

CHILD CARE IN NEW HAMPSHIRE: HIGH PRICE, LOW SUPPLY

CHILD CARE IS UNAFFORDABLE FOR MOST GRANITE STATE FAMILIES

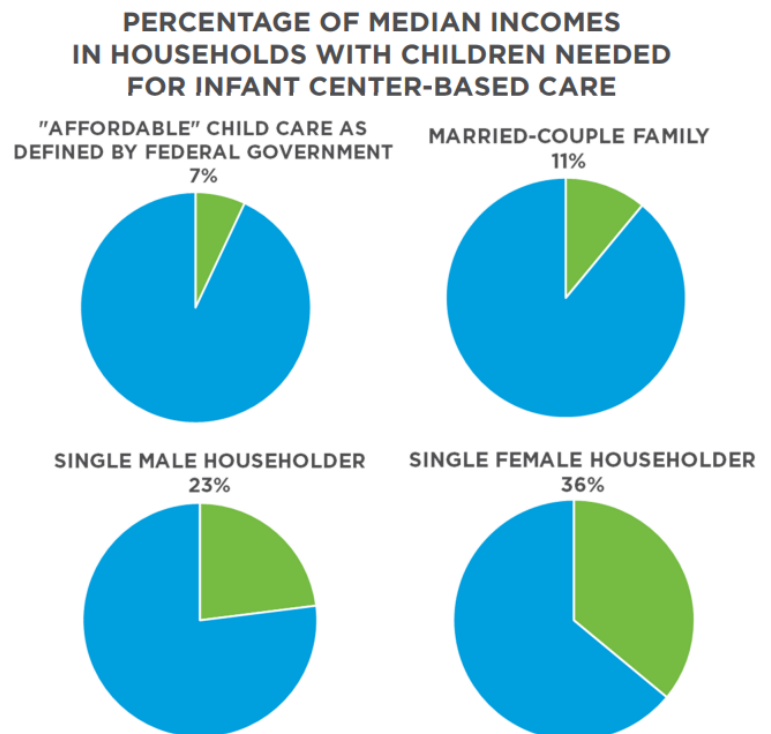
- In 2022, the average annual price for an infant in center-based child care in New Hampshire was \$15,340, and \$10,140 annually for family child care. The average annual price for both an infant and a four-year old in center-based care was \$28,340.¹
- For the 2017-2021 period, median income single male householders would have needed to spend 23 percent of their household incomes for an infant in center-based care, while median income single female householders would have needed to spend 36 percent.²

DEMAND FOR CHILD CARE EXCEEDS AVAILABLE SPOTS

- On average between 2017 and 2021, an estimated 54,000 New Hampshire children under 6 years old (73 percent) lived in families that may have required child care, as both parents, or the sole parent of the household, were in the labor force.³
- There were 756 licensed child care providers in New Hampshire in 2021, with a total capacity of 45,660 child care spots, suggesting a shortage of approximately 8,300 child care spots statewide.⁴
- In 2022, there were 717 licensed child care providers in New Hampshire, with a capacity to serve 44,515 children. However, fewer child care spots may have been available in practice due to a reported staffing vacancy rate of 26 percent.⁵

WORKFORCE, ECONOMIC, AND SOCIETAL IMPACTS

- Between October 5, 2022 and October 2, 2023, an average of 16,500 Granite Staters each month were not working because they were caring for children who were not in school or daycare.⁶
- One national 2021 analysis estimated that New Hampshire households collectively lost between \$400 million and \$600 million in wages due to unavailable child care. Incorporating business and



Sources: Child Care Aware 2021 New Hampshire Price Fact Sheet; U.S. Census Bureau 2021, Median Income in the Past 12 Months, American Community Survey Five-Year Estimates; U.S. Department of the Treasury: The Economics of Child Care Supply in the United States, September 2021

