

WORKING HARD AND FALLING BEHIND: AFFORDABILITY ERODED: CHANGES TO THE COST OF LIVING IN NEW HAMPSHIRE, 2005-2024

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Presenters



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A SUMMARY OF OUR LATEST REPORT

FOR MORE DETAILS, READ THE FULL ANALYSIS

- Report published Tuesday, October 21 and available for anyone to read
- Citations and a deeper dive into the methodologies behind all the data we are about to present are available at nhfpi.org

Affordability Eroded: Changes to the Cost of Living in New Hampshire

Over the past two decades, the cost of living in New Hampshire has outpaced what most families earn, reshaping the state's economy and daily life. The typical household now earns nearly \$100,000 a year, yet a family of four with this income still falls about \$2,000 short of covering basic needs annually.¹ Housing, health care, and child care costs have risen far faster than paychecks, while even essentials like food and energy strain family budgets. This report traces how these shifts have occurred, revealing the widening gap between what Granite Staters earn and what it takes to make ends meet.

Young Granite Staters who are living on their own for the first time in 2025 are facing considerably higher costs than young people ten or twenty years ago. According to the Massachusetts Institute of Technology's Living Wage Calculator, the cost of basic living expenses in New Hampshire for a family with two working adults and two children falls in the top quarter of states nationwide, among Massachusetts, Vermont, California, Connecticut, New York, Colorado, Oregon, and Alaska, at \$129,768 annually.²

Challenges include higher housing costs, incomes that have not kept pace with inflation and the cost of goods and services, increased expenses for caring for aging parents and family members with developmental disabilities, consistently high prices for child care and health care, unpredictable changes in gasoline prices, and high rates of student loan debt.

Housing costs are a key driver of higher core living expenses compared to previous decades. Though New Hampshire's household income increased by nearly 32 percent between 2015 and 2024, the cost of a mortgage payment, including property taxes, for a new median-priced home was over two and a half times higher at the end of this period.³

KEY POINTS

- Median household income in New Hampshire did not cover basic costs for a four-person family in 2024, falling nearly \$2,000 short
- Compared to a 2015 four-person family, a 2024 family had over \$17,000 less in surplus income annually
- Many essential expenses have grown over time while non-essential items, like televisions and toys, have gone down in price after adjusting for inflation
- Mortgage costs have doubled since 2015 for a median-priced single family home, from about \$23,000 to over \$47,000 annually
- Health care deductibles have increased 323 percent since 2005
- Child care for two children over the course of childhood can cost families nearly \$300,000
- Average in-state tuition at New Hampshire's four-years institutions in 1995 cost nearly half the average tuition in 2023

A GRANITE STATE FAMILY OF FOUR



- Two adults with two young children
- Starting out and navigating life in the Granite State

