



THE GRANITE STATE'S CHILD CARE SHORTAGE AND THE IMPACT ON THE NEW HAMPSHIRE ECONOMY

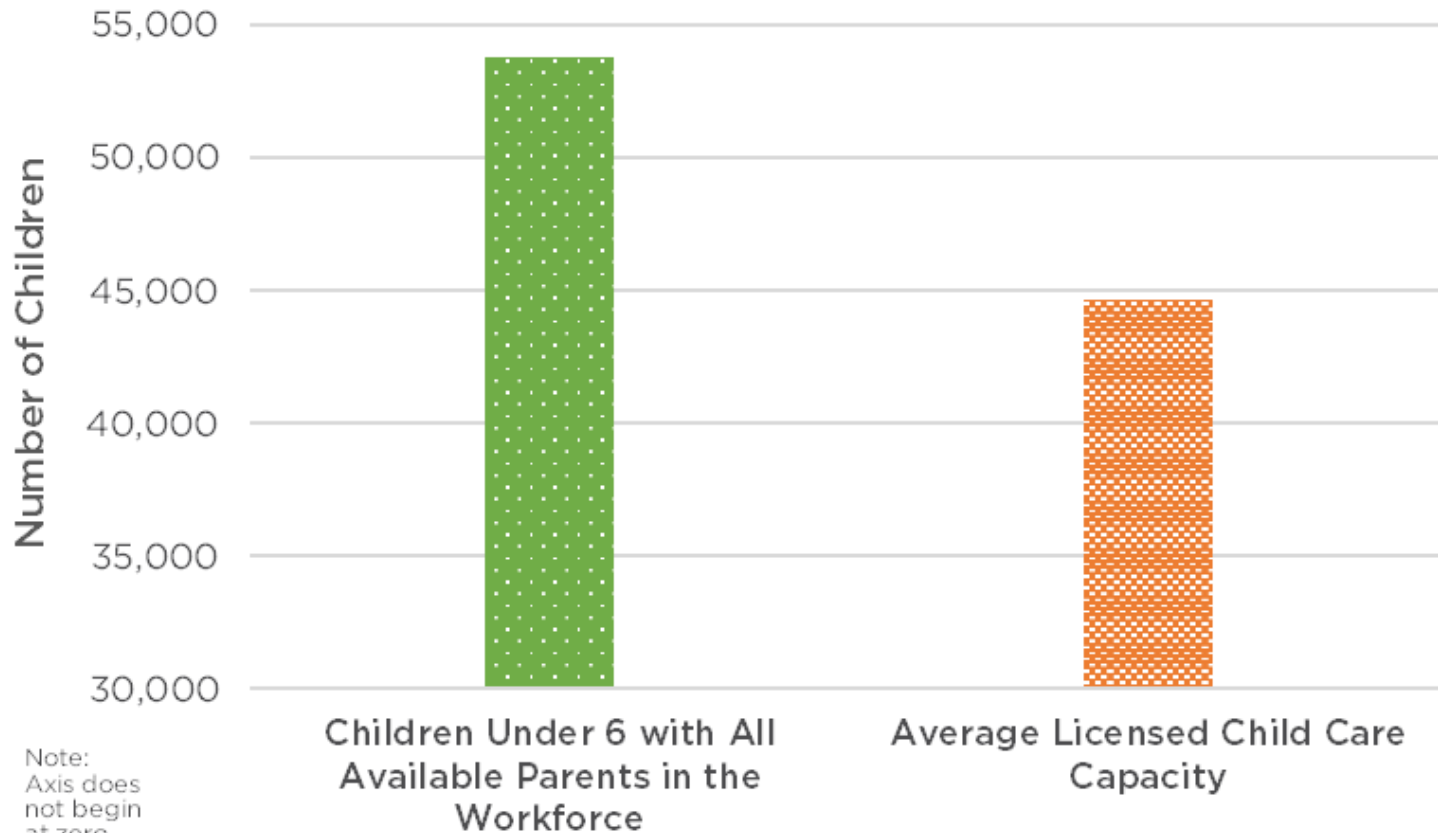
PRESENTED BY NICOLE HELLER, PHD, SENIOR POLICY ANALYST

BUSINESS & INDUSTRY ASSOCIATION'S HR/HEALTH CARE/WORKFORCE
DEVELOPMENT POLICY COMMITTEE

MARCH 21, 2025

SHORTAGE OF OVER 9,000 SLOTS IN 2023

ESTIMATED SHORTAGE OF CHILD CARE SLOTS IN 2023



Note:
Axis does
not begin
at zero.

