

ON THE BRINK: 2008

THE HOME ENERGY AFFORDABILITY GAP APRIL 2009

Finding #1

	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$18,193,257,723	\$1,669,935,373	Existing sources of energy assistance do not adequately address the energy affordability gap in the United States. Actual low-income energy bills exceeded affordable energy bills in the United States by \$34,196 million at 2007/2008 winter heating fuel prices. In contrast, the total United States received a gross allotment of federal energy assistance funds of \$1,929.2 million for Fiscal Year 2008.
2008 (current year)	\$34,195,515,135	\$1,929,206,964	
Change	\$16,002,257,412	\$259,271,591	

The LIHEAP allocation for the total United States has lost ground relative to its Home Energy Affordability Gap. From 2002 to 2008, the total Home Energy Affordability Gap increased by \$16,002.3 million. In comparison, the LIHEAP allocation for the total United States increased \$259.3 million.

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$18,193,257,723	The Home Energy Affordability Gap Index for the total United States was 188.0 for 2008. This Index indicates that the Home Energy Affordability Gap has increased 88.0% between 2002 and the current year.
Home Energy Affordability Gap: 2008 (current year)	\$34,195,515,135	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the Total US division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.
Home Energy Affordability Gap Index (2002 = 100)	188.0	

Definitions and Explanations

Each state (along with the District of Columbia) has a Home Energy Affordability Gap calculated on a county-by-county basis. Once total energy bills are estimated for each county, each county bill is weighted by the percentage of persons below 185% of the Federal Poverty Level in each county to the total statewide population below 185% of the Federal Poverty Level to derive a statewide result. State data are then aggregated into Census Division totals as follows:

East North Central	Illinois, Indiana, Michigan, Ohio, Wisconsin
East South Central	Alabama, Kentucky, Mississippi, Tennessee
Mid-Atlantic	New Jersey, New York, Pennsylvania
Mountain	Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
New England	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
Pacific	Alaska, California, Hawaii, Oregon, Washington
South Atlantic	Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
West North Central	Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
West South Central	Arkansas, Louisiana, Oklahoma, Texas

LIHEAP comparisons use gross allotments from the baseline LIHEAP appropriation; they do not reflect supplemental appropriations or the release of other emergency funds. For example, the 2006 Home Energy Affordability Gap analysis (issued in April 2007) does not reflect the supplemental appropriation bill enacted in March 2006.

Energy bills are a function of the following primary factors:

- Tenure of household (owner/renter)
- Housing unit size (by tenure)
- Heating Degree Days (HDDs) and Cooling Degree Days (CDDs) (by county)
- Household size (by tenure)
- Heating fuel mix (by tenure)
- Energy use intensities (by fuel and end use)

Bills are estimated using the U.S. Department of Energy's "energy intensities" published in the most recent DOE Residential Energy Consumption Survey (RECS). The energy intensities used for each state are those published for the Census Division in which the state is located. State-specific demographic data is obtained from the most recent Decennial Census of the U.S. Census Bureau. Heating Degree-Days (HDDs) and Cooling Degree-Days (CDDs) are obtained from the National Weather Service's Climate Prediction Center on a county-by-county basis for the entire country. State price data for each end-use is obtained from the Energy Information Administration's (EIA) fuel-specific price reports (e.g., Natural Gas Monthly, Electric Power Monthly).

The Home Energy Affordability Gap is a function of many variables. Increases in income, for example, result in decreases in the Gap while increases in energy prices result in an increase in the Gap. The Home Energy Affordability Gap Index allows the reader to determine the cumulative impact of these variables. Since the Gap is calculated assuming normal Heating Degree Days (HDDs) and Cooling Degree Days (CDDs), temperatures do not have an impact on the Affordability Gap or the Affordability Gap Index.

Price data for the various fuels underlying the calculation of the 2008 Home Energy Affordability Gap was used from the following time periods:

<i>Heating prices</i>	
Natural gas	February 2008
Fuel oil	February 2008
Liquefied petroleum gas (LPG)	February 2008
Electricity	February 2008
<i>Cooling prices</i>	
August 2008	
<i>Non-heating prices</i>	
Natural gas	May 2008
Fuel oil	May 2008
Liquefied petroleum gas (LPG)	May 2008
Electricity	May 2008

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$875,313,956	\$190,103,906	Existing sources of energy assistance do not adequately address the energy affordability gap in the West North Central census division. Actual low-income energy bills exceeded affordable energy bills in the West North Central division by \$1,757 million at 2007/2008 winter heating fuel prices. In contrast, the West North Central division received a gross allotment of federal energy assistance funds of \$216.9 million for Fiscal Year 2008.
2008 (current year)	\$1,756,806,853	\$216,875,729	
Change	\$881,492,897	\$26,771,823	

The LIHEAP allocation for the West North Central census division has lost ground relative to its Home Energy Affordability Gap. From 2002 to 2008, the total Home Energy Affordability Gap increased by \$881.5 million. In comparison, the LIHEAP allocation for the West North Central division increased \$26.8 million.