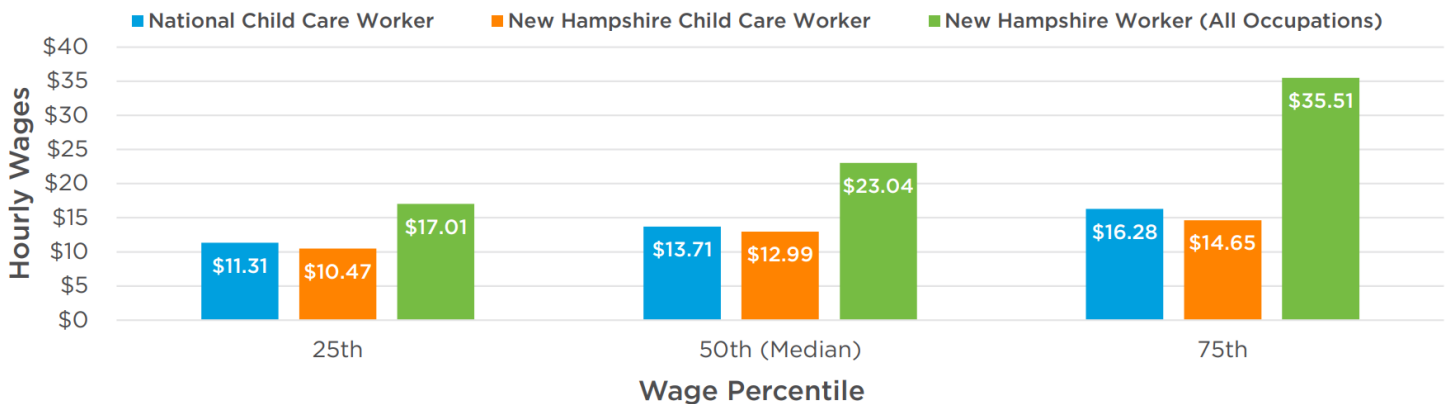
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tax revenues, an estimated \$44,110 and \$66,816 per unavailable child care slot was lost annually over a ten-year time horizon from the time of the initial single-year child care shortage.⁷

- Key research suggests a return of \$4.20 for every \$1 invested in state and district pre-Kindergarten programs for families with low incomes. Children who participate in these programs are more likely to finish high school, as well as have higher wages and lower health care costs later in life. These children are also less likely to need public assistance or engage in criminal activity in their lifetimes.⁸
- The median hourly wage for a New Hampshire child care worker was \$12.99. The median hourly wage for child care workers nationally was \$13.17, while the median hourly wage for all New Hampshire workers was \$23.04.⁹

2022 HOURLY WAGES FOR CHILD CARE WORKERS

New Hampshire Child Care Worker Wages at the 25th, 50th, and 75th Percentiles Versus New Hampshire Worker Wages and National Child Care Worker Wages



Sources: U.S. Bureau of Labor and Statistics May 2022 National and New Hampshire Occupational Employment Wages and Estimates

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STATE BUDGET INVESTMENTS AND POLICIES ADDRESSING CHILD CARE SHORTAGE

- The family income eligibility cap for child care assistance scholarships was raised to 85 percent of the State Median Income, increasing the income eligibility from \$50,666 for a family of three in 2022 to \$86,226. The prior eligibility threshold was 220 percent of the federal poverty guidelines.
- Cost sharing was eliminated for families below 100 percent of the federal poverty guidelines and limited to \$5 per week for families under 138 percent of the federal poverty guidelines.
- Provider reimbursement for scholarship recipients was raised to 75th percentile of the market rate.
- \$15 million was allocated for recruitment and retention of the child care workforce.¹⁰

¹ See [Child Care Aware's 2022 New Hampshire Fact Sheet](#) for more information about the price of child care in New Hampshire.

² Estimates were generated using [Child Care Aware's 2021 New Hampshire Price Fact Sheet](#) and the U.S. Census Bureau's 2017-2021 American Community Survey five-year estimates, Table [S1903 Median Income in the Past 12 Months \(in 2021 Inflation-Adjusted Dollars\)](#) for New Hampshire.

³ Estimates calculated using U.S. Census Bureau's American Community Survey 2017-2021 five-year estimates, Table [B23008 Age of Own Children Under 18 Years in Families and Subfamilies by Living Arrangements by Employment Status of Parents](#).

⁴ See March 29, 2023 fiscal note from the [New Hampshire Department of Health and Human Services](#).

⁵ See March 29, 2023 fiscal note from the [New Hampshire Department of Health and Human Services](#).

⁶ See U.S. Census Bureau's Household Pulse Survey, [Table 3. Educational Attainment for Adults Not Working at Time of Survey, by Main Reason for Not Working and Source Used to Meet Spending Needs](#), New Hampshire tab.

⁷ See the Bipartisan Policy Center's November 2021 report, [The Economic Impact of America's Child Care Gap: The Cost of the Child Care Gap to Parents, Business, and Taxpayers](#), [page 21](#).

⁸ See the Urban Institute's September 14, 2023 report, [The Return on Investing in Children: Helping Children Thrive](#), [page 15](#).

⁹ Estimates derived from the Bureau of Labor Statistics' May 2022 State Occupational Employment and Wage Estimates for [United States' Childcare Workers](#) and [New Hampshire Childcare Workers and All Occupations](#).

¹⁰ See NHFPI, [Housing and Child Care in the Legislature's State Budget](#), June 15, 2023. Previous eligibility phaseout tier was 250 percent of FPG.