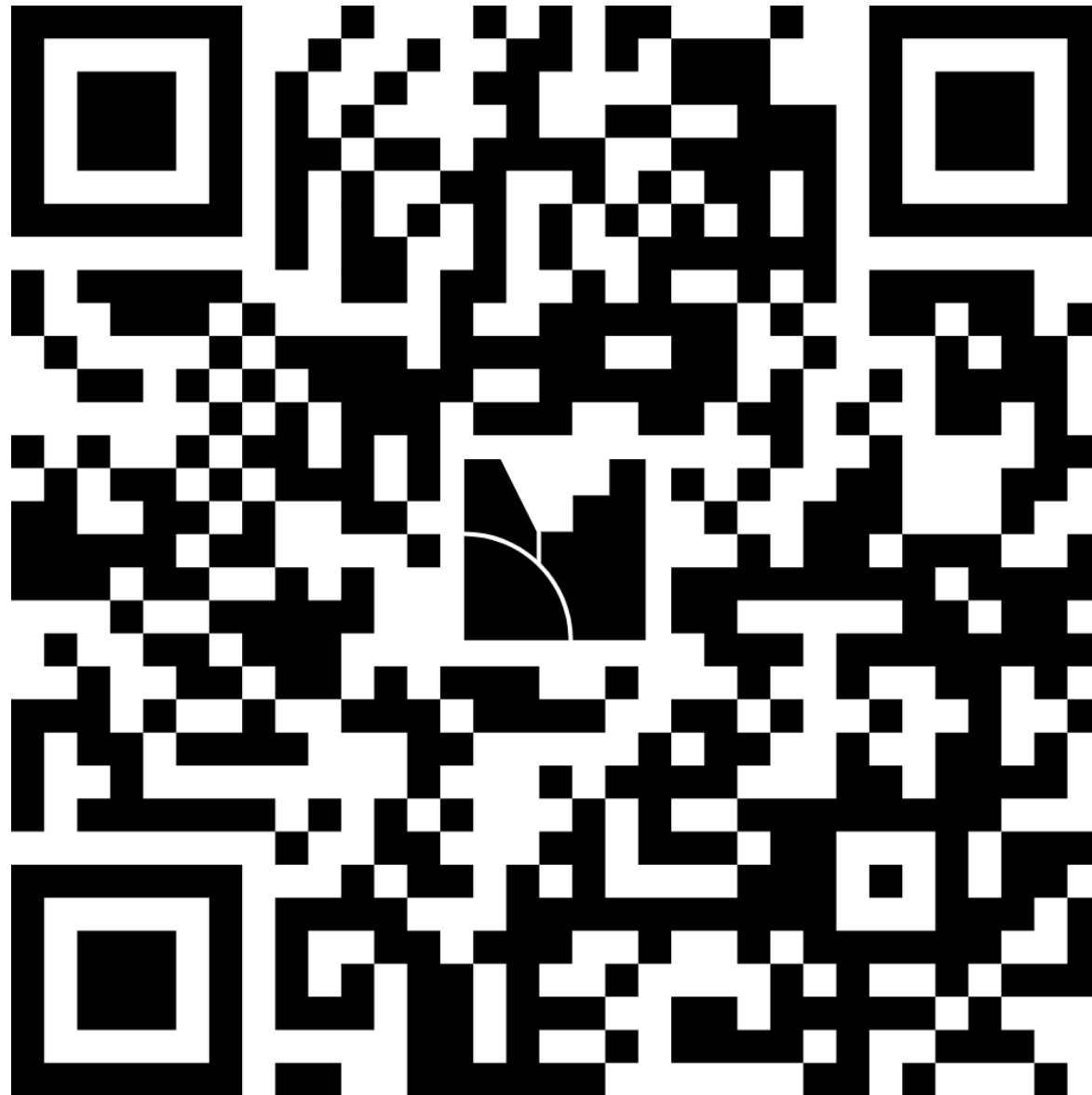
2005, 2015, and 2024

In which year (**2005**, **2015**, or **2024**) was it the *easiest* for this family, earning the median household income for all household sizes, to afford the basic expenses below?

- Mortgage payment for a newly-purchased median-priced single-family house, with property taxes
- Child care for two children under five years old
- Food
- Health care
- Gasoline

Remember your guess!

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HOUSING DROVE THE BIGGEST COST CHANGES



Monthly Payment After
Purchasing Median-Priced Single-
Family House, with Property
Taxes, 2024 Dollars, Total for Year

- 2005: \$36,285 (\$3,024 per month in 2024 dollars)
- 2015: \$22,987 (\$1,916 per month in 2024 dollars)
- 2024: \$47,249 (\$3,937 per month)

