

# THE STATE OF CHILD CARE IN NEW HAMPSHIRE

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CALLING FOR CONTINUED CHANGE: NEW ERA OF CHILD CARE EVENT

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University of New Hampshire  
Carsey School of Public Policy



NEW HAMPSHIRE  
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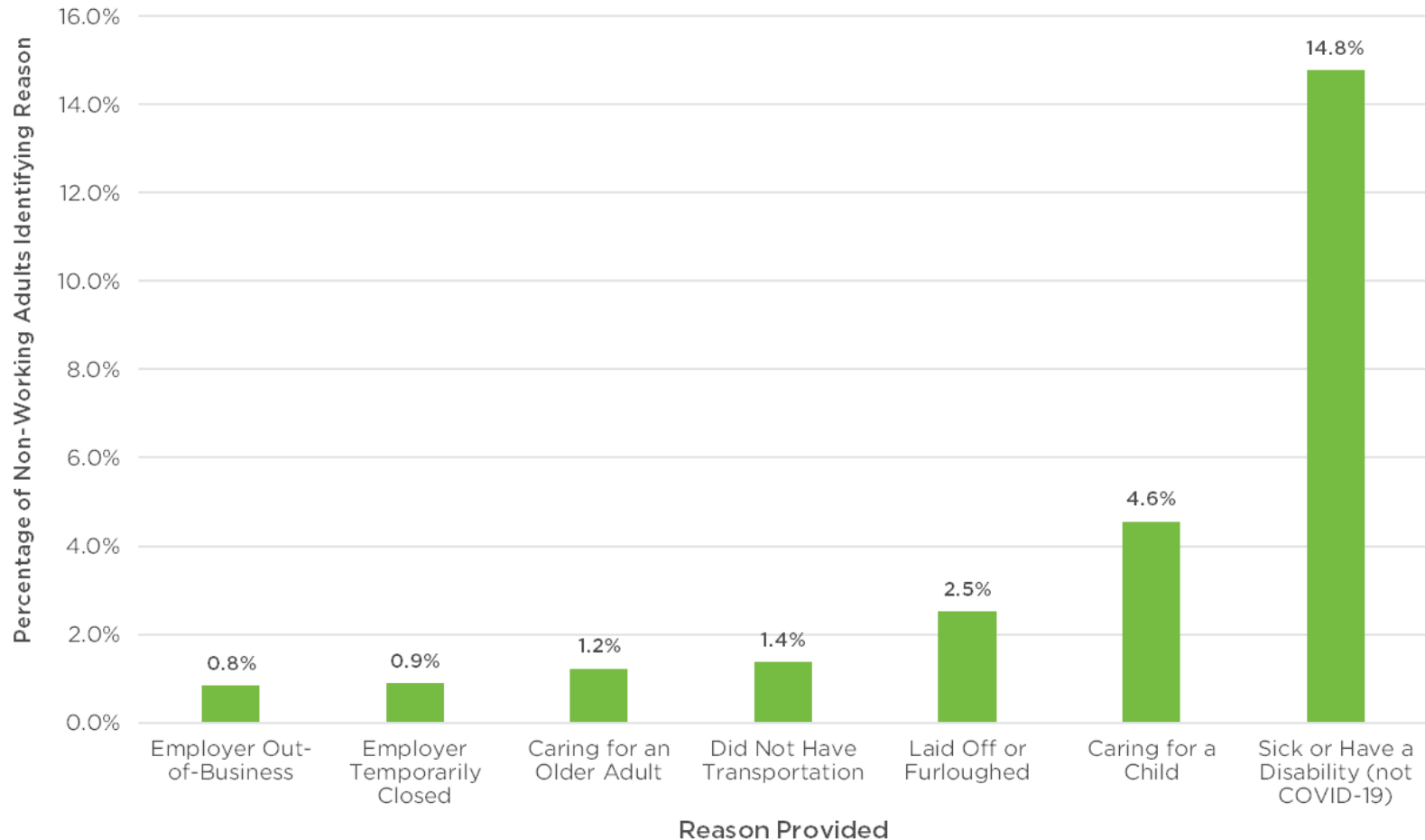
# OVERVIEW

