less than the maximum thresholds: data show that 82 percent of households served by LIHEAP had an annual household income below \$20,000.<sup>5</sup>

### **The need for LIHEAP remains high.**

In 2020, the national poverty rate was 11.4 percent – the first increase in poverty after five years of decline; 37.2 million people lived in poverty.<sup>6</sup> The Consumer Financial Protection Bureau found that 38 percent of adults had high likelihood of inability to afford food, healthcare, housing, or utilities.<sup>7</sup>

An unprecedented 14 percent of all adults suffered a layoff in 2020.<sup>7</sup> More than one quarter of utility customers surveyed who lost jobs reported skipping or needing to skip a utility bill payment.<sup>8</sup>

22% of utility customers reported that they had reduced or put off expenses for basic needs like medicine and food in order to pay their utility bills.<sup>9</sup>

### **LIHEAP prioritizes vulnerable households, many of whom are also high risk for COVID-19.**

More than 90 percent of LIHEAP recipient households have at least one vulnerable person – an adult aged 60 or older, a child aged 18 or under, or an individual with a disability.<sup>5</sup> The Census Bureau estimated that energy assistance lifted 27,000 children out of poverty in 2020.<sup>10</sup>

### **LIHEAP makes the difference.**

The Federal Reserve found that 35 percent of Americans would struggle to pay a \$400 emergency expense.<sup>7</sup> LIHEAP helps address short-term household energy emergencies and stabilizes families.

## Maximize LIHEAP Funding in FY23.

### Sources

1. FY2021 Data, HHS; Eligible households, households served and vulnerable statistics supplied from state reports and are preliminary for FY2021, pending final data validation.
2. Gross LIHEAP allocation reflects FY2021 appropriations for regular LIHEAP Block Grants and Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) appropriations released in FY2020.
3. Eligible households calculated using the federal standard for all states.
4. <https://www.acf.hhs.gov/ocs/policy-guidance/liheap-im-2021-02-federal-poverty-guidelines-optional-use-federal-fiscal-year>
5. <https://neuac.org/wp-content/uploads/2019/01/liheapsurvey2018.pdf>
6. <https://www.census.gov/library/publications/2021/demo/p60-273.html>
7. <https://www.federalreserve.gov/publications/files/2020-report-economic-well-being-us-households-202105.pdf>
8. [http://mydocs.epri.com/Docs/public/covid19/COVID-19\\_survey\\_report.pdf](http://mydocs.epri.com/Docs/public/covid19/COVID-19_survey_report.pdf)
9. <https://theconversation.com/energy-is-a-basic-need-and-many-americans-are-struggling-to-afford-it-in-the-covid-19-recession-140416>
10. <https://www.census.gov/content/dam/Census/library/publications/2021/demo/p60-275.pdf>