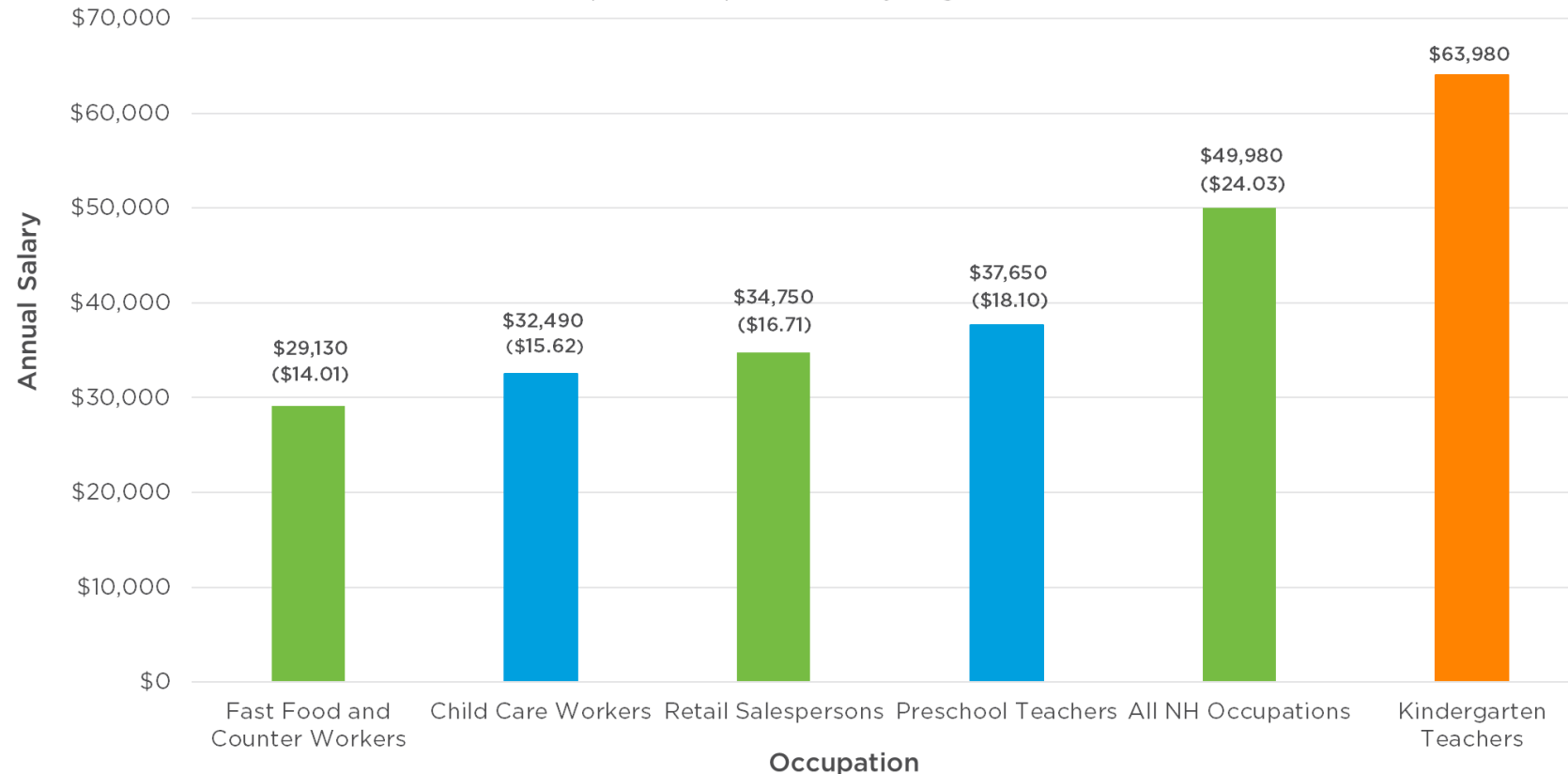
Sources: U.S. Census Bureau's American Community Survey Five-Year Estimates 2019-2023, New Hampshire Department of Health and Human Services Child Care Licensing Unit Program Data (Updated 6/13/2024)

