



NEW HAMPSHIRE'S CHILD CARE LANDSCAPE

NICOLE HELLER, PHD, SENIOR POLICY ANALYST
NEW HAMPSHIRE FISCAL POLICY INSTITUTE

CHILDHOOD ADVOCACY FELLOWSHIP
PARTNERSHIP FOR PROGRESS

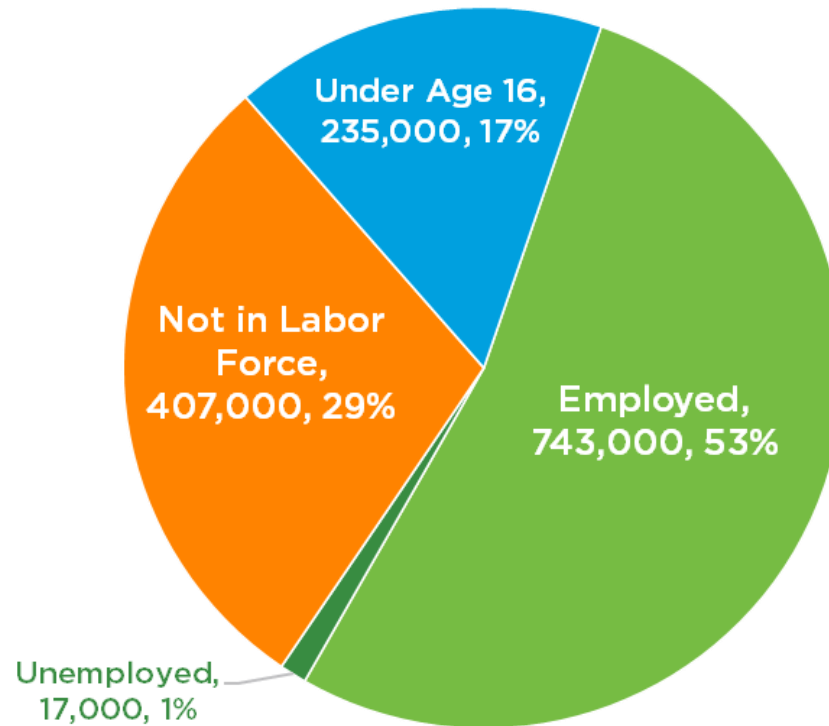
OCTOBER 7, 2024

WHY IS CHILD CARE IMPORTANT?

WHO IS “THE LABOR FORCE”?