- Child Care and the New Hampshire Labor Force
- High Cost of Child Care for Families
- Low Earnings for Early Childhood Educators and Providers
- True Cost of High-Quality Care Exceeds Revenues
- Limited Child Care Supply
- End of One-Time Funding

# WHY ARE PEOPLE OUT OF THE LABOR FORCE?

## MOST COMMON REASONS FOR NOT WORKING

Based on Surveys of New Hampshire Adults, July 2023 to July 2024  
Excluding Respondents Who Are Working, Identified as Retired (Half of People Not Working),  
Gave an Uncategorized Reason, or Did Not Report a Reason



Source: U.S. Census Bureau, Household Pulse Survey

# Families pay the price of care

Most NH households with kids under 5 use child care (71%).

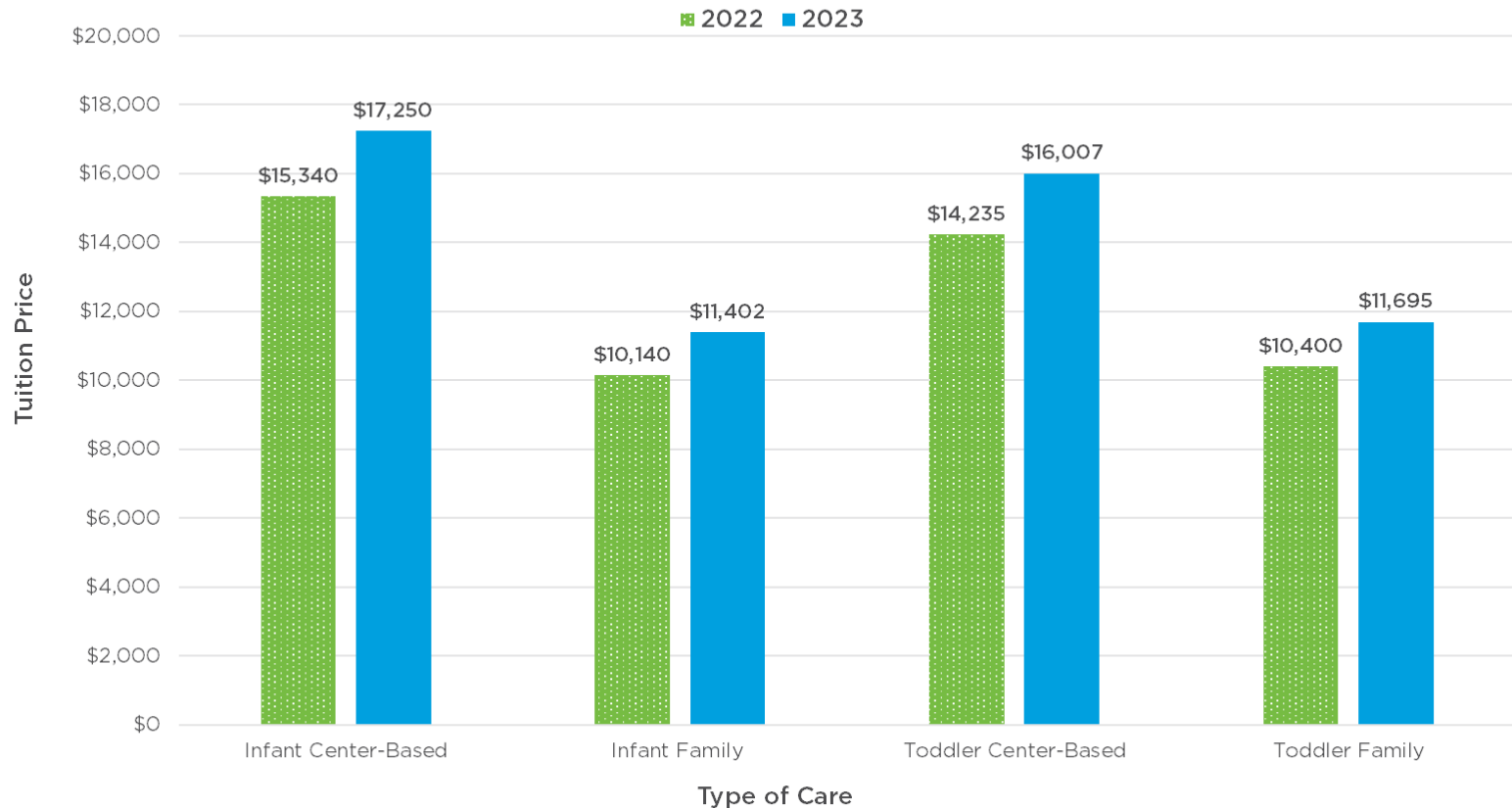
Child care is not funded as a public good, like K-12 schools.

