FINANCIAL VULNERABILITY IN NEW HAMPSHIRE

PRESENTED BY PHIL SLETTEN, RESEARCH DIRECTOR

ENDOWMENT FOR HEALTH
BOARD OF DIRECTORS AND ADVISORY COUNCIL
ANNUAL RETREAT
JUNE 20, 2022
VULNERABILITY AND
THE DEFINITION OF POVERTY
OFFICIAL POVERTY MEASURE IS ONE OF MANY WAYS TO UNDERSTAND HARDSHIP

• Poverty measures income, rather than assets or debt
• Rooted in federal research from the 1960s, using a key analysis published in 1955, to estimate living costs based on food expenses as a proportion of family income
• Families spent about one-third of their incomes on food in 1955
• Multiplying federal food plan costs by a factor of three (with adjustments for certain household sizes) became basis for measuring poverty, still used as framework for federal Official Poverty Measure with annual inflation adjustments
• Supplemental Poverty Measure established in 2011, based on consumer expenditure costs for food, clothing, housing (adjusted regionally), and utilities after taxes and certain other expenses
• Typically, data on prevalence of poverty stems from surveys

POVERTY THRESHOLD LOWER THAN OTHER KEY MEASURES OF LIVING COSTS

SELECTED MEASURES OF POVERTY AND COST OF LIVING IN NEW HAMPSHIRE
For a Household with Two Adults and Two Children, 2020

Annual Income

<table>
<thead>
<tr>
<th>Measure</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% of Official Poverty</td>
<td>$26,246</td>
</tr>
<tr>
<td>SPM New Hampshire Nonmetro Owner with Mortgage</td>
<td>$30,144</td>
</tr>
<tr>
<td>SPM Hillsborough County Renter</td>
<td>$33,142</td>
</tr>
<tr>
<td>185% of Official Poverty</td>
<td>$48,555</td>
</tr>
<tr>
<td>MIT Living Wage Calculator (One Working Adult)*</td>
<td>$64,401</td>
</tr>
<tr>
<td>EPI Family Budget Calculator, Coos County**</td>
<td>$71,842</td>
</tr>
<tr>
<td>300% of Official Poverty</td>
<td>$78,738</td>
</tr>
<tr>
<td>MIT Living Wage Calculator (Two Working Adults)*</td>
<td>$86,016</td>
</tr>
<tr>
<td>EPI Family Budget Calculator, Hillsborough County**</td>
<td>$87,867</td>
</tr>
</tbody>
</table>

Income Measure and Geography
*Massachusetts Institute of Technology, 2020-2021 Update, May 2021 (via archive.org)
**Economic Policy Institute, Data in 2020 Dollars, March 2022 Update
Sources: U.S. Census Bureau, Massachusetts Institute of Technology, Economic Policy Institute

NEW HAMPSHIRE FISCAL POLICY INSTITUTE
HOUSING COSTS ARE A SIGNIFICANT BURDEN

RENT AND UTILITIES PAYMENTS AS A PERCENTAGE OF INCOME FOR LOWER-INCOME NEW HAMPSHIRE RENTERS

Percentage of Income Paid by Renter Households with Less Than $35,000 Per Year of Income (39 Percent of All Renters), 2016-2020

- Paying More Than 50 Percent: 47%
- Paying 30 Percent to 50 Percent: 29%
- Paying Less Than 30 Percent: 17%
- Not Computed: 7%

Source: U.S. Census Bureau, American Community Survey, 2016-2020
CERTAIN INDIVIDUALS AND GROUPS HAVE MUCH HIGHER POVERTY RATES

INDIVIDUAL POVERTY RATES BY SELECTED GROUP
2016-2020 ESTIMATES, NEW HAMPSHIRE

Poverty Rates by Household or Family Characteristic:

- Renters: 14.5% (+/- 1.2%)
- All Families: 4.6% (+/- 0.2%)
- Families with Children: 7.8% (+/- 0.5%)
- Families in Single Female-Headed Household with Children Under 5 Years Old: 30.9% (+/- 5.7%)

Notes: Margin of error bars represent 90 percent confidence intervals. Hispanic origin included in non-white races.
Source: U.S. Census Bureau, American Community Survey Five-Year Estimates, 2016-2020
CONCENTRATIONS OF POVERTY AND HOUSEHOLDS WITH LOW INCOMES VARIES

NEW HAMPSHIRE POPULATION BY INCOME GROUP, 2016-2020 ESTIMATES RELATIVE TO THE FEDERAL POVERTY THRESHOLD (FPT)