NEW HAMPSHIRE POPULATION BY LABOR FORCE PARTICIPATION

2023 Data, Labor Force Participants Age 16 or Over Unless Otherwise Labeled, Rounded to Nearest 1,000



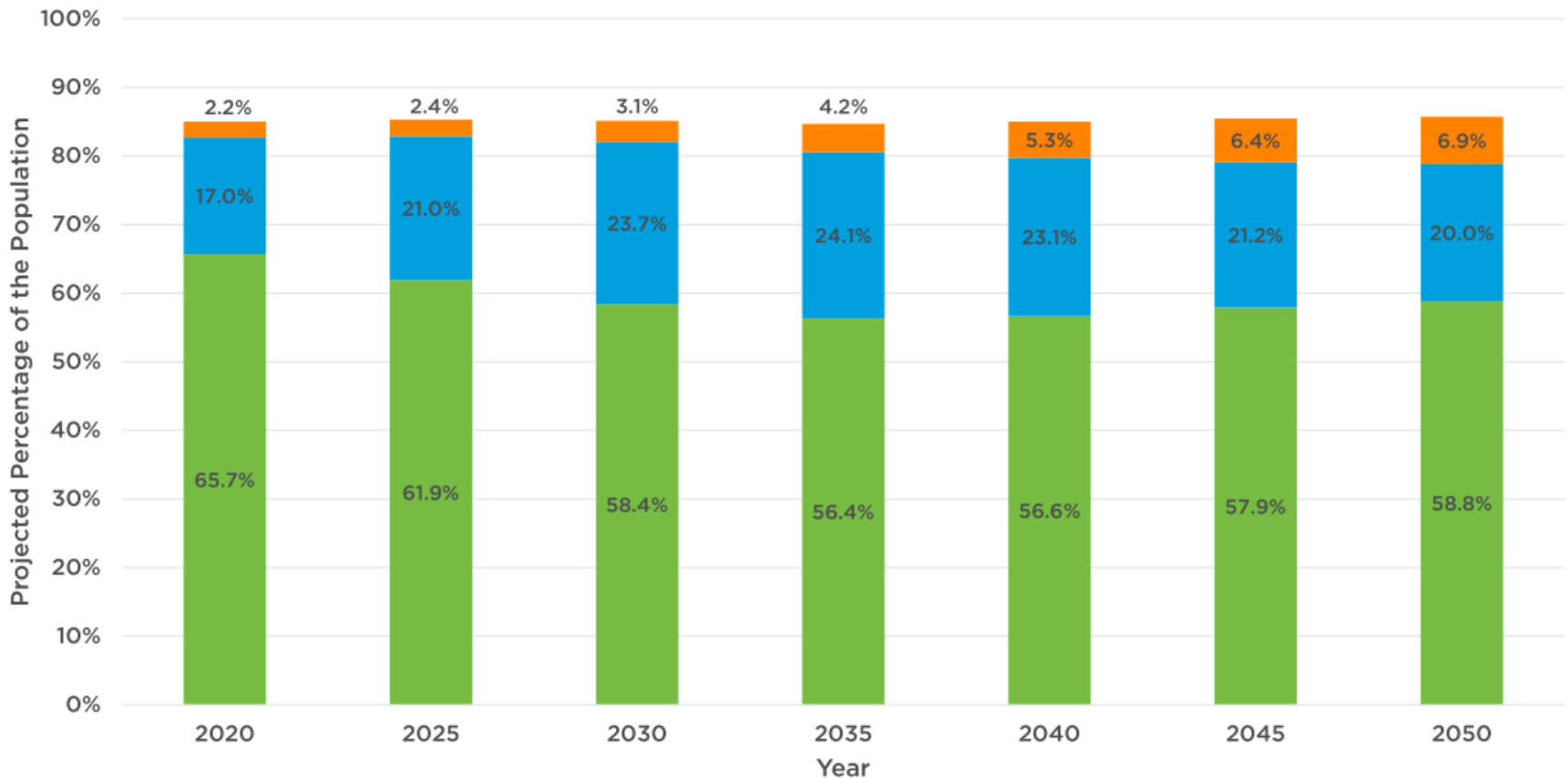
Sources: New Hampshire Employment Security, U.S. Bureau of Labor Statistics, U.S. Census Bureau

