



The State of Child Care

NEW HAMPSHIRE



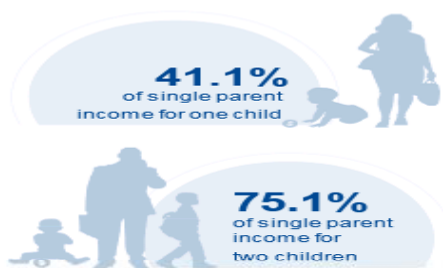
The State of Child Care

- It's no secret that quality child care, including screenings and early intervention, cannot only change children's lives but reduce costs for taxpayers and employers in the long run. Yet, access to quality, affordable child care is often limited by long waitlists, constraints on providers, and costs to families that rival college tuition. All the while, child care workers struggle to make ends meet for their own families.
- Today's parents and employers rely on a patch work system of child care where there are limited slots of varying quality, underpaid staff and high turnover, providers operating on razor-thin margins, and prices that force some parents out of the workforce.

NH Cost of Care



NEW HAMPSHIRE COST OF CHILD CARE



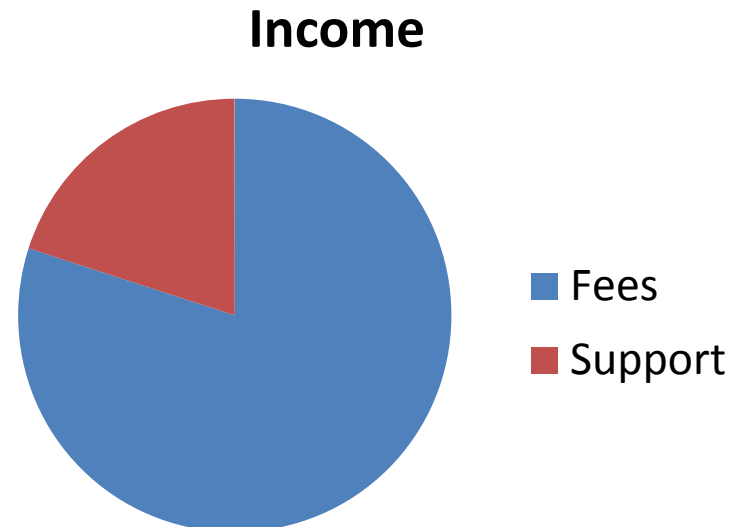
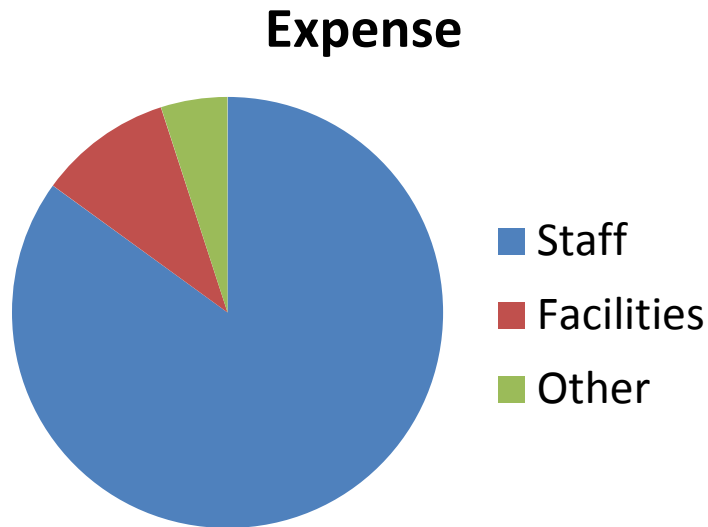
IN NEW HAMPSHIRE, single parents pay 41% of their income for infant center care, and 75% of their income for center care for 2 children. Married parents of 2 children who live at the poverty line pay 113% of their income for center care.