- Between July 2017 and October 2024, ECE capacity dropped by nearly 13% (Carson & Sarup, 2024)
- From 2017 to 2023, the number of Granite State children under 5 dropped by approximately 1.6% (U.S. Census)
- NH ECE providers may have been collectively operating at only 85% of full licensed capacity in September 2024 (NH DHHS, 2024)

NH 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



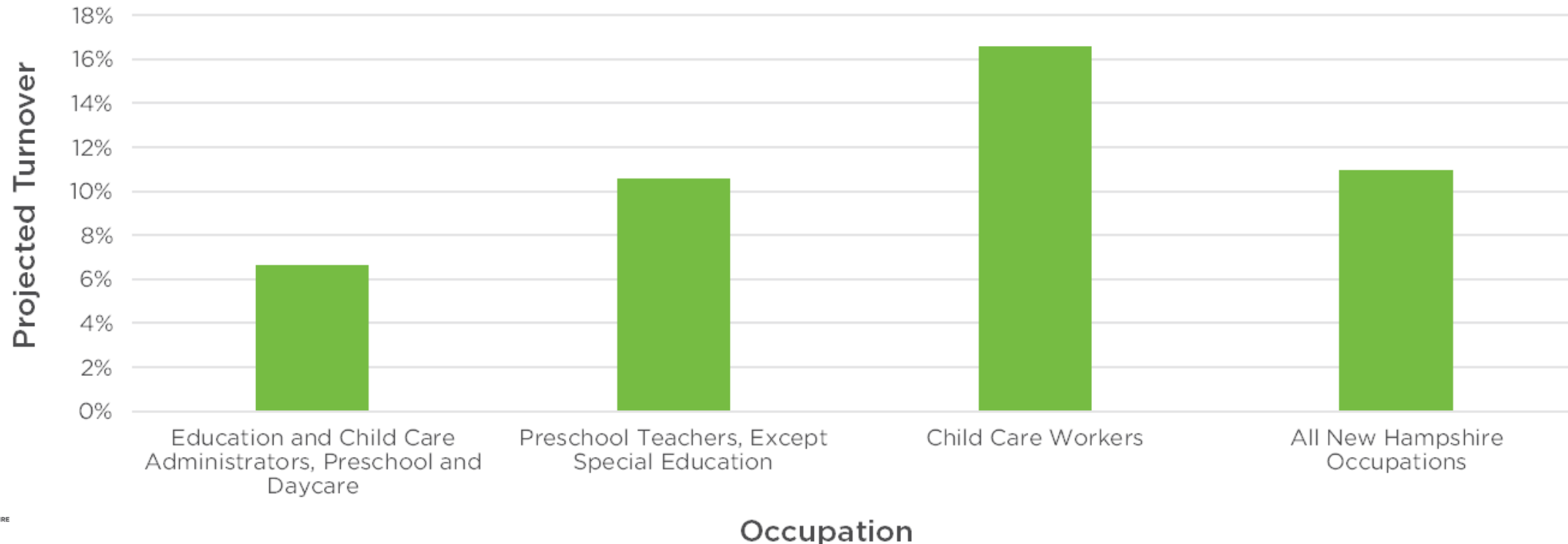
Note: Kindergarten teacher income is only reported as an annual salary.

