Constraints on New Hampshire's Workforce Recovery

Impacts from COVID-19, Child Care and Benefit Program Design on Household Labor Market Decisions

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About Econsult Solutions, Inc. (ESI)

Econsult Solutions, Inc. (ESI) provides businesses and public policy makers with consulting services in urban economics, real estate economics, transportation, public infrastructure, development, public policy and finance, community and neighborhood development, planning, as well as expert witness services for litigation support. Staff members have outstanding professional and academic credentials, including active positions at the university level, wide experience at the highest levels of the public policy process and extensive consulting experience. Based in Philadelphia, ESI support clients nationwide.

ESI's government and public policy practice combines rigorous analytical capabilities with a depth of experience to help evaluate and design effective public policies and benchmark and recommend sound governance practices. ESI has assisted policy makers at multiple levels of government to design and evaluate programs that help citizens increase their economic security.

Ethan Conner-Ross, Rebecca DeJoseph, and Alix Sullivan were the primary ESI researchers on this study.

About the National Center for Children in Poverty (NCCP)

The National Center for Children in Poverty (NCCP), founded within Columbia University and beginning in July 2019 located at Bank Street Graduate School of Education, is a nonpartisan public policy research center dedicated to promoting the economic security, health, and well-being of America's low-income families and children. NCCP uses research to inform policy and practice with the goal of ensuring positive outcomes for the next generation. It conducts research and policy analysis and uses existing evidence to identify effective, innovative strategies that can improve the lives of children and families experiencing economic hardship. The center provides accessible information and recommendations about research-informed policies and initiatives that can help families and communities support children's success from infancy through young adulthood.

NCCP reaches a large audience with its reports, online data tools, policy resources, technical assistance, and partnerships. This audience includes state and local policymakers, advocates, community leaders, researchers, and administrators in government agencies that use NCCP's research and analyses to make informed decisions about policies and programs that promote secure, nurturing families and thriving children. NCCP often partners with government officials, advocates, and other stakeholders to plan and carry out policy research and analysis—an approach that fully engages decision-makers and helps ensure that results will be used to strengthen policies and programs.

Key areas of the center's work include safety net policies, immigrant families, paid family leave, disability policies, early childhood mental health, early intervention, early care and education policies, and two-generation approaches. NCCP's online resources include the Family Resource Simulator, the Young Child Risk Calculator, the 50-State Policy Tracker, the 50-State Demographic Data Generator, Early Childhood State Policy Profiles, and the Basic Needs Budget Calculator.

Seth Hartig and Suma Setty were the primary NCCP researchers on this study.

4. Benefit Cliff Workforce Constraints

A benefit cliff occurs when individuals or families who receive public benefits see a reduction or loss of these benefits due to new or increased income, such that the increased income does not fully compensate for the loss of those public benefits. In essence, these benefit cliffs disincentivize individuals from seeking better employment opportunities and higher wages due to the offsetting hardship caused by sudden loss of benefits. "Cliff effects" occur when families experience or can expect to experience an increase in earnings that counterintuitively results in their overall finances suffering. This may cause families to forgo valuable employment opportunities and not only impacts those individuals and families facing these choices, but can also lead to a less inclusive economy, sustain and promote generational poverty, and reduce overall economic activity.

Prior sections detailed constraints on the New Hampshire workforce that were either created (unemployment) or exacerbated (child care constraints) by the pandemic. In contrast, benefit cliffs represent a sustained limitation on New Hampshire's workforce that pre-dates the current crisis. While labor market conditions following the pandemic will differ from those that preceded it, analysis of the constraints that New Hampshire working families face though benefit cliffs in a more typical policy environment remain highly relevant to conditions in the state over the longer term.

This analysis benefits from the availability of anonymized administrative microdata on program beneficiaries in New Hampshire, which enables systematic analysis of the decisions faced by individual households that can be aggregated by program, household type, and location. This section details the development of a household-level simulation of potential benefit cliffs to understand the situations in which policy design may be a barrier to workforce participation and economic recovery. The analysis proceeds in the following sequence:

- **Section 4.1: Key Benefit Programs** describes key support programs in New Hampshire analyzed;
- **Section 4.2: Identifying Benefit Cliffs** describes the interaction between earnings and net resources for a household as a means to understand the incidence of benefit cliffs;
- **Section 4.3: Cliff Effects by Household Type** details the analysis of benefit cliffs across programs and household types to understand which aspects create the greatest challenges for New Hampshire's citizens and its economy; and
- **Section 4.4: Benefit Cliff Analysis by Town Typology** details benefit cliff trends for similar towns grouped by geography, density, income, industry concentration, and social vulnerability.

4.1. Benefit Programs and Participating Households

New Hampshire's households participate in a variety of federal and state support programs. While this analysis seeks to develop a model for analyzing a comprehensive range of public benefit policies accessible by New Hampshire households, the discussion focuses on six programs for which either state governments have considerable statutory authority to adjust or represent significant distinct programs through which many New Hampshire residents receive crucial supports. Each of these programs is widely impactful on New Hampshire's households, including working families:

- **Medicaid** provides eligible recipients with no-cost health insurance, and supported 178,342 individuals with standard Medicaid and Granite Advantage as of December 31, 2019. Of those, 10,659 are low-income, non-disabled, working-age adults.[115]
- **Temporary Assistance for Needy Families (TANF)**, provided cash assistance to 7,836 individuals, including 5,990 children, as of December 31, 2019.[116]
- **Supplemental Nutrition Assistance Program (SNAP)**, a program administered at the state level to distribute federally funded nutrition assistance to low-income families in the form of EBT cards, supported 72,461 New Hampshire residents in December 2019. It has proved so crucial during the COVID pandemic that the federal government expanded it to accommodate more families.[117]
- **Child Care and Development Fund (CCDF)**, called the Child Care Scholarship program in New Hampshire, is supported by funds received from the federal government through a block grant and served 3,236 New Hampshire families in January 2020.[118]
- **US HUD's Section 8 Housing Choice Voucher Program (HCVP), Section 8 project-based rental assistance, and Public Housing (all three programs referred to collectively as "Housing" throughout the following sections),** are federally funded and administered by a mix of local and/or statewide public housing authorities and provide rental housing subsidies. In 2020, approximately 18,600 New Hampshire households received rental subsidies through one of these programs.[119]
- **Low Income Home Energy Assistance Program (LIHEAP),** another program that is federally funded and administered at the state level, assists households with energy costs in various ways, such as bill payment assistance and weatherization efforts. The program certified 28,727 applications in program year 2019-2020.[120]

In addition to these six focal programs, the model includes Head Start, the National School Lunch Program (NSLP), the School Breakfast Program (SBP), the Summer Food Service Program (SFSP), the Special Supplemental Nutrition Program for Women, Infant and Children (WIC), Supplemental Security Income (SSI), federal tax credits (including premium tax credits, also called ACA subsidies), New

[115] New Hampshire Department of Health and Human Services (2020)
[116] Federal Temporary Assistance for Needy Families (TANF) block grant funds New Hampshire's Financial Assistance to Needy Families (FANF) which encompass programs four programs. . The two TANF programs whose program rules are included in this study are the New Hampshire Employment Program (NHEP) and Family Assistance Program (FAP). The remaining two FANF programs are Interim Disabled Parent (IDP) and Families with Older Children (FWOC). Throughout the remainder of this chapter, the TANF-funded programs are referred to collectively as TANF programs.
[117] United States Department of Agriculture SNAP Data Tables (2020)
[118] New Hampshire Department of Health and Human Services (2020)
[119] New Hampshire Housing Finance Authority (2020), US Department of Housing and Urban Development (2020)
[120] New Hampshire Office of Strategic Initiatives (2020)

Hampshire's State Supplement Program (SSP, supplementing the federal SSI program), New Hampshire's Electric Assistance Program (EAP), the Lifeline telephone/internet subsidy program, child support, and public transportation options.

While this analysis focuses on Medicaid, TANF, SNAP, CCDF, Housing, and LIHEAP as programs of particular interest, these programs interact with each other and other programs within the model in crucial ways, and therefore the impacts of these six programs cannot be considered in isolation. (For example, SSI receipt confers eligibility for Medicaid, Medicaid participation confers eligibility for WIC, TANF receipt confers eligibility for SNAP, and SNAP participation confers eligibility for NSLP and SBP.)

Dataset

This study seeks to identify disincentives to entering the workforce or increasing one's workforce participation using data from the New HEIGHTS Integrated Eligibility System, which manages enrollment and eligibility for Medicaid and other medical assistance programs, SNAP, TANF, and the Child Care Scholarship program (CCDF).[121] The analysis uses the New HEIGHTS data to estimate who among these benefit recipients could be reasonably expected to enter the workforce, work more hours, or work for higher wages (if opportunities arise), if it were not for disincentives contained in the structure of these benefit programs, discussed below. Families within the New HEIGHTS system who could not reasonably be expected to increase their participation in the workforce (due to an incapacitating disability and other reasons) were excluded from this analysis.[122]

The size of the resulting dataset following these exclusions is 61,888 households as of June 2020, encompassing 86,294 adults and 63,766 children. Within these families, 61,633 households included individuals who received Medicaid, 11,786 households received SNAP, 2,727 households received CCDF subsidies, and 1,653 households received TANF or family cash assistance.

In addition to the programs included in the New HEIGHTS system, households were randomly assigned as participating in a housing subsidy program and LIHEAP based on state- and local-level data.[123] Based on this random assignment, 7,683 families are modeled as receiving rental housing subsidies, while 34,301 families are modeled as receiving LIHEAP and EAP subsidies. Using a similar approach, families were also assigned participation in WIC and the Lifeline program.

[121] Initially, the analysis was intended to be completed on a data extract from New HEIGHTS for open cases as of February 28, 2020; however, upon the onset of the COVID-19 pandemic, the analysis instead used a data extract of open cases as of June 30, 2020.

[122] Exclusions for this reason consisted of families that included children with disabilities; families that included elderly individuals; families with more than four adults or more than five children in the home; and families in which all adults in the home were nonworking students and/or adults with an incapacitating disability, defined as being enrolled in a disability-specific program and not working any hours. Additional exclusions based on methodological or other considerations include families with pregnant household members (which will likely increase family size by an undetermined amount and require too many other unknown factors affecting work schedules) and families with refugee household members (who likely are relying on programs outside the scope of this study).

[123] Housing subsidy programs include the Section 8 Housing Choice Voucher program (HCVP), the Section 8 Project-Based Rental Assistance program (Project-based Section 8), and Public Housing programs. Random assignment of families receiving such housing subsidies from the New HEIGHTS sample was based on a study finding that approximately 64% of households receiving housing subsidies also receive at least one other subsidy program. Therefore, 64% of the units per town were randomly assigned to New HEIGHTS families from each town. The number of units per program per town was provided by New Hampshire Housing Finance Authority. LIHEAP participation was randomly assigned to New HEIGHTS families based on an assumed statewide take-up rate of 63% in the 2018-2019 program year. This take-up rate was calculated as the number of applications certified in New Hampshire for LIHEAP in the 2018-2019 program year (29,989) divided by the number of families below the eligible income limit in New Hampshire according to 2018 ACS estimates.

4.2. Identifying Benefit Cliffs

Nearly all of the programs mentioned above are means-tested. Benefits provided by means-tested programs decline when the income of benefit recipients rise, a feature commonly described as "phasing out." When families lose eligibility for a benefit due to a rise in income, and when the loss of the benefit represents a monetary loss greater than the rise in income, the event is labeled as a "benefit cliff." Benefit cliffs can also be thought of as high effective marginal tax rates, in that the family's financial bottom line suffers from higher income and/or earnings.