PERCENT OF		
CENTER		HOME
12.2%	Infant Care for Married Family	9%
22.2%	Two Children for Married Families	17.4%
41.1%	Infant Care for Single Parent	30.5%
75.1%	Two Children for Single Parent	58.6%
112.8%	Married Family with Two Children at the Poverty Line	88%

COST OF CHILD								
CENTER		HOME						
\$12,399	Annual Cost of Infant Care	\$9,193						
\$22,658	Annual Cost of Care for an Infant and 4-year-old	\$17,672						
<table> <tr> <td>Infant Cost in Center</td> <td>vs.</td> <td>Public College Tuition</td> </tr> <tr> <td>\$12,399</td> <td></td> <td>\$15,159</td> </tr> </table>			Infant Cost in Center	vs.	Public College Tuition	\$12,399		\$15,159
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The Business of Child Care

- Child care is labor intensive, and overhead can be quite high. On average, 85% of child care expense is staff, 10% is facility related, and about 5% is food and other expenses (insurance);
- About 80% of income is from fees-for-services, the rest comes from contributed support of one kind or another (in-kind donations, fundraising and grants).



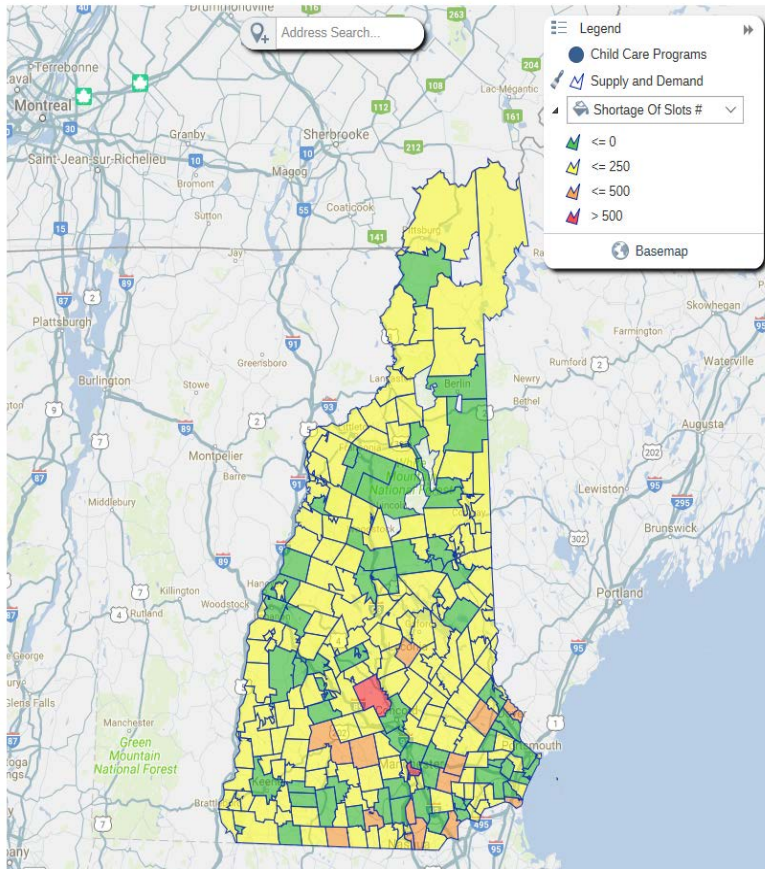
The Business of Child Care

- Child care is a very difficult business, the numbers don't add up. It costs more to supply early care and learning than parents are able to pay. This has serious economic consequences for everyone.
- Demand for child care stays high because parents need child care to take and keep a job. But because parent-paid tuition doesn't cover the true cost of care, and because investment is insufficient, providers are forced to find ways to make ends meet, including closing infant classrooms and cutting back on wages, benefits, supplies, and maintenance.
- The current system undercuts quality, underpays employees, and still presents prices so high that many consumers are pushed into unlicensed markets of undeterminable quality.