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$875,313,956	The Home Energy Affordability Gap Index for the West North Central census division was 200.7 for 2008. This Index indicates that the Home Energy Affordability Gap has increased 100.7% between 2002 and the current year.
Home Energy Affordability Gap: 2008 (current year)	\$1,756,806,853	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the West North Central division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.
Home Energy Affordability Gap Index (2002 = 100)	200.7	

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$2,104,790,609	\$378,548,214	Existing sources of energy assistance do not adequately address the energy affordability gap in the East North Central census division. Actual low-income energy bills exceeded affordable energy bills in the East North Central division by \$4,361 million at 2007/2008 winter heating fuel prices. In contrast, the East North Central division received a gross allotment of federal energy assistance funds of \$441.3 million for Fiscal Year 2008.
2008 (current year)	\$4,361,284,176	\$441,275,921	
Change	\$2,256,493,567	\$62,727,707	

The LIHEAP allocation for the East North Central census division has lost ground relative to its Home Energy Affordability Gap. From 2002 to 2008, the total Home Energy Affordability Gap increased by \$2,256.5 million. In comparison, the LIHEAP allocation for the East North Central division increased \$62.7 million.

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$2,104,790,609	The Home Energy Affordability Gap Index for the East North Central census division was 207.2 for 2008. This Index indicates that the Home Energy Affordability Gap has increased 107.2% between 2002 and the current year.
Home Energy Affordability Gap: 2008 (current year)	\$4,361,284,176	
Home Energy Affordability Gap Index (2002 = 100)	207.2	

The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the East North Central division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.

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Finding #1

	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$1,008,687,819	\$162,607,251	Existing sources of energy assistance do not adequately address the energy affordability gap in the New England census division. Actual low-income energy bills exceeded affordable energy bills in the New England division by \$2,560 million at 2007/2008 winter heating fuel prices. In contrast, the New England division received a gross allotment of federal energy assistance funds of \$188.9 million for Fiscal Year 2008.
2008 (current year)	\$2,559,834,285	\$188,868,599	
Change	\$1,551,146,466	\$26,261,348	

The LIHEAP allocation for the New England census division has lost ground relative to its Home Energy Affordability Gap. From 2002 to 2008, the total Home Energy Affordability Gap increased by \$1,551.1 million. In comparison, the LIHEAP allocation for the New England division increased \$26.3 million.

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$1,008,687,819	The Home Energy Affordability Gap Index for the New England census division was 253.8 for 2008. This Index indicates that the Home Energy Affordability Gap has increased 153.8% between 2002 and the current year.
Home Energy Affordability Gap: 2008 (current year)	\$2,559,834,285	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the New England division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.
Home Energy Affordability Gap Index (2002 = 100)	253.8	

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$2,402,712,484	\$143,095,341	Existing sources of energy assistance do not adequately address the energy affordability gap in the Pacific census division. Actual low-income energy bills exceeded affordable energy bills in the Pacific division by \$2,959 million at 2007/2008 winter heating fuel prices. In contrast, the Pacific division received a gross allotment of federal energy assistance funds of \$160.9 million for Fiscal Year 2008.
2008 (current year)	\$2,959,110,789	\$160,908,049	
Change	\$556,398,305	\$17,812,708	

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$2,402,712,484	The Home Energy Affordability Gap Index for the Pacific census division was 123.2 for 2008. This Index indicates that the Home Energy Affordability Gap has increased 23.2% between 2002 and the current year.
Home Energy Affordability Gap: 2008 (current year)	\$2,959,110,789	
Home Energy Affordability Gap Index (2002 = 100)	123.2	

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Finding #1

	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$3,388,498,837	\$391,717,292	Existing sources of energy assistance do not adequately address the energy affordability gap in the Mid-Atlantic census division. Actual low-income energy bills exceeded affordable energy bills in the Mid-Atlantic division by \$6,191 million at 2007/2008 winter heating fuel prices. In contrast, the Mid-Atlantic division received a gross allotment of federal energy assistance funds of \$456.9 million for Fiscal Year 2008.
2008 (current year)	\$6,190,992,471	\$456,891,623	
Change	\$2,802,493,634	\$65,174,331	

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$3,388,498,837	The Home Energy Affordability Gap Index for the Mid-Atlantic census division was 182.7 for 2008. This Index indicates that the Home Energy Affordability Gap has increased 82.7% between 2002 and the current year.
Home Energy Affordability Gap: 2008 (current year)	\$6,190,992,471	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the Mid-Atlantic division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.
Home Energy Affordability Gap Index (2002 = 100)	182.7	