Most families pay out of pocket.

# CHILD CARE PRICES INCREASED APPROXIMATELY 12.5 PERCENT ACROSS ALL TYPES OF CARE 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*



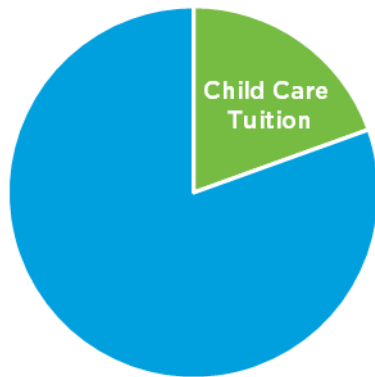
# FEDERAL BENCHMARK: AFFORDABLE CHILD CARE SHOULD BE NO MORE THAN 7 PERCENT OF HOUSEHOLD INCOME

## 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*

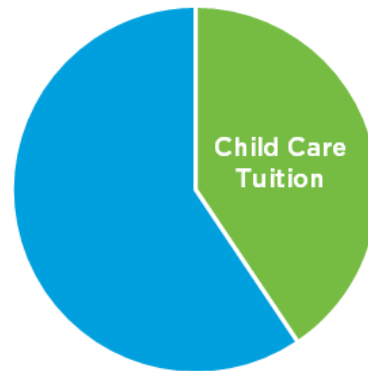
**MARRIED-COUPLE FAMILY**

**20%**



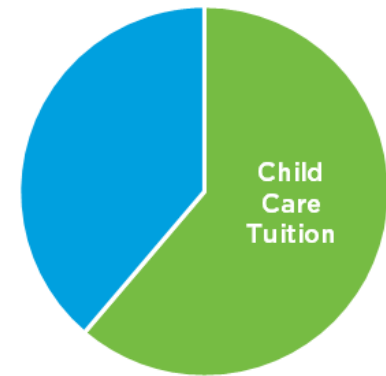
**SINGLE MALE HOUSEHOLDER**

**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)

# CHILD CARE PRICE: 2023 FAMILY EXAMPLE 2

ELIGIBLE FOR SCHOLARSHIP: PAYS \$6,465 (7 PERCENT OF INCOME + COPAYMENTS, IF APPLICABLE)

## Parents

Security Guard:  
\$40,880

Firefighter:  
\$51,470

Household Income:  
\$92,350

Scholarship Cutoff:  
\$123,153

## Children

Infant

Toddler

First-Grader

Total Center-Based: \$33,257\*  
Total Family-Based: \$23,097\*

\*Note: Does not include before and after school care

Sources: U.S. Bureau of Labor Statistics, New Hampshire Occupational Employment and Wage Estimates; Child Care Aware of America; New Hampshire Department of Health and Human Services.



Providers  
earn too  
little.

Although families pay so much...

