



# THE CHILD CARE INDUSTRY AND THE GRANITE STATE LABOR FORCE

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GRANITE UNITED WAY BUSINESS ROUNDTABLES

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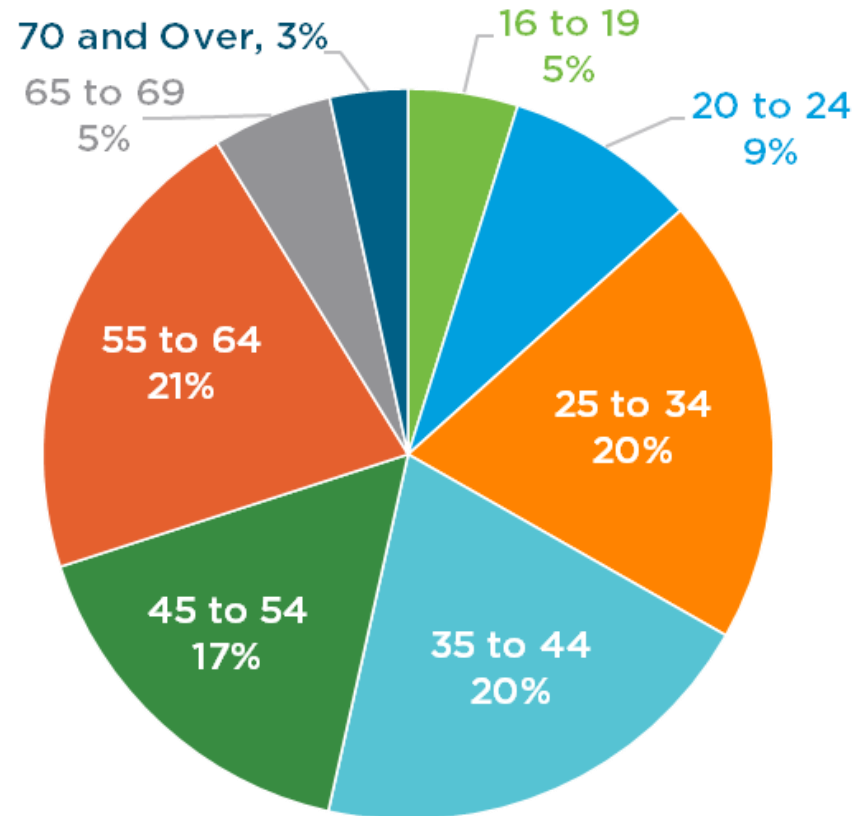
# QUIZ QUESTION

What percentage of New Hampshire's labor force is age 16 to 44 years old?