NH Child Care Shortage

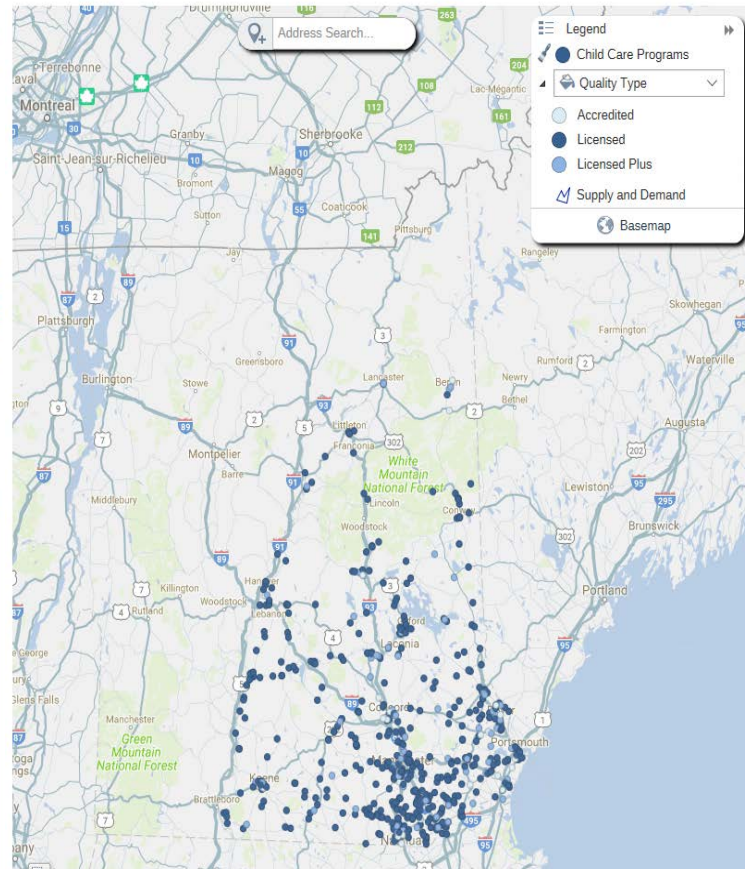
New Hampshire Child Care Desert Map

View the interactive map below for information on early childhood programs in New Hampshire.