FEWER POTENTIAL WORKERS IN THE SHORT- AND LONG-TERMS

NEW HAMPSHIRE AGE PROJECTIONS

Projections by Age Group, for 2020 to 2050

■ 15 to 64 ■ 65 to 84 ■ 85 and older

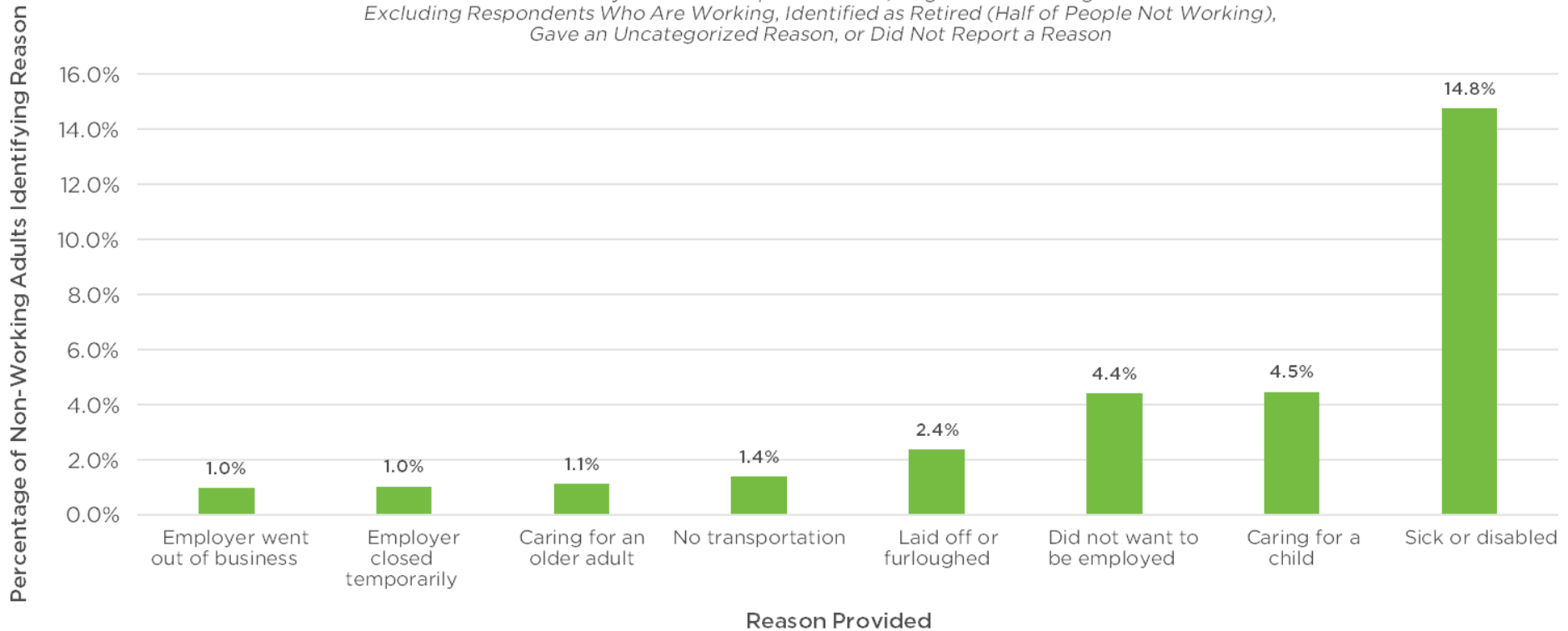


Source: NH Department of Business and Economic Affairs, State, County, and Municipal Population Projections, 2020-2050

WHY ARE PEOPLE OUT OF THE LABOR FORCE?

MOST COMMON REASONS FOR NOT WORKING

*Based on Surveys of New Hampshire Adults, August 2023 to August 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

CHILD CARE SUPPLY

AVAILABLE LICENSED CHILD CARE SLOTS IN 2023

- Estimate of children under 6 with sole parent or both parents in the labor force: 54,097
- 2023 average number of licensed slots: 44,645
- Estimated potential gap: 9,452
- Number of providers in December 2023: 719
- Considerations for the estimated gap:
 - Potential gap may be smaller:
 - Data limitations only allow for estimates of children under 6 when kindergarten begins at 5
 - Not all families want to use child care
 - Potential gap may be larger:
 - Licensed capacity, not current capacity
 - Not all children attend full-day kindergarten and may still need child care
 - Only includes children under 6, some school-age children also need out-of-school time care
 - Driving distance for families
 - Right setting or environment for families and children