# 54% OF NEW HAMPSHIRE'S LABOR FORCE IS BETWEEN 16 AND 44 YEARS OF AGE

## NEW HAMPSHIRE'S LABOR FORCE BY AGE IN YEARS

*For the Year Ending April 2024*

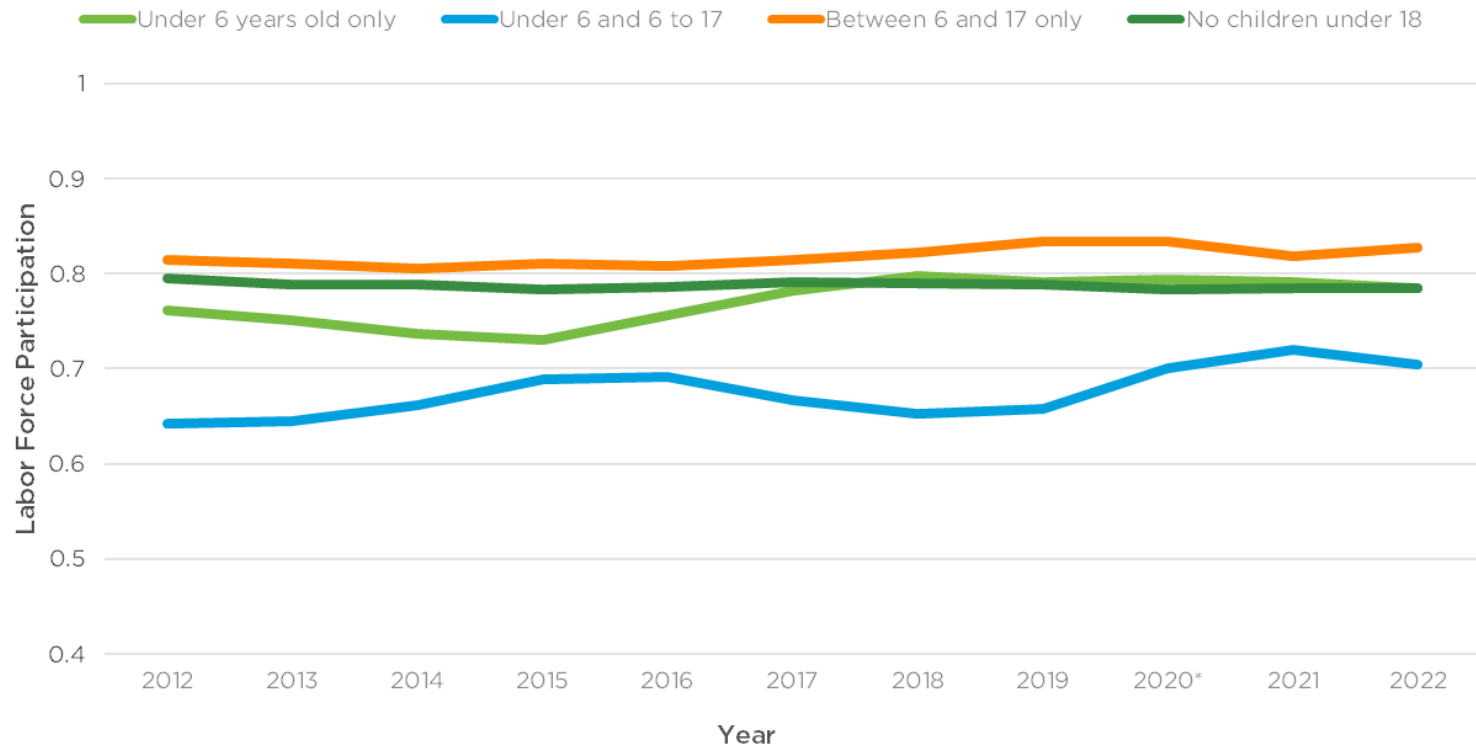


Source: New Hampshire Employment Security

# LOWER RATES OF LABOR FORCE PARTICIPATION AMONG MOTHERS WITH MULTIPLE CHILDREN

## NEW HAMPSHIRE LABOR FORCE PARTICIPATION OF WOMEN 20-64 YEARS OLD BY CHILDREN'S AGES

Three-Year Rolling Average of Percentage of Women in Each Child Age Category Participating in the Labor Force from 2012-2022

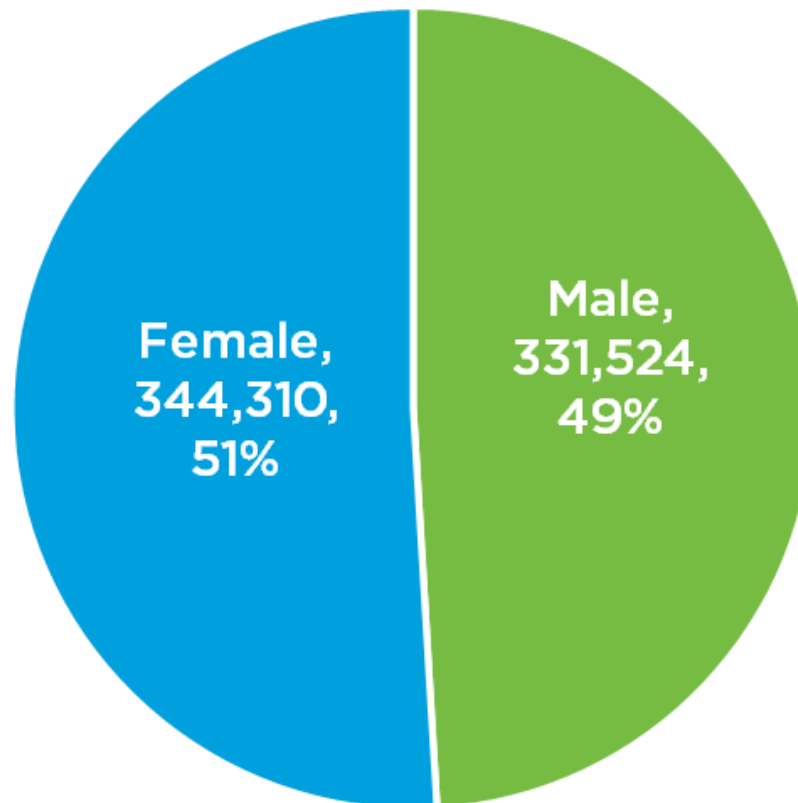


Note: \*2020 data are unavailable due to the COVID-19 pandemic. Figures for 2020 were calculated by averaging data from 2019 and 2021.

