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## INCOME STACKING REPORT HCA RESPONSE

HCA CABINET SECRETARY KARI ARMIJO  
NOVEMBER 17, 2025

*INVESTING FOR TOMORROW, DELIVERING TODAY.*

## MISSION

*We ensure New Mexicans attain their highest level of health by providing whole-person, cost-effective, accessible, and high-quality health care and safety-net services.*



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## VISION

*Every New Mexican has access to affordable health care coverage through a coordinated and seamless health care system.*

## GOALS



**LEVERAGE** purchasing power and partnerships to create innovative policies and models of comprehensive health care coverage that improve the health and well-being of New Mexicans and the workforce.



**BUILD** the best team in state government by supporting employees' continuous growth and wellness.



**ACHIEVE** health equity by addressing poverty, discrimination, and lack of resources, building a New Mexico where everyone thrives.

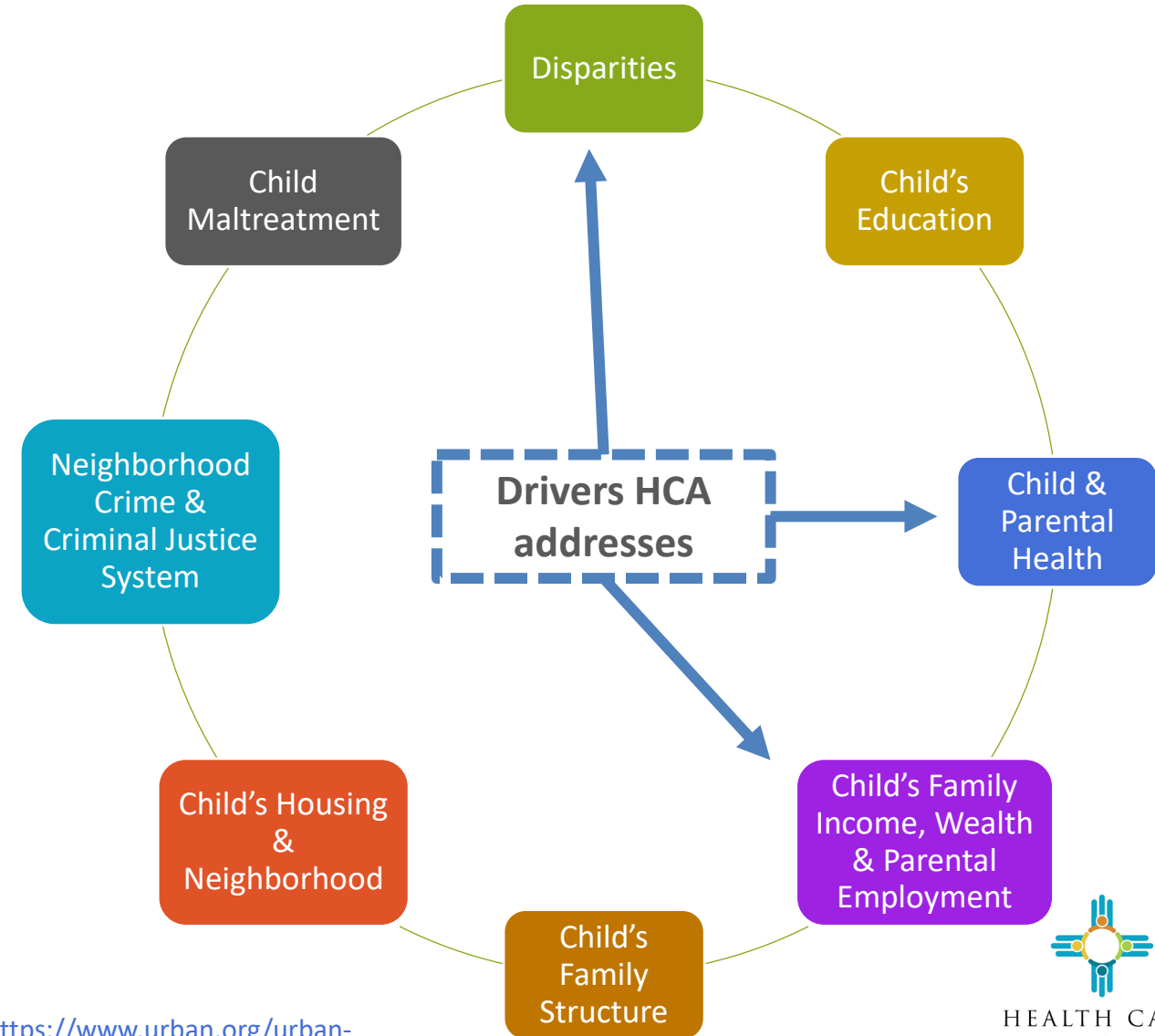


**IMPLEMENT** innovative technology and data-driven decision-making to provide unparalleled, convenient access to services and information.

# HCA PROGRAMS ARE PART OF THE SOLUTION TO REDUCE INTERGENERATIONAL POVERTY & DISPARITIES

## Key Drivers of Long-Term, Intergenerational Poverty

- 2023 National Academies of Science, Engineering & Medicine defines intergenerational poverty as a situation in which children in families with incomes below the poverty line remain poor as adults.
- Drivers of intergenerational poverty reinforce disparities in access to health care, to transportation, education, childcare, high-quality jobs, and affordable housing near work, as well as in interactions with the justice system.
- Behaviors and choices also have causal effects on intergenerational mobility.