POTENTIAL IMPACT OF ONE FAMILY CHILD CARE PROVIDER

- 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

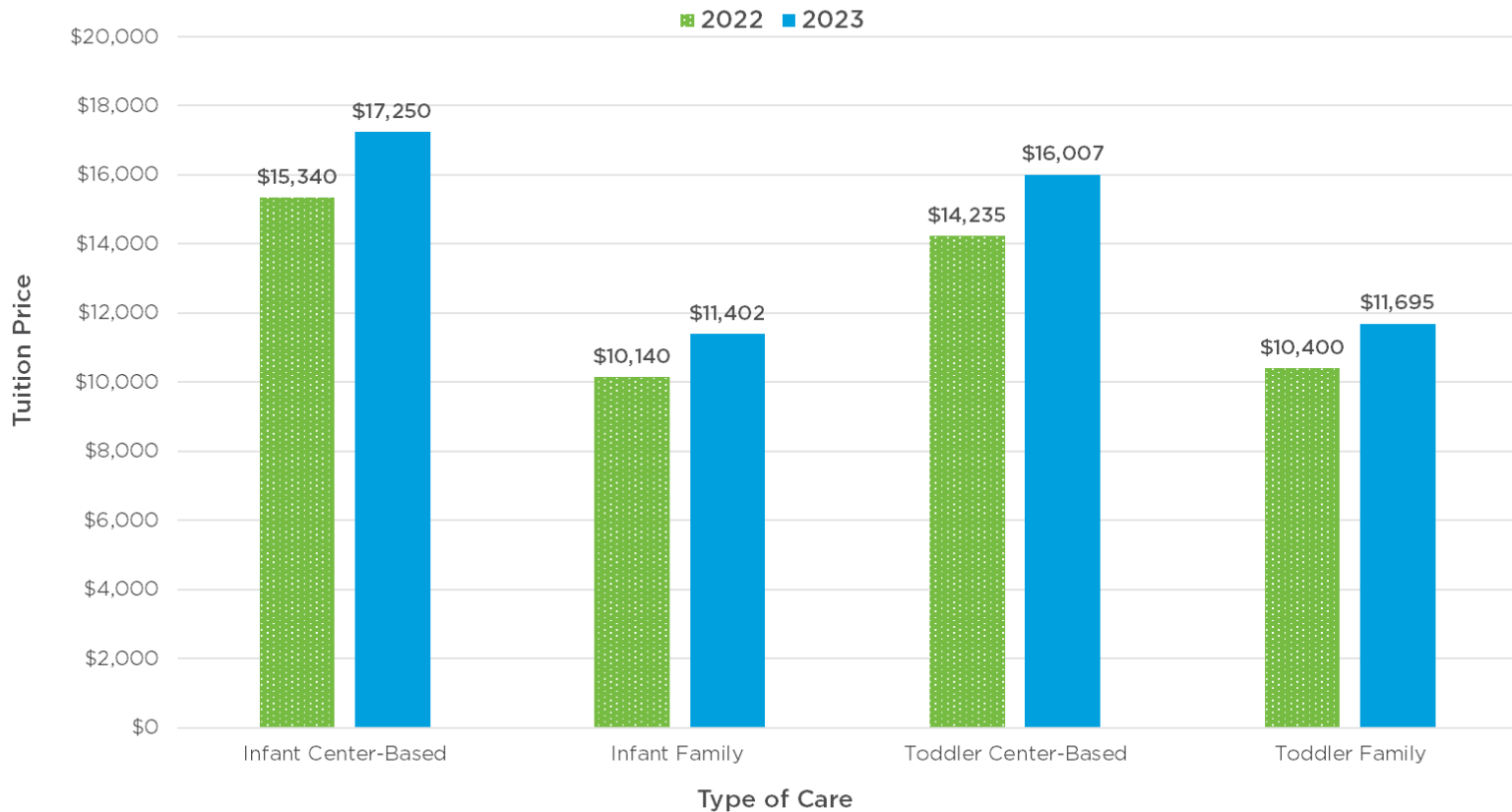
Median New Hampshire Yearly Wages x Available Workers =
About \$149,946-\$299,892 in collective wages available to families

FAMILY INCOME AND SPENDING

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



Source: Child Care Aware of America

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: \$36,121*
Total Family-Based: \$25,458*