Source: U.S. Census Bureau American Community Survey 1-Year Estimates

# EMPLOYEES IN NEW HAMPSHIRE JOBS

## NEW HAMPSHIRE-BASED JOBS BY GENDER OF EMPLOYEE *First Three Quarters of 2023*



Source: U.S. Census Bureau Quarterly Workforce Indicators

# CHILD CARE

# QUIZ QUESTION

What was the average price of child care for two children under five years old in center-based care during 2023?

# CURRENT STATE OF NEW HAMPSHIRE'S CHILD CARE SECTOR

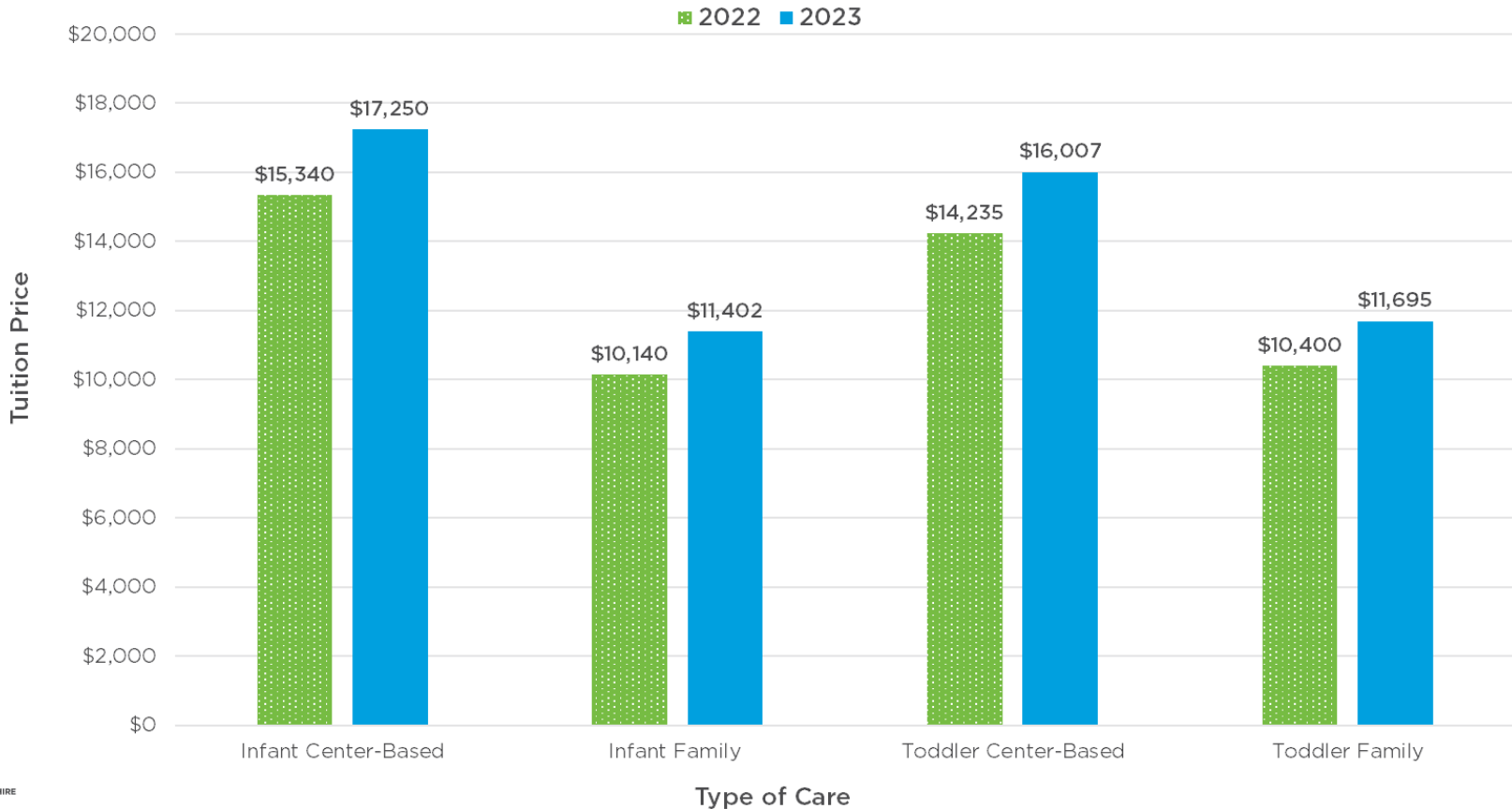
- Child care is unaffordable to most NH families
  - In 2023, tuition for center-based care for an infant was over \$17,000. Families paid about roughly \$32,000 for two children under 5.
- Not enough child care slots available in NH to meet demand
  - During 2018-2022, there was a shortage of about 8,400 child care slots.
  - Between March 2023 and March 2024, an average of nearly 15,500 Granite Staters each month were not in the labor force because they were caring for children who were not in school or child care
- NH child care workers do not make livable wages, and many do not have benefits
  - A typical NH child care worker earned approximately \$32,500 in 2023. The federal poverty guideline for a family of 4 in 2023 was \$30,000.
- In 2021, the U.S. Department of the Treasury reported profit margins for child care providers were usually < 1 percent



