

National Energy Assistance Directors' Association
National Association for State Community Services Programs
Washington, DC

July 29, 2011

Edwin Feulner, President
Heritage Foundation
214 Massachusetts Avenue NE
Washington, DC 20002-4999

Dear Mr. Feulner:

The National Energy Assistance Directors' Association (NEADA) and the National Association for State Community Services Programs (NASCS) would like to comment on your recent study about poverty in the United States. NEADA is the primary educational and policy organization for state and tribal directors of the Low-Income Home Energy Assistance Program (LIHEAP) and NASCS is the primary organization representing state directors of the Weatherization Assistance Program (WAP) and the Community Services Block Grant (CSBG).

We are very concerned that the core conclusions of your report are being based on a misleading interpretation of the Residential Energy Conservation Survey (RECS) data. We also note that the Heritage Foundation chose to use 2005 data when 2009 data is available. However, we completely agree with one point, "If we as a nation are ever to have a sound anti-poverty policy, it must be based on accurate information on the extent, severity and causes of actual deprivation. Exaggeration and misinformation will benefit neither society, the taxpayer, nor the poor."

Based on our analysis of your report, we believe that in fact it is based, at a minimum, on misinformation. The following summarizes several areas where the findings are based on a misreading of the core data:

- Average poor households do not have air conditioning. Less than 40 percent of households in poverty have central air.
- The report cites that 99 percent of households in poverty have refrigerators and 81 percent have microwaves. These are not luxuries. Access to proper cooling and cooking of food is a public health concern – families who do not have access to appropriately cooled or cooked food are susceptible to food related illnesses that can lead to severe nausea, diarrhea, and cramps, with some illnesses potentially leading to infections, paralysis and death.

- The statements about game systems are also incorrect. Only 29.5 percent of all households in poverty have a TV-based game system and the data does not show that they are high end systems. Rather, these systems are probably low-cost, used, or other types of systems. In addition, the RECS data does not show a breakdown for types of households and cannot provide information on what type of households are most likely to have this TV based game system.
- The study also assumes an overlap of households that may not exist. The RECS data do not indicate what portion of the households with a TV also has a DVD player or cable.
- The data shows that more than 50 percent of households in poverty are renter households. Typically, refrigerators, microwaves, cooling equipment, and dishwashers, at a minimum, are included in rental units; the households did not purchase them for themselves.
- The quality of these “amenities” is also not included in the report. When the age of these appliances is considered, the data suggest that households in poverty purchased these appliances before they fell into poverty. About 50 percent of refrigerators are more than five years old. More than 58 percent of clothes washers and dryers are more than five years old.

Also, households in poverty regulate their use of these appliances. Of the households with central air, 27 percent never or rarely use it. Of the households with wall units, 37 percent use them rarely.

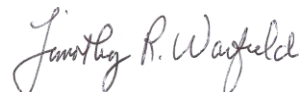
- The report also fails to address energy pricing. Low-income households pay a disproportionate amount of their income for energy bills, typically spending 15 percent of their total income on home energy costs versus 3.3 percent for other households. For the lowest of the low-income, those below 50 percent of the Federal Poverty Level, the energy burden is much more extreme.

This report seriously misrepresented the RECS data; its core conclusions that poor families are not disadvantaged were wrong. The report painted a picture of households in poverty living in luxury, which is not supported by a more realistic treatment of the RECS data. In addition, energy prices are rising and unemployment remains high. Many Americans are in need, and this report uses data incorrectly to minimize this reality.

Sincerely,



Mark Wolfe
Executive Director
National Energy Assistance Director's
Association



Timothy Warfield
Executive Director
National Association for State
Community Services Programs