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

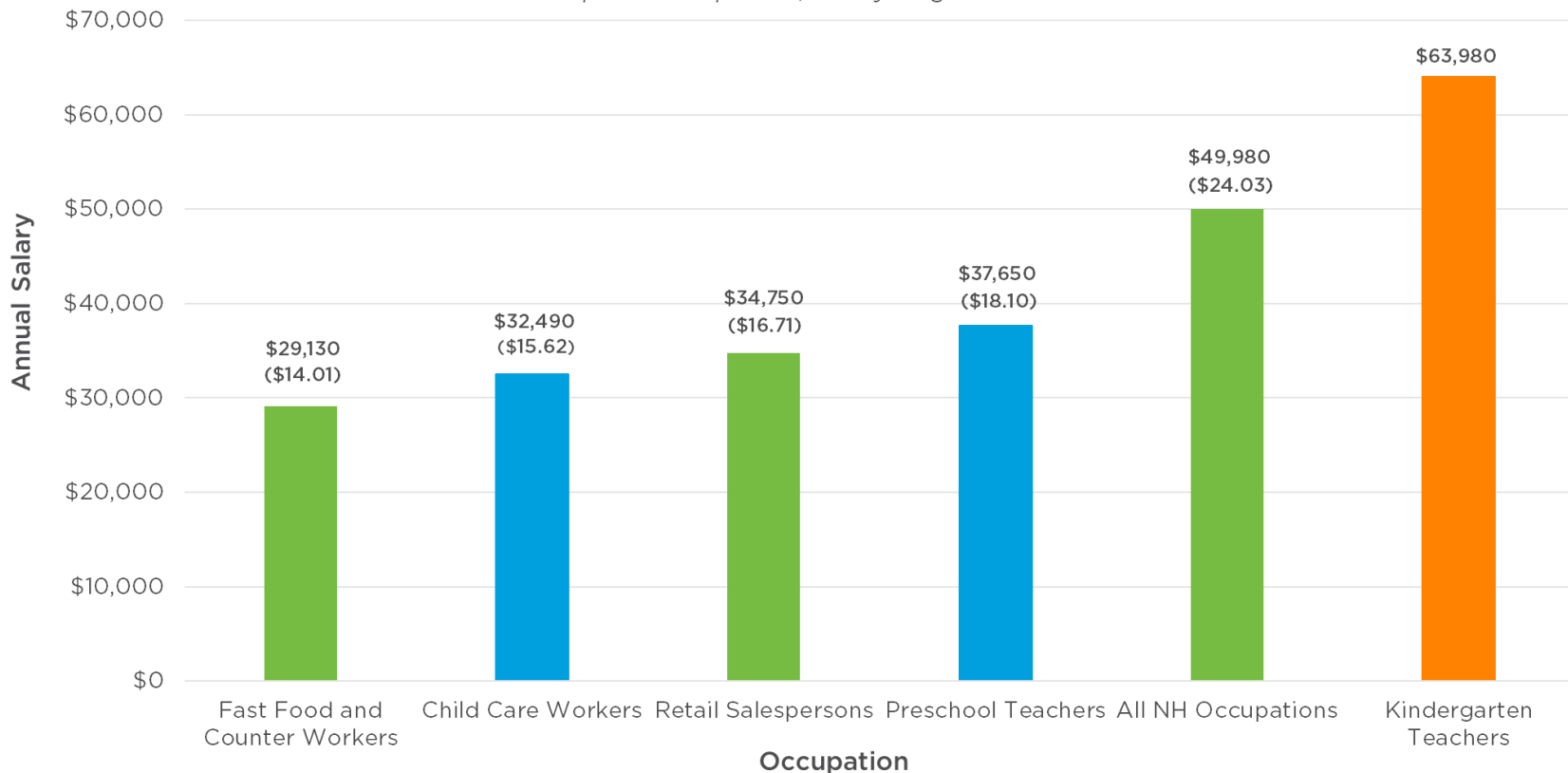
Sources: U.S. Bureau of Labor Statistics, New Hampshire Occupational Employment and Wage Estimates; Child Care Aware of America; New Hampshire Department of Health and Human Services.