# CHILD CARE PRICES INCREASED 12.5 PERCENT FROM 2022 TO 2023

## NEW HAMPSHIRE CHILD CARE PRICES IN 2022 AND 2023

*Child Care Tuition Prices for Center-Based and Family Child Care for Infants and Toddlers*



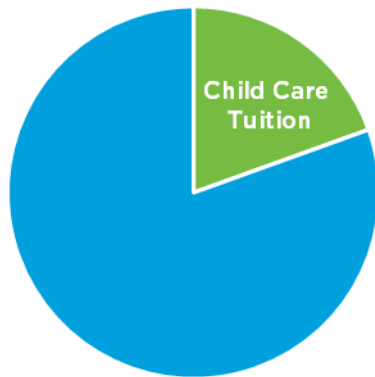
# FEDERAL BENCHMARK: AFFORDABLE CHILD CARE SHOULD BE NO MORE THAN 7 PERCENT OF HOUSEHOLD INCOME

## PERCENTAGE OF MEDIAN HOUSEHOLD INCOME NEEDED FOR TWO CHILDREN IN CENTER-BASED CARE

*Percent of Median Income for Households with Children during 2018-2022 Equivalent to the Unsubsidized Price of Tuition for an Infant and Four-Year-Old Child to Attend Center-Based Child Care*

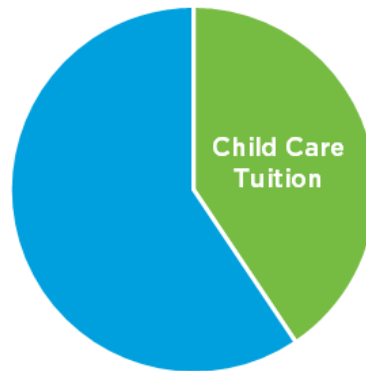
**MARRIED-COUPLE FAMILY**

**20%**



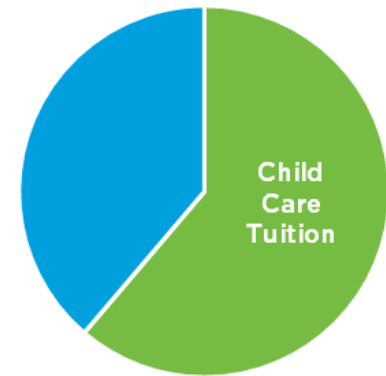
**SINGLE MALE HOUSEHOLDER**

**41%**



**SINGLE FEMALE HOUSEHOLDER**

**61%**



# NEW HAMPSHIRE CHILD CARE SCHOLARSHIP ELIGIBILITY EXPANSION

## 2024 CHILD CARE SCHOLARSHIP INCOME ELIGIBILITY

*Annual Household Income Caps for 2024 Child Care Scholarship, No Cost Share, and \$5 Per Week Cost Share Eligibility*