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

HIGH PROJECTED TURNOVER AMONG EARLY CHILDHOOD EDUCATORS

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

ECONOMIC IMPACT OF THE ECE SHORTAGE

OVER \$35,000 LOST PER UNAVAILABLE SLOT

2023 ECONOMIC IMPACTS OF LIMITED EARLY CARE AND EDUCATION AVAILABILITY

Total Estimated Financial Costs Associated with High and Low Impact Scenarios and Per Unavailable Early Care and Education Slot for Family Incomes and Businesses, Local, and State Tax Revenues

	Low Impact Total	High Impact Total	Low Impact Per Slot	High Impact Per Slot
Family Income	\$113.9M	\$177.9M	\$16,111	\$25,159
Business Revenues	\$35.6M	\$55.5M	\$5,027	\$7,850
Local & State Tax Revenues	\$9.0M	\$14.1M	\$1,278	\$1,996
Overall Total	\$158.5M	\$247.5M	\$22,416	\$35,004

Source: NHFPI calculations as detailed in NHFPI's February 2025 report, "The Economic Impacts of the Granite State's Child Care Shortage."

THE CRISIS IS NOT NEW

Foster's Daily Democrat

30¢ Single Copy Newsstand \$1.55 Weekly Carrier Home Delivered \$6.55 Monthly Motor Route Delivered

Serving Southeastern New Hampshire and Southern Maine

Pages Today 44

Geo. J. Foster & Co., Inc., Publishers

DOVER, N.H., MONDAY EVENING, MARCH 28, 1988

ESTABLISHED 1873 114 Year-No. 231

Day care shortage critical

By JACOB ROOT
Democrat Staff Writer

ROCHESTER — Despite a growing awareness of the acute need for child care, the number of openings in day-care centers remains critically inadequate in the Seacoast, especially for infants and toddlers.

Virtually all private and public centers in Strafford and Rockingham counties have long lists of children waiting for admission.

The low profitability of running a center coupled with the difficulty finding staff willing to work for near minimum wages is what continues to limit the number and size of centers.

An uncertified aide can expect to earn little more than \$4 an hour, and workers with college training and some experience average only a dollar or two an hour more.

With an ever increasing number of two-career families, many par-

A Special Report

ents must rely on someone else to take care of their children during working hours. With the limited number of availabilities, many find their children on a waiting list for day care. In the meantime, they settle for unlicensed child care or for staying at home with the children themselves.

Although a few new centers will be opening soon, many potential providers say they find operating costs and lack of funding prohibitive.

Lynn Allen, who runs the Little Sprouts Day Care Center in Dover,

☆ **Day-care**
Please turn to Page 32

Low pay makes it tough to find day-care workers

By JACOB ROOT
Democrat Staff Writer

ROCHESTER — New Hampshire's low unemployment rate might be a bonanza or some, but for day-care providers, it makes it difficult to find good employees.

Coupled with low unemployment, day-care operators also find it difficult to get employees because they offer low wages, averaging just more than \$4 an hour for aides and \$6 an hour for state accredited employees.

In addition, tighter state requirements may make it tougher in the future to staff day-care centers.

Currently any director of a

child-care facility must have an associate's degree or equivalent in Early Childhood Education in "an appropriate combination of education and supervised experience."

A teacher must be at least 21, have completed high school, and have at least 12 college credits or comparable units of educational training in early childhood development and care, and be experienced in caring for infants, toddlers or preschoolers.

Child-care workers must be at least 18 years old, have completed high school and at least 6 college credits, and be experienced in car-

☆ **Low pay**
Please turn to Page 32



Eighteen-month-old Shane LeFebvre is cushioned by a bright purple inner tube at the Rochester Day Care Center. (Democrat photo — Root)