MEDIAN HOUSE SALE PRICE UP 275% SINCE 1999

STATEWIDE MEDIAN SINGLE-FAMILY HOUSE SALE PRICES

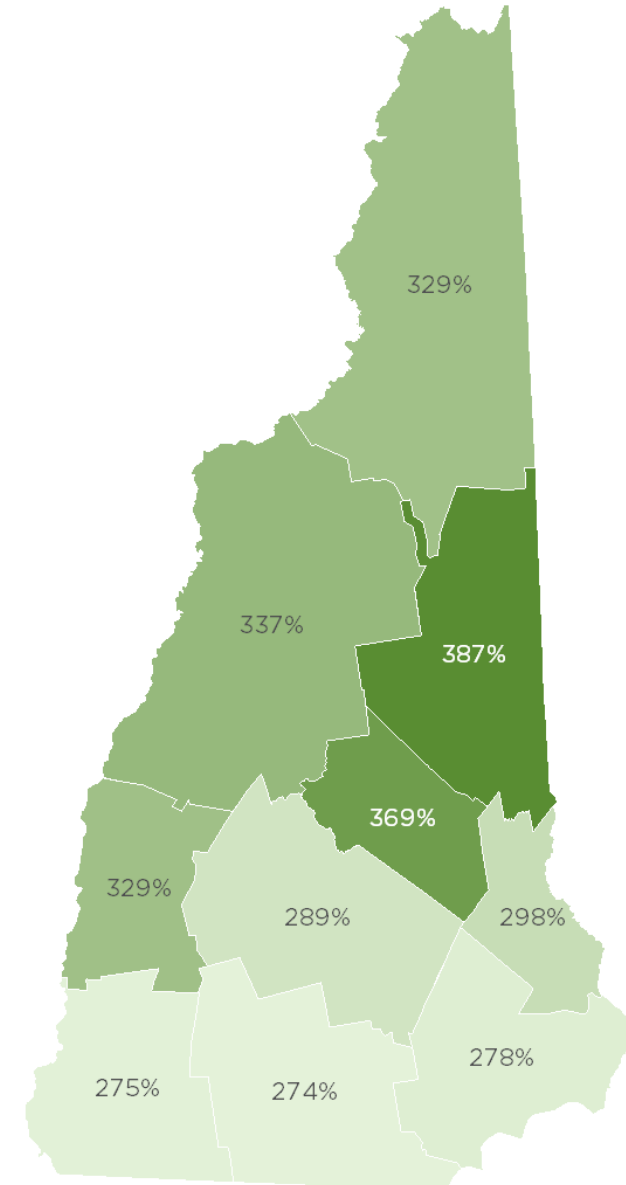


Note: Axis does not begin at zero.

MEDIAN SINGLE-FAMILY HOUSE SALE PRICES BY NEW HAMPSHIRE COUNTY

Median Sale Price Increase from 1999 to 2024

PRICES INCREASED
FASTER IN NORTHERN
AND CENTRAL
NEW HAMPSHIRE



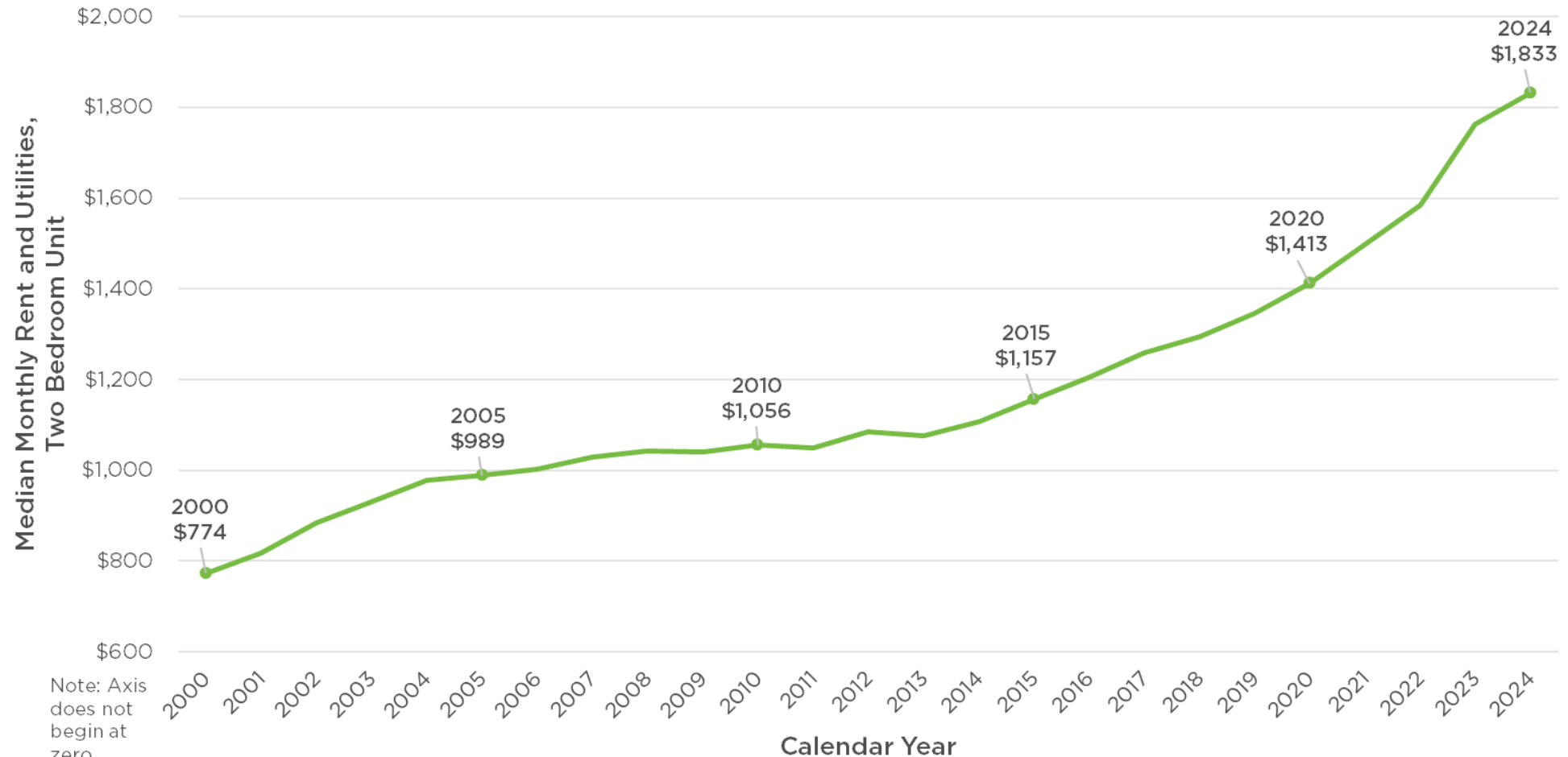
ACCESS AND AFFORDABILITY VARY BY REGION AND GROUP