Calculating Net Resources

The benefits available to low-income families in New Hampshire can affect both their expenses and resources: certain benefits, such as TANF and SNAP, provide cash or cash-like assistance and should therefore be included as resources in efforts to model family finances; while other benefits, such as childcare subsidies, housing subsidies, LIHEAP, and health insurance assistance programs (such as Medicaid or premium tax credits), reduce the family's overall expenses and therefore are modeled as reductions in expenses. A family's "net resources," or total resources minus total expenses, is the key parameter of interest when understanding the cliff effect. "Net resources" can also be thought of as a family's financial bottom line.

As previously mentioned, benefit cliffs disincentivize individuals from seeking better employment opportunities and higher wages due to dips in net resources caused by sudden loss of benefits. This not only impacts those individuals and families facing these choices but also can lead to a less inclusive economy, sustain and promote generational poverty, and reduce overall economic activity. In the face of benefit cliffs and an opportunity to earn higher income, one of two outcomes will occur, either of which is problematic:

1) The individual or family takes the higher income, and on net, is financially worse-off than before due to the reduction in benefits, or

2) The individual or family does not take the higher wage and therefore does not improve their economic position or earnings horizon, while their potential employer and the state economy forgo potential growth in activity.

To use New HEIGHTS system data in order to identify the impact of benefit cliffs across the programs of interest, the model employed a marginal framework based on the methodologies pioneered through the development of the National Center for Children in Poverty's Family Resource Simulator online tool. This simulator calculates a family's "net resources" by comparing the value of a family's income and monetary equivalent of the public benefits they receive against expenses for basic needs like rent, child care, food, and transportation.

The basic formula for the net resources measure is as follows:

$$\boldsymbol{Resources} = earnings + interest\ on\ savings + TANF + SNAP + SSI + SSP + child\ support + EITC + refundable\ portion\ of\ CTC$$

$$\begin{aligned}\boldsymbol{Expenses} = {} & (federal, state, and\ local\ income\ taxes - nonrefundable\ credits) \\ & + payroll\ taxes + sales\ taxes + (child\ care\ costs - CCDF\ subsidies) \\ & + (rent - housing\ subsidies) + (utility\ costs - LIHEAP) \\ & + (food\ costs - WIC - free/reduced\ price\ meals) \\ & + transportation\ costs \\ & + (health\ care\ costs\ if\ not\ on\ Medicaid - ACA\ subsidies) + disability \\ & - related\ costs + debt\ payments + miscellaneous\ expenses\end{aligned}$$

$$\boldsymbol{Net\ Resources} = Resources - Expenses$$

By calculating this measure across incrementally increasing incomes, it is possible to pinpoint when benefit cliffs occur: in other words, when net resources fall instead of rise as income steadily increases.

The research team derived the formulas used in this analysis to calculate the above estimations of family resources, expenses, and net resources through their experience developing and maintaining The Family Resource Simulator (FRS), an online tool developed by NCCP in 2004 to model the progression of net resources and impact of benefit cliffs for one hypothetical family at a time. This analysis represents the first time, to the extent of the research team's awareness, that these methodologies have been applied to a large data set of actual families. By calculating net resources for the universe of families that include individuals who can be reasonably expected to be able to work more hours or achieve higher wages – given the opportunities to do so – this adaptation of the FRS model can calculate how close individual families are to facing the various benefit cliffs in these programs and how severely these benefit cliffs may impact their finances. Moreover, this analysis can demonstrate the impact of specific benefit cliffs in the aggregate and compare the impacts that these policy rules may have on New Hampshire families in the future.

The Path of Benefit Cliffs

Prior to analysis of the aggregate impact of benefit cliffs, it is illustrative to focus on an example family from the New HEIGHTS system data that would experience benefit cliffs as their income rises.

Example: Laconia single parent household with three children

Figure 4.1 below shows the actual scenario of a single-parent household with one young child and two other school-aged children living in Laconia. The parent is currently not in participating in the labor force and receives benefits through child care subsidies (CCDF), food assistance (SNAP), Medicaid, and TANF. The model also assigns housing assistance and WIC receipt to this family—as detailed above, the model randomly assigned participation in the three major HUD rental assistance programs based on take-up rates by geography. Additionally, while the New HEIGHTS system data did not include any information on participation in the WIC program, there is a high likelihood that families that receive WIC benefits also participate in the SNAP program. In order to account for the probability of a family receiving WIC benefits, the model randomly assigned those eligible for WIC based on the national take-up rate.

Similarly, the model randomly assigned access to employer health insurance coverage across the sample, including for this family. (Families not randomly assigned employer coverage are modeled as purchasing health insurance off the healthcare marketplace and able to access premium tax credits, when eligible.) Additionally, this family was randomly assigned participation in the widely-used federally subsidized school meal programs (National School Lunch Program and the School Breakfast Program), as well as the Lifeline telephone subsidy program, which helps reduce phone bills for low-income families.[124]

The modeling first estimates net resources for this family at the current earnings levels, and then models successive scenarios in which their earnings are raised by a constant increment ($1,000) to understand the impact.

While the public benefits that this family receives clearly support their ability to pay for basic expenses, they also face the prospect of benefit cliffs that may hamper their economic mobility and security. The model employed in this study can measure both the proximity from the point at which a family is able to pay for basic expenses, either positive or negative, as well as the potential impact of benefit cliffs on their ability to pay for basic expenses. The model estimates that, at the outset, the combination of earnings and benefits this family receives is still insufficient to cover the basic needs of the family, as net resources are negative (approximately $4,025 away from "breaking even" at $0 earnings).[125]

- This family was chosen partially because it is one of the rare families in the data sample to benefit from at least five of the six programs of interest in this study, including four programs we know the family benefited from and two programs randomly assigned to the family. (As explained below, the model does not assign LIHEAP to any family receiving housing assistance.) While in this sense it is not illustrative of the majority of New Hampshire families included in New HEIGHTS – there are only 22 families in the sample receiving CCDF, SNAP, Medicaid, and TANF, and also randomly assigned housing assistance – it is helpful to see how these programs potentially interact with increases in earnings and with each other more comprehensively than with a family that does not have access to this combination of benefits.
- Should the adult in this household begin working, which is modeled by increasing the number of hours worked per week, the family will be successively better off until the parent reaches average annual earnings of $4,000, when the parent works close to 6 hours per week.
- At this point, the family faces its first cliff as the parent starts working a shift that no longer can be confined to her children's school day, after considering commuting time. This requires additional child care. Even though the parent's child care is subsidized by CCDF (called the Child Care Scholarship program in New Hampshire), child care providers in New Hampshire can charge

[124] Random assignments were also made for other programs not included in the New HEIGHTS system data based on national and state take-up rates or calculated based on data available within the dataset. These programs include Head Start and Early Head Start, which this family was not randomly assigned. Random assignment also conferred the availability of employer-provided health insurance; families not assigned employer-provided health insurance coverage are assumed to purchase health insurance off the health insurance marketplace and have that insurance subsidized by premium tax credits, also called ACA subsidies).

[125] While positive net resources potentially represents savings, a negative net resources amount can be conceptualized as either the debt that a family needs to incur to adequately afford the bundle of family expenses that the model estimates they will need to live in a safe, healthy environment conducive to meeting standard expectations of child development (dissavings) or, alternatively, the monetary equivalent of how much the family would have to cut back on those expenses based on their income; examples of lowering expense costs based on low family budgets include doubling up or sending children to substandard child care settings that may not be healthy or support their educational development.

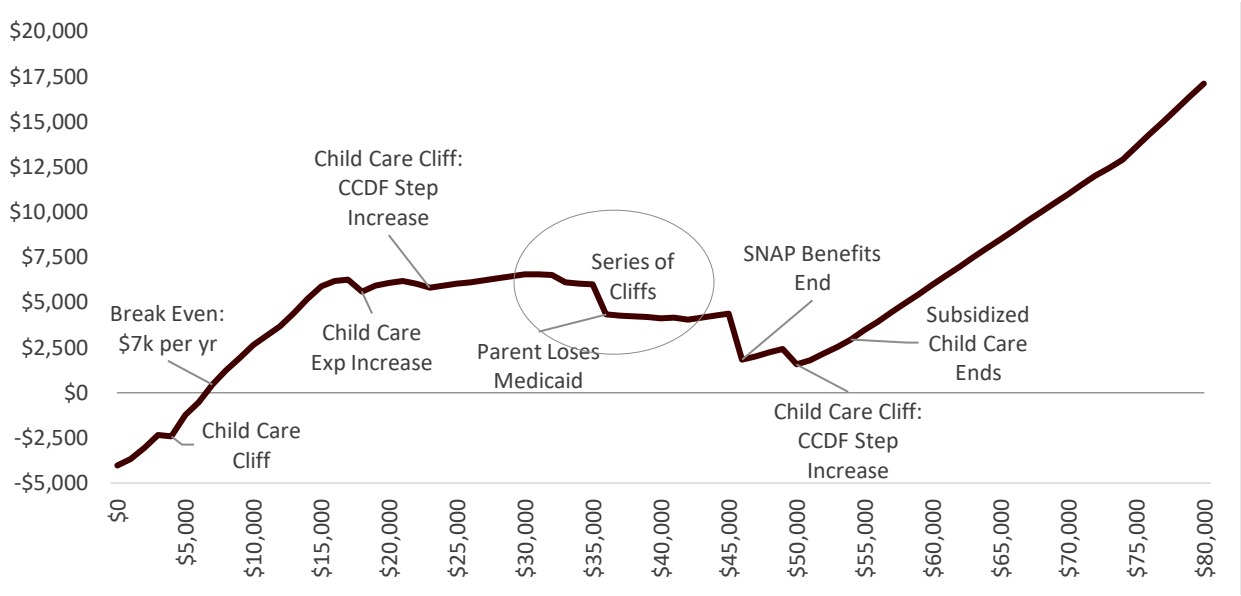
the difference between the maximum state subsidy and their market rate for identical care, meaning that this family's child care costs go up by that difference when child care need increases.

- The family will "break even" in net resources when the adult earns around $7,000 per year. At this point, the family will continue to be better off until its next cliff at $18,000, when child care again increases expenses substantially. At this point the parent is already paying a slightly greater share of their income via parent contributions (compared to previous income levels) to participate in New Hampshire's CCDF program, but child care costs jump significantly because the parent's work schedule requires full-time care compared to part-time care. This results in a net loss of $640.
- The next cliff, at $22,000, results less from one of the six programs of interest, but from a combination of other increased expenses, declining benefits, declining tax credits, and increasing payroll taxes. While the monetary value of none of these programs decline by more than $1,000 on their own and likewise no specific expense increases on its own by more than $1,000, they combine to result in a net loss of $154. The primary reasons why these factors combine to result in a net loss at this point, and not earlier, is that the family is making enough earnings that the value of the federal earned income tax credit (EITC) is starting to decline with progressively higher incomes.
- With an additional $1,000, at $23,000 the family experiences yet another cliff, because the family's earnings now move them up one "step" in New Hampshire's CCDF program, requiring them to pay a greater share of their earnings as a parent contribution to child care. While this is the primary driver of the decline in net resources at this income level, it does not alone lead to an increase in expenses over $1,000. However, the increase of $830 in child care expenses that it triggers combines with other gradually declining benefits, including declines in SNAP benefits and TANF cash assistance, to result in a net loss of $210.
- As can be seen from the graph below, net resource gains are extremely modest between $23,000 and $31,000. While net resources do not decline in this range, they increase at an average of only $93 per every $1,000 in annual wages. Similar to what is described above, this results from a combination of increasing parent contributions for CCDF-subsidized child care, declining SNAP benefits, declining TANF cash assistance, declining EITC, and increased payroll taxes.
- While the combination of earnings and public benefits barely allows this family to experience a net increase in net resources, beginning at $32,000, the nonrefundable federal tax credits it receives no longer completely counteract their federal tax bill, resulting in an additional increase in taxes this family would face per each additional dollar earned beyond that point. Combined with the other factors above, the family faces a series of "cliffs"—when additional earnings result in lower net resources—from $32,000 to about $42,000.
- Within this span, family income exceeds the Medicaid income limit for adults at $36,000, or just over 138 percent of the Federal Poverty Line, resulting in a switch to employer-provided insurance and the resulting monthly premium payments. With the other factors, this results in a net loss of $1,667 at that income level.
- At $46,000, the family loses eligibility for SNAP, which has a gross income limit of 185 percent of the Federal Poverty Line (FPL). While families can also experience gradual declines off SNAP, the impact of losing this benefit is significant for this family primarily because they incur high child care costs. The loss of SNAP alone means that the family loses $1,380 in benefits compared to

how much they received at $45,000. Additionally, because children in this family receive free school lunch and breakfast as long as they receive SNAP, the family no longer benefits from these meal subsidies, an event which the model estimates will increase annual food expenses by about $1,500 along. While these losses are somewhat mitigated by gains in other programs and tax credits, the resulting loss in net resources is $2,555.