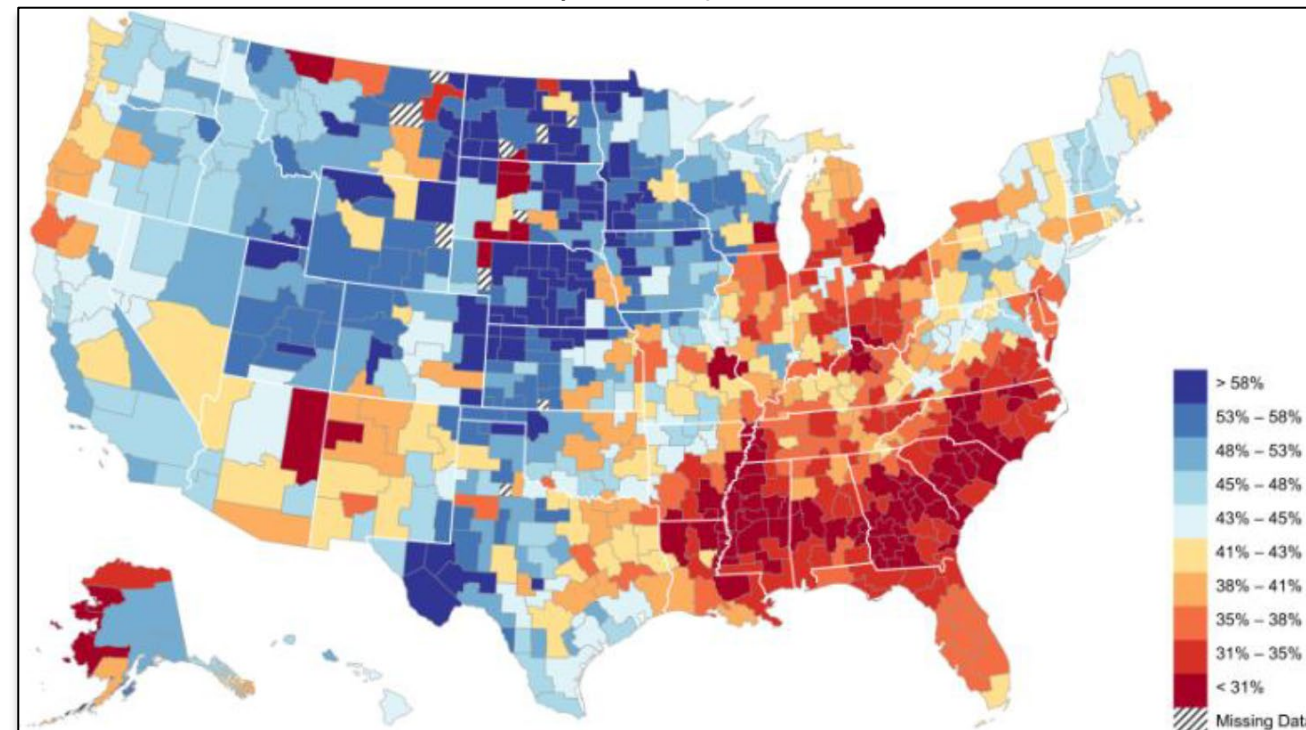
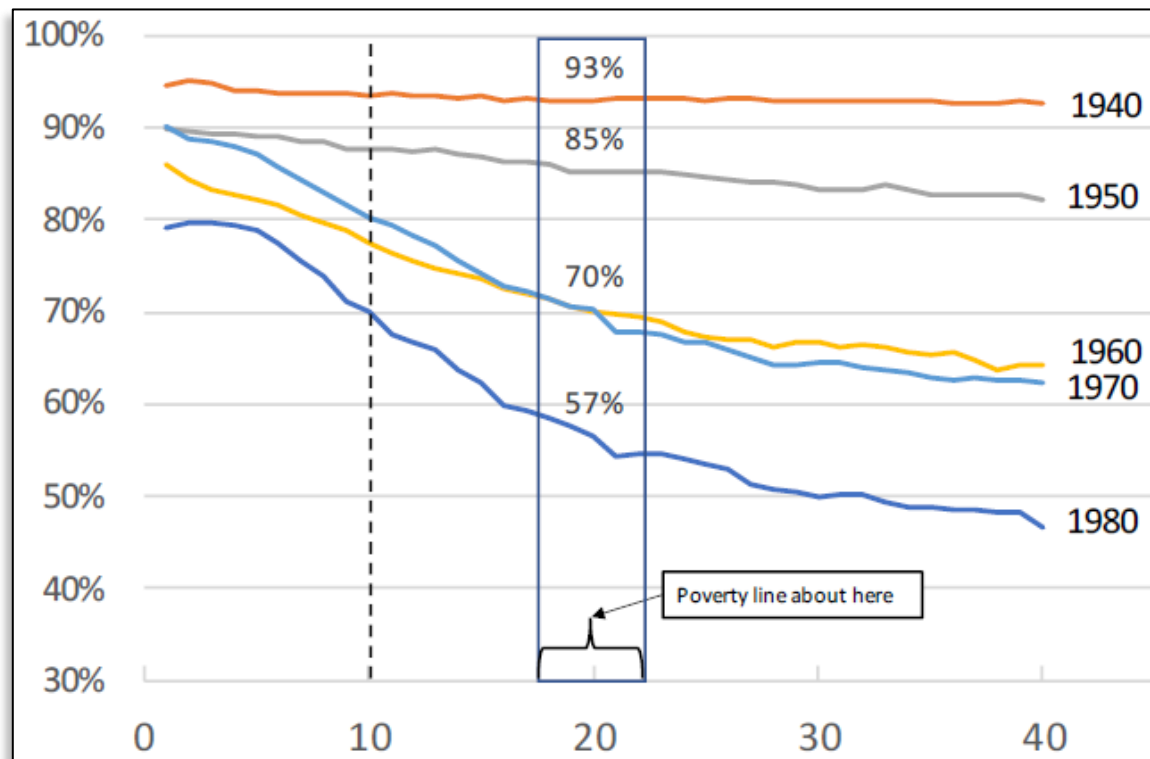




# INCREASED INEQUALITY—PARTICULARLY STAGNANT WAGES FOR LOWER-INCOME WORKERS OVER THE PAST 40 YEARS—SIGNIFICANT FACTOR IN PERSISTENCE OF INTERGENERATIONAL POVERTY

Among children born in 1940 to families at poverty line, almost all (93%) had higher incomes in adulthood than their parents. By 1980, only 57% of children earned more than their parents by adulthood.