- From 2010 to 2023, homeownership rates changes for different groups:
 - Age 35 to 44: dropped by 2.0 percentage points
 - Age 45 to 54: dropped by 9.4 percentage points
 - Age 65 to 74: increased by 6.8 percentage points
 - Age 75 to 84: increased by 3.1 percentage points
- During the 2019-2023 period:
 - Hispanic or Latino Granite Staters were 4.3% of total population, 1.9% of homeowners
 - Black or African American Granite Staters were 1.4% of Granite Staters, 0.6% of homeowners
- Home energy cost have increased
 - Residential monthly electricity bill increased about 94% from 2005 to 2023, \$87 to \$169
 - Home heating oil up about 107% from January 2005 to January 2024

NEARLY HALF OF 2024 RENTERS PAID OVER 30% OF INCOME IN RENT AND UTILITIES

STATEWIDE MEDIAN MONTHLY RENTAL COSTS

Costs for Two-Bedroom Units, Including Rent and Utilities



EARLY CARE AND EDUCATION EXPENSES GENERATED NEXT-LARGEST COST INCREASE



Center-Based Care for an Infant
and a Four-Year Old, 2024 Dollars,
Annual Cost

- 2005: \$24,960
- 2015: \$27,357
- 2024: \$29,082

CAREGIVING COSTS SIGNIFICANT FOR ALL AGES, PARTICULARLY OVER TIME

- In 2024, the average price for caring for a New Hampshire infant in center-based care was \$16,040, while the price for a toddler in center-based care was \$14,870
- Child care costs have increased with household income, and faster than inflation overall
- Including child care, before- and after-school care, and summer care expenses until both the children reach 13 years old, this two-child family would spend about \$300,000 over 16 years

COSTS FOR OLDER ADULTS IN NEED OF CARE CAN BE PROHIBITIVE WITHOUT SUPPORT

- For older adults or individuals with disabilities that require skilled nursing or intermediate care facility, annual private pay cost was estimated to be \$141,712 in July 2024
- Yearly Medicaid costs in the State Budget estimated to be \$114,734 for nursing facility care per enrollee
- Home and community-based care was considerably less expensive overall, with the Choices for Independence program costs averaging \$31,977 per enrollee
- 2010-2024: Medicaid enrollee costs increased 43% at skilled nursing facilities, 41% for home health services

HEALTH CARE COSTS ROSE TO BECOME A LARGER SHARE OF HOUSEHOLD BUDGETS



Reported Annual Expenditures on Health Care Costs for a Four-Person Family in the Northeast, All in 2024 Dollars