Family Size	Scholarship Less than 85% of State Median Income	No Cost Share Less than or equal to 100% of Federal Poverty Guidelines	\$5 Cost Share Between 100% to 138% of Federal Poverty Guidelines
1	\$58,985	\$15,060	\$20,783
2	\$77,134	\$20,440	\$28,208
3	\$95,283	\$25,820	\$35,632
4	\$113,432	\$31,200	\$43,056
5	\$131,581	\$36,580	\$50,481
6	\$149,731	\$41,960	\$57,905
7	\$153,133	\$47,340	\$65,330
8	\$156,536	\$52,720	\$72,754

Sources: New Hampshire Department of Health and Human Services Bureau of Child Development and Head Start Collaboration Child Care Scholarship Income Eligibility Levels (Updated July 1, 2024), U.S. Department of Health and Human Services 2024 Poverty Guidelines for 48 Contiguous States (Updated January 2024)

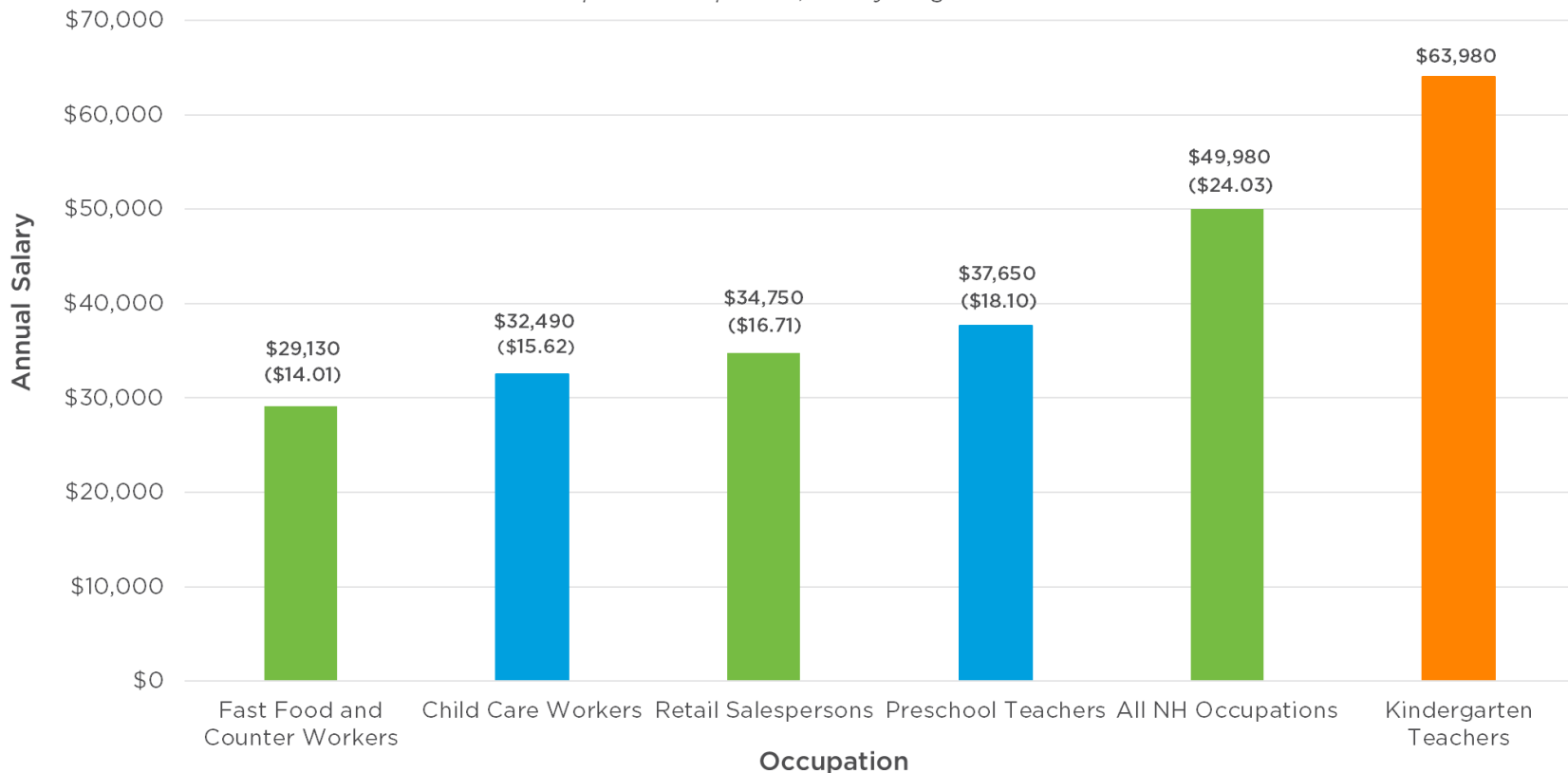
# QUIZ QUESTION

What was the median wage for a child care worker in 2023?