Unborn children are on day-care waiting lists

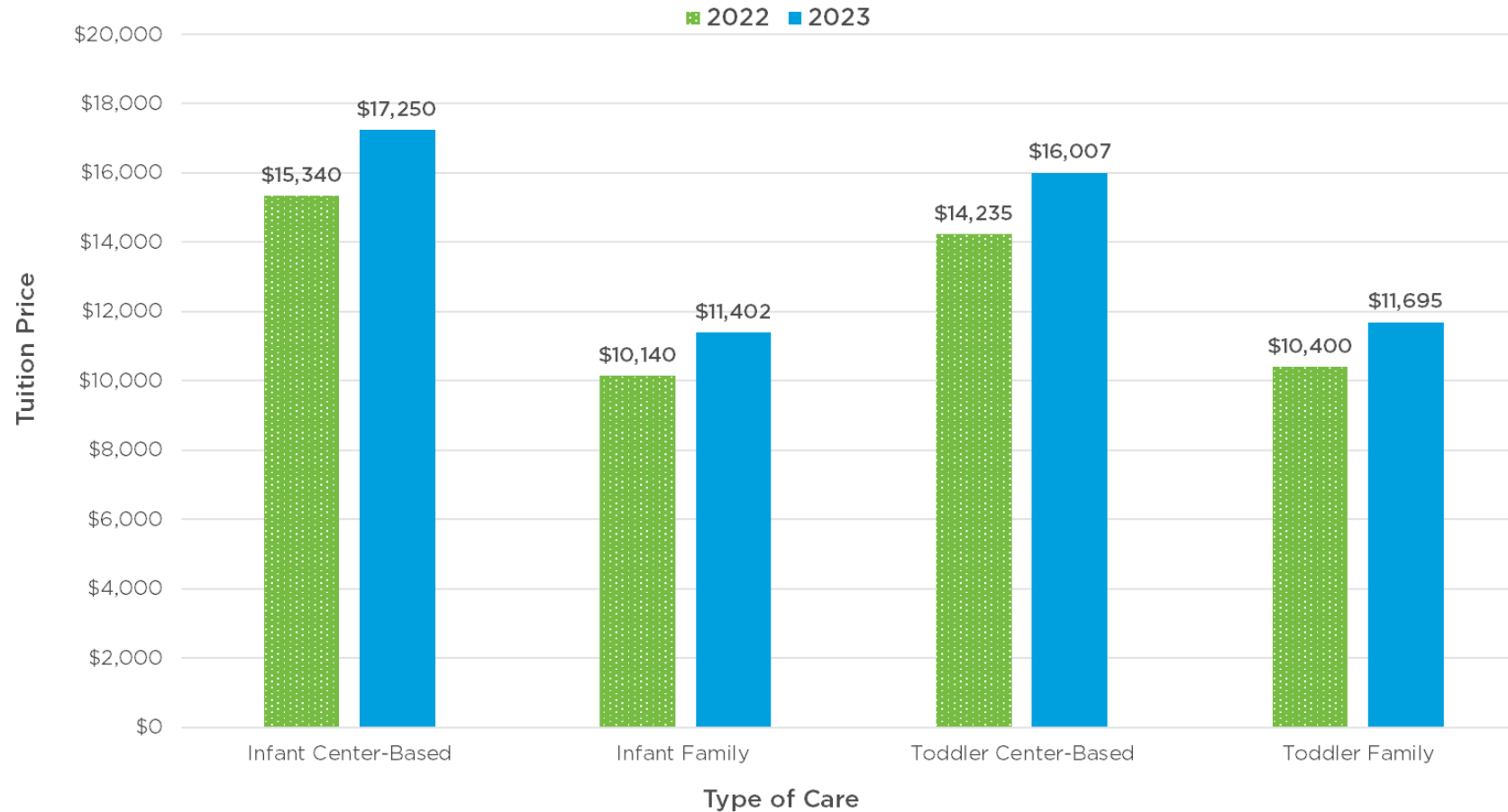
funds are concerned and will have

POLICY CONSIDERATIONS: LIMITED OPTIONS FOR ECE FUNDING

PRIVATE TUITION: TWO CHILDREN UNDER 5 WAS NEARLY \$32,000 IN 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

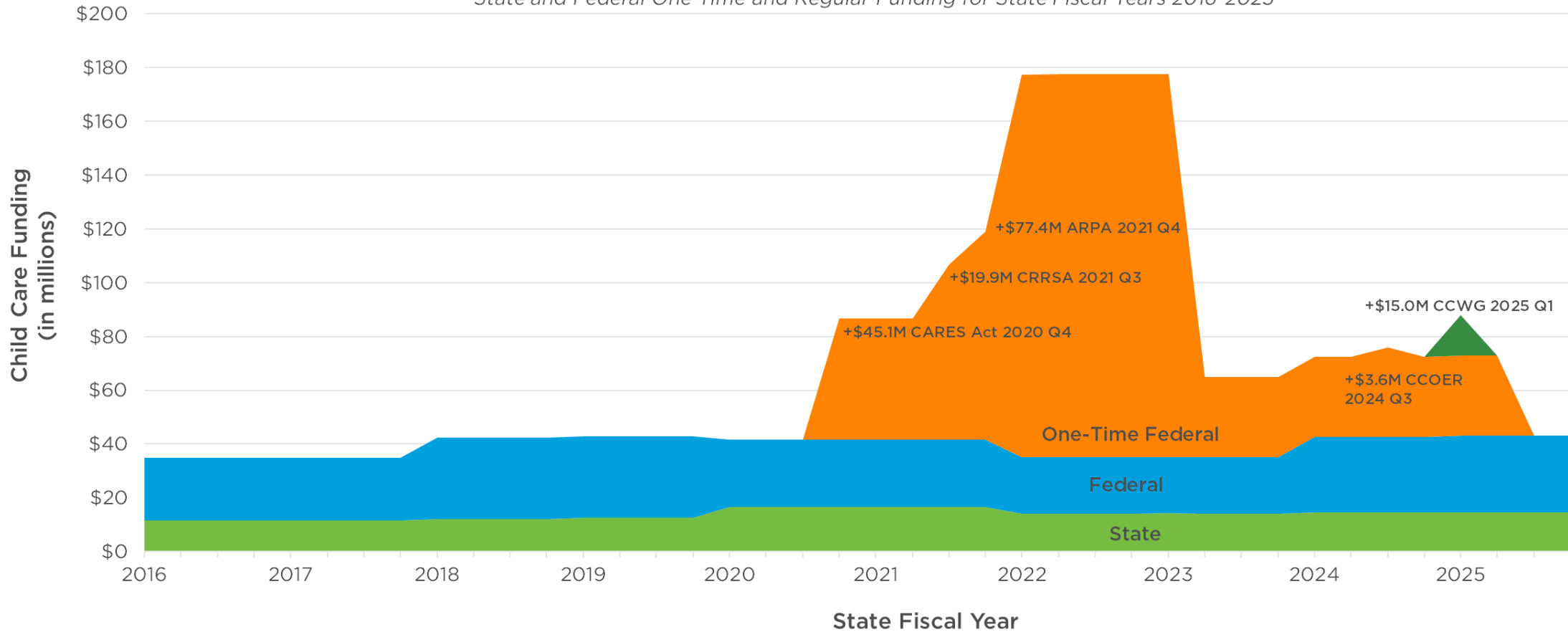


Source: Child Care Aware of America

STATE AND FEDERAL FUNDING

NEW HAMPSHIRE CHILD CARE FUNDING

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

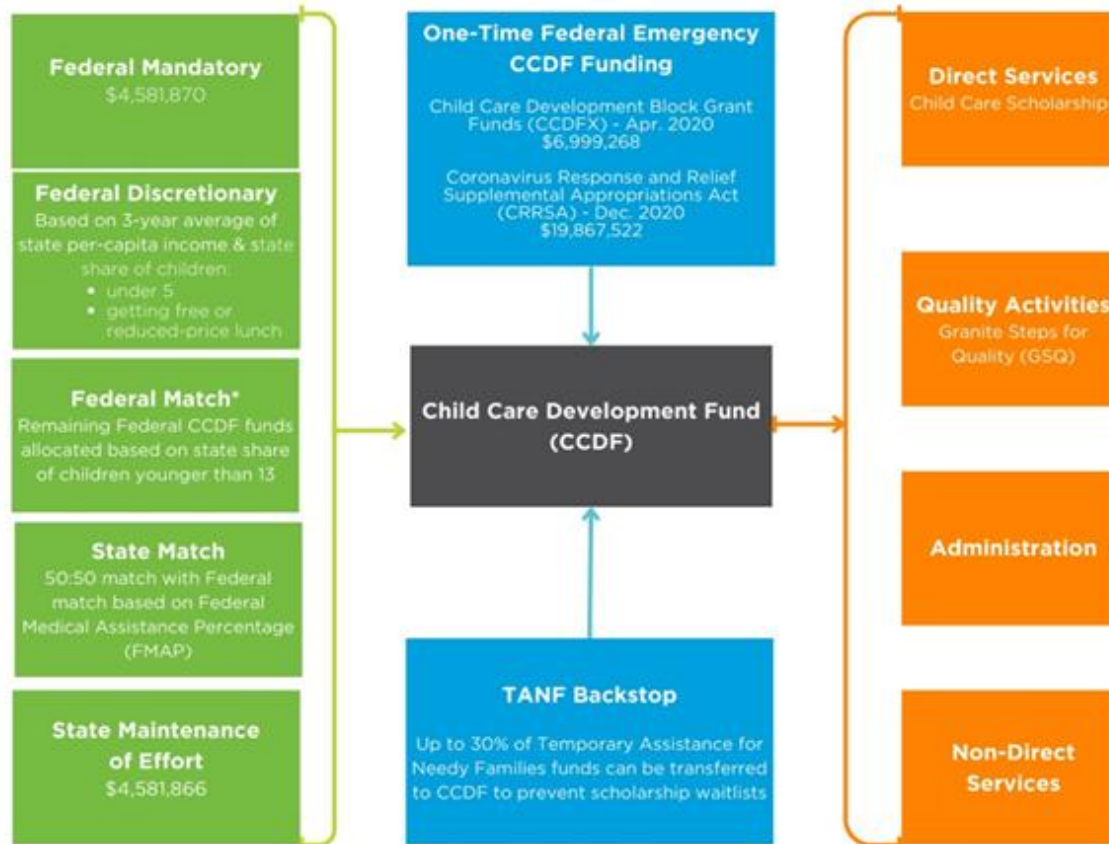


Source: For all Notes and Sources, see NHPFI's February 2024 Issue Brief, The State of Child Care in New Hampshire: End of One-Time Federal Investments May Reduce Industry Stability. Acronym Definition: Coronavirus Aid Relief and Economic Security (CARES), Coronavirus Response and Relief Supplemental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