<table>
<thead>
<tr>
<th>New Hampshire County</th>
<th>Percent of Population with Incomes Below 100 Percent FPT</th>
<th>Number of People with Incomes Below 100 Percent FPT</th>
<th>Percent of Population with Incomes Below 300 Percent FPT</th>
<th>Number of People with Incomes Below 300 Percent FPT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belknap</td>
<td>9%</td>
<td>5,200</td>
<td>40%</td>
<td>24,300</td>
</tr>
<tr>
<td>Carroll</td>
<td>9%</td>
<td>4,200</td>
<td>41%</td>
<td>19,600</td>
</tr>
<tr>
<td>Cheshire</td>
<td>9%</td>
<td>6,500</td>
<td>39%</td>
<td>27,900</td>
</tr>
<tr>
<td>Coos</td>
<td>12%</td>
<td>3,400</td>
<td>53%</td>
<td>15,600</td>
</tr>
<tr>
<td>Grafton</td>
<td>10%</td>
<td>8,700</td>
<td>42%</td>
<td>35,000</td>
</tr>
<tr>
<td>Hillsborough</td>
<td>7%</td>
<td>30,300</td>
<td>32%</td>
<td>130,600</td>
</tr>
<tr>
<td>Merrimack</td>
<td>7%</td>
<td>9,500</td>
<td>34%</td>
<td>48,700</td>
</tr>
<tr>
<td>Rockingham</td>
<td>5%</td>
<td>14,000</td>
<td>24%</td>
<td>73,000</td>
</tr>
<tr>
<td>Strafford</td>
<td>9%</td>
<td>10,800</td>
<td>35%</td>
<td>42,100</td>
</tr>
<tr>
<td>Sullivan</td>
<td>11%</td>
<td>4,800</td>
<td>43%</td>
<td>18,300</td>
</tr>
<tr>
<td>Statewide</td>
<td>7%</td>
<td>97,400</td>
<td>33%</td>
<td>435,200</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, American Community Survey, 2016-2020
MEASURING VULNERABILITY AT THE LOCAL LEVEL
BEYOND COUNTIES: MEASURING POVERTY AT THE LOCAL LEVEL

Community Development Finance Authority focus on municipalities:

- NHFPI has been working with the New Hampshire CDFA to develop indicators of local poverty, hardship, and need
- Designed to have consistent measures across municipalities, including those too small for survey data, to help understand local economies
- Survey data often unreliable for small communities
- Using PolicyMap as a data tool: https://resources.nhcdfa.org/working-with-cdfa/data/
CDFA CORE DATA INDEX PROVIDES INSIGHTS INTO LOCALIZED VULNERABILITY

Measures in Core Data Index of Community Progress Indicators:

- Food Stamp Program enrollment
- Free and reduced-price school meal eligibility
- Population growth
- Median age, as well as percent of the population age 65 years and older
- Taxable property value per capita
- Median household income relative to statewide median
- Percentage of total tax returns reporting more than $100,000 income
- Weekly wage of jobs based in county, and change in number of jobs
- Percent of median renter income required to avoid cost burden while affording median rent (by county)
- Primary care physicians per 1,000 people (by county)
- Percent of population without health insurance (by county)
OLDER GRANITE STATERS MORE LIKELY TO EXPERIENCE DISABILITY

NEW HAMPSHIRE INDIVIDUALS WITH DISABILITIES BY AGE GROUP

U.S. Census Bureau Survey Data, 2016-2020

Source: U.S. Census Bureau, American Community Survey Five-Year Estimates, 2016-2020
STUDENTS WITH LOW INCOMES LIVE IN RURAL AND URBAN AREAS STATEWIDE

FREE AND REDUCED-PRICE MEAL ELIGIBLE CHILDREN
BY SCHOOL DISTRICT AND AS PERCENTAGE OF
SCHOOL DISTRICT POPULATION,
GRADES 1-12, OCTOBER 2019

Manchester, 6,260 Eligible Students, 53% of District Student Population
Nashua, 4,076, 41% of District Student Population

Rochester, 1,521 Eligible Students, 40% of District Student Population
Concord, 1,320, 34%
Dover, 976, 27%
Keene, 938, 31%
Laconia, 854, 49%
Governor Wentworth Regional, 800, 38%
Derry Cooperative, 661, 23%
Claremont, 657, 42%
Somersworth, 570, 42%
Salem, 539, 17%
Fall Mountain Regional, 523, 40%
Franklin, 518, 62%
Conway, 502, 32%

Source: New Hampshire Department of Education
STUDENTS OF COLOR MORE LIKELY TO HAVE LIMITED FINANCIAL RESOURCES AT HOME

ALL NEW HAMPSHIRE PUBLIC SCHOOL K-12 STUDENTS, OCTOBER 2019

- White, 144,839, 84.4%
- Hispanic, 11,894, 6.9%
- Asian, 5,710, 3.3%
- Multiracial, 5,230, 3.0%
- Black, 3,619, 2.1%
- Native American, 392, 0.2%

Source: New Hampshire Department of Education

NEW HAMPSHIRE PUBLIC SCHOOL K-12 STUDENTS ELIGIBLE FOR FREE AND REDUCED-PRICE MEALS, OCTOBER 2019

- Hispanic, 6,384, 15.0%
- Asian, 1,093, 2.6%
- Multiracial, 1,737, 4.1%
- Black, 2,101, 4.9%
- Native American, 138, 0.3%
- White, 31,088, 73.1%