- Lastly, at $50,000, the family experiences its last benefit cliff in this model, when earnings level pushes the family into another subsequent CCDF "step," resulting in a net loss of $855. At $54,000, the parent contributions for CCDF participation begin to match the unsubsidized cost of child care – the amount that the family would pay without subsidies – so the model anticipates this family would no longer receive subsidized care and would begin paying market rates.

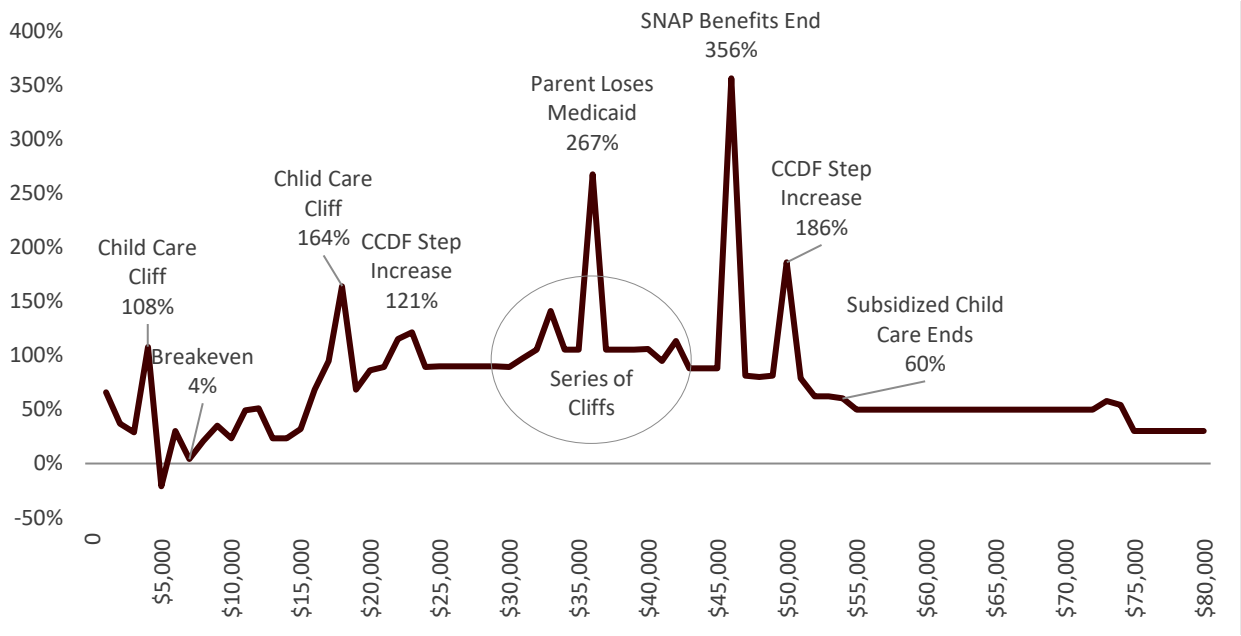
Figure 4.1: Cliffs Encountered as Earnings Increase, Laconia Single-Parent Household with 3 Children



Source: New HEIGHTS (2020), NCCP (2020), ESI (2020)

On the path toward financial stability, another way of visualizing the benefit cliffs families face is by comparing the marginal tax rates they pay as incomes rise (see Figure 4.2 below). The reasons for each marginal tax rate exceeding 100 percent, also referred to as a benefit cliff, are described in the bullets above.

Figure 4.2: Effective Marginal Tax Rates on Earnings



Source: New HEIGHTS (2020), NCCP (2020), ESI (2020)

Program Elements that Can Lead to Benefit Cliffs

Medicaid

While there are a range of Medicaid programs available in New Hampshire with varying eligibility criteria, most people enrolled in the program face one of two limits based primarily on age: [126]

- The adult Medicaid limit is effectively 138 percent of the federal poverty level; and
- The child Medicaid limit is effectively 318 percent of the federal poverty level.

Additionally, anyone receiving SSI cash assistance can enroll in Medicaid, and because SSI is provided to either individuals or to a married couple, a member of a household on SSI can continue to receive Medicaid even if other household members are no longer eligible for Medicaid when the entire household income is above the Medicaid limit for their age group.

When people lose eligibility for Medicaid, the model assumes that they will then purchase insurance either from their employer or from the healthcare marketplace, with marketplace coverage subsidized by sliding-scale premium tax credits (ACA subsidies for marketplace insurance). The healthcare cliff is therefore the difference between the zero-cost health insurance individuals receive from Medicaid and the cost of private insurance, less any premium tax credits in the case of individuals purchasing marketplace insurance. Because the model includes the sliding-scale premium tax credit when the households lose Medicaid and enter the healthcare marketplace for coverage, the term "healthcare"

[126] These limits are inclusive of the 5% MAGI disregard

will be used throughout this analysis to refer to cliffs arising from either the loss of Medicaid or subsequent decreases in ACA subsidies as income increases.

Supplemental Nutrition Assistance Program (SNAP)

The SNAP program has two primary income thresholds: the net income limit and the gross income limit. Because families can only claim SNAP benefits if net income is at or below 100 percent FPL (the net income limit), and New Hampshire's SNAP gross income limit is 185%, if the expenses that families can deduct from gross income based on SNAP rules exceed the value of 85 percent FPL (185%-100%=85%), they face a benefit cliff at 185 percent FPL.

SNAP benefit cliffs emerge primarily among two groups:

- Families with very high child or dependent care costs; and
- Families that include household members with disabilities.

These cliffs largely result from reductions in gross income that families can make through the uncapped dependent care deduction, which covers child care costs, and the shelter deduction, which is not capped among households that include people with disabilities. Because these expenses can amount to thousands of dollars in reduced income, and therefore significant increases in SNAP benefits, the loss of SNAP benefits at 185 percent FPL can be dramatic.[127]

When families with school age children lose eligibility for SNAP, they are also modeled as losing the ability for their children to receive free meals through federally subsidized school lunch (NSLP) and school breakfast (SBP). Any child in a family that receives SNAP benefits is categorically eligible to receive these free meals, so the loss of SNAP is compounded by the increase in food costs that these families will face as a result of paying for these meals.[128]

Child Care and Development Fund (CCDF)

Among recipients of New Hampshire's CCDF, child care costs are covered via three cost components:

- A state payment, or the amount the state pays providers to provide child care for eligible families, which decreases from a maximum rate, or state payment rate (SPR) as rising parent incomes result in higher sliding scale parent payments, described immediately below;
- A sliding scale parent payment, which increase via "steps" as income rises among recipients, which may never exceed the SPR; and
- A parent co-pay (in other states sometimes referred to as an overage payment), an amount that providers may charge to cover the difference between the SPR and the market rate of child care.

When a parent's working hours increase and there is not a parent available to take care of children, the amount of child care needed increases, and the cost of child care subsequently increases. Similarly, full-time workers will require more care than part-time workers. As parents move upward in the sliding scale

[127] As discussed below in the Policy Considerations section, many states have recognized the importance of mitigating SNAP benefit cliffs for families in these groups and have as a result raised the SNAP gross limit to 200%, the maximum limit allowable by federal law.
[128] Schools and school districts with a high percentage of SNAP-eligible families can mitigate these cliffs by opting to provide free meals to all students, through a related federal program, but very few schools opted into this program in New Hampshire pre-COVID.

payment, their out-of-pocket child care costs will increase, which, as in the example above, can create benefit cliffs for those families.

Because this analysis focuses on the barriers and costs to both labor force entry and expanded participation, in addition to including families that are currently enrolled in the CCDF program, the model simulates the increased child care costs incurred once labor force participation is increased. While many of these cliffs are not technically the product of a benefit program, they are a significant barrier to employment for many families and necessary for calculating the true net resource loss associated with increased labor force participation. For this reason, throughout this analysis, CCDF cliffs as well as cliffs resulting from increased market-rate child care costs are identified as "child care" cliffs.

Temporary Assistance to Needy Families (TANF)

The TANF cash assistance programs—called Financial Assistance to Needy Families (FANF) in New Hampshire—is composed of the New Hampshire Employment Program (NHEP), Family Assistance Program (FAP), Interim Disabled Parent (IDP) program, and the Families with Older Children (FWOC) program. Unlike other selected programs of interest described above, including SNAP, Medicaid, and CCDF, the eligibility rules for these programs do not lead to "benefit cliffs" in the strictest definition of that term; TANF cash assistance declines gradually with income and is not categorically tied to eligibility for other programs with higher income limits.

The maximum amount of TANF cash assistance that New Hampshire provides low-income residents is one of the most generous in the nation. When families on TANF start earning enough that they no longer are eligible for the maximum amount of TANF cash assistance, their TANF grant declines at approximately 50 cents per every dollar earned. Programmatically, this is the result of the 50 percent earned income disregard afforded to TANF families to determine their cash assistance amount. Even though these declines can never, on their own, account for a net financial loss greater than the gain a family could experience from higher wages or working more hours, the reduction in TANF cash assistance can combine with reductions in benefits from other means-tested programs, resulting in a net financial loss. TANF has the largest marginal "tax rate" among several widely used programs: at up to 50 cents for each additional dollar earned, it carries a tax higher than SNAP (up to 36 cents for each additional dollar earned for eligible families) and the three housing programs included in the model (up to 30 cents for each additional dollar earned across project-based Section 8, the Housing Choice Voucher Program, and Public Housing).

Housing assistance programs

The below analyses of New HEIGHTS system data also assess the impacts of the three primary federally administered HUD rental assistance programs to households that do not necessarily include elderly or disabled family members: the Section 8 Housing Choice Voucher program (HCVP), the Section 8 Project-Based Rental Assistance program (Project-based Section 8), and Public Housing. While each of these programs cover different types of housing stock available to low-income families, the rental assistance benefits that families participating in these programs are determined primarily by an identical formula.

While enrollment into these housing programs is restricted to individuals falling below certain income limits, income limits do not apply to recipients of these programs, except in rare cases. Families receiving rental assistance generally pay a rent equivalent to 30 percent of their income (after

deductions), capped at payment standards determined by the relevant public housing authority,[129] plus, in the case of the HCVP program, the difference between the market rate of their housing unit compared to that payment standard. Similar to the TANF programs described above, rental assistance declines gradually with income and these benefits are not categorically related to other programs. This aspect of housing programs means that, like TANF, recipients in these programs do not face benefit cliffs attributable to this single program, but, when increases in rent combine with other incremental changes like declining TANF cash assistance or SNAP benefits, a slight gain in income can result in an overall financial loss for a family.