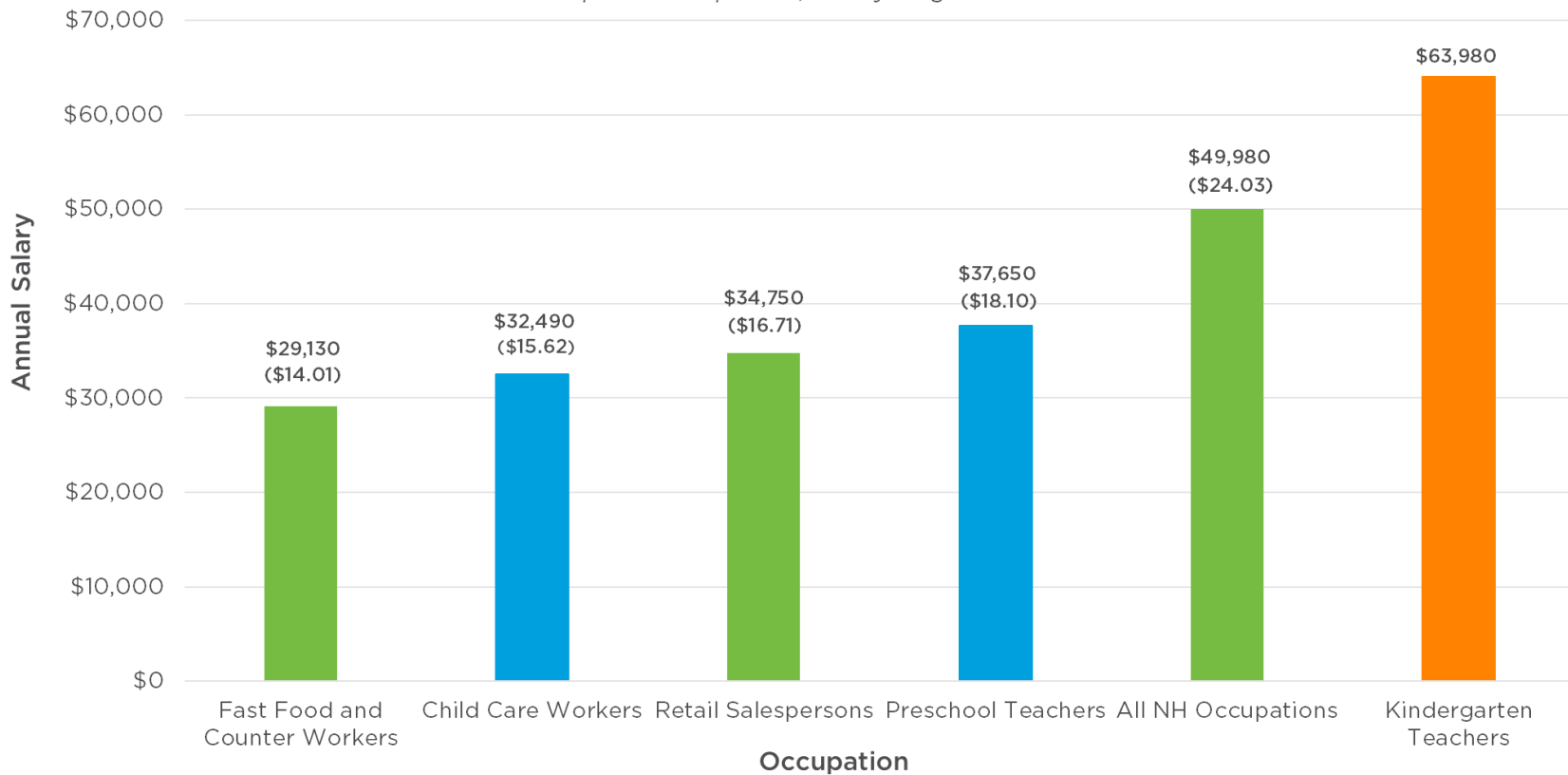
Intensive staffing needs mean  
tuition is spread across multiple  
workers.

In 2023, the median annual salary  
for a NH child care worker was  
**\$32,490.**