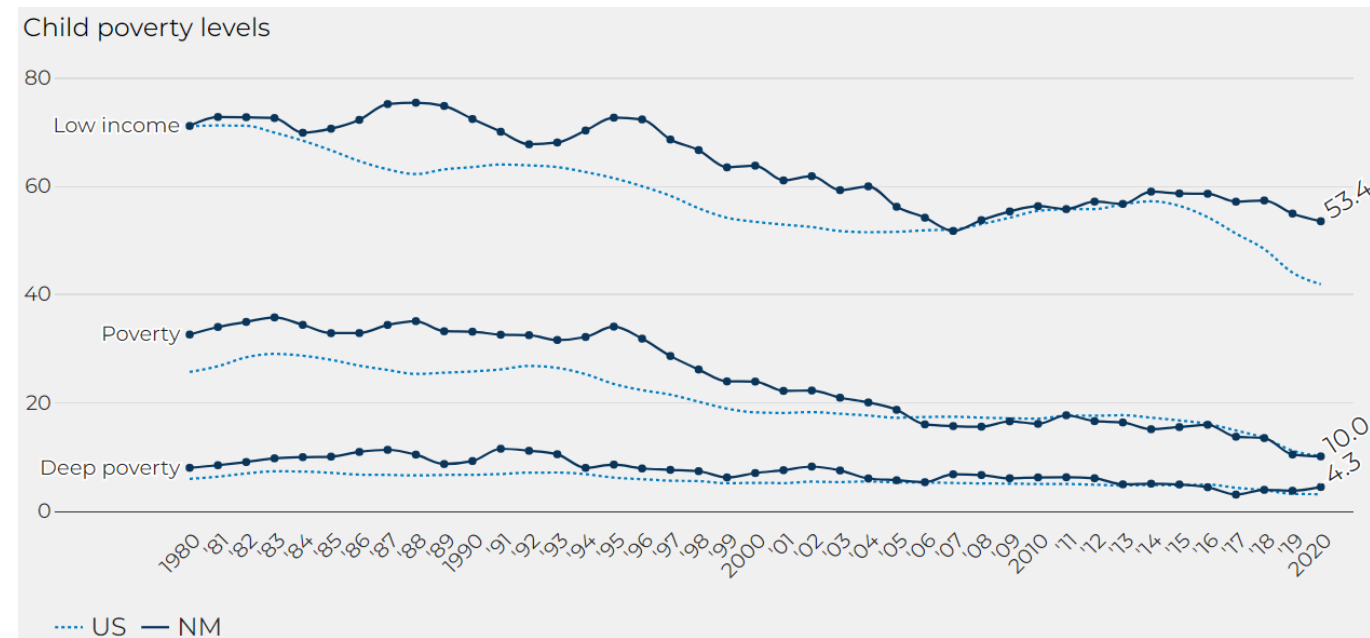
Geographic distribution of children with parents in the bottom income quintile who reach the top 3 income quintiles. (Darker the shade of blue, higher likelihood children reach top 3 income quintiles.)



# DESPITE INEQUALITY, CHILD POVERTY DECLINES

- U.S. child poverty fell by 59% from 1993 to 2019- in every state, **including NM (from 31.5% in 1993 to 10% in 2020)**.
- Many factors contribute to decrease, including lower unemployment, increased labor force participation, and growth of minimum wages.
- Expansion of safety net programs significant.**
  - In 1993, safety net programs cut child poverty by 9%.
  - By 2019, poverty level reduced by 44%, removing 6.5 M children from poverty.**
- More recent investments in NM's safety net have reduced child poverty from worst in nation (27.4%) to 17<sup>th</sup> in nation (8.9%); federal changes likely to reverse this positive trend.**