CHILD CARE WORKFORCE

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



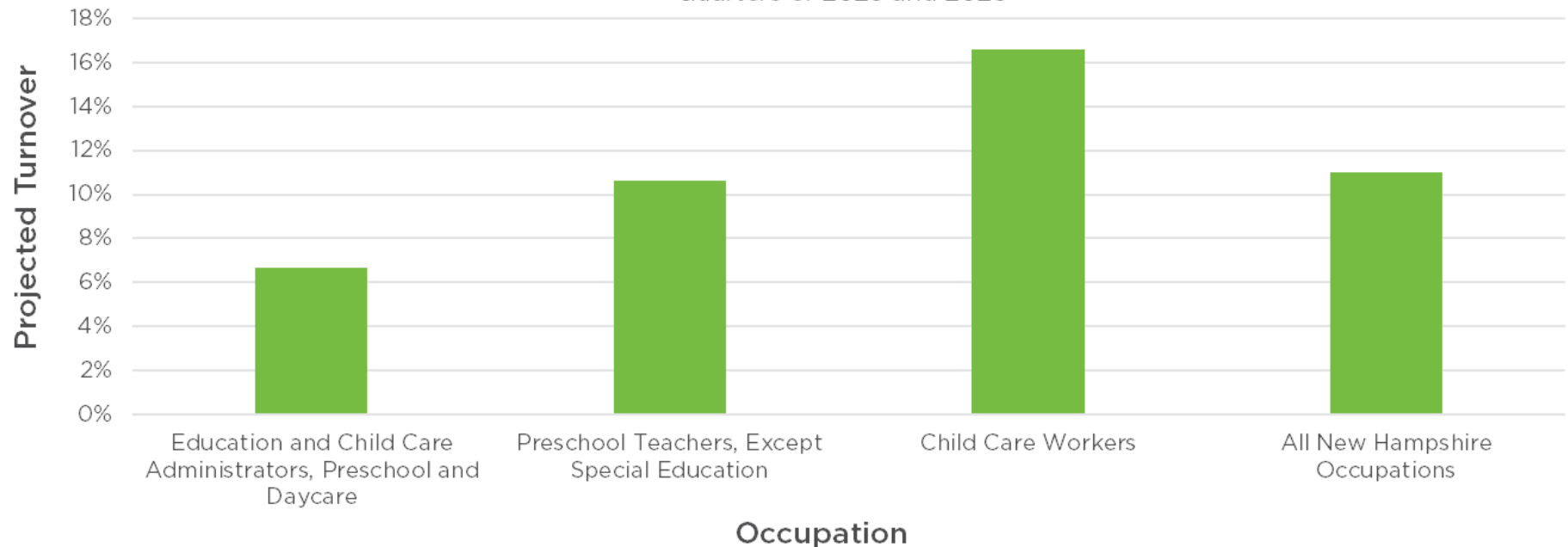
Note: Kindergarten teacher income is only reported as an annual salary.