Low Income Home Energy Assistance Program (LIHEAP)

The federally funded LIHEAP program (known as the Fuel Assistance Program, or FAP, in New Hampshire) provides subsidies to low-income families to support energy costs related to heating or cooling. State agencies have significant authority to determine eligibility rules and the structure of any associated sliding scales within LIHEAP programs. New Hampshire's FAP program uses a step-based sliding scale system similar to its CCDF program and provides assistance to families making incomes up to 200 percent of the federal poverty level. When income exceeds that amount, families are no longer eligible for LIHEAP benefits; based on current policy, this can result in the loss of over $500 in energy subsidies per year due to a marginal increase in income. This is a "benefit cliff" in the strictest definition of that term, but one with significantly less monetary impact than benefit cliffs in programs such as SNAP or Medicaid.

Other relevant programs that can result in benefit cliffs

Beyond the six programs of interest, other means-tested programs also decline with higher earnings and can contribute to benefit cliffs among New Hampshire families. Specifically,

- SSI, a program providing cash assistance to individuals with disabilities, declines gradually as earnings rise, at approximately 50 cents per each dollar in income.
- The value of the federal earned income tax credit (EITC) rises with income up to a certain income threshold, plateaus until another income threshold, and then gradually declines until it reaches $0.
- Federal payroll taxes also increase with income.
- Transportation costs rise with income as parents incur more commuting costs when they work additional days per week.
- Premium tax credits, available to individuals who do not have access to affordable employer-provided health care, also decrease gradually as income rises above 130 percent FPL. Because premium tax credits were intended by the ACA partially to allow families moving off of Medicaid to gradually pay an increasing amount of their earnings toward healthcare costs, benefit cliffs attributable to premium tax credits are grouped with the cliffs attributable to losses in Medicaid benefits. Collectively, cliffs resulting from either program are referred to as "healthcare cliffs."

[129] In the case of Public Housing, families whose income exceeds initial eligibility standards are charged the greater between fair market rent and the value of the housing subsidy supporting the unit.

- School and summer meal programs provide subsidized food to low-income families receiving SNAP benefits as well as families who do not receive SNAP benefits but who have income below thresholds of 130 percent FPL (for free meals) and 185% (for reduced-price meals).

While the declines in income or resources that these programs represent are included in the calculations below, they are not included as one of the six programs of interest within this analysis.

4.3. Cliff Effects by Household Type

The analysis below reviews the total number of benefit cliffs identified by the household-based simulation of all families within the New HEIGHTS dataset by program and household type.[130] There are four household type classifications used throughout this analysis: households with no children, single adult households with children, two adult households with children, and three- or four-adult households with children. After summarizing the cliffs for all households (*Benefits Cliffs Summary* below), the analysis is further segmented into two groups based on labor force participation: households without earnings (*Benefit Cliffs: Households without Earnings*) and households with earnings (*Benefit Cliffs: Households with Earnings*).

Where frequently occurring cliffs are identified by both household type and earnings status, more granular analysis is used to better understand the nature of the cliff, situations where it most frequently occurs, and potential detrimental effects. These analyses are included in Section 5 of this report.

It is important to note that throughout this analysis, both the "distance" to cliff and "magnitude" of cliff are discussed. The distance to the cliff is defined as the additional earnings or income needed to encounter the cliff. The magnitude of the cliff is defined as the negative change in net resources due to the cliff.

Benefit Cliffs Summary

There are 61,888 New HEIGHTS households in this analysis. Each of these households were enrolled in at least one of four programs included in the New HEIGHTS system during the time of the study: Medicaid, SNAP, TANF, or CCDF. Of these households, 94 percent (58,074) experienced at least one benefit cliff during the simulation. As previously detailed, in addition to the programs included in the New HEIGHTS system, households were randomly assigned into housing subsidy programs ("Housing") and LIHEAP to estimate cliff effects for these programs as well.

[130] This analysis uses the terms "household" and "family" interchangeably.

Figure 4.3: Households Facing Cliffs by Program and Family Type

	Healthcare[131]	Child Care	SNAP	TANF	Housing	LIHEAP	Total Families
No children	24,322	0	41	0	41	185	24,338
Single adult with children	16,732	8,010	4,360	620	1,220	1,691	16,867
Two adults with children	14,452	9,711	1,857	52	793	909	14,942
Three or more adults with children	1,907	307	182	8	146	246	1,927
Total Families Facing Cliff	57,413	18,028	6,440	680	2,200	3,031	58,074
Program Enrollment	61,633	25,824	11,786	1,653	7,683	34,301	61,888
Cliff Prevalence by Program	93%	70%	55%	41%	29%	9%	94%

Source: New HEIGHTS (2020), NCCP (2020), ESI (2020)

In order to identify and measure benefit cliffs, this analysis simulated an increase in household earnings for the 61,888 families within the New HEIGHTS system assessed as being potentially responsive to higher wage offers or expanded work schedules. For each family, the simulation increased earnings up to $80,000 above the household's initial earnings in increments of $1,000, creating approximately 4.95 million iterations in which a cliff could potentially occur. Of these 4.95 million instances, 145,007 cliffs are encountered. In this analysis, a cliff results when the additional $1,000 in incremental earnings results in greater than $1,000 in losses due to either a complete loss of a public benefit, a decline in the value of a public benefit, an increase in costs, or some combination of these three. Of the 145,007 cliffs identified, a cliff was created, in part or in sum, by the loss or reduction of at least one of the six programs of interest—or in the case of child care, an increase in total expenses based on additional hours worked—for 95 percent of cliffs (138,043).[132]

As discussed in Section 4.2 above, while programs like Medicaid can cause 100 percent of a cliff, many of the cliffs to be analyzed in this report result from the interaction of several programs. By design and with few exceptions, TANF, Housing, and LIHEAP programs will not result in significant benefit cliffs in isolation. While these programs on their own will increase the effective tax rate of every additional dollar earned by households, they will not typically result in an effective tax rate of over 100 percent. Therefore, the cliffs analyzed within this report are often the result of the interaction of multiple programs. In order to present the results of this analysis in a manageable way, the program of interest

[131] As will be seen throughout the analysis, given the cutoffs for Medicaid, the majority of households will lose Medicaid within the first $80,000 of additional earnings. However, $80,000 is actually below the NH Medicaid limit for children in larger families and therefore families with very low incomes will not lose Medicaid with an additional $80,000 in income. After accounting for these larger families, the remaining families who do not face Medicaid cliffs include at least one family member who is either receiving SSI or is an adult student and does not earn any income at the New HEIGHTS observation in the dataset. The model never models earnings from work for these individuals, as the model does not confer additional work hours to students, and we cannot reasonably assign additional working hours to individuals with disabilities without knowing the limitations they face due to the nature of their disability. Among individuals receiving SSI, except for cases in which these individuals are married to an individual who does not receive SSI (income from spouses counts toward SSI benefit calculations), these individuals will remain on Medicaid regardless of any other household members' increases in income. In the case of adult students, while many adult students in the New HEIGHTS data set will be covered by child Medicaid limits or covered by parental health insurance, adult students exceeding the age for qualifying as a dependent on parental insurance have their Medicaid eligibility assessed separately. As we do not confer additional work hours for students, it is possible that some adult students will never lose Medicaid eligibility as other household members earn more.

[132] The remaining five percent are not analyzed within this framework but potentially occur from a combination of changes in EITC, SSI, or payroll taxes.

that contributed the highest percentage of net resource loss is identified as the "cause" for the cliff; however, all six programs of interest that contributed to any cliff will be included in the granular analyses discussed in Section 5.

Figure 4.4 below shows the primary cause of each cliff by program and household type.

- Fifty-six percent of cliffs are caused by the loss of healthcare benefits (76,729) and 33 percent are due to increases in child care costs (45,935). For the remaining 10 percent of cliffs, the largest proportion of the cliff was due to the loss or reduction of SNAP (5 percent), housing (2 percent), LIHEAP (2 percent), or TANF (1 percent) benefits.
- Families with children are subject to the vast majority of cliffs identified throughout this analysis, with the exception of healthcare cliffs, which are distributed between household types.

Figure 4.4: Total Cliffs Encountered, by Program and Family Type

Family Type	Healthcare	Child Care	SNAP	TANF	Housing	LIHEAP	Total Cliffs
No children	25,199	0	59	0	78	190	25,526
Single adult with children	28,253	17,550	4,717	1,705	1,443	1,746	55,414
Two adults with children	20,547	27,678	2,281	148	1,031	957	52,642
Three + adults with children	2,730	707	323	14	395	292	4,461
Total	76,729	45,935	7,380	1,867	2,947	3,185	138,043
Percent Total	56%	33%	5%	1%	2%	2%	100%

Source: New HEIGHTS (2020), NCCP (2020), ESI (2020)

By program, the number of households and cliffs are summarized below:

- **Healthcare**: Nearly all households (93 percent) enrolled in healthcare benefits eventually lose their eligibility at some point in the simulation.[133] Health care expenses increase when an adult or child in the household goes from Medicaid coverage to employer-provided or marketplace health insurance. However, these cliffs are relatively far off, on average $30,174 additional earnings away (see Figure 4.5 below). To a lesser extent, health care expenses can also increase when the value of the premium tax credit declines.
- **Child care:** Of the 25,824 households requiring care for young children, 70 percent will face a cliff related to increases in child care costs.[134] However, unlike healthcare, these cliffs, on average, are both the closest in proximity ($16,543 earnings away) and highest in magnitude (-$2,434) (See Figure 4.5 below).
- **SNAP:** Of the 11,786 households enrolled in SNAP, 55 percent will experience at least one cliff. While these cliffs are comparatively the furthest away on average ($30,573), their magnitude is substantial (-$2,002).
- **TANF:** TANF has the smallest participation among these programs of interest (1,653 households). Of these, 41 percent (680 families) will face at least one TANF-related cliff. However, along with

[133] As will be seen throughout the analysis, given the cutoffs for Medicaid, the majority of households will lose Medicaid within the first $80,000 of additional earnings. However, the $80,000 additional income is actually below the NH Medicaid limit for children in larger families and therefore these families will not lose Medicaid at this higher income. However, there are also families in the data that include incapacitated adults in SSI (when there are other adults in the home who are not incapacitated), and they will always be on Medicaid, regardless of income. Therefore, while close to 100 percent of families will reach a Medicaid cliff within this simulation, it will not be 100 percent of families.
[134] The analysis below will detail the difference in cliffs between families enrolled in CCDF compared to those not in the program.

low program enrollment, the average cliff magnitude (-$83) is a fraction of other program cliffs' and on average relatively far off ($26,391).

- **Housing:** Of the 7,683 households assigned to a housing program, 29 percent (2,200) experienced at least one cliff with an average magnitude of -$449.
- **LIHEAP:** Of the 34,301 households assigned to LIHEAP, only 9 percent experienced at least one cliff, with an average magnitude of -$158.

Figure 4.5: Total Cliffs Encountered in Household Simulation by Average Proximity and Magnitude

	Number of Households with Cliff	Number of Cliffs	Average Cliffs per Household	Percent	Proximity to Cliff	Magnitude of Cliff
Healthcare	57,413	76,729	1.34	55.58%	$30,174	-$1,619
Child Care	18,028	45,935	2.55	33.28%	$16,543	-$2,434
SNAP	6,440	7,380	1.15	5.35%	$30,573	-$2,002
TANF	680	1,867	2.75	1.35%	$26,391	-$83
Housing	2,200	2,947	1.34	2.13%	$27,832	-$449
LIHEAP	3,031	3,185	1.05	2.31%	$26,129	-$158
Total	58,074	138,043	2.38		$25,622	-$1,677

Source: New HEIGHTS (2020), NCCP (2020), ESI (2020)

Analysis Categorizations

Families: Composition and earnings status

As previously mentioned, families are analyzed based on two categorizations in the following sections: their initial earnings status and their household type categorization. The initial earnings differentiation is meaningful because of the distinction in decision-making between households entering the labor market and those expanding workforce participation. Analytically, households with no earnings all start at the same base and encounter cliffs at the approximate same distance from $0 earnings based on their household type.