**U.S. & N.M. Trends in Child Poverty Rates Measured by Supplemental Poverty Measure, by level (%)**



Source: <https://www.childtrends.org/publications/state-level-data-for-understanding-child-poverty>



# Census Official and Supplemental Poverty Measures

- The US Census Bureau surveys Americans to collect information on household income, poverty, health insurance coverage, and other household indicators
- The Official Poverty Measure (OPM) reflects pretax income and is available for the nation as well as for every state
- The Supplemental Poverty Measure (SPM) reflects pretax income as well as non-cash benefits, tax credits, and housing costs. The SPM is not available for every State annually. **State figures are available only on a three-year average basis**
- To ensure apples-to-apples comparison, we focus on three-year averages for both the OPM and SPM

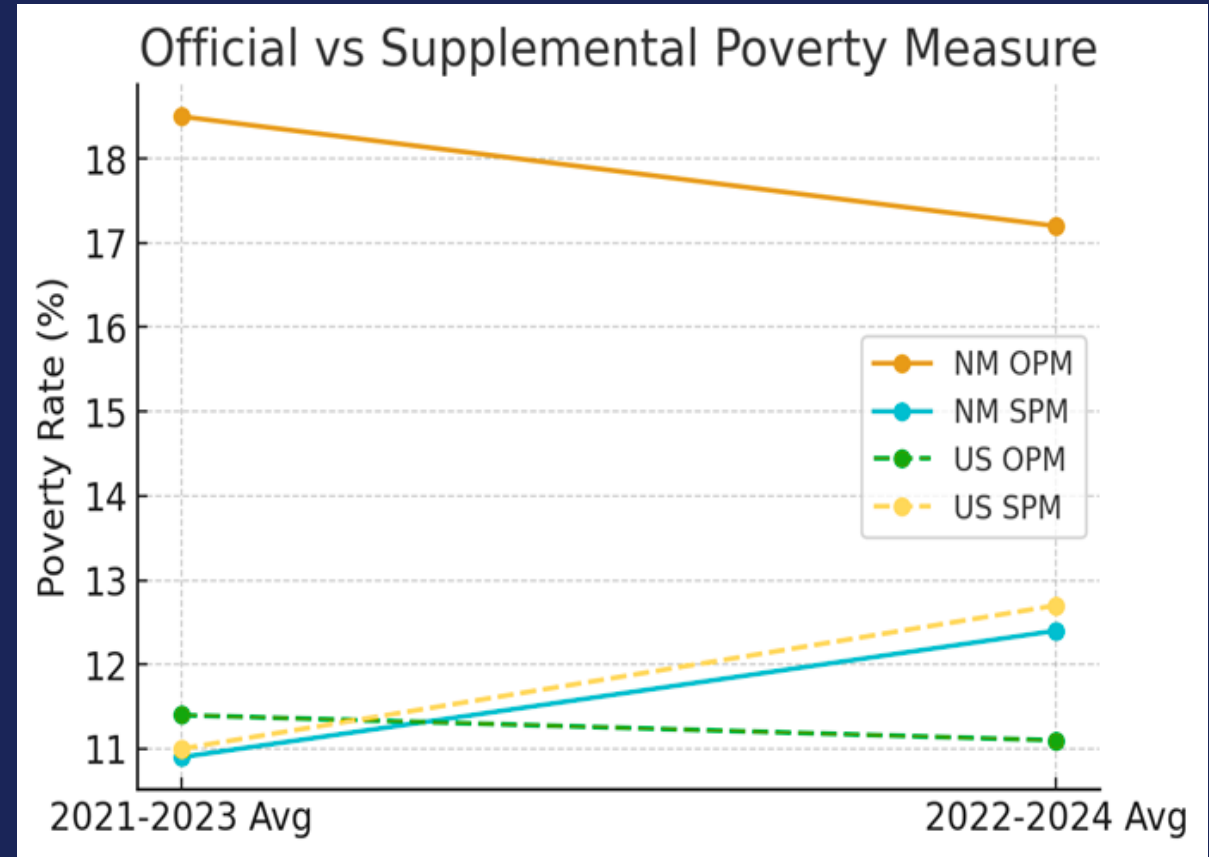
# Overall Trends

## Official Poverty Measure (OPM)

- NM dropped from 18.5% → 17.2% (7% decrease)
- 9<sup>th</sup> fastest decline in the U.S.