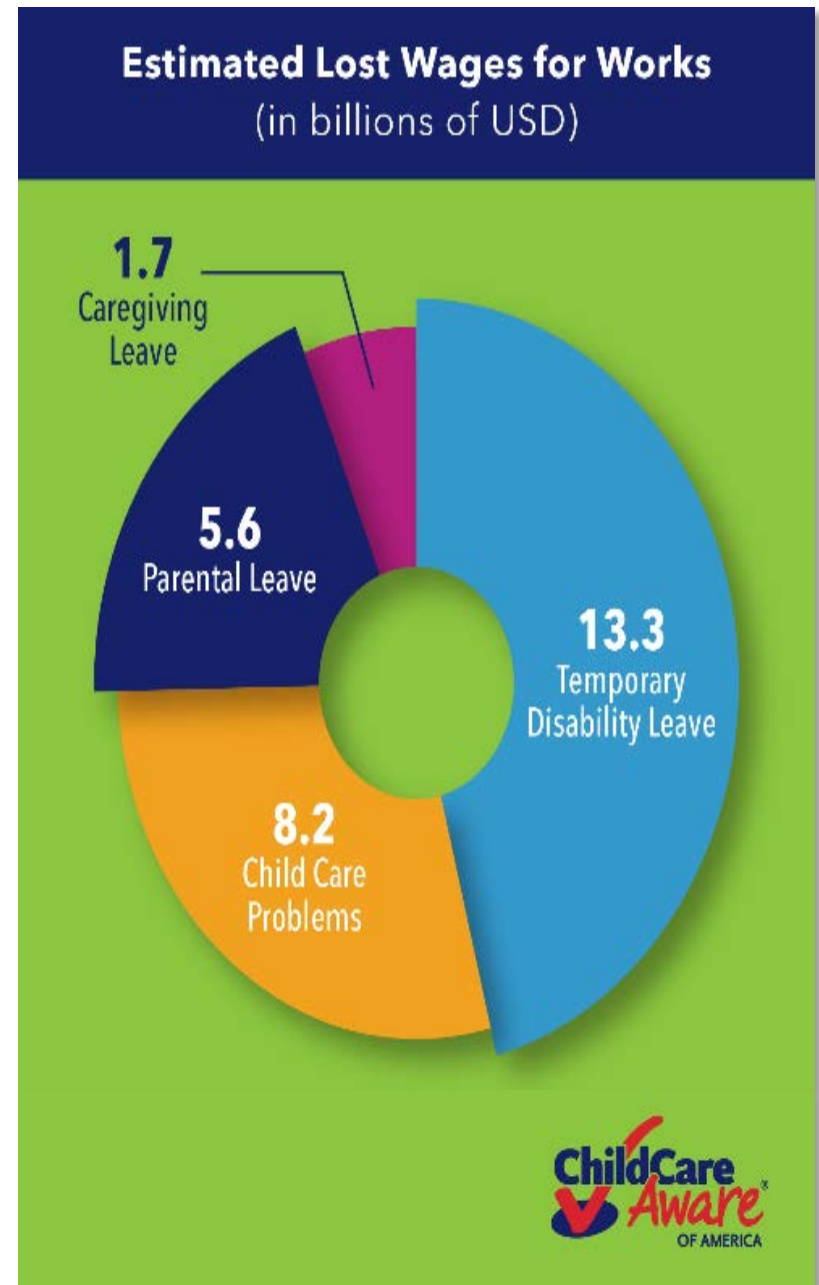
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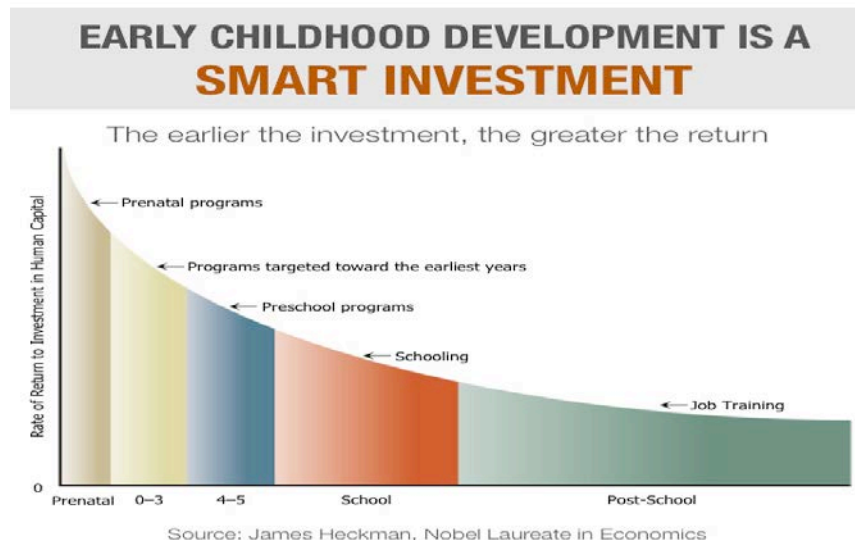
Lack of Affordable Child Care Affects Everyone Including Businesses

- Nationwide, families are losing nearly \$30 billion per year in wages due to the high cost of child care.
- American businesses lose more than \$4 billion per year due to gaps in child care.
- Research shows quality child care is critical for our most vulnerable.
- Affordable child care is a workforce support.



Return on Investment

- Here's what we know: Investments in education for kids aged 0-5 has a high return, studies show a wide range of \$7- \$13 for every dollar.
- Simply put, the Heckman Equation states: an early investment in human development = improved education = increased health = decreased crime = success.
- Human potential is realized by providing early access to the resources needed for successful early development.



Child Care in New Hampshire

Science and common sense says this is worth fixing, but as long as the care system continues to be under-supported - its workers will continue to be undervalued, parents will forgo quality programming in favor of unregulated care, and parents will continue to make the difficult choice between work and child care.



Possible Solutions

- Invest in child care by increasing funding around the Child Development Block Grant (HB1);
- Limit the cost burden for families by raising dependent care limits for deductions or provide additional tax credits for families and providers;
- Create public-private partnerships to invest in child care in local communities;
- Look to states which have already developed successful financial models.

Thank You

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Resources

Child Care Aware of New Hampshire www.nh.childcareware.org

Heckman/Heckman www.heckmanequation.org

National Women's Law Center www.nwlc.org

The Care Report – New America www.newamerica.org

Why Business Should Support Early Childhood Education, Institute for a
Competitive Workforce