Cliffs: Risk quartiles

In the same way that broad level of analysis on families does not reveal the full story, looking only at the number of cliffs will not uncover the true barriers they place on employment. Families may give more thorough consideration to cliffs that are immediately approaching, as opposed to those that are further away, and thus less likely to be reached in the imminent future. In the same way, families may be more discerning around cliffs that will result in a larger net resource loss compared to those with less impact on the household's financial stability. In order to account for these considerations, this analysis focuses on two elements influencing the overall risk of a given cliff:

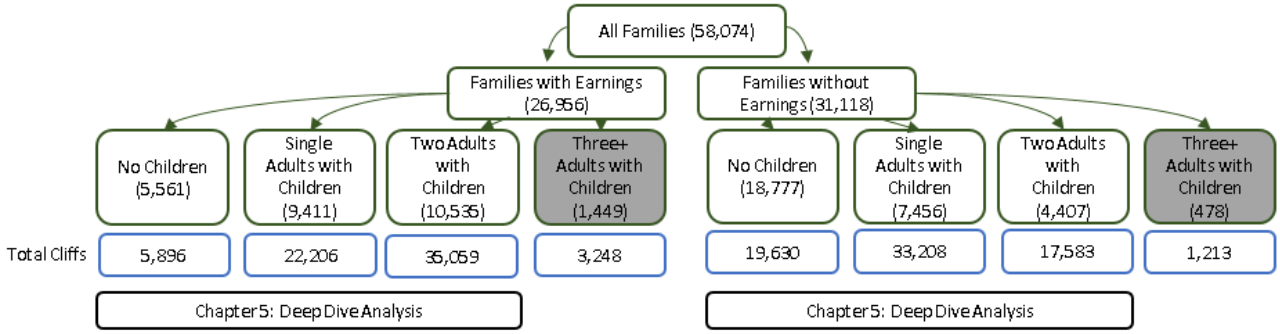
- The magnitude of the cliff (the reduction in net resources)
- The household's distance from the cliff (additional earnings to reach the cliff)

To understand the risks associated with each cliff, standardized measures of magnitude and distance were calculated and summed for each cliff to construct an overall risk index. **Cliffs with a risk index in the in the fourth quartile are considered high risk.**

The next two sections provide summary statistics for the 31,118 families (54 percent of the sample) with no initial earnings followed by summary analysis for the 26,956 families (46 percent of the sample) with at least one adult currently employed.

Section 5 will do a "deeper dive" into programs that result in the greatest number of cliffs and/or cliff risk for each family type. As seen in Figure 4.6 below, no deep dive analyses are undertaken for families with three or more adults and children given the low number of households and cliffs within this population.

Figure 4.6: Total Cliffs Encountered, by Program and Family Type



Benefit Cliffs Summary: Households without Earnings

There are over 31,000 households in the dataset with no initial earnings potentially facing 71,634 total cliffs. Because these households begin with $0 earnings in the simulation, many of the cliffs they face will be encountered at the same income levels, based on household type and structure. The key difference between families with earnings and without earnings is that families not currently employed are guaranteed to have at least one household member move from not working at all to starting work, so that the costs of starting work can be identified more easily. For this reason, this analysis focuses first on these households, where program interactions and cluster points will give substantial insight into how and where the cliffs emerge. Additionally, these income levels provide important insight into labor market decision making for households either not participating in the labor force, marginally attached to the labor force, or currently unemployed. The decision to actively look for, or accept, employment is complicated by the potential cliffs to be encountered once the family receives wages. Figure 4.7 below shows the composition of these households and the number of potential cliffs faced by household type.

- The majority of these households (60 percent) have no children, while 24 percent are single adult households with children, and 14 percent contain two adults with children.
- The majority of cliffs are faced by the households with children. Single adults who have no children face an average of 4.5 potential cliffs per household, and households composed of two adults with children face an average of 4.0 potential cliffs.

Figure 4.7: Number of Households and Cliffs for Households, by Family Type, No Earnings

Family Type	Number of Households	Total Cliffs	Avg Cliffs per Household
No children	18,777	19,630	1.0
Single adult with children	7,456	33,208	4.5
Two adults with children	4,407	17,583	4.0
Three + adults with children	478	1,213	2.5
All households without earnings	31,118	71,634	2.3

Source: New HEIGHTS (2020), NCCP (2020), ESI (2020)

Figure 4.8 below shows the percentage distribution of cliffs by program type and household composition, as well as the total number of cliffs (inclusive of repeated cliffs within the same program).

- Nearly all households without earnings (upwards of 99 percent) face at least one potential healthcare cliff, with more than 40,000 total cliffs (56 percent of all cliffs) represented in the simulation.
- Cliffs from child care expenses account for 32 percent of total cliffs within households with no earnings (with more than 23,000 cliffs), with the vast majority in single adult with children (60 percent) and two adults with children (39 percent) households.
- SNAP (5.5 percent), TANF (2.1 percent), housing (2.0 percent), and LIHEAP (1.8 percent) are less common, accounting for roughly 11 percent of all 71,634 cliffs.

Figure 4.8: Total Cliffs Faced by Program and Family Type, No Earnings

Family Type	Households	Healthcare	Child Care	SNAP	TANF	Housing	LIHEAP	Total Cliffs
No children	18,777	**19,440**	0	49	0	38	103	19,630
Single adult with children	7,456	**13,870**	**13,794**	**2,739**	**1,380**	**764**	**661**	33,208
Two adults with children	4,407	6,505	**9,160**	1,018	88	433	379	17,583
Three + adults with children	478	628	109	128	9	217	122	1,213
All households without earnings	31,118	40,443	23,063	3,934	1,477	1,452	1,265	71,634

Source: New HEIGHTS (2020), NCCP (2020), ESI (2020)

Figure 4.8 above shows the most prevalent cliffs for households with no earnings. Key insights into these family type-cliff combinations include:

Households with no children

- One hundred percent of households without children (18,777 households) will reach a healthcare cliff at some point within the simulation. Because these households are starting with no initial earnings, these cliffs will be encountered at approximately $18,000 (138 percent FPL) or $9 per hour among single adults without children.
- Of the six programs of interest, 86 percent of cliffs for these families are due to the loss of healthcare benefits (with no interaction from the other five programs of interest). Thirteen percent of these cliffs are due to a combination of loss or reduction of healthcare and housing

benefits. However, the healthcare portion of these cliffs account for 83 percent of the overall net resource loss for this family type.

Single adult households with children

Healthcare

- Healthcare cliffs are the most common cliff for single adult households with children with 99 percent of families reaching a cliff at some point in the simulation. However, these cliffs are considered to be primarily low risk given the increase in wage needed to encounter them.
- At $24,000 and $30,000 (138% of the FPL for a family of two or three, respectively) an adult loses Medicaid, while children lose Medicaid benefits at $54,000 and $68,000 (328% of the FPL for a family of two or three, respectively).
- Of the six programs of interest, 73 percent of healthcare cliffs are based on changes in Medicaid the value of the premium tax credit with no interaction from the other five programs of interest. Ten percent are due to a combination of healthcare benefit loss and SNAP reduction or loss. Seven percent are due to a combination of healthcare benefit loss and reduction or loss of housing subsidy.

Child Care

- Eighty-one percent of these households will face a child care cliff should they enter the labor force. Of the cliffs faced by these households, 71 percent are considered high risk as the household will be faced with additional child care costs immediately once entering the workforce.
- The majority of these cliffs happen when the adult enters the labor force and are met at increments of $1,000, $4,000, $5,000, $9,000 and $18,000 annual earnings.
- For families enrolled in the CCDF program, the average net resource loss from the cliff is -$1,315 compared to -$2,536 for families not in the program.

SNAP

- Of the SNAP cliffs encountered by families not currently working, 70 percent are encountered by single adult households with children.
- The majority of these cliffs (71 percent) are clustered around four income levels: $32,000 for a family of two, $40,000 for a family of three, and $48,000 for a family of four. Additional clustering around $22,000 results not from SNAP gross income limits but from "combination cliffs" due to SNAP benefit reduction, increased commuter costs, phase-out of the federal EITC, and stepwise decreases in LIHEAP, if eligible.
- Sixty-four percent of cliffs are based on changes in SNAP (with no interaction from the other five programs of interest). Thirteen percent are due to a combination of SNAP and LIHEAP reduction or loss. Eight percent are due to a combination of loss of SNAP and healthcare benefits.

TANF

- Of the TANF cliffs encountered by families not currently working, 93 percent are encountered by single adult households with children.

- Unlike other programs analyzed for single adult households with children, there are very few cliffs (4 percent) in which TANF was the only program of interest contributing to the cliff (with no interaction from the other five programs of interest).
- SNAP interactions (including all combinations between SNAP, TANF, and other programs) contributed to 94 percent of TANF cliffs, with 29 percent caused by a combination of TANF, SNAP, and housing subsidy reduction.

Housing

- Of the housing cliffs encountered by families not currently working, 53 percent are encountered by single adult households with children.
- Similar to SNAP, 59 percent of single adult households with children will encounter a cliff at $22,000, $32,000, or $40,000 earnings levels.
- Of the six programs of interest, 57 percent of housing cliffs are based on changes in housing benefits (with no interaction from the other five programs of interest). An interaction with SNAP contributes, at least partially, to 33 percent of cliffs.

LIHEAP

- Of the LIHEAP cliffs encountered by families not currently working, 52 percent are encountered by single adult households with children.
- Two LIHEAP cliff clusters emerged driven by the program eligibility limit of 200% of the FPL (at $34,000 for a family of two and $43,000 for a family of three), accounting for 64 percent of cliffs.
- Of the six programs of interest, 28 percent of LIHEAP cliffs are attributed to changes in LIHEAP benefits (with no interaction from the other five programs of interest). Roughly half of LIHEAP cliffs are due to a combination of the loss of LIHEAP and healthcare benefits.

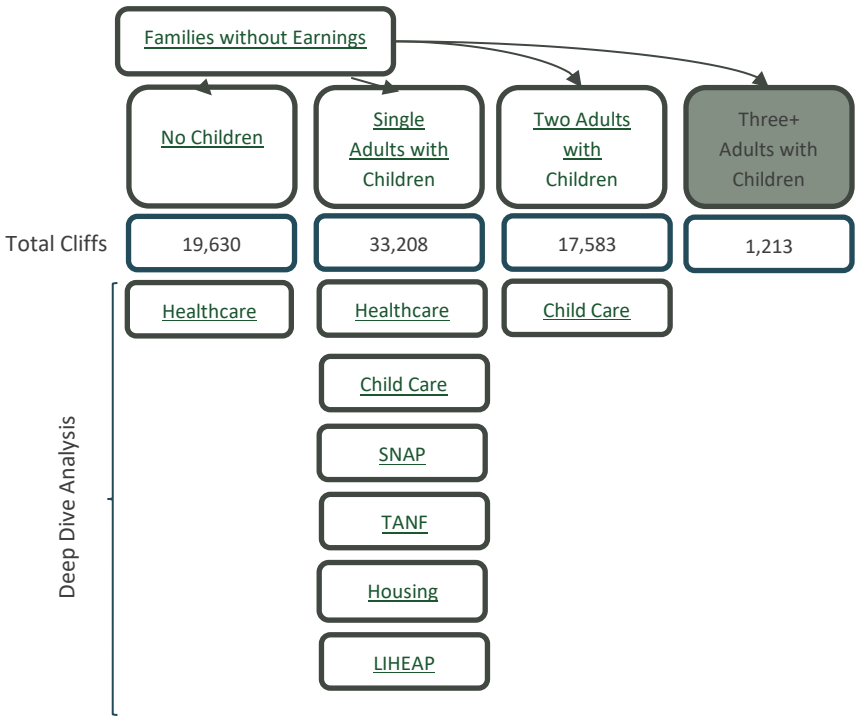
Two adult households with children

Child Care

- Approximately 68 percent of these families will face a child care cliff, with 34 percent of these cliffs considered high risk.
- Participation in CCDF is extremely uncommon among this household type, with only one percent currently enrolled in the program.

