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Fuel aid is an economic necessity for region

By Joseph P. Kennedy II and James T. Brett

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Every household feels at least a little financial chill when oil tops a record \$100 a barrel. But for our most vulnerable families, soaring heating costs represent a clear and present danger. This season witnessed several deaths in New England, including two young children who perished in a Dorchester (Mass.) blaze just after the New Year, because of improperly used space heaters.

But there's a broader cost to heating oil prices creeping up toward \$3.50 a gallon – an impact that has nothing to do with bleeding-heart liberal sympathy for the poor and everything to do with the economic vitality of our region, which is more dependent on heating oil than any other part of the country.

Simply put, our regional economic self-interest depends on making sure that heating our homes never becomes an unaffordable luxury.

When working families who struggle day to day to pay their bills simply can't keep up with the price of oil, they'll move to other parts of the country, further accelerating our population loss.

Talk to those who drive our cabs, clean our homes, take care of our sick, tend to our elderly, mow our lawns, fill our food orders and hold down so many other essential jobs. You'll find many eyeing the exit ramp from New England.

High housing costs are bad enough, but when heating bills start eating up over 25 percent of a household's income, people increasingly look to warmer climes.

While skyrocketing heating costs threaten our economic base, we get little more than the cold shoulder from Washington. Organizations like the New England Council and non-profits like Citizens Energy Corp. have advocated for years on behalf of the poor to secure increases in federal fuel assistance.

But energy costs have grown so high, so fast, that we fear a quickening exodus from our region and a corresponding downturn in our competitiveness.

Over 20 years ago, the maximum benefit from the federal Low Income Home Energy Assistance Program topped out at \$750. Heating oil at the time cost 70 cents a gallon, meaning that a household could buy over 1,000 gallons with the aid. This past winter heating oil cost about \$3.30 a gallon.

That meant fuel assistance households could only buy about one-fourth of what they used to receive — not even enough to fill a single tank.

No wonder that parents living on the margins of our economy often must choose between keeping their children warm or keeping their children fed. It is no surprise that malnourishment in children and hospital visits increase during the cold months as families spend more on fuel and less on food.

This year, LIHEAP was funded at \$2.3 billion, well short of the \$3.1 billion spent on the program two years ago, when oil was trading at under \$50 a barrel. Some observers would point out that this year's funding level represents a \$405 million boost over last year, but that hike is illusory.

That's because the increase all went to emergency assistance — with its release controlled by the White House, which is sitting on a total of some \$121 million in emergency money.

Stagnant LIHEAP funding coupled with cold temperatures and high energy prices increased demand for assistance this winter. Citizens Energy alone received over 200,000 calls for assistance on the first day our phone lines opened.

States were forced to decide whether to increase the number of households they serve

with smaller dollar amounts or hold the number of recipients and the amount they receive steady, but fail to meet the growing need for assistance.

In the richest nation on earth, this is unacceptable. In a region uncommonly dependent on heating oil, this is devastating.

Given the extraordinary cost increases in fuel, LIHEAP needs equally extraordinary increases in funding just to provide the bare minimum for those in need. And the federal government has a critical role to play and obligation in keeping its citizens safe during the winter season.

In New England, companies like State Street Bank, Citizens Bank, and Bank of America made sizable contributions to Citizens Energy's Oil Heat Fund, which provides assistance to additional families in need. Donations from other companies and interested individuals would help bridge the widening gap between available resources and the heating needs of struggling families.

However, private charity cannot and will not absolve the federal government of its responsibility at a time when royalties and tax revenues from energy companies are swelling the federal coffers. Keeping the heat on in the homes of the poor is not just good for our families – it's also good for our New England economy.

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