# NEW HAMPSHIRE EARLY CHILDHOOD EDUCATORS' WAGES ARE NOT COMPETITIVE

## 2023 MEDIAN ANNUAL SALARIES FOR SELECT NEW HAMPSHIRE OCCUPATIONS

U.S. Bureau of Labor Statistics May 2023 State Occupational Employment and Wage Estimates for Selected New Hampshire Occupations; Hourly Wages in Parentheses



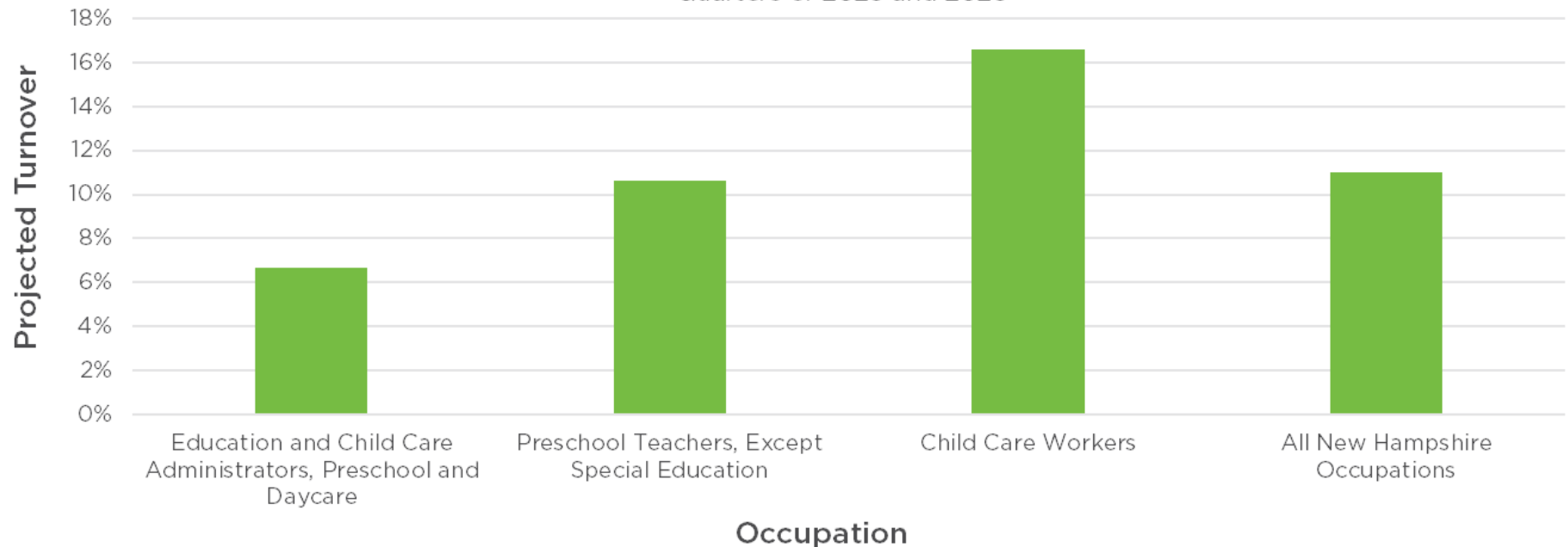
Note: Kindergarten teacher income is only reported as an annual salary.