Consistent with the most prevalent and significant cliffs by program and household type summarized above, Chapter 5 will analyze each of these situations on a more granular level. To go directly to a specific deep dive analysis for families with no initial earnings, click on the program in the figure below.

Figure 4.9: Deep Dive Analysis for Families with No Initial Earnings



Source: NCCP (2020), ESI (2020)

Benefit Cliffs Summary: Households with Earnings

Forty-six percent of households (26,956) in the dataset had initial earnings, with average initial earnings of $29,404. Figure 4.10 below shows the number of households in the dataset within each of these household types and the average earnings among each type.

Figure 4.10: Number of Households and Average Earnings, by Family Type, Earnings

Family Type	Number of Households	Average Initial Earnings
No children	5,561	$10,456
Single adult with children	9,411	$21,306
Two adults with children	10,535	$37,111
Three or more adults with children	1,449	$35,974
All households with earnings	26,956	$29,404

Source: New HEIGHTS (2020), NCCP (2020), ESI (2020)

Collectively, these households face a total of 66,409 cliffs over the course of the simulation.[135] Figure 4.11 below shows the total number of potential cliffs faced by household type.

- For households with no children, 98 percent (5,759) of the 5,896 cliffs experienced are due to changes in Medicaid eligibility and result in a healthcare cliff.
- Single adult households with children experience the largest share of cliffs in all programs except child care: healthcare (40 percent), SNAP (57 percent), TANF (83 percent), housing (45 percent), and LIHEAP (57 percent).
- Increases in child care costs are responsible for the majority (53 percent) of cliffs for households with two adults and children, accounting for 81 percent of all child care cliffs.

Figure 4.11: Number of Households and Total Cliffs Faced by Program and Family Type, Earnings

Family Type	Households	Healthcare	Child Care	SNAP	TANF	Housing	LIHEAP	Total Cliffs
No children	5,561	**5,759**	0	10	0	40	87	5,896
Single adult with children	9,411	**14,383**	**3,756**	**1,978**	**325**	**679**	**1,085**	22,206
Two adults with children	10,535	14,042	**18,518**	1,263	60	598	578	35,059
Three + adults with children	1,449	2,102	598	195	5	178	170	3,248
All households with earnings	26,956	36,286	22,872	3,446	390	1,495	1,920	66,409

Source: New HEIGHTS (2020), NCCP (2020), ESI (2020)

Figure 4.11 above shows the most prevalent cliffs for households with initial earnings. Key insights into these family type-cliff combinations include:

[135] Note that it is possible for households to face cliffs derived from the same program multiple times throughout the simulation as their earnings increase. For example, as explained above, families covered under Medicaid will face a cliff when adults lose the benefit, and a second Medicaid cliff at a higher earnings level when children are no longer eligible.

Households with no children

- Nearly all cliffs for households with no children are healthcare cliffs. LIHEAP, Housing, and SNAP cliffs are relatively rare in households of this type.
- Nearly half of healthcare cliffs (48 percent) are considered high-risk cliffs. These high-risk cliffs are primarily driven by proximity, with a large concentration (93 percent) of these households encountering the cliff within an earnings increase of $8,000 (or a raise of $4 per hour for a full-time worker).
- Eighty-four percent of high-risk cliffs for these families are attributable to the loss of healthcare benefits, with no interaction from the other five programs of interest. Fourteen percent of these cliffs are due to a combination of loss or reduction of healthcare and housing benefits. However, the healthcare portion of these cliffs account for 84 percent of the overall net resource loss for this family type.

Single adult households with children

Healthcare

- Healthcare cliffs are the most common cliffs for single adult households with children, with 18.5 percent considered high risk. Eighty-nine percent of these high-risk cliffs occur within a $10,000 increase in earnings.
- Fifty-eight percent of healthcare cliffs are based on changes in Medicaid/marketplace subsidy eligibility (with no interaction from the other five programs of interest). Fourteen percent are due to a combination of healthcare loss and SNAP reduction or loss. Seven percent are due to a combination of loss or reduction of healthcare benefit and housing subsidy.

Child Care

- Twenty percent of these households will face a child care cliff should they expand their labor force participation. Roughly half of these households (47 percent) are enrolled in CCDF. These families will face, on average, 2.7 cliffs per households with an average net resource loss of -$572.
- The remaining 53 percent of households are not enrolled in CCDF. These families will face roughly 1.3 child care cliffs per households with a significantly higher average net resource loss of -$2,903.

SNAP

- SNAP represents neither the most common nor the highest risk cliff for single adult households with children. However, of the cliffs encountered by families with earnings, 57 percent are met by single adult households with children.
- Approximately 34 percent of these cliffs are considered to be high risk. These cliffs are relatively evenly distributed by proximity; however, patterns do emerge in the average earnings level of families as they reach a cliff, clustering between $31,000 and $44,000. This clustering is associated with the program's gross income limit of 185 percent FPL, which is around $32,000 for a family of town and $40,000 for a family of three.
- Sixty-two percent of cliffs are based on changes in SNAP (with no interaction from the other five programs of interest). Sixteen percent are due to a combination of SNAP and child care costs.

- Seven percent of these cliffs are due to a combination of loss of SNAP and healthcare subsidy. This combination also results in the largest average net resource loss.

LIHEAP

- Of the LIHEAP cliffs encountered by families with earnings, 57 percent are encountered by single adult households with children. The majority of LIHEAP cliffs occur between $38,000 and $40,000 in earnings.
- Roughly half of LIHEAP cliffs are due to changes in LIHEAP benefits (with no interaction from the other five programs of interest). Approximately 23 percent of LIHEAP cliffs are due to a combination of the loss of LIHEAP and healthcare benefits.
- The largest average net resource loss occurs when there is an interaction of SNAP and LIHEAP reductions. However, these cliffs are relatively rare.

Housing

- Of the housing cliffs encountered by families with earnings, 45 percent are encountered by single adult households with children.
- Fifty-six percent of housing cliffs are based on changes in housing benefits with no interaction from the other five programs of interest. An interaction with SNAP contributes, at least partially, to 20 percent of cliffs.

TANF

- TANF cliffs are rare for families with earnings, comprising roughly 0.5 percent of all cliffs faced by these families. Of these cliffs, 83 percent are encountered by single adult households with children.
- Unlike other programs analyzed for single adult households with children, there are very few cliffs (7 percent) in which TANF was the only program of interest contributing to the cliff.
- SNAP interactions (including all combinations between SNAP, TANF, and other programs) contributed to 89 percent of TANF cliffs, with 37 percent caused by a combination of TANF, SNAP, and housing subsidy reduction.

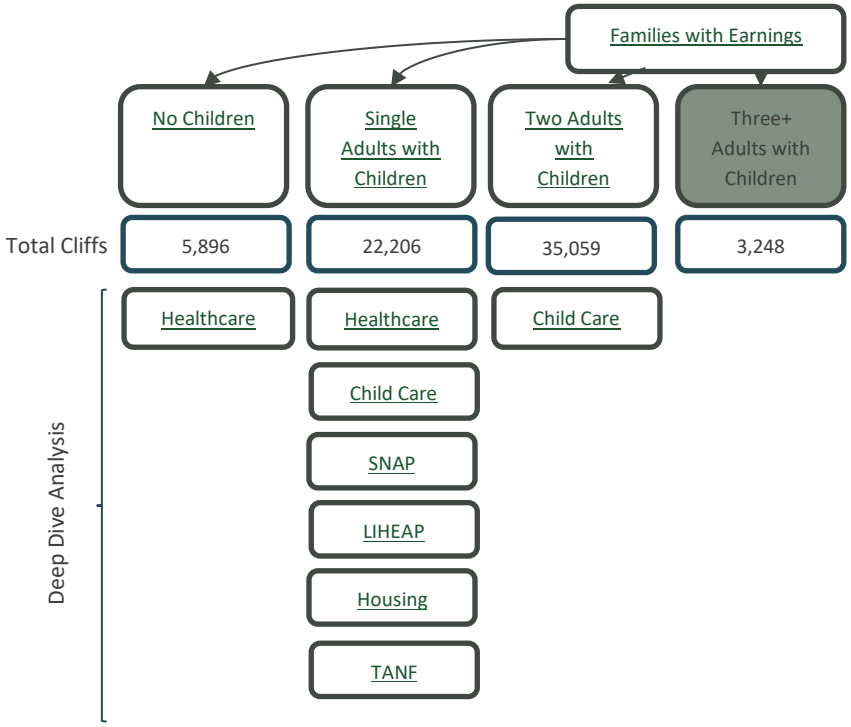
Two adult households with children

Child Care

- Approximately 64 percent of these families will face a child care cliff, with the majority of these cliffs considered high risk.
- As previously mentioned, child care cliffs occur from both the loss of CCDF benefit as well as the increased cost of child care based on labor force participation changes. However, CCDF is far less common among this household type, with 98 percent of high-risk cliffs emerging from families that do not receive CCDF subsidies.

Consistent with the most prevalent and significant cliffs by program and household type summarized above, Chapter 5 will analyze each of these situations on a more granular level. To go directly to a specific deep dive analysis for families with initial earnings, click on the program in Figure 4.12 below.

Figure 4.12: Deep Dive Analysis for Families with Initial Earnings



Source: NCCP (2020), ESI (2020)

4.4. Benefit Cliffs Analysis by Town Typology

As displayed throughout this section, benefit cliffs impact different types of households in a variety of ways, based on household income, family structure, and program enrollment interactions. However, the risk and prevalence of benefit cliffs vary by location and type of community as well. Therefore, the following analysis of benefit cliffs by program and town typology helps to illustrate the communities that are potentially most affected by benefit cliffs.

To analyze each town's level of risk for each program of interest, as it relates to other New Hampshire towns, a score for each program of interest was calculated, accounting for both prevalence of program-specific cliffs within the town as well as average risk level of these cliffs. This calculation produced a comparable measure for each program by which towns are sorted from highest risk to least. Lists of the top 25 at-risk towns are produced for each program of interest, and then a final, overall risk list was produced by combining each town's program-specific scores. [136]

Overall, towns with the highest levels of risk for benefit cliffs tended to have lower median household income levels, higher social vulnerability, and more reliance on goods-producing and Education and Health Services industries for employment than other towns in the state. Additionally, many of the most at-risk towns for overall benefit cliffs appeared in more than one list of the highest-risk towns for program-specific cliffs, as well. To see benefit cliff data for all towns within New Hampshire, please visit the Interactive Appendix.

[136] For the town-specific analysis of cliff risks, LIHEAP was not included as a program of interest, as LIHEAP enrollment was randomly assigned to New HEIGHTS cases based on a statewide, rather than local, take-up rate. Therefore, this analysis cannot reach significant conclusions about LIHEAP cliff prevalence and risk at the town level.