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

TRUE COST OF HIGH-QUALITY CARE

TRUE COST OF HIGH-QUALITY CHILD CARE

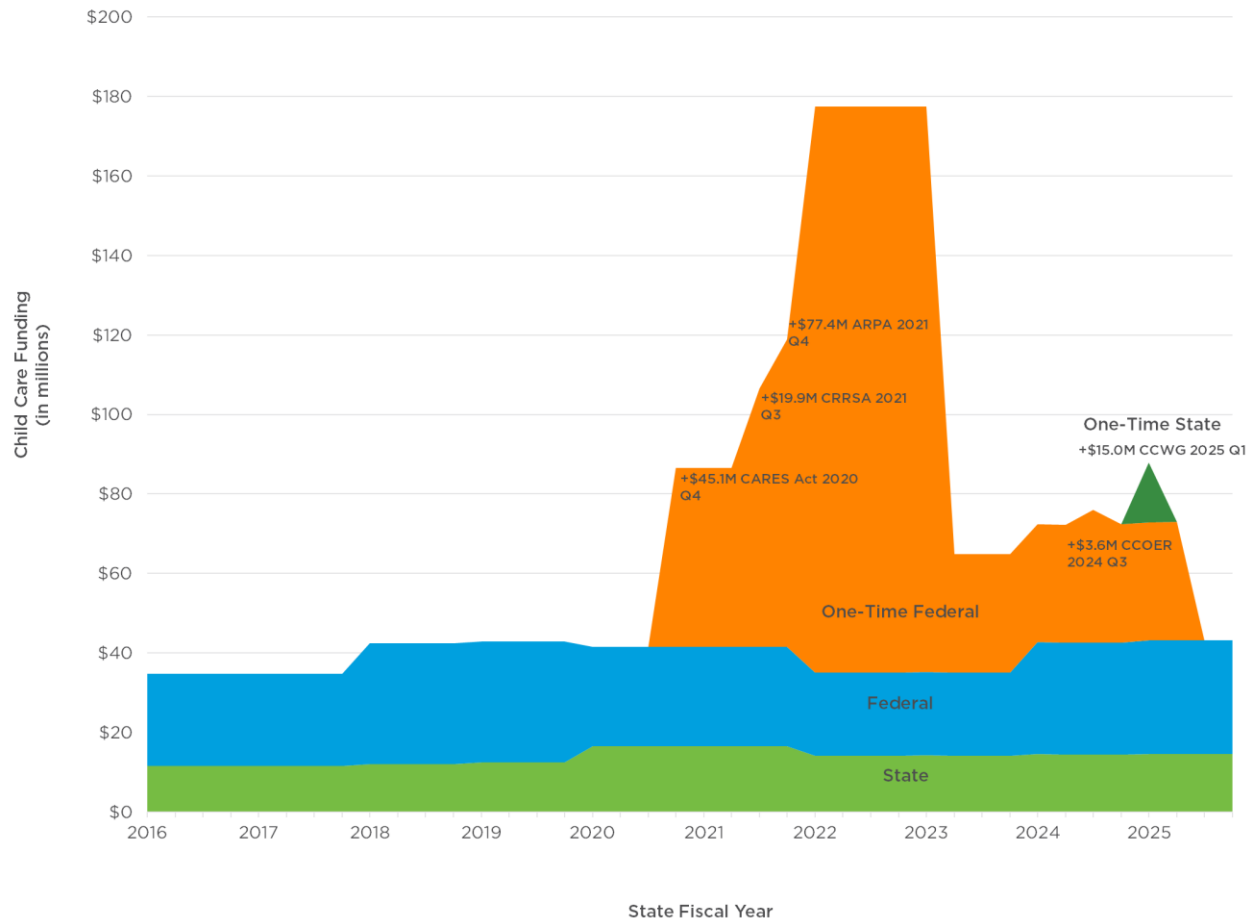
- Revenue from tuition and NH Child Care Scholarships may not generate enough funds to cover necessary program costs
- Costs may include:
 - Payroll and benefits
 - Professional development for staff
 - Food and diapers
 - Toys, furniture, and playground equipment
 - Curricula and assessments
 - Reducing 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