RULES FOR CHILD CARE DEVELOPMENT FUND

NEW HAMPSHIRE'S CHILD CARE DEVELOPMENT FUND ALLOCATION FORMULA AND ALLOCATIONS

*Federal and State Funding Streams to the Child Care Development Fund (CCDF) and
Activities and Services for Which the Funds Can Be Used*



- Allocate at least 12 percent to quality initiatives
- No more than 5 percent toward administration
- At least 70 percent of remaining funds toward direct services to working parents with low-incomes through certificates and grants or contracts
- NH TANF fund at end of SFY 2024: \$74,473,969

Note: *To receive Federal Matching funds, a state must provide matching funds based on Federal Medical Assistance Percentage (FMAP), obligate federal and state matching funds in the year the matching funds are awarded, obligate all mandatory funds in the fiscal year the funds are awarded, and obligate and expend all maintenance of effort funds in the year in which the matching funds are awarded

Source: U.S. Department of Health & Human Services' Administration for Children & Families' Office of Child Care's Child Care Technical Assistance Network Fundamentals of CCDF Administration - Allocation Formulas

BUSINESS SUPPORTS FOR ECE

- Working with NH ECE community, including ECE advocates, to identify feasible solutions
- Embedding quality data collection and evaluation to determine effective strategies through consultation with researchers
- Policy Examples
 - Child Care Facility Development Planning Grant Program (Colorado HB24-1237)
 - 1:1 State Tax Credit Model (Mississippi)
 - Sharing costs between state, employee, and employer (Michigan Tri-Share Pilot)
 - Employers pooling funds with state government ECE funds, voluntary contribution of \$150/worker from employers (Iowa)