# 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



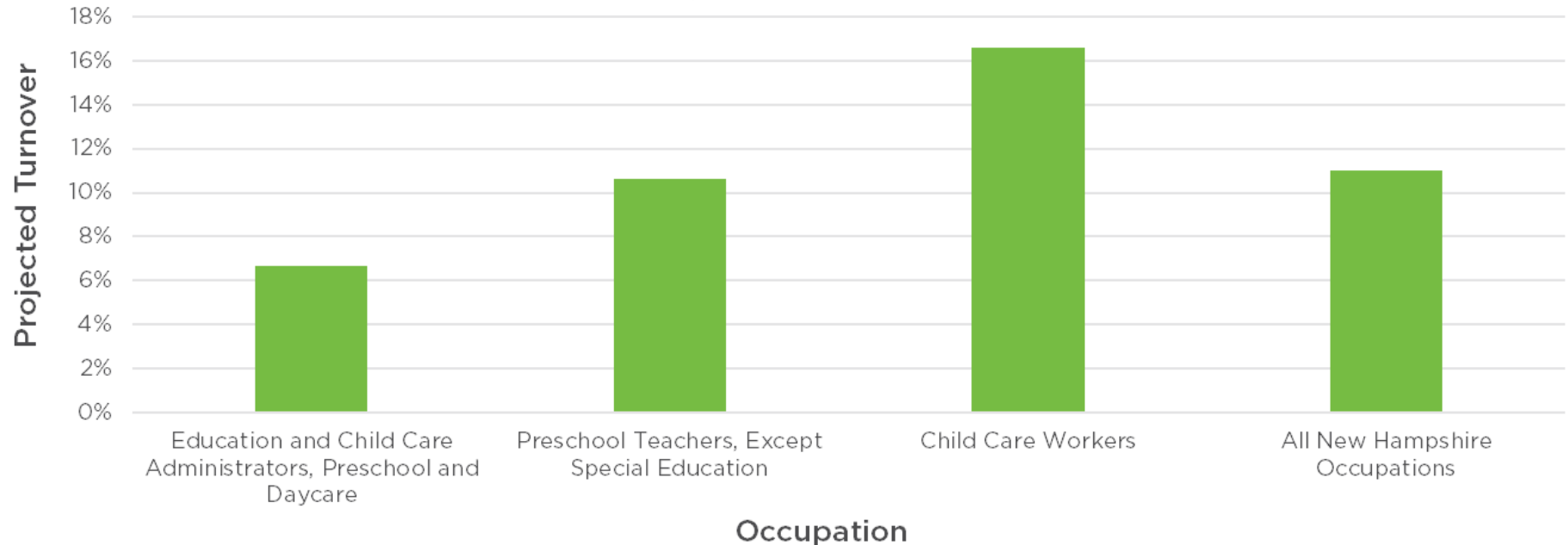
Note: Kindergarten teacher income is only reported as an annual salary.

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

# HIGH PROJECTED 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

“I think that teachers and childcare providers are significantly underpaid. It's ridiculous to me that people get paid like \$14 an hour to shape little minds. It's such an important job.

[But] like I said...where are you going to take the costs from? Are you going to put the burden on the parents? Parents are trying to just make ends meet as it is.”

# 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:
  - Food and diapers
  - Toys, furniture, and playground equipment
  - Curricula and assessments
  - Cleaning supplies
  - Rent or mortgage, insurance, utilities
  - Additional office and business expenses
  - Reducing child to teacher ratios, as needed
  - Professional development for staff and out-of-classroom time
  - Payroll and benefits
- Difficult to streamline or consolidate child care costs due to unique business model

# Change in NH Licensed Child Care Providers Serving Children Under Age 5, 2017 to 2024

	<u>Percent Change</u>
Number of providers	↓ 13.1
Licensed capacity	↑ 5.6
Number of center-based providers*	↓ 7.1
Number of home-based providers*	↓ 34.4

\* NOTE: Revised for clarity from original presentation

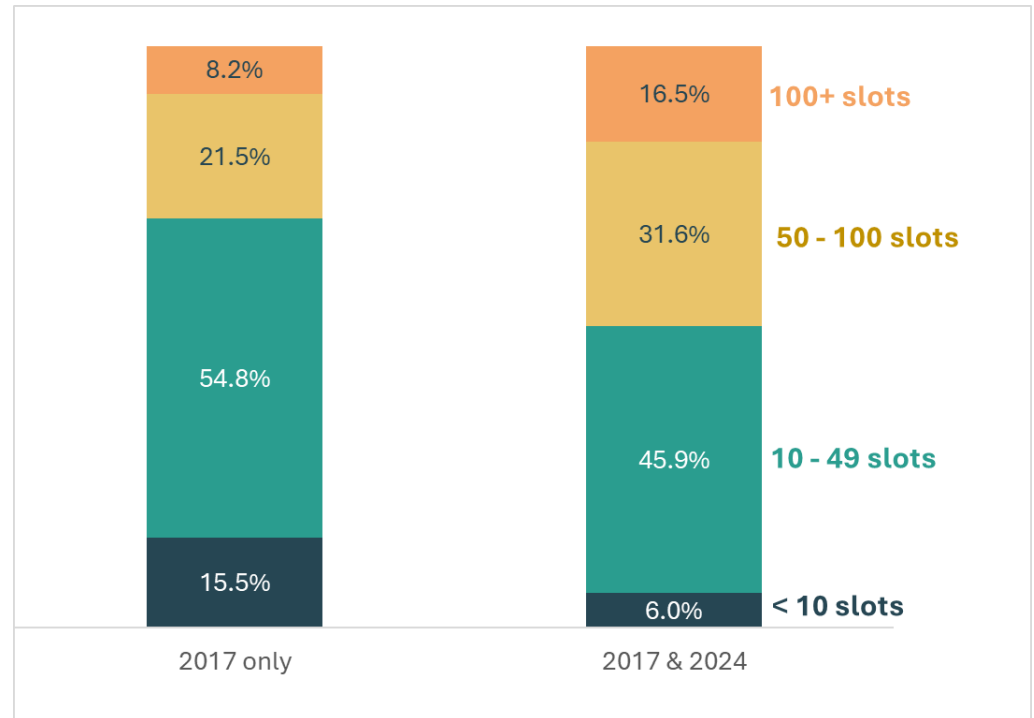
Source: Carsey School of Public Policy analysis of data from New Hampshire  
Department of Health and Human Services Child Care Licensing Unit; 2017 and 2024