Healthcare Cliffs

When analyzing the top towns with healthcare cliff risks by their typologies, some commonalities among the top 25 towns emerged:

- Nearly half of the towns (48 percent) are located in either Coos County (20 percent) or Grafton County (28 percent);
- Twenty-one towns (84 percent) had low median household income levels;
- Fourteen towns (56 percent) had high social vulnerability; and
- Nearly one-third of towns (32 percent) relied heavily on goods-producing industries for employment.

Figure 4.13: Highest Risk of Healthcare Cliffs with Typology Detail

Town	County	Density	Income	SVI	Emp Comp	Total Households	Healthcare Cliffs	Avg Healthcare Risk Score
Lisbon	**Grafton**	Mid-Low	**Low**	**High**	**Goods-producing**	612	188	0.35
Stratford	**Coos**	Low	**Low**	**High**	**Goods-producing**	292	73	0.37
Effingham	Carroll	Mid-Low	**Low**	**High**	**Goods-producing**	605	162	0.35
Lincoln	**Grafton**	Low	**Low**	**High**	Leisure & Hospitality	530	142	0.34
Franklin	Merrimack	High	**Low**	Mid-High	**Goods-producing**	3,760	927	0.35
Lancaster	**Coos**	Mid-Low	**Low**	**High**	Educ & Health Services	1,349	324	0.36
Troy	Cheshire	Mid-High	Mid-Low	Mid-High	Leisure & Hospitality	829	194	0.36
Claremont	Sullivan	High	**Low**	Mid-High	Trade, Transport, Utilities	5,467	1,294	0.36
Colebrook	**Coos**	Mid-Low	**Low**	**High**	Educ & Health Services	942	224	0.35
Tilton	Belknap	High	**Low**	**High**	Trade, Transport, Utilities	1,451	339	0.36
Bristol	**Grafton**	Mid-High	**Low**	Mid-High	**Goods-producing**	1,232	285	0.36
Manchester	Hillsborough	High	**Low**	**High**	Educ & Health Services	45,461	10,446	0.35
Northfield	Merrimack	Mid-High	Mid-Low	Mid-High	**Goods-producing**	1,849	421	0.36
Berlin	**Coos**	Mid-High	**Low**	**High**	Educ & Health Services	3,914	896	0.35
Laconia	Belknap	High	**Low**	Mid-High	Educ & Health Services	6,985	1,581	0.36
Rumney	**Grafton**	Mid-Low	**Low**	**High**	**Goods-producing**	607	130	0.37
Ossipee	Carroll	Mid-Low	**Low**	Mid-High	Trade, Transport, Utilities	1,925	423	0.35
Goshen	Sullivan	Mid-Low	Mid-Low	Mid-Low	Other	290	63	0.35
Grafton	**Grafton**	Low	**Low**	Mid-Low	Other	488	107	0.35
Tamworth	Carroll	Mid-Low	**Low**	**High**	Leisure & Hospitality	1,377	305	0.35
Bath	**Grafton**	Low	**Low**	**High**	Educ & Health Services	367	80	0.35
Newport	Sullivan	Mid-High	**Low**	Mid-High	**Goods-producing**	2,727	583	0.36
Belmont	Belknap	High	Mid-Low	Mid-High	Trade, Transport, Utilities	2,894	626	0.35
Woodstock	**Grafton**	Low	**Low**	**High**	Leisure & Hospitality	480	105	0.35
Whitefield	**Coos**	Mid-Low	**Low**	**High**	Educ & Health Services	1,051	226	0.35

Source: U.S. Census Bureau (2018), ESI (2020), New HEIGHTS (2020)

TANF Cliffs

Among the towns with the highest risk for TANF cliffs, the following insights emerged:

- Forty-four percent of towns are located in either Coos County (24 percent) or Merrimack County (20 percent);
- Seventeen towns (68 percent) had low median household income levels;
- Eighty percent of towns had mid-high or high social vulnerability; and
- Seventy-two percent of towns relied heavily on either goods-producing (32 percent) or Education and Health Services industries for employment.

Figure 4.14: Highest Risk of TANF Cliffs with Typology Detail

Town	County	Density	Income	SVI	Emp Comp	Total Households	TANF Cliffs	Avg TANF Risk Score
Stratford	**Coos**	Low	**Low**	**High**	**Goods-producing**	292	11	0.38
Laconia	Belknap	High	**Low**	**Mid-High**	**Educ & Health Services**	6,985	132	0.32
Winchester	Cheshire	Mid-High	**Low**	**Mid-High**	**Goods-producing**	1,748	32	0.32
Claremont	Sullivan	High	**Low**	**Mid-High**	Trade, Transport, Utilities	5,467	95	0.32
Lancaster	**Coos**	Mid-Low	**Low**	**High**	**Educ & Health Services**	1,349	22	0.32
Clarksville	**Coos**	Low	**Low**	**Mid-High**	Trade, Transport, Utilities	151	2	0.38
Keene	Cheshire	High	**Low**	**Mid-High**	**Educ & Health Services**	9,346	118	0.36
Franklin	**Merrimack**	High	**Low**	**Mid-High**	**Goods-producing**	3,760	50	0.33
Stewartstown	**Coos**	Low	**Low**	**High**	**Educ & Health Services**	388	5	0.34
Berlin	**Coos**	Mid-High	**Low**	**High**	**Educ & Health Services**	3,914	52	0.33
Northumberland	**Coos**	Mid-Low	**Low**	**High**	**Educ & Health Services**	959	11	0.37
Acworth	Sullivan	Low	Mid-Low	**Mid-High**	**Goods-producing**	387	5	0.33
Pittsfield	**Merrimack**	Mid-High	**Low**	Mid-Low	**Goods-producing**	1,711	21	0.34
Bristol	Grafton	Mid-High	**Low**	**Mid-High**	**Goods-producing**	1,232	15	0.34
Hill	**Merrimack**	Mid-Low	Mid-High	**Mid-High**	**Educ & Health Services**	384	6	0.26
Somersworth	Strafford	High	Mid-Low	**Mid-High**	Trade, Transport, Utilities	4,934	55	0.35
Lisbon	Grafton	Mid-Low	**Low**	**High**	**Goods-producing**	612	6	0.39
Barnstead	Belknap	Mid-High	Mid-High	Mid-Low	**Educ & Health Services**	1,574	16	0.36
Benton	Grafton	Low	**Low**	**High**	**Educ & Health Services**	109	1	0.38
Henniker	**Merrimack**	Mid-High	High	Low	**Educ & Health Services**	1,795	17	0.33
Allenstown	**Merrimack**	High	**Low**	Low	Other	1,809	12	0.43
Moultonborough	Carroll	Mid-Low	Mid-Low	**Mid-High**	Leisure & Hospitality	1,704	11	0.44
Tilton	Belknap	High	**Low**	**High**	Trade, Transport, Utilities	1,451	12	0.32
Temple	Hillsborough	Mid-Low	High	Mid-Low	**Goods-producing**	508	4	0.32
Meredith	Belknap	Mid-High	Mid-Low	**Mid-High**	Leisure & Hospitality	2,771	19	0.37

Source: U.S. Census Bureau (2018), ESI (2020), New HEIGHTS (2020)

SNAP Cliffs

Towns with the highest levels of risk of SNAP cliffs had the following commonalities:

- Ten towns (40 percent) are located in either Cheshire (20 percent) or Grafton (20 percent) County;
- Seventy-six percent of towns had low median household income levels;
- Eighty-four percent of towns had mid-high or high social vulnerability; and
- Nearly half of the towns (48 percent) relied heavily on goods-producing industries for employment.

Figure 4.15: Highest Risk of SNAP Cliffs with Typology Detail

Town	County	Density	Income	SVI	Emp Comp	Total Households	SNAP Cliffs	Avg SNAP Risk Score
Lisbon	**Grafton**	Mid-Low	**Low**	**High**	**Goods-producing**	612	22	0.39
Claremont	Sullivan	High	**Low**	**Mid-High**	Trade, Transport, Utilities	5,467	206	0.37
Stratford	Coos	Low	**Low**	**High**	**Goods-producing**	292	12	0.34
Gilsum	**Cheshire**	Mid-Low	Mid-Low	**Mid-High**	**Goods-producing**	286	12	0.32
Franklin	Merrimack	High	**Low**	**Mid-High**	**Goods-producing**	3,760	124	0.36
Troy	**Cheshire**	Mid-High	Mid-Low	**Mid-High**	Leisure & Hospitality	829	25	0.37
Goshen	Sullivan	Mid-Low	Mid-Low	Mid-Low	Other	290	7	0.46
Ossipee	Carroll	Mid-Low	**Low**	**Mid-High**	Trade, Transport, Utilities	1,925	59	0.36
Effingham	Carroll	Mid-Low	**Low**	**High**	**Goods-producing**	605	16	0.39
Tamworth	Carroll	Mid-Low	**Low**	**High**	Leisure & Hospitality	1,377	40	0.35
Allenstown	Merrimack	High	**Low**	Low	Other	1,809	50	0.36
Winchester	**Cheshire**	Mid-High	**Low**	**Mid-High**	**Goods-producing**	1,748	48	0.36
Windsor	Hillsborough	Low	Mid-Low	Mid-Low	Educ & Health Services	90	2	0.45
Marlborough	**Cheshire**	Mid-High	Mid-Low	**Mid-High**	**Goods-producing**	926	23	0.40
Jaffrey	**Cheshire**	Mid-High	Mid-Low	Mid-Low	**Goods-producing**	2,094	54	0.38
Charlestown	Sullivan	Mid-High	**Low**	**Mid-High**	**Goods-producing**	2,053	54	0.37
Bristol	**Grafton**	Mid-High	**Low**	**Mid-High**	**Goods-producing**	1,232	33	0.36
Carroll	Coos	Low	**Low**	**High**	Leisure & Hospitality	303	9	0.33
Warren	**Grafton**	Low	**Low**	**High**	Trade, Transport, Utilities	384	11	0.34
Dorchester	**Grafton**	Low	**Low**	**Mid-High**	Other	129	4	0.31
Ashland	**Grafton**	Mid-High	**Low**	**High**	Educ & Health Services	850	21	0.39
Albany	Carroll	Low	**Low**	**High**	**Goods-producing**	303	9	0.32
Newport	Sullivan	Mid-High	**Low**	**Mid-High**	**Goods-producing**	2,727	68	0.38
Tilton	Belknap	High	**Low**	**High**	Trade, Transport, Utilities	1,451	36	0.38
Laconia	Belknap	High	**Low**	**Mid-High**	Educ & Health Services	6,985	187	0.35

Source: U.S. Census Bureau (2018), ESI (2020), New HEIGHTS (2020)

Child Care Cliffs

The top at-risk communities for child care cliffs had similar commonalities to towns with high risk for other programs; however, the top 25 towns at risk for child care cliffs are also disproportionately distributed among population density levels.

- More than one-third of towns (36 percent) had low population density;
- Nearly half of towns (48 percent) are located in either Carroll County (20 percent) or Grafton County (28 percent);
- More than two-thirds of towns (68 percent) had low median household income values;
- Eighty percent of towns had either mid-high or high social vulnerability; and
- Forty percent of towns relied heavily on goods-producing industries for employment.