QUESTIONS



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

PHONE: 603.856.8337

WEBSITE: www.nhfpi.org

EMAIL: info@nhfpi.org

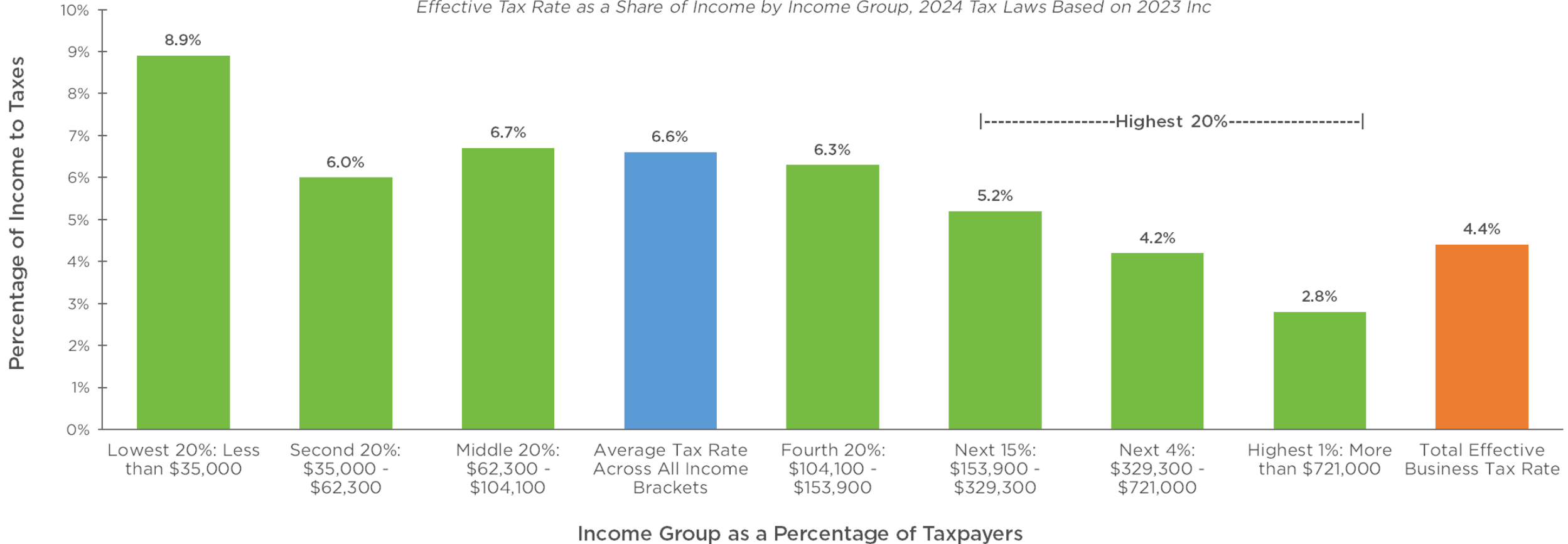
TWITTER: @NHFPI

FACEBOOK: NewHampshireFiscalPolicyInstitute

CALCULATING STATE AND LOCAL TAX REVENUE IMPACTS

STATE AND LOCAL TAXES AS A SHARE OF NEW HAMPSHIRE FAMILY INCOME AND TOTAL EFFECTIVE BUSINESS TAX RATE

Effective Tax Rate as a Share of Income by Income Group, 2024 Tax Laws Based on 2023 Inc



*Note: Does not include taxpayers who are age 65 and older or tax units with negative incomes. Dependent filers are included with claiming filer. Most recently available effective business tax rate is from 2022. Source: Institute on Taxation and Economic Policy, *Who Pays?* Seventh Edition, January 2024, and State Tax Research Institute and Council on State Taxation, *Total State and Local Business Taxes*, December 2023.