## Supplemental Poverty Measure (SPM)

- NM rose from 10.9% → 12.4% (13.8% increase)
- Still below national average (12.7%)



# Key Takeaways – 3-Year Average Surveys

- 2021-2023 average vs 2022-2024 average
  - 2022-2024 increases in poverty reflect phase-out of significant pandemic relief
- National SPM rose 2.7% from 10.4% to 13.1%
  - NM SPM rose 1.3% from 8.9% to 10.3% - only half the deterioration nationally
- National OPM fell 0.3% from 15.1% to 14.8%
  - NM OPM fell 0.5% from 27.4% to 27.2% - nearly double the national improvement in the last three years.
- Looking at OPM for 2024 alone:
  - For children
    - National child poverty fell 0.4%
    - NM child poverty fell 3.2% - largest reduction nationally
  - For all ages
    - National poverty fell 0.3%
    - NM poverty fell 1.3%



# Poverty by Age Group

## Under 18 years:

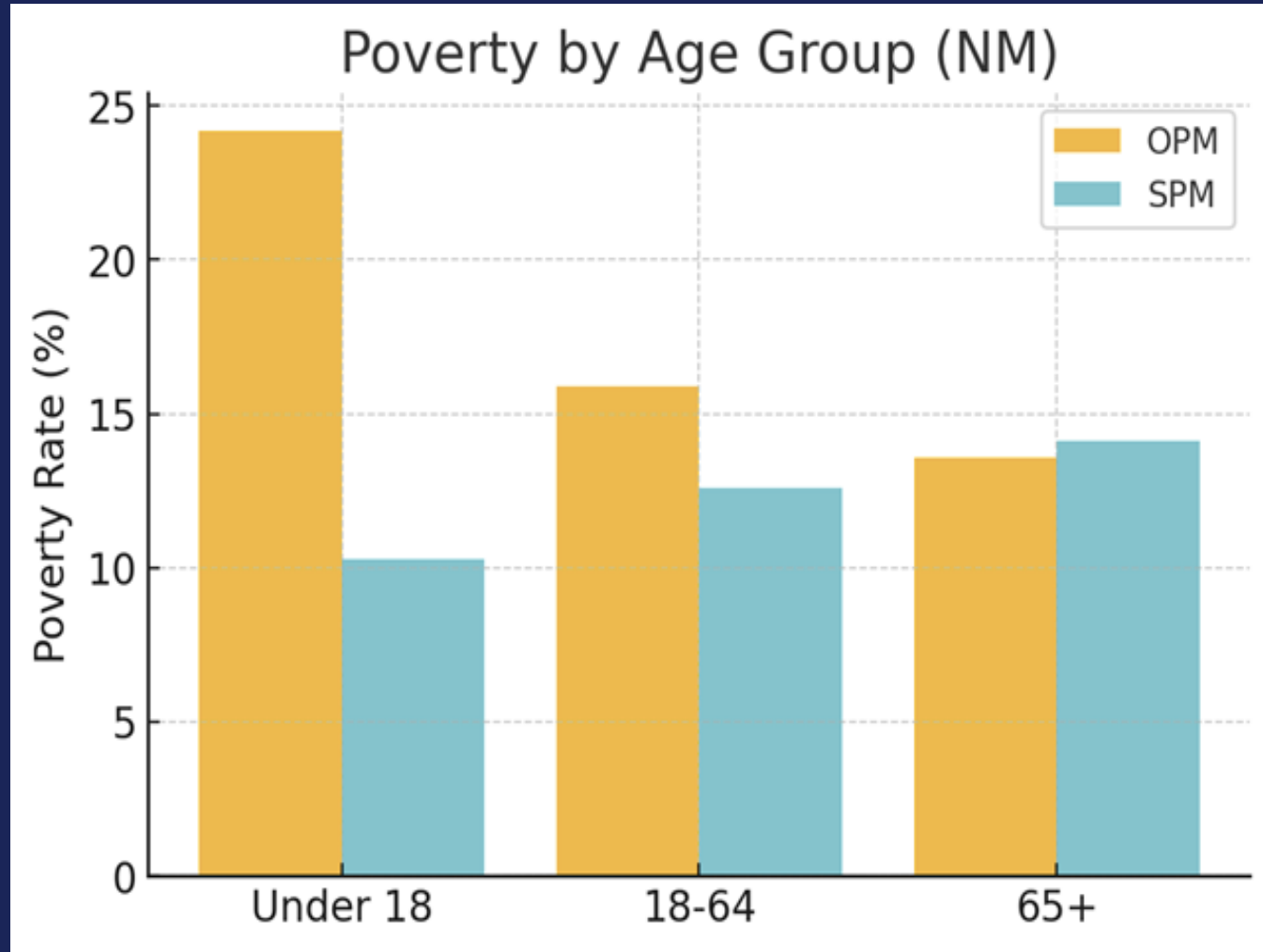
- OPM=24.2%
- SPM=10.3%

## 18–64 years:

- OPM=15.9%
- SPM=12.6%

## 65 years & older:

- OPM=13.6%
- SPM=14.1%



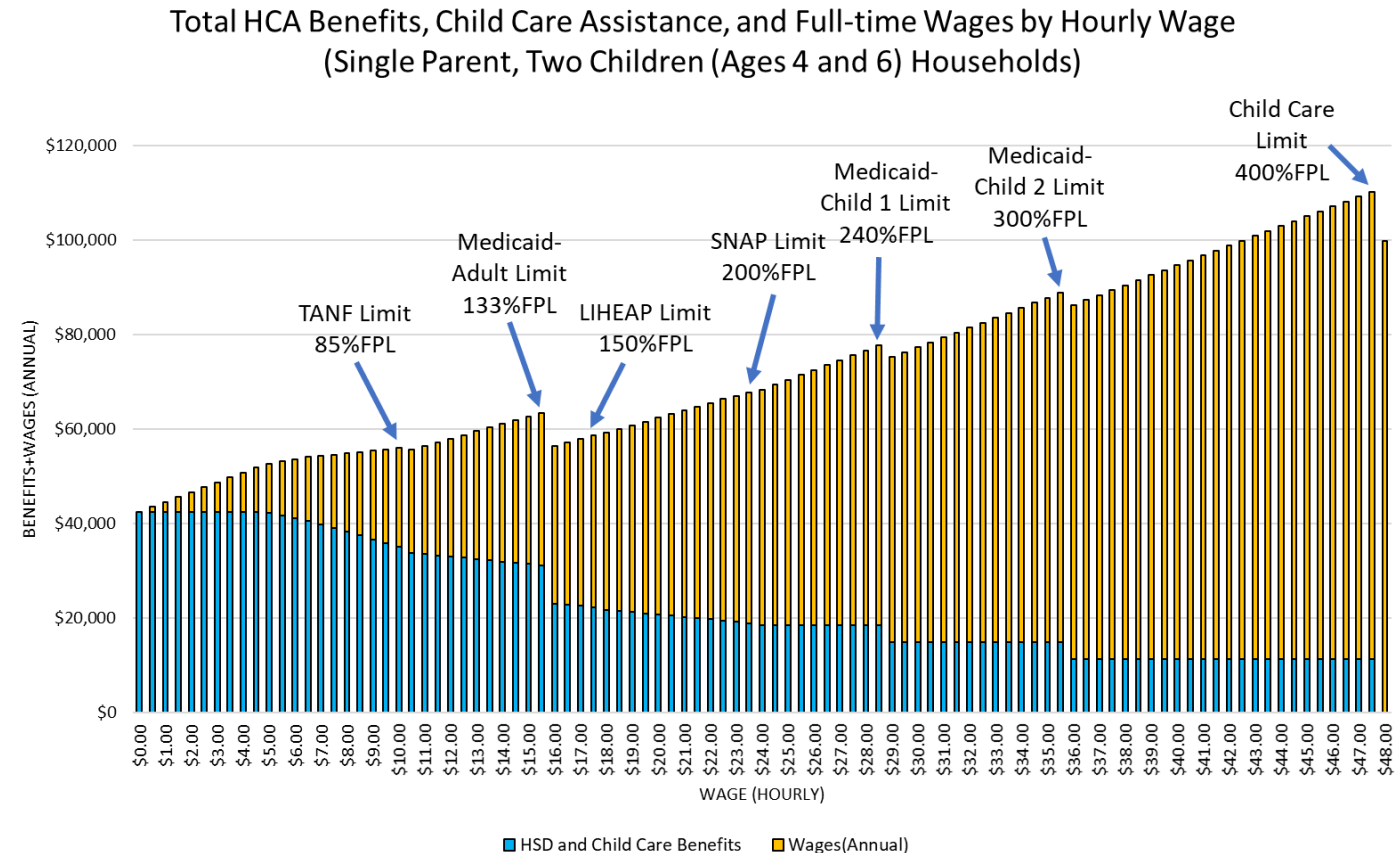
NM shows the largest overall discrepancy between OPM and SPM (4.8 pp).