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$926,284,598	\$86,020,612	Existing sources of energy assistance do not adequately address the energy affordability gap in the Mountain census division. Actual low-income energy bills exceeded affordable energy bills in the Mountain division by \$1,452 million at 2007/2008 winter heating fuel prices. In contrast, the Mountain division received a gross allotment of federal energy assistance funds of \$95.4 million for Fiscal Year 2008.
2008 (current year)	\$1,452,362,746	\$95,391,440	
Change	\$526,078,148	\$9,370,828	

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$926,284,598	The Home Energy Affordability Gap Index for the Mountain census division was 156.8 for 2008. This Index indicates that the Home Energy Affordability Gap has increased 56.8% between 2002 and the current year.
Home Energy Affordability Gap: 2008 (current year)	\$1,452,362,746	
Home Energy Affordability Gap Index (2002 = 100)	156.8	

The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the Mountain division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$1,341,042,818	\$72,682,985	Existing sources of energy assistance do not adequately address the energy affordability gap in the East South Central census division. Actual low-income energy bills exceeded affordable energy bills in the East South Central division by \$2,407 million at 2007/2008 winter heating fuel prices. In contrast, the East South Central division received a gross allotment of federal energy assistance funds of \$84.8 million for Fiscal Year 2008.
2008 (current year)	\$2,406,691,712	\$84,753,475	
Change	\$1,065,648,894	\$12,070,490	
			The LIHEAP allocation for the East South Central census division has lost ground relative to its Home Energy Affordability Gap. From 2002 to 2008, the total Home Energy Affordability Gap increased by \$1,065.6 million. In comparison, the LIHEAP allocation for the East South Central division increased \$12.1 million.

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$1,341,042,818	The Home Energy Affordability Gap Index for the East South Central census division was 179.5 for 2008. This Index indicates that the Home Energy Affordability Gap has increased 79.5% between 2002 and the current year.
Home Energy Affordability Gap: 2008 (current year)	\$2,406,691,712	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the East South Central division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.
Home Energy Affordability Gap Index (2002 = 100)	179.5	

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$3,240,292,399	\$168,508,502	Existing sources of energy assistance do not adequately address the energy affordability gap in the South Atlantic census division. Actual low-income energy bills exceeded affordable energy bills in the South Atlantic division by \$6,137 million at 2007/2008 winter heating fuel prices. In contrast, the South Atlantic division received a gross allotment of federal energy assistance funds of \$196.1 million for Fiscal Year 2008.
2008 (current year)	\$6,136,818,915	\$196,136,192	The LIHEAP allocation for the South Atlantic census division has lost ground relative to its Home Energy Affordability Gap. From 2002 to 2008, the total Home Energy Affordability Gap increased by \$2,896.5 million. In comparison, the LIHEAP allocation for the South Atlantic division increased \$27.6 million.
Change	\$2,896,526,516	\$27,627,690	

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$3,240,292,399	The Home Energy Affordability Gap Index for the South Atlantic census division was 189.4 for 2008. This Index indicates that the Home Energy Affordability Gap has increased 89.4% between 2002 and the current year.
Home Energy Affordability Gap: 2008 (current year)	\$6,136,818,915	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the South Atlantic division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.
Home Energy Affordability Gap Index (2002 = 100)	189.4	

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	Home Energy Affordability Gap	Gross LIHEAP Allocation	
2002 (base year)	\$2,905,634,202	\$76,651,270	Existing sources of energy assistance do not adequately address the energy affordability gap in the West South Central census division. Actual low-income energy bills exceeded affordable energy bills in the West South Central division by \$6,372 million at 2007/2008 winter heating fuel prices. In contrast, the West South Central division received a gross allotment of federal energy assistance funds of \$88.1 million for Fiscal Year 2008.
2008 (current year)	\$6,371,613,188	\$88,105,936	
Change	\$3,465,978,986	\$11,454,666	
			The LIHEAP allocation for the West South Central census division has lost ground relative to its Home Energy Affordability Gap. From 2002 to 2008, the total Home Energy Affordability Gap increased by \$3,466.0 million. In comparison, the LIHEAP allocation for the West South Central division increased \$11.5 million.

Finding #2

Home Energy Affordability Gap: 2002 (base year)	\$2,905,634,202	The Home Energy Affordability Gap Index for the West South Central census division was 219.3 for 2008. This Index indicates that the Home Energy Affordability Gap has increased 119.3% between 2002 and the current year.
Home Energy Affordability Gap: 2008 (current year)	\$6,371,613,188	The Home Energy Affordability Gap Index uses the year 2002 as its base year. In that year, the Index was set equal to 100. A current year Index of more than 100 thus indicates that the Home Energy Affordability Gap for the West South Central division has increased since 2002. A current year Index of less than 100 indicates that the Home Energy Affordability Gap has decreased since 2002.
Home Energy Affordability Gap Index (2002 = 100)	219.3	