

New York City Government Poverty Measure 2005–2016

An Annual Report from
the Office of the Mayor

Appendix F: Estimating the Value of HEAP Benefits



Mayor's Office of Operations
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NYC[®]
Opportunity

Appendix F

Estimating the Value of HEAP Benefits

The Home Energy Assistance Program (HEAP) is a federally funded subsidy that offsets the energy costs for low-income households. Unless a household faces a heating emergency, HEAP takes the form of a one-time annual payment. If the household's heating expenses are included in its rent or mortgage payments, it receives its HEAP benefit directly.¹ If the household pays a utility company for its heating fuel, the HEAP payment is sent to the provider, who then reduces the household's heating bill.

HEAP benefits are available to households whose income falls below the HEAP Benefit Income Guidelines.² In New York City, households are automatically enrolled in the program if they receive cash assistance, Supplemental Nutrition Assistance Program (SNAP) benefits, or are composed of a single person receiving Supplemental Security Income (SSI) benefits. Other low-income households can apply for HEAP, but administrative data from the City's Human Resources Administration (HRA) indicate that the vast majority of HEAP households are those whom it automatically enrolls. In 2010, for example, 689,745 households out of the 702,665 households that received HEAP benefits – 98.2 percent – were automatic enrollees.³

HEAP benefits are very modest. As of 2016, if the eligible household resides in public housing or receives a Section 8 subsidy, it only receives an annual \$21 HEAP payment, receipt of which entitles the household to claim a higher SNAP benefit. Otherwise, the household is eligible to receive an annual \$30 or \$35 payment, depending on whether its income is above or below 130 percent of the Federal Poverty Guidelines, or if the household contains a “vulnerable” individual: someone under age 6, over age 59, or under age 65 and receiving SSI benefits.⁴

1 Households with a Common Benefit Identification Card receive a HEAP benefit as an electronic benefit transfer.

2 These guidelines are based on household size and are available at: <http://www.otda.ny.gov/programs/heap/program.asp> - income

3 These figures do not include the small number of HEAP participants who pay their home heating bills directly.

4 OTDA (Office of Temporary and Disability Assistance). See: <http://otda.ny.gov/programs/heap/#regular>

There was no reliable survey data that collected information on HEAP benefits in New York City until the 2011 New York City Housing and Vacancy Survey, to which NYC Opportunity was able to add a question about HEAP reciprocity. This question unfortunately had a very low response rate, which is not surprising since HEAP benefits are one-time payments and are usually put on a recipient's Electronic Benefit Transfer card and are thus easy to overlook.

NYC Opportunity, therefore, continues to take advantage of the large degree to which beneficiaries are automatically enrolled and the simplicity of the program's benefit structure to estimate the value of HEAP payments for households in the American Community Survey (ACS). A poverty unit in which any member is receiving SNAP or public assistance, or is a single-person household with SSI benefits, is assumed to be receiving a HEAP benefit. If, as part of the housing imputation process, an ACS household has been matched to a Housing Vacancy Survey (HVS) household that reported receiving HEAP payments, it is also assumed to be receiving a HEAP benefit.⁵

Once it has been estimated, the value of the HEAP benefit is added to a poverty unit's income. Since there can be more than one poverty unit in an ACS-defined household, the benefit is only given to one poverty unit in a multi poverty unit household. This follows program rules that limit payments to one per household. Table F.1 compares NYCgov estimates to HRA administrative data for the number of New York City households that received HEAP benefits, the total value of the benefits, and the mean benefit per household in 2016. The NYCgov estimates come to 92.8 percent of the administrative data for the number of HEAP households, 95.4 percent of the administrative data for total benefits, and 102.8 percent of the administrative data for mean benefit per household.

The very low level of HEAP benefits explains the too-small-to-register effect of HEAP on the NYCgov poverty rate noted in Chapter 2.

⁵ See Appendix C for more on the HVS matching process.

Table F.1

Comparison of NYCgov Estimates to Administrative Data for HEAP Program, 2016

A. Recipient Households	
NYCgov Estimate	735,182
HRA Administrative Data	792,058
NYCgov as a Percentage of HRA	92.8%
B. Total Benefits	
NYCgov Estimate	\$22,539,258
HRA Administrative Data	\$23,632,955
NYCgov as a Percentage of HRA	95.4%
C. Mean Benefit per Household	
NYCgov Estimate	\$31
HRA Administrative Data	\$30
NYCgov as a Percentage of HRA	102.8%

Sources: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity and New York City Human Resources Administration.