



How the American Rescue Plan Will Help New Hampshire

President Biden's American Rescue Plan is positioned to offset the unprecedented harshness of the pandemic and its economic impact. The plan now moving through Congress combines essential spending on vaccines, medical care, and protective health measures with assistance to prevent millions of people from being pushed into poverty and debt. The \$1.9 trillion is of sufficient scope to save lives and provide what is needed for true economic recovery in New Hampshire.

The Need. New Hampshire has lost more than [1,170 lives](#) to COVID-19 as of March 1, 2021, or 86 per 100,000 people, while the nation reached 513,000 deaths. While the coronavirus rampages, there can be no successful reopening of the economy. The \$160 billion to fund speedier vaccine distribution and other protective health measures is essential to recovery.

Economic recovery is urgently needed in New Hampshire. Since March of last year, when COVID-19 was overtaking the nation, more than four in ten New Hampshire adults were in households where someone had lost earnings from work, with [more than half](#) of households with children losing earnings. With lost earnings came severe hardship. More than 73,000 people, nearly [8 percent](#) of adults in New Hampshire, said their households did not have enough to eat in the previous week; close to 10 percent of households with children were sometimes or often going without food. [Food insecurity](#) – the inability to reliably afford nutritious foods at all times – is estimated to have risen sharply in New Hampshire from 6.1 percent in December, 2018 to 16.9 percent during the pandemic (in April-May, 2020). Twenty-nine percent of people reported they had serious difficulty paying regular household bills, again higher for households with children (34 percent, and more than 13 percent had fallen behind in their rent (9 percent for households with children).

In New Hampshire as in the nation, people of color have been disproportionately affected by the disastrous economy. Among Black survey respondents, 14 percent said their households were behind in rent; that was true of 31 percent of Latino people surveyed; for white respondents, it was 11 percent.

Over the past year, New Hampshire lost [60,200 jobs](#). The December short-term COVID relief package took so long to pass that many states delayed in providing unemployed workers the benefits they were owed, shortchanging workers nationwide by [\\$17 billion](#) in the month of January. Congress must enact the American Rescue Plan well before March 14, when current benefits run out.

The Solution. The American Rescue Plan responds to these needs by shoring up household income through increased unemployment benefits through the end of September, expanding the Child Tax Credit and Earned Income Tax Credit, increasing nutrition assistance, providing emergency rental and utility assistance, including a one-time \$1,400 economic impact payment to most individuals, and raising the minimum wage to \$15/hour.

These benefits will [cut child poverty in New Hampshire 37 percent](#) in a year. Such a reduction would dramatically reduce the damage to children's health and development now being caused by the pandemic's economic repercussions. Most of that accomplishment would come from the increase in the Child Tax Credit, which would be raised from \$2,000 to \$3,000 per child, with an additional \$600 per child under 6. A plan is being developed to deliver the credit on a monthly basis while providing protections to families with fluctuating incomes or eligibility. Families would no longer be partly or totally excluded from receiving the credit if they earned too little. According to the [Institute on Taxation and Economic Policy](#)'s analysis of a similar proposal, 14 percent of the poorest fifth would benefit, averaging \$2,870. Fully 87 percent, or 222,000, of New Hampshire's children will get some benefit from this increase, with 20,000 either lifted out of poverty or with poverty reduced, in an analysis by the [Center on Budget and Policy Priorities](#).

New Hampshire will also benefit from the increase in the American Rescue Plan in the Earned Income Tax Credit for workers who have low income and are without dependent children. Expanding eligibility to workers age 19 and older and to those over age 65 and increasing their benefit will help at least 56,000 people in New Hampshire. More than [25 percent](#) of New Hampshire's childless workers living in rural areas would benefit.

The American Rescue Plan includes \$25 billion in emergency rental assistance, of which [\\$200 million](#) will go to New Hampshire. This funding will prevent evictions for many of tenants falling behind in their rent.

The plan would extend the 15 percent increase in the Supplemental Nutrition Assistance Program (SNAP) through September and increase WIC by \$3 billion. These steps will reduce the number of households unable to afford enough food.

Many other provisions of the American Rescue Plan will provide New Hampshire's workers and families with protection from economic disaster. The plan calls for reinstating and expanding emergency paid leave and increases funding for child care (creating a \$25 billion emergency child care stabilization fund and adding another \$15 billion to the previously enacted \$10 billion to help parents afford child care). New Hampshire received \$19.2 million from the initial \$10 billion enacted in December; the additional amount would more than double the state's allocation. In a national [survey](#), 70 percent of parents reported that the child care providers they used had either closed or reduced capacity or hours during the pandemic. Parents cannot go back to work without emergency help to reopen child care facilities.

New Hampshire cannot move forward with its recovery without funding to help replace lost revenues, prevent further public worker layoffs that are undermining education, deliver unemployment benefits, and ensure health care, public safety, and many other services. New Hampshire has [lost](#) more than 26 percent of its state government employees from February through December 2020 and 6.6 percent of its local government workers during the same period. New Hampshire projects a state revenue decline of [4.4 percent](#) in FY 2021. That is why the [House of Representatives' version](#) of the American Rescue Plan is so important; it will provide more than \$1.5 billion in state and local assistance to New Hampshire.

While the American Rescue Plan includes certain health care expansions, such as a subsidy for COBRA insurance for those who lost their coverage when they lost their job, and the modest increased federal match for Medicaid has been extended, there are gaps for Congress to fill. In particular, people with

disabilities and older Americans need increased funding for Medicaid's Home and Community Based Services (HCBS). People with disabilities and seniors are disproportionately vulnerable to COVID-19. They need continued services to be able to manage at home and to avoid institutional settings, which have proven to be very high risk. In New Hampshire, 10.5 percent of 18-64 year olds and 31 percent of people age 65 and over have a disability.

The American Rescue Plan rebuilds our economy, making it stronger than pre-pandemic projections for the end of 2021, according to the [Hamilton Project](#) at the Brookings Institution. It does this by protecting our people from disease and economic loss. This plan will give New Hampshire's people the chance to work safely, with livable wages and economic security, and to raise their children out of poverty.