# Poverty Drivers by Age Group

Effect of Individual Elements on the Number of Individuals in Poverty Using the Supplemental Poverty Measure: 2024				
Element	All people ('000)	Under 18 years ('000)	18 to 64 years ('000)	65 years and older ('000)
<b>Number of people in SPM poverty</b>	43,690	9,744	24,720	9,223
<b>Effect of Additions</b>				
Social Security	-28,700	-1,358	-7,241	-20,100
Refundable tax credits	-6,768	-3,704	-2,985	-79
Supplemental Nutrition Assistance Program (SNAP)	-3,585	-1,417	-1,598	-571
Supplemental Security Income (SSI)	-2,482	-337	-1,611	-535
Refundable Child Tax Credit	-2,453	-1,464	-958	-31
Housing subsidies	-2,134	-634	-904	-596
School lunch	-1,136	-666	-434	-37
Child support received	-604	-366	-236	-2
Unemployment insurance	-429	-124	-243	-62
Temporary Assistance for Needy Families (TANF) / general assistance	-369	-181	-172	-15
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	-321	-207	-108	-6
Utility assistance	-260	-59	-115	-86
Energy assistance	-246	-57	-111	-78
Workers' compensation	-203	-65	-120	-18
Broadband Assistance	-39	-9	-9	-21

# ADDRESSING CLIFF EFFECT AT THE HCA

- HCA agency bill [Senate Bill 189](#) (2025) proposed a ramp to economic stability by expanding pathways to work for 15,000 individuals receiving public assistance.
- SB 189 would have eliminated outdated asset limits, which currently restrict TANF participants to \$3,500 in savings, making it difficult to transition off assistance without facing financial instability.
  - Bill proposed to expand work-readiness education by allowing participants in the Education Works Program to pursue HS diplomas and vocational certificates, rather than limiting them to college degrees.
- Under the current NM Works Act, families receiving assistance face strict sanctions that can result in case closure and a 6-month 'lockout period' for children if parents fail to comply within 30 days.
  - SB 189 would remove these punitive measures, ensuring children are not penalized for parents' hardships.
- Several states already enacted changes proposed in SB 189.





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## QUESTIONS & COMMENTS

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