



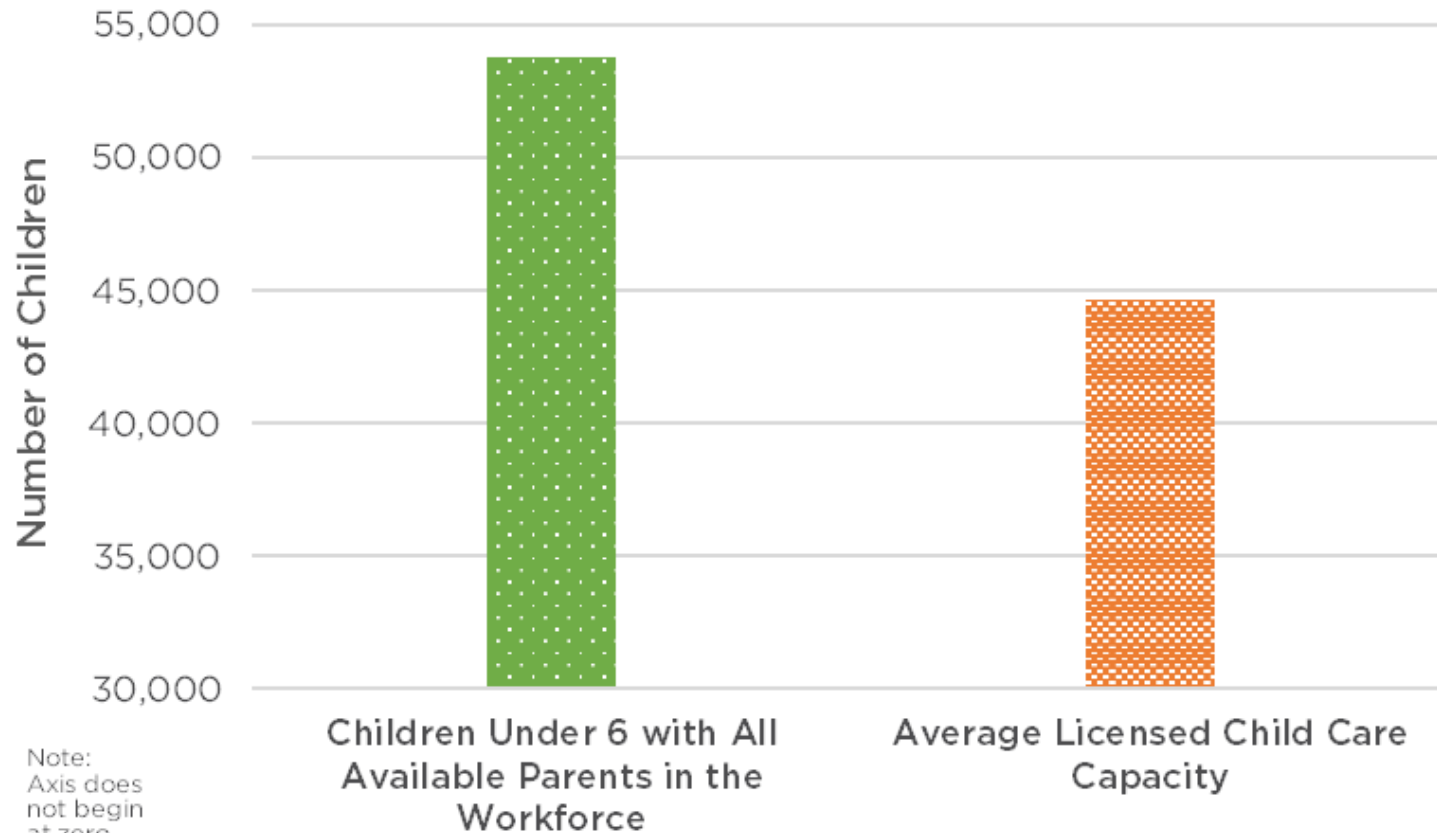
# THE IMPACT OF THE EARLY CARE AND EDUCATION SHORTAGE ON THE GRANITE STATE ECONOMY

PRESENTED BY NICOLE HELLER, PHD, SENIOR POLICY ANALYST

DHHS STATE LEADERSHIP TEAM MEETING  
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# SHORTAGE OF OVER 9,000 SLOTS IN 2023

## ESTIMATED SHORTAGE OF CHILD CARE SLOTS IN 2023