Figure 4.16: Highest Risk of Child Care Cliffs with Typology Detail

Town	County	Density	Income	SVI	Emp Comp	Total Households	Child Care Cliffs	Avg Child Care Risk Score
Dorchester	**Grafton**	**Low**	**Low**	**Mid-High**	Other	129	31	0.46
Wentworth	**Grafton**	**Low**	Mid-Low	**Mid-High**	**Goods-producing**	349	63	0.45
Stratford	Coos	**Low**	**Low**	**High**	**Goods-producing**	292	54	0.44
Lisbon	**Grafton**	Mid-Low	**Low**	**High**	**Goods-producing**	612	103	0.48
Windsor	Hillsborough	**Low**	Mid-Low	Mid-Low	Educ & Health Services	90	13	0.55
Eaton	**Carroll**	**Low**	Mid-Low	**High**	Leisure & Hospitality	149	29	0.41
Chatham	**Carroll**	**Low**	Mid-Low	**Mid-High**	Other	145	29	0.40
Gilsum	Cheshire	Mid-Low	Mid-Low	**Mid-High**	**Goods-producing**	286	49	0.45
Bristol	**Grafton**	Mid-High	**Low**	**Mid-High**	**Goods-producing**	1,232	199	0.46
Effingham	**Carroll**	Mid-Low	**Low**	**High**	**Goods-producing**	605	98	0.45
Franklin	Merrimack	High	**Low**	**Mid-High**	**Goods-producing**	3,760	619	0.45
Lancaster	Coos	Mid-Low	**Low**	**High**	Educ & Health Services	1,349	212	0.46
Manchester	Hillsborough	High	**Low**	**High**	Educ & Health Services	45,461	6,816	0.47
Claremont	Sullivan	High	**Low**	**Mid-High**	Trade, Transport, Utilities	5,467	831	0.46
Pittsfield	Merrimack	Mid-High	**Low**	Mid-Low	**Goods-producing**	1,711	256	0.46
Tamworth	**Carroll**	Mid-Low	**Low**	**High**	Leisure & Hospitality	1,377	215	0.44
Ossipee	**Carroll**	Mid-Low	**Low**	**Mid-High**	Trade, Transport, Utilities	1,925	295	0.45
Benton	**Grafton**	**Low**	**Low**	**High**	Educ & Health Services	109	14	0.53
New Ipswich	Hillsborough	Mid-High	Mid-High	Mid-Low	**Goods-producing**	1,822	257	0.48
Woodstock	**Grafton**	**Low**	**Low**	**High**	Leisure & Hospitality	480	68	0.47
Winchester	Cheshire	Mid-High	**Low**	**Mid-High**	**Goods-producing**	1,748	262	0.45
Belmont	Belknap	High	Mid-Low	**Mid-High**	Trade, Transport, Utilities	2,894	408	0.47
Tilton	Belknap	High	**Low**	**High**	Trade, Transport, Utilities	1,451	204	0.47
Grafton	**Grafton**	**Low**	**Low**	Mid-Low	Other	488	66	0.48
Rindge	Cheshire	Mid-High	Mid-High	Mid-Low	Trade, Transport, Utilities	1,816	247	0.48

Source: U.S. Census Bureau (2018), ESI (2020), New HEIGHTS (2020)

Housing Cliffs

Similar to high-risk child care cliff towns, towns with the highest risk for housing cliffs also had a disproportionate distribution of population density, though in the opposite direction. However, this is likely a product of the fact that the highest concentrations of subsidized rental housing units are located in more densely populated areas.

- Eighty percent of towns had mid-high or high population density;
- Nearly half of towns (48 percent) are located in Grafton (16 percent), Hillsborough (16 percent), and Merrimack Counties (16 percent);
- More than two-thirds of towns (68 percent) had low median household income levels;
- Nearly three-quarters of towns (72 percent) had mid-high or high social vulnerability; and
- More than two-thirds of towns (68 percent) relied heavily on goods-producing (36 percent) or Education and Health Services (32 percent) industries for employment.

Figure 4.17: Highest Risk of Housing Cliffs with Typology Detail

Town	County	Density	Income	SVI	Emp Comp	Total Households	Housing Cliffs	Avg Housing Risk Score
Lisbon	**Grafton**	Mid-Low	**Low**	**High**	**Goods-producing**	612	19	0.37
Claremont	Sullivan	**High**	**Low**	**Mid-High**	Trade, Transport, Utilities	5,467	156	0.35
Berlin	Coos	**Mid-High**	**Low**	**High**	**Educ & Health Services**	3,914	81	0.37
Somersworth	Strafford	**High**	Mid-Low	**Mid-High**	Trade, Transport, Utilities	4,934	109	0.32
Keene	Cheshire	**High**	**Low**	**Mid-High**	**Educ & Health Services**	9,346	183	0.36
Laconia	Belknap	**High**	**Low**	**Mid-High**	**Educ & Health Services**	6,985	124	0.35
Newport	Sullivan	**Mid-High**	**Low**	**Mid-High**	**Goods-producing**	2,727	47	0.34
Boscawen	**Merrimack**	**Mid-High**	Mid-Low	Mid-Low	**Educ & Health Services**	1,334	17	0.43
Franklin	**Merrimack**	**High**	**Low**	**Mid-High**	**Goods-producing**	3,760	57	0.35
Hinsdale	Cheshire	**Mid-High**	Mid-Low	**High**	**Goods-producing**	1,685	25	0.35
Colebrook	Coos	Mid-Low	**Low**	**High**	**Educ & Health Services**	942	12	0.39
Canaan	**Grafton**	Mid-Low	Mid-High	Mid-Low	**Educ & Health Services**	1,434	18	0.39
Tilton	Belknap	**High**	**Low**	**High**	Trade, Transport, Utilities	1,451	21	0.34
Greenville	**Hillsborough**	**High**	**Low**	Low	**Goods-producing**	868	10	0.41
Winchester	Cheshire	**Mid-High**	**Low**	**Mid-High**	**Goods-producing**	1,748	20	0.38
Lancaster	Coos	Mid-Low	**Low**	**High**	**Educ & Health Services**	1,349	16	0.34
Allenstown	**Merrimack**	**High**	**Low**	Low	Other	1,809	17	0.43
Antrim	**Hillsborough**	Mid-Low	Mid-Low	Low	Other	974	12	0.33
Manchester	**Hillsborough**	**High**	**Low**	**High**	**Educ & Health Services**	45,461	542	0.33
Bristol	**Grafton**	**Mid-High**	**Low**	**Mid-High**	**Goods-producing**	1,232	13	0.35
Littleton	**Grafton**	**Mid-High**	**Low**	**High**	Trade, Transport, Utilities	2,797	26	0.35
Nashua	**Hillsborough**	**High**	Mid-High	**Mid-High**	Trade, Transport, Utilities	36,274	321	0.35
Portsmouth	Rockingham	**High**	Mid-High	Low	Other	9,998	91	0.33
Pittsfield	**Merrimack**	**Mid-High**	**Low**	Mid-Low	**Goods-producing**	1,711	13	0.39
Milton	Strafford	**Mid-High**	Mid-Low	**Mid-High**	**Goods-producing**	1,721	12	0.41

Source: U.S. Census Bureau (2018), ESI (2020), New HEIGHTS (2020)

All Cliff Risks

By combining the calculated risk scores for each town by program of interest, a list of the top 25 at-risk towns for benefit cliffs emerged. Notably, nine of the 25 towns appeared on at least four of the five top 25 program-specific risk lists (highlighted in Figure 4.18 below), suggesting that there are often multiple cliff-causing factors contributing to the risk in these communities, as opposed to a high concentration of risk in one program as opposed to others. In fact, only two towns from the top 25 list appeared on just one program-specific list: Lincoln (ranked 20 on the list) and Northfield (ranked 24). In both cases, the only list on which the towns appeared was for health cliff risks, which is the most prevalent program among those of interest in terms of enrollment. Only five of the top 25 towns did not appear in the health cliffs risk top 25 list.

Additional insights on the top 25 overall at-risk towns are largely similar to recurring patterns from the program-specific insights, including:

- Fifty-two percent of towns are located in either Coos (16 percent), Grafton (20 percent), or Merrimack (16 percent) County;
- Eighty-four percent of towns had low median household income levels;
- Eighty-eight percent of towns had mid-high or high social vulnerability; and
- Forty percent of towns relied heavily on goods-producing industries for employment.

Figure 4.18: Highest Risk of Benefit Cliffs with Typology Detail

						Appears in Program-Specific Top 25 List							
Town	**County**	**Density**	**Income**	**SVI**	**Emp Comp**	**Health**	**TANF**	**SNAP**	**CCDF**	**Housing**	**Total HHs**	**Total Cliffs**	**Avg Overall Risk Score**
Lisbon	**Grafton**	Mid-Low	**Low**	**High**	**Goods-producing**	✓	✓	✓	✓	✓	612	346	0.39
Stratford	**Coos**	Low	**Low**	**High**	**Goods-producing**	✓	✓	✓	✓		292	158	0.39
Dorchester	**Grafton**	Low	**Low**	**Mid-High**	Other			✓	✓		129	65	0.39
Claremont	Sullivan	High	**Low**	**Mid-High**	Trade, Transport, Utilities	✓	✓	✓	✓	✓	5,467	2,642	0.39
Franklin	**Merrimack**	High	**Low**	**Mid-High**	**Goods-producing**	✓	✓	✓	✓	✓	3,760	1,824	0.38
Effingham	Carroll	Mid-Low	**Low**	**High**	**Goods-producing**	✓		✓	✓		605	290	0.39
Bristol	**Grafton**	Mid-High	**Low**	**Mid-High**	**Goods-producing**	✓	✓	✓	✓	✓	1,232	563	0.39
Lancaster	**Coos**	Mid-Low	**Low**	**High**	Educ & Health Services	✓	✓		✓	✓	1,349	621	0.39
Tilton	Belknap	High	**Low**	**High**	Trade, Transport, Utilities	✓	✓	✓	✓	✓	1,451	622	0.39
Manchester	Hillsborough	High	**Low**	**High**	Educ & Health Services	✓			✓	✓	45,461	19,452	0.39
Laconia	Belknap	High	**Low**	**Mid-High**	Educ & Health Services	✓	✓	✓		✓	6,985	3,058	0.38
Gilsum	Cheshire	Mid-Low	Mid-Low	**Mid-High**	**Goods-producing**			✓	✓		286	121	0.39
Winchester	Cheshire	Mid-High	**Low**	**Mid-High**	**Goods-producing**		✓	✓	✓	✓	1,748	747	0.39
Colebrook	**Coos**	Mid-Low	**Low**	**High**	Educ & Health Services	✓				✓	942	403	0.39
Ossipee	Carroll	Mid-Low	**Low**	**Mid-High**	Trade, Transport, Utilities	✓		✓	✓		1,925	821	0.39
Pittsfield	**Merrimack**	Mid-High	**Low**	Mid-Low	**Goods-producing**		✓		✓	✓	1,711	709	0.39
Tamworth	Carroll	Mid-Low	**Low**	**High**	Leisure & Hospitality	✓		✓	✓		1,377	584	0.38
Troy	Cheshire	Mid-High	Mid-Low	**Mid-High**	Leisure & Hospitality	✓		✓			829	339	0.39
Newport	Sullivan	Mid-High	**Low**	**Mid-High**	**Goods-producing**	✓		✓		✓	2,727	1,106	0.40
Lincoln	**Grafton**	Low	**Low**	**High**	Leisure & Hospitality	✓					530	221	0.38
Berlin	**Coos**	Mid-High	**Low**	**High**	Educ & Health Services	✓	✓			✓	3,914	1,618	0.38
Grafton	**Grafton**	Low	**Low**	Mid-Low	Other	✓			✓		488	196	0.40
Belmont	Belknap	High	Mid-Low	**Mid-High**	Trade, Transport, Utilities	✓			✓		2,894	1,144	0.39
Northfield	**Merrimack**	Mid-High	Mid-Low	**Mid-High**	**Goods-producing**	✓					1,849	725	0.39
Allenstown	**Merrimack**	High	**Low**	Low	Other		✓	✓		✓	1,809	696	0.40

Source: U.S. Census Bureau (2018), ESI (2020), New HEIGHTS (2020)