FEDERAL AND STATE FUNDING

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

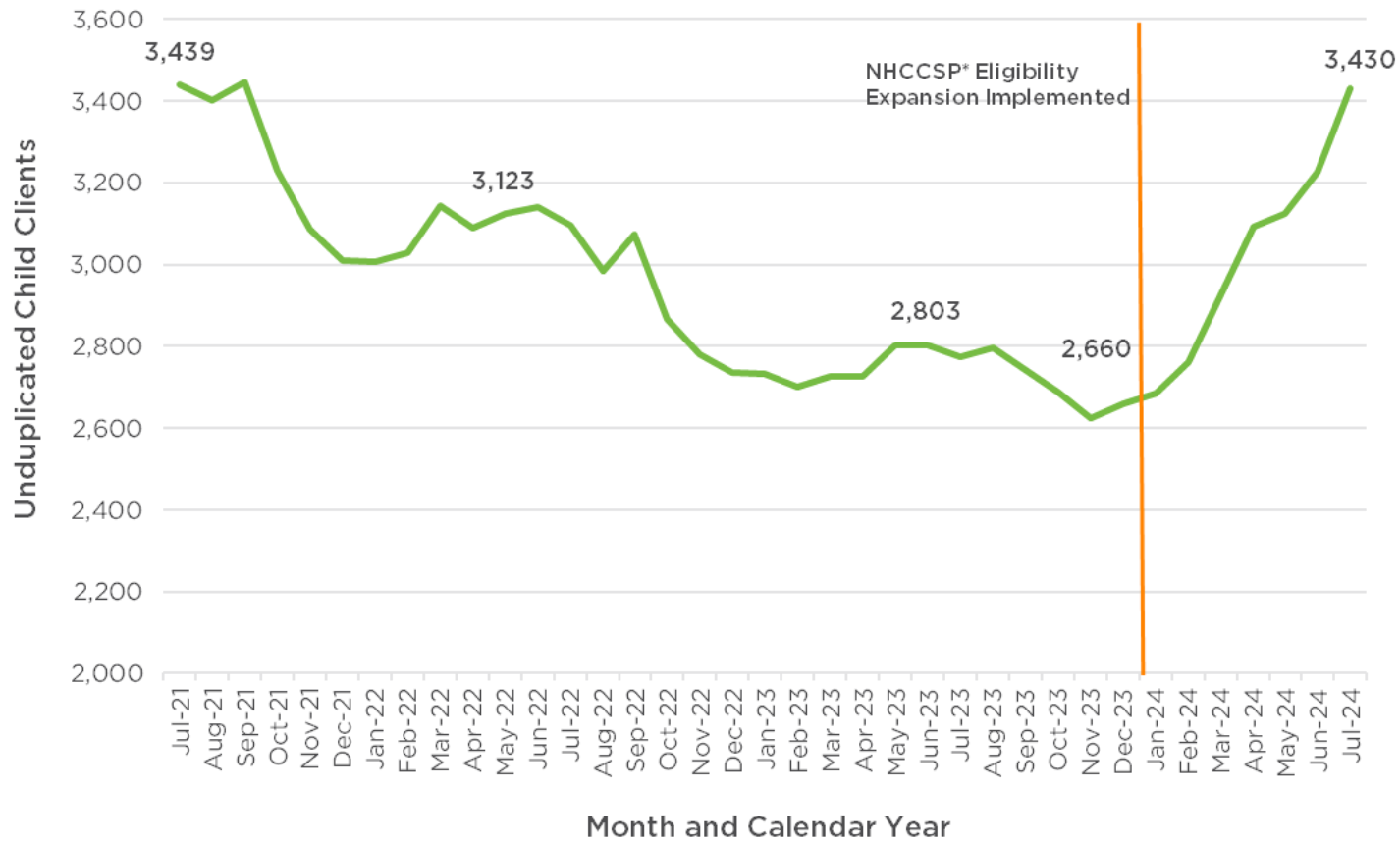


INVESTMENTS IN CHILDREN & FAMILIES

POLICIES IN ACTION

NEW HAMPSHIRE CHILD CARE SCHOLARSHIP USAGE

Number of Children Served Monthly by the New Hampshire Child Care Scholarship Program from July 2021 to July 2024



*Note: NHCCSP is the New Hampshire Child Care Scholarship Program, which provides subsidies to help families access and afford child care services.

Source: New Hampshire Department of Health and Human Services

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:

- Affordable and accessible child care is needed for a robust labor force
 - New Hampshire's population, and labor force, is aging
 - Majority of New Hampshire's labor force is of child-bearing age
 - Over 4 percent of Granite Staters out of the labor force cite caring for children as their reason for not working or looking for work
- Child care is unaffordable to the majority of families
- Low wages and poor workforce retention contributes to a child care shortage
- Cost of high-quality care exceeds available resources to 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: 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/>



ADDRESS: 100 North Main Street, Suite 400, Concord, NH 03301

PHONE: 603.856.8337

WEBSITE: www.nhfpi.org

EMAIL: info@nhfpi.org

TWITTER: @NHFPI

FACEBOOK: NewHampshireFiscalPolicyInstitute