What happened to providers open in 2017?

Three-in-five stayed open.

But the two-fifths that closed were more often **small providers.**

*2017 Licensed Child Care Providers by Licensed Capacity, By Whether Provider Was Closed (left) or Still Operating (right) by 2024*



The closure of small providers means that available slots didn't shrink as fast as the provider count did.

But for families, this means **choices are fewer**, and distances between options are longer.



# Between 2017 and 2024...

Slots increased by...



5.6%

Meanwhile, the  
number of zip  
codes with ANY  
slots dropped by...



4.9%

# POTENTIAL ECONOMIC IMPACT: FAMILY CHILD CARE HOME EXAMPLE

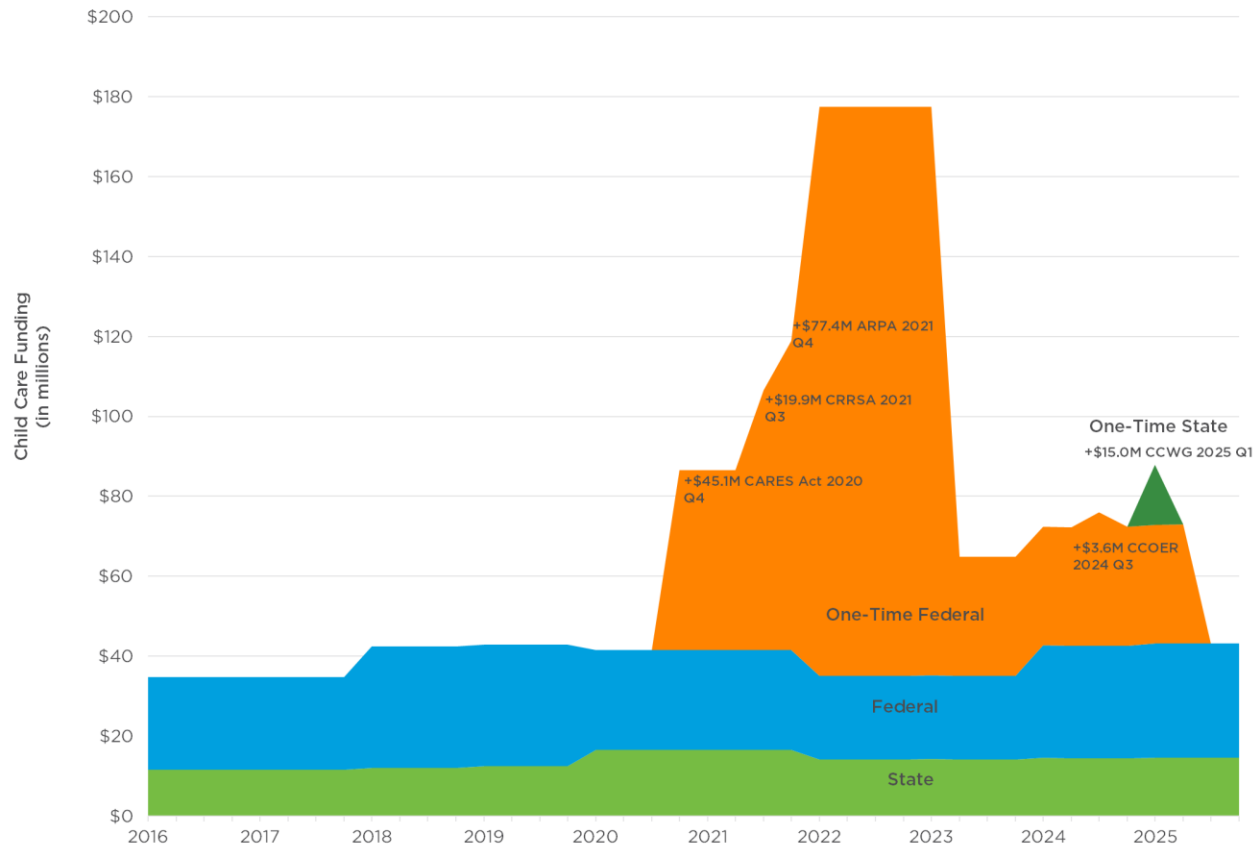
- Enrollment: 6 full-time children
- Approximately 3 to 6 parents available to work full-time
  - Assumes average of 1-2 children per parent entering the labor force
  - Assumes two part-time workers within a household combine hours to create a full-time equivalent worker
- Median New Hampshire Wages in 2023
  - \$24.03/hour
  - \$49,982/year