Source: U.S. Bureau of Labor Statistics' May 2023 State Occupational Employment and Wage Estimates for New Hampshire

# PROJECTED HIGH TURNOVER AMONG CHILD CARE WORKERS

## PROJECTED ANNUAL TURNOVER FOR NEW HAMPSHIRE CHILD CARE WORKFORCE

*New Hampshire Employment Security's Short-Term Occupational Projections of Exits and Transfers as a Proportion of Estimated Occupation Category during Second Quarters of 2023 and 2025*



Source: New Hampshire Employment Security

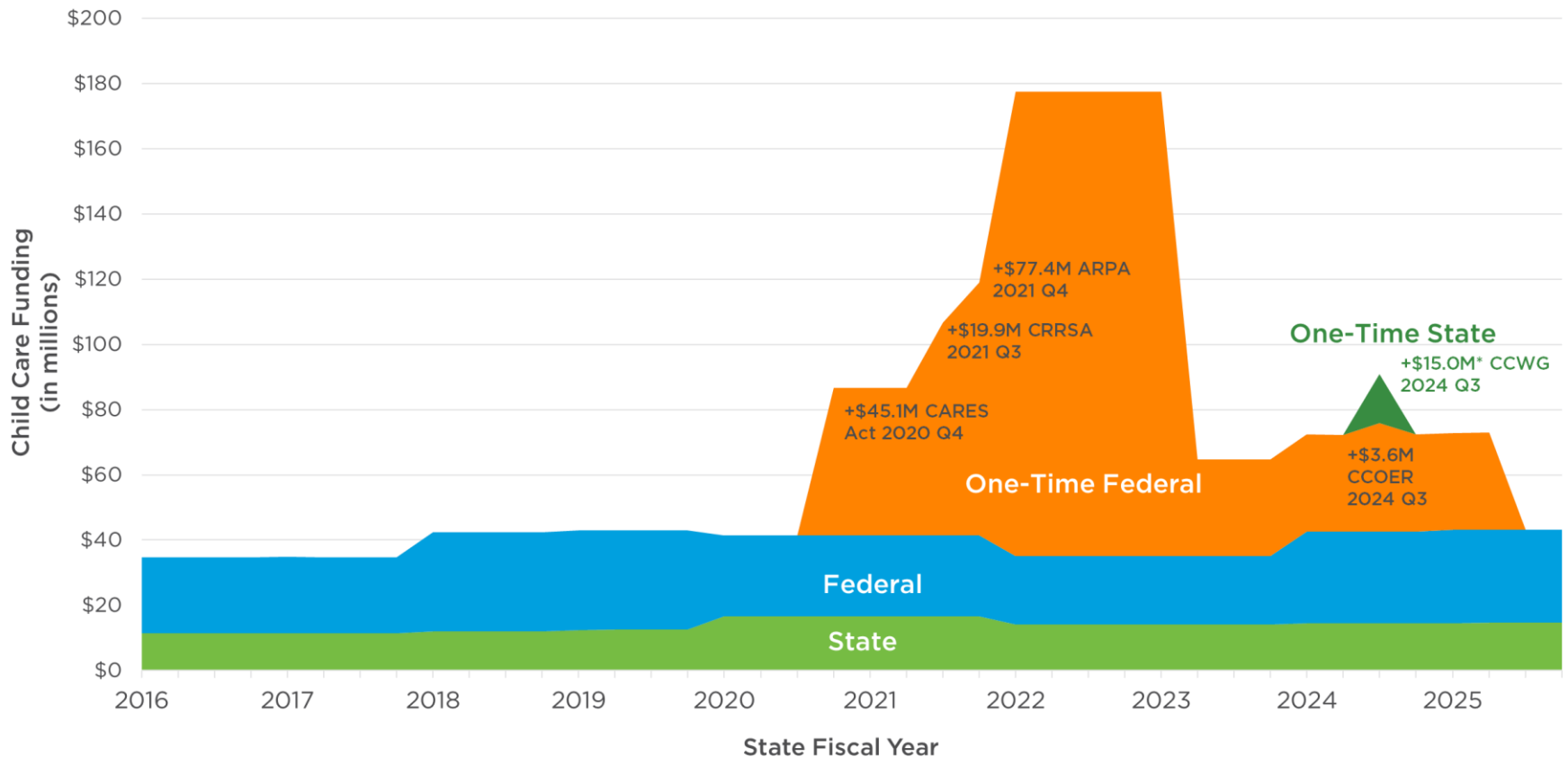
# TRUE COST OF HIGH-QUALITY CHILD CARE

- Revenue from tuition and NH Child Care Scholarships may not generate enough funds to cover necessary program costs
- Costs may include:
  - Payroll and benefits
  - Professional development for staff
  - Food and diapers
  - Toys, furniture, and playground equipment
  - Curricula and assessments
  - Reducing child to teacher ratios, as needed
  - Cleaning supplies
  - Rent or Mortgage
  - Insurance
  - Utilities
  - Additional office and business expenses
- Difficult to streamline or consolidate child care costs due to unique business model