- 2005: \$6,451
- 2015: \$9,547
- 2024: \$10,850

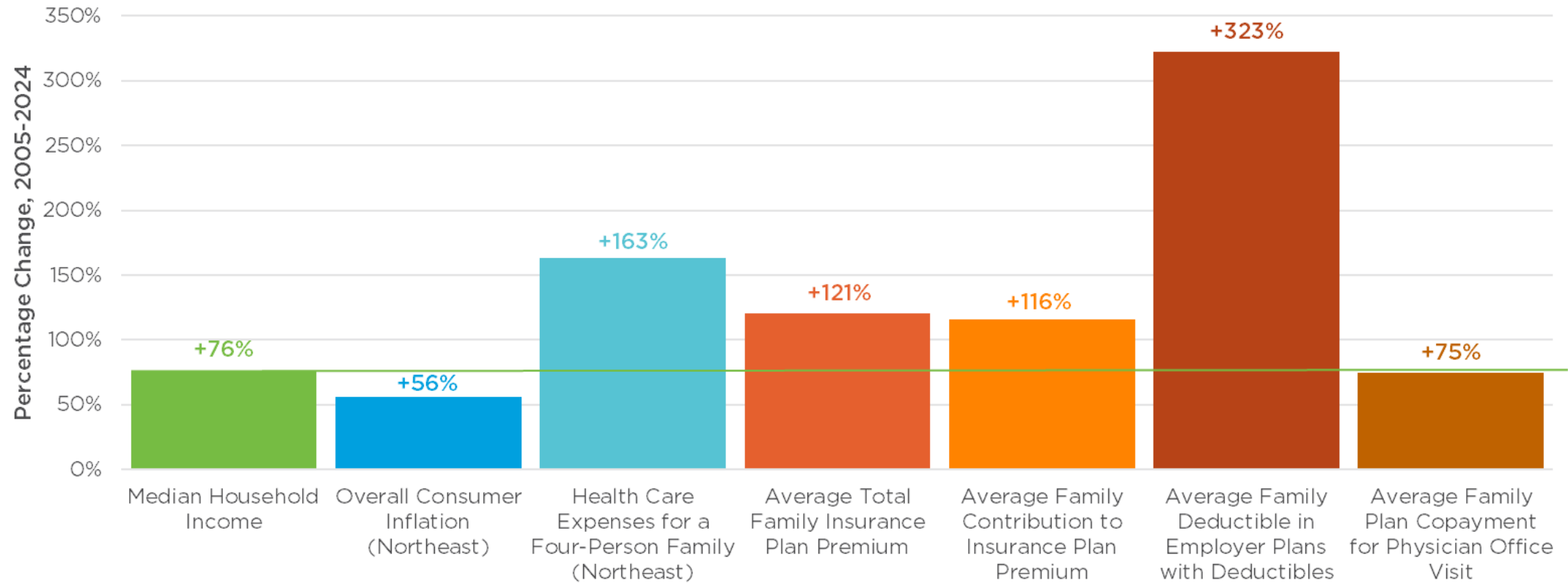
HEALTH CARE COSTS: MULTIPLE COMPONENTS

- Total cost, paid by insurers, employers, individuals, companies, and governments, totaled about \$14,000 per person in 2024
- Focus in this analysis on specific kinds of costs, what do families face in their budgets?
 - Premiums to maintain coverage
 - Deductibles to pay before coverage begins
 - Copayments and coinsurance for specific services or procedures
 - Non-premium costs are “out-of-pocket” costs
 - Some costs split with employers



DIFFERENT TYPES OF HEALTH CARE COSTS RISE UNEVENLY

CHANGES IN HEALTH-RELATED COSTS FOR NEW HAMPSHIRE RESIDENTS



Income or Cost Measure

All data specifically reflect New Hampshire figures or, where indicated for Consumer Price Index inflation data, for the Northeastern United States, including the six New England states, New York, New Jersey, and Pennsylvania.