Median New Hampshire Yearly Wages x Available Workers =  
About \$149,946-\$299,892 in collective wages available to  
families

# 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



## KEY POINTS: CHALLENGES

- System is not working well for anyone:
  - 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 contributes to a child care shortage
  - High quality care exceeds available resources to providers
  - End of one-time funding for the sector

# Building and harnessing statewide research capacity



**PARTNERSHIPS**      **RESOURCES**      **CONTACT US**

### Who We Are

The New Hampshire Early Care and Education (NH ECE) Research Consortium is a network of researchers, providers, funders, policymakers, advocates, and other stakeholders who are committed to understanding and continually improving the early child care and education landscape throughout New Hampshire. The Consortium is housed at the University of New Hampshire's Carsey School of Public Policy, supported by a core team of research experts with deep connections to the field and state partners.

### What We do

Collectively, the Consortium aims to build a high-quality body of applied research to support stakeholders in planning, enacting, and strengthening a robust and equitable ECE system. The Consortium works to centralize New Hampshire-specific resources and facilitate access to timely information by producing and elevating vital research related to ECE in the state. We also support technical assistance requests from data seekers and facilitate partnerships that enhance statewide capacity to conduct and use research.

The NH ECE Research Consortium is made possible through generous funding and partnership from the Couch Family Foundation.



## Repository of NH ECE data

Building a centralized location for easy data access

## Research publications

- *Granite Guide to Early Childhood*
- Additional pubs from Carsey and other NH ECE partners
- Opportunities to collaborate

## Stakeholder connections

Bringing researchers into the fold to contribute and shape ECE agenda

[www.nhece.org](http://www.nhece.org)

# 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: Child Care Scholarship Usage Increased Over 21 Percent in First Half of 2024 – August 26, 2024  
<https://nhfpi.org/blog/child-care-scholarship-usage-increased-over-21-percent-in-first-half-of-2024/>
- Fact Sheet: High Prices and Low Availability of Child Care in New Hampshire: Challenges Continue in 2024 – June 4, 2024  
<https://nhfpi.org/resource/high-prices-and-low-availability-of-child-care-in-new-hampshire-challenges-continue-in-2024/>
- Resource Pages: Economy, Education  
<https://nhfpi.org/topic/economy/>  
<https://nhfpi.org/topic/education/>

# ADDITIONAL RESOURCES

- NH ECE Research Consortium: [www.nhece.org](http://www.nhece.org)
- New Primer Series Overview: Granite Guide to Early Childhood: Introduction to New Hampshire's Child Care Sector  
<https://carsey.unh.edu/publication/granite-guide-early-childhood-introduction-new-hampshires-child-care-sector>
- Primer #1: What Do New Hampshire Families Want for Child Care?  
<https://carsey.unh.edu/publication/what-do-new-hampshire-families-want-child-care>
- Brief: Preschool Availability in New Hampshire Public Schools  
<https://carsey.unh.edu/publication/preschool-availability-new-hampshire-public-schools>



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