# END OF ONE-TIME FEDERAL INVESTMENTS MAY REDUCE INDUSTRY STABILITY

## NEW HAMPSHIRE CHILD CARE FUNDING

State and Federal One-Time and Regular Funding for State Fiscal Years 2016-2025



For all Notes and Sources, see NHPFI's February 2024 Issue Brief *The State of Child Care in New Hampshire: End of One-Time Federal Investments May Reduce Industry Stability*. Acronym Definitions: New Hampshire's Child Care Workforce Grant (CCWG). Coronavirus Aid, Relief, and Economic Security (CARES) Act. Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). American Rescue Plan Act (ARPA). Child Care Operating Expense Reduction (CCOER).



# QUIZ QUESTION

Based on a Moody's Analytic Report from 2021, which policies have the best returns on investment?

# INVESTMENTS THAT HELP THE ECONOMY

## RETURNS ON INVESTMENT FROM CERTAIN POLICIES

*Fiscal Stimulus Multipliers, 2021*

Estimates of Change in Size of the Economy (Gross Domestic Product) in the Fourth Quarter of 2021 for Each \$1.00 Change in Selected Federal Expenditure or Tax Changes in the First Quarter of 2021	
Policy Change Analyzed	Economic Growth Per \$1 Invested
Supplemental Nutrition Assistance Program Benefits	\$1.61
Supplemental Unemployment Insurance	\$1.49
Work-Share Unemployment Insurance	\$1.37
Aid to State and Local Governments	\$1.34
Low Income Home Energy Assistance Program (LIHEAP)	\$1.31
Transportation Infrastructure Spending	\$1.29
Earned Income Tax Credit	\$1.27
Child Tax Credit	\$1.25
Defense Spending	\$1.24
Child Care (Universal Child Care Act)	\$1.19
Universal Pre-Kindergarten	\$1.17
Care for Older Adults	\$1.15
Economic Impact Payments	\$1.09
Payroll Tax Holiday for Employees	\$1.07
Payroll Tax Holiday for Employers	\$0.95
Nonrefundable Lump Sum Tax Rebate	\$0.93
Personal Income Tax Rate	\$0.88
Housing Tax Credit	\$0.80
Student Loan Debt Forgiveness	\$0.65
Dividend and Capital Gain Tax Rate Reduction	\$0.38
Corporate Tax Rate Reduction	\$0.32
Accelerated Depreciation for Business Taxes	\$0.27
Business Net Operating Losses Tax Offset	\$0.24

Note: Evaluated relative to the parameters of the federal 2021 American Rescue Plan Act as proposed in January 2021.

Source: Moody's Analytics, *The Biden Fiscal Rescue Package: Light on the Horizon*, January 15, 2021

# KEY POINTS

- System is not working well for anyone:
  - Majority of New Hampshire's labor force is of child-bearing age and over half of NH jobs are held by women, who are more likely to leave the labor force to provide care
    - Affordable and accessible child care is needed for a robust labor force
  - Child care is unaffordable to the majority of families
  - Low wages and poor workforce retention
  - Program revenues do not cover “true cost of care”
  - Small, if any, profits for providers
  - End of one-time funding for the sector
  - Investments in children have favorable returns

# ADDITIONAL RESOURCES

- Issue Brief: The State of Child Care in New Hampshire: End of One-Time Federal Investments May Reduce Industry Stability – February 2, 2024  
<https://nhfpi.org/resource/the-state-of-child-care-in-new-hampshire-end-of-one-time-federal-investments-may-reduce-industry-stability/>
- Blog: Annual Price of 2023 Child Care for Two Granite State Children Under Five Averaged Nearly \$32,000 – May 15, 2024  
<https://nhfpi.org/blog/annual-price-of-2023-child-care-for-two-granite-state-children-under-five-averaged-nearly-32000/>
- Fact Sheet: Child Care in New Hampshire: High Price, Low Supply – October 13, 2023  
<https://nhfpi.org/resource/child-care-in-new-hampshire-high-price-low-supply/>
- Resource Pages: Economy, Education  
<https://nhfpi.org/topic/economy/>  
<https://nhfpi.org/topic/education/>



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