Sources: U.S. Census Bureau, American Community Survey; U.S. Bureau of Labor Statistics; U.S. Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey

FOOD COSTS CHANGES LIMITED RELATIVE TO INFLATION OVER TWO DECADES



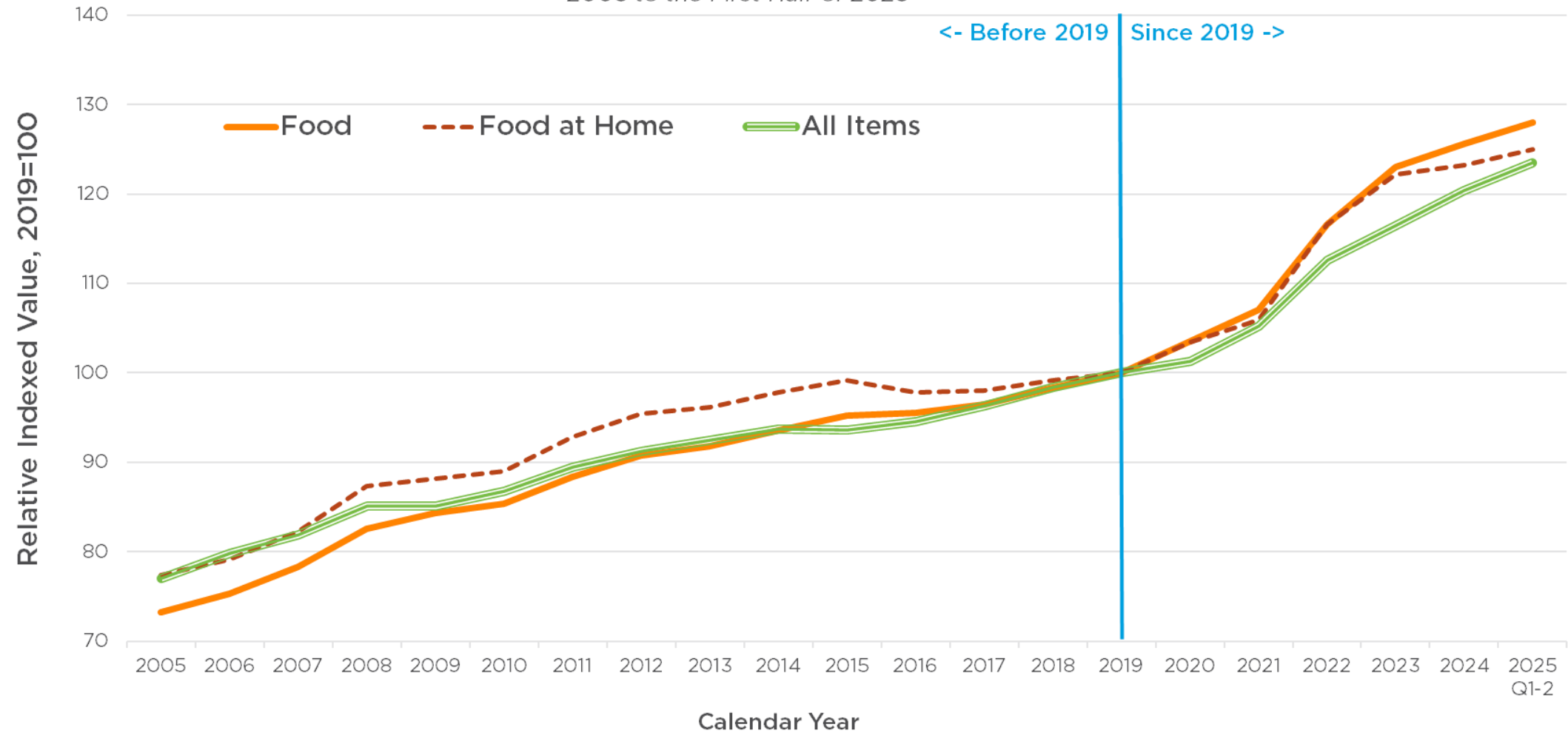
Four-Person Household Median Income Food Plan Cost from The U.S. Department of Agriculture, 2024 Dollars

- 2005: \$11,581
- 2015: \$12,259
- 2024: \$11,877

FOOD PRICE INCREASES FASTER SINCE 2019

RELATIVE PRICE CHANGES FOR FOOD

Consumer Price Index-Northeast, All Items, All Food Items, All Food Items for Consumption at Home, 2005 to the First Half of 2025



