

With winter approaching

US states face record demand for home heating assistance

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As the winter months approach, state agencies throughout the US are being inundated with requests for home heating assistance from workers losing their jobs or facing reduced hours and wage cuts.

Despite the spike in demand, the federal government has not increased the \$5 billion budget for the Low Income Home Energy Assistance Program (LIHEAP), which helps pay utility bills for senior citizens, the disabled, and households earning 150 percent or less of the official poverty level.

Last winter, the federal program, which is administered by the states, served 7.3 million households, 800,000 more than the record set in 1985.

In Michigan, Terry Stanton from the Department of the Treasury, which oversees the LIHEAP program, told the *World Socialist Web Site* there were 441,500 applications for heating assistance as of August 31, with the month of September not yet counted. Michigan leads the country with an official jobless rate of over 15 percent.

Last month, tens of thousands of workers lined up at the state fair grounds in Detroit after the regional gas and electric company, DTE Energy, announced it was offering help to distressed homeowners and renters. According to a report last month in the *Detroit News*, Michigan's two largest power companies, DTE Energy and Consumers Energy, last year cut off heating to a total of 181,000 customers. DTE has already shut off energy to 115,000 households, a pace that will far surpass last year's 142,000 cutoffs.

Increased demand for heating assistance is stretching already cash-strapped state agencies to the max.

"The overwhelming need we have [for heating aid] far surpasses any of our resources," Dave Dexheimer of Douglass Community Services in Hannibal, Missouri, told *USA Today*. The city, along the Mississippi River, is getting 25 percent more calls than a year ago, he said, although state heating funds

have fallen to \$60,000, down from \$100,000 last year.

The Department of Energy will issue its winter fuels outlook Tuesday, which is expected to show price drops for most heating fuels that had skyrocketed last year. Nevertheless, savings from a drop in some fuel prices "is being canceled out by increasing numbers of families who are losing their jobs," Mark Wolfe of the National Energy Assistance Directors' Association told *USA Today*,

The newspaper cited reports from other states, including:

- Oregon. After providing heating aid to a record 3,700 households in two counties in the last heating season, Oregon Coast Community Action expects a 30 percent increase, says energy services director Patricia Gouveia.
- Maine. Kennebec Valley Community Action Program has more than 5,000 applicants, up from 4,200 at this time in 2008. LIHEAP manager Kelly LaChance expects a record 12,000 applicants.
- Pennsylvania. Applications in Cambria County are up 400 percent from this time in 2008, says emergency management director Ron Springer.
- Illinois. Rockford energy director Mark Bixby expects a record 16,000 applicants. He worries he'll run out of money and cash-strapped state and federal governments won't have emergency funds. "We're extremely nervous," he told the newspaper.

In Indiana, another Midwestern industrial state hard hit by the economic downturn, the *Herald-Times* of Bloomington reported that residents began applying Monday for help with their winter heating bills. Those meeting income and other eligibility requirements receive an average benefit of \$325 per household for help with electric and natural gas heating bills, as well as bulk fuels such as propane, oil, coal and wood.

Each household applying for assistance must provide income documentation for the past 12 months for all household members ages 18 and older, current heating and electric bills, Social Security cards and lease information for those who rent, the newspaper reported.

Todd Lare, the executive director of the South Central Community Action Program, told the *Herald-Times* his agency provided 5,209 households in the four-county region with heating assistance last winter and expects to serve as many or more this winter.

Because of Indiana's budget crisis, legislators are including the meager heating assistance residents receive as taxable income. "This year, the General Assembly did not renew the tax exemption on benefits, meaning some of the benefits we provide will go toward taxes on the utilities rather than the utilities themselves," Lare said. "I'm a little disappointed. Last year, we were able to use \$186,000 that would have gone to taxes as benefits to qualifying households."

At the end of last winter, the National Energy Assistance Directors' Association (NEADA)—an organization of state directors of the federal LIHEAP program—issued the results of a survey that painted a picture of the distress facing millions of families in America.

Among the survey's findings:

- Record numbers of households reported sacrificing to pay their home energy bills. As compared to 2003 survey, 32 percent vs. 22 percent went without food for at least a day; 42 percent vs. 38 percent went without medical or dental care; and 38 percent vs. 30 percent did not fill prescriptions or took less than the full dose of medicine.

- Households reported that they took actions to reduce their energy bill that could be dangerous to their health or living situation: 44 percent closed off part of their home; 28 percent kept their home at a temperature that was unsafe or unhealthy; 23 percent left their home for part of the day; and 33 percent used their kitchen stove or oven to provide heat.

- Many were shut off from power because they were unable to pay their energy bills: 47 percent skipped paying or paid less than their entire home energy bill; 37 percent received a notice or threat to disconnect or discontinue their electricity or home heating fuel; 12 percent had their electric or natural gas service shut off in the past year due to nonpayment; 28 percent were unable to use their main source of heat in the past year because their fuel was shut off, they could not pay for fuel delivery, or their heating system was broken and they could not afford to fix

it; 17 percent were unable to use their air conditioner in the past year because their electricity was shut off.

- High energy bills contributed to the high mortgage foreclosure rate: 28 percent did not make their full mortgage or rent payment; 4 percent were evicted from their home or apartment; 4 percent had a foreclosure on their mortgage; 11 percent moved in with friends or family; and 3 percent moved into a shelter or were homeless.

- Payday lenders provided loans to many families to pay their energy bills: 15 percent received a payday loan. Of particular concern, 26 percent of those with children under 18 reported taking out a payday loan as compared to 8 percent for seniors.

- Many of the LIHEAP recipients faced significant medical and health problems in the past five years, partly as a result of high energy costs. Thirty-two percent went without food for at least one day; 42 percent went without medical or dental care; 38 percent did not fill a prescription or took less than the full dose of a prescribed medication; and 24 percent had someone in the home become sick because the home was too cold.

One particularly tragic case put a human face on these figures. In January 2009, neighbors found the frozen body of 93-year-old Marvin E. Schur at his home in Bay City, Michigan—100 miles north of Detroit—several days after the municipal power company had restricted his access to electricity due to outstanding bills.

Since last winter, the official jobless rate in the US has risen from 7.2 percent (January 2009) to 9.8 percent last month, with 4 million more workers joining the unemployment lines. Some 15 million are out of work, with another 9.1 million involuntarily working part-time or abandoning the search.

The unemployment crisis only ensures that this winter will witness even greater levels of suffering and, inevitably, further tragedy.



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