Source: New Hampshire Department of Education
UNDERSTANDING VULNERABILITY DURING THE PANDEMIC
MANY PEOPLE BECAME ELIGIBLE FOR ASSISTANCE PROGRAMS

NEW HAMPSHIRE MEDICAID ENROLLMENT

<table>
<thead>
<tr>
<th>Date</th>
<th>Adults</th>
<th>Children</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 29, 2020</td>
<td>90,562</td>
<td>88,368</td>
<td>178,930</td>
</tr>
<tr>
<td>May 31, 2022</td>
<td>134,900</td>
<td>104,573</td>
<td>239,473</td>
</tr>
</tbody>
</table>

+33.8%

INITIAL UNEMPLOYMENT CLAIMS IN NEW HAMPSHIRE

Source: New Hampshire Department of Health and Human Services Monthly Caseload Reports

Source: New Hampshire Employment Security
MORE INDIVIDUALS MAY HAVE ACCESS TO EMERGENCY SAVINGS

PERCENT OF U.S. ADULTS WHO WOULD NOT PAY FOR AN UNEXPECTED $400 EXPENSE WITH CASH OR AN EQUIVALENT*

<table>
<thead>
<tr>
<th>Year of Survey</th>
<th>Percent of Adults</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>50%</td>
</tr>
<tr>
<td>2014</td>
<td>47%</td>
</tr>
<tr>
<td>2015</td>
<td>46%</td>
</tr>
<tr>
<td>2016</td>
<td>44%</td>
</tr>
<tr>
<td>2017</td>
<td>41%</td>
</tr>
<tr>
<td>2018</td>
<td>39%</td>
</tr>
<tr>
<td>2019</td>
<td>37%</td>
</tr>
<tr>
<td>2020</td>
<td>36%</td>
</tr>
<tr>
<td>2021</td>
<td>32%</td>
</tr>
</tbody>
</table>

November 2021 U.S. Survey:

- Parents saw largest increase in percentage paying cash or equivalent for unexpected expenses
- 91 percent of adults with a Bachelor’s degree or higher “doing okay” or “living comfortably” financially, only 49 percent with less than a high school degree
- 81 percent of white adults reported doing at least “okay” financially, 88 percent of Asian adults, 71 percent of Hispanic adults, 68 percent of Black adults

*Includes savings and credit cards to be paid off at next statement.
DIFFICULTY AFFORDING EVERYDAY EXPENSES INCREASING

PERCENTAGE OF NEW HAMPSHIRE ADULTS LIVING IN HOUSEHOLDS WHERE IT HAS BEEN SOMEWHAT OR VERY DIFFICULT TO PAY FOR USUAL HOUSEHOLD EXPENSES DURING THE LAST SEVEN DAYS

Survey Period (Years 2020-2022)

Note: Margin of error bars represent 90 percent confidence intervals
Source: U.S. Census Bureau, 2020-2022 Household Pulse Survey, accessed June 14, 2022
INFLATION-ADJUSTED WAGES HAD NOT GROWN FOR MANY IN LAST RECOVERY

NEW HAMPSHIRE WAGE CHANGES BY DECILE
Change from 2004-2006 to 2017-2019 Averages

<table>
<thead>
<tr>
<th>Decile</th>
<th>Percentage Change in Real Wages</th>
<th>Relative Wage Percentiles and Corresponding 2017-2019 Hourly Wage Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>10th</td>
<td>-4%</td>
<td>$10.43</td>
</tr>
<tr>
<td>20th</td>
<td>-2%</td>
<td>$12.69</td>
</tr>
<tr>
<td>30th</td>
<td>0%</td>
<td>$15.48</td>
</tr>
<tr>
<td>40th</td>
<td>2%</td>
<td>$17.88</td>
</tr>
<tr>
<td>50th (Median)</td>
<td>4%</td>
<td>$20.52</td>
</tr>
<tr>
<td>60th</td>
<td>6%</td>
<td>$24.54</td>
</tr>
<tr>
<td>70th</td>
<td>8%</td>
<td>$29.11</td>
</tr>
<tr>
<td>80th</td>
<td>10%</td>
<td>$36.33</td>
</tr>
<tr>
<td>90th</td>
<td>12%</td>
<td>$48.93</td>
</tr>
</tbody>
</table>

Note: Inflation adjustment using Consumer Price Index-Urban-Research Series (current methods). Includes workers aged 16 years and older, all income from work.
KEY TAKEAWAYS

• The Official Poverty Measure is an imperfect indicator and does not capture the breadth of financial hardship, but does provide a key and common comparable measure for understanding disparate impacts on groups and families.

• Individuals and families with low and lower-middle incomes live throughout the state, with higher concentrations in some communities and significant numbers living in wealthier areas as well.

• Measuring financial well-being at the local level in New Hampshire requires creative use of available data, none of which provide comprehensive insight but can be informative collectively.

• The pandemic made larger and different components of the population vulnerable, and significant policy changes targeted at aiding those with low incomes have had positive impacts.

• Ending of temporary policies and significant, rapid changes in the economy may make understanding who is vulnerable more difficult in the near future.
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