GASOLINE COSTS FELL BELOW INFLATION, BUT ARE VOLATILE IN SHORT PERIODS

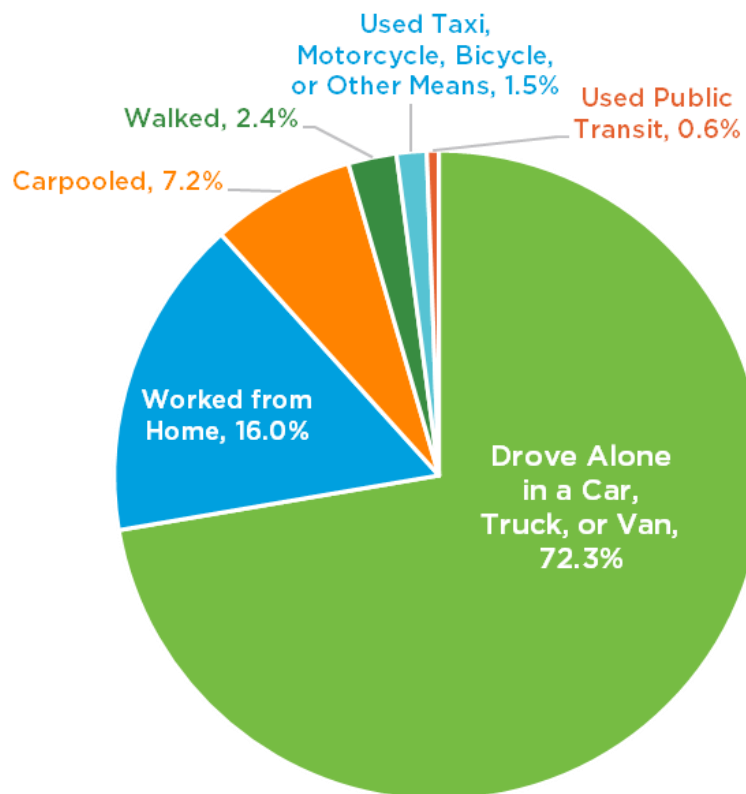


Two Cars with Average Miles Per Gallon and Miles Driven per Car with New England Regular Gas Prices in Each Year, 2024 Dollars

- 2005: \$4,477
- 2015: \$2,842
- 2024: \$2,603

TRANSPORTATION COSTS IN A CAR-DEPENDENT STATE

TRANSPORTATION TO WORK FOR NEW HAMPSHIRE RESIDENTS, 2024

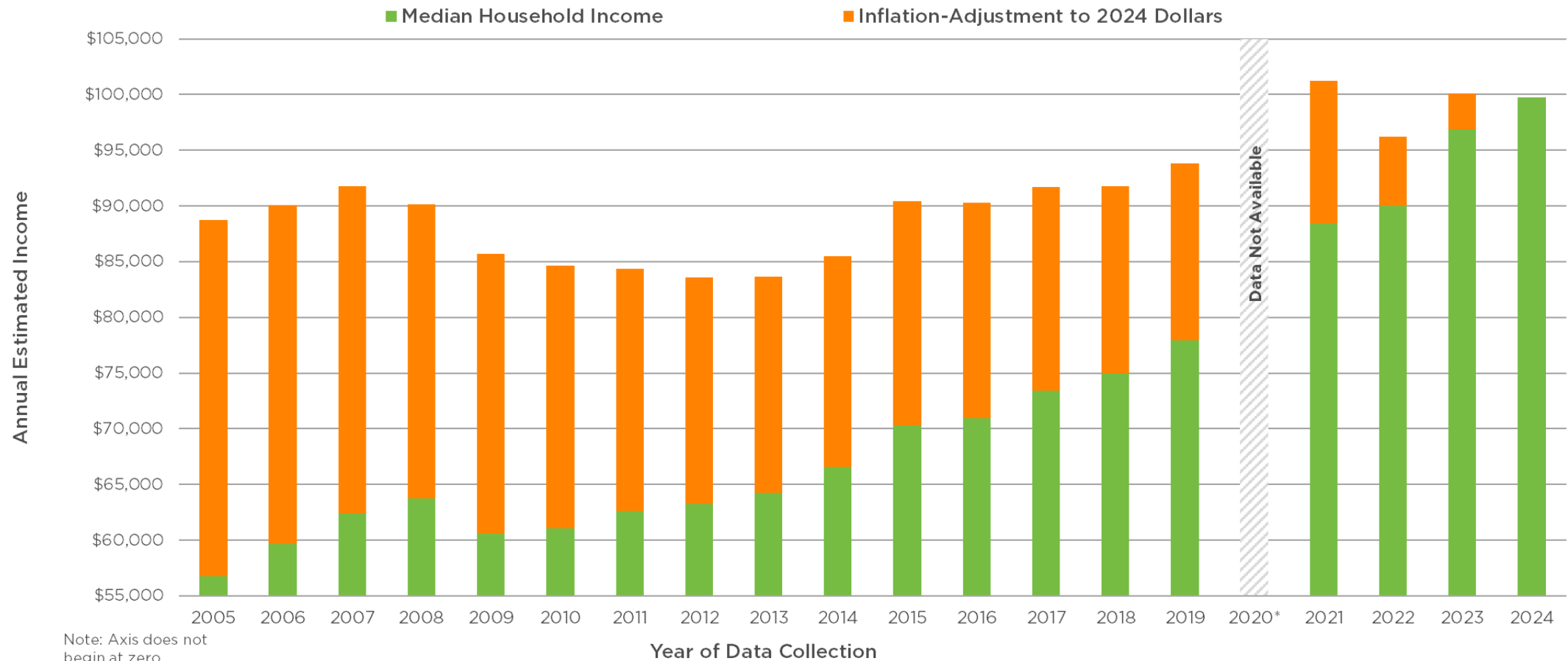


Note: Data include workers age 16 years and older.
Source: U.S. Census Bureau, American Community Survey
One-Year Estimates, Table DP03, 2024

- Unadjusted for inflation, regular gasoline was 42% more expensive in 2024 than in 2005, but it is volatile
- For example, a gallon of gasoline cost 75% more in New England in 2022 than in 2005
- Vehicle purchase price increases have been below inflation for 2005-2024, but increases steep in last five years
 - Average new car price in 2024: \$47,218 (23% since 2019)
 - Average used car price in 2024: \$25,540 (32% since 2019)

NOT ALL COSTS HAVE CLIMBED EVENLY, BUT CORE EXPENSES ARE UP EVEN WHILE OVERALL INCOMES GROW

MEDIAN HOUSEHOLD INCOME IN NEW HAMPSHIRE



ESSENTIALS GROW IN EXPENSE WHILE SOME RECREATIONAL COSTS DECLINE

- While necessities, including housing and health care, climbed in cost relative to incomes and inflation overall, some items that may be considered “nice to haves” became less expensive over this time period
- From 2005 to 2024, televisions and toys dropped substantially in price, and recreational goods increased by about 27% overall, which was below the rate of income growth as well as inflation
- Higher education became more expensive, however
 - Average public four-year undergraduate costs in New Hampshire increased from \$16,607 in 1994-1995 to \$31,054 in 2022-2023 (all in 2024 dollars)
 - Two-year college in-state tuition and fees rose from \$4,722 to \$7,348 during the same period, although the most recent data was a decrease from 2014-2015

BETWEEN 2015 AND 2024, THIS FOUR-PERSON FAMILY LOST ABOUT \$17,000 IN SPENDING POWER AFTER THE BASICS

All Inflation-Adjusted to 2024 Dollars	2005	2015	2024
Median Household Income (Half of Incomes Higher, Half of Incomes Lower, All Household Sizes)	\$88,749	\$90,434	\$99,782
Total of Costs Listed for Individual Years on Previous Slides	\$83,755	\$74,991	\$101,688
Total for All Other Expenses (Clothing, Car Payments, Phone and Utility Bills, Student Loans, etc.)	\$4,994	\$15,443	-\$1,906
Change from Prior Period Estimate	N/A	\$10,449	-\$17,349

OUR FOUR-PERSON FAMILY FACES STEEPER CHALLENGES



While some goods have become cheaper, essential living costs have become more expensive

Housing, health care, and child care have driven up costs, especially since 2015



WHY WERE YOU SURPRISED BY
THE COST YOU PICKED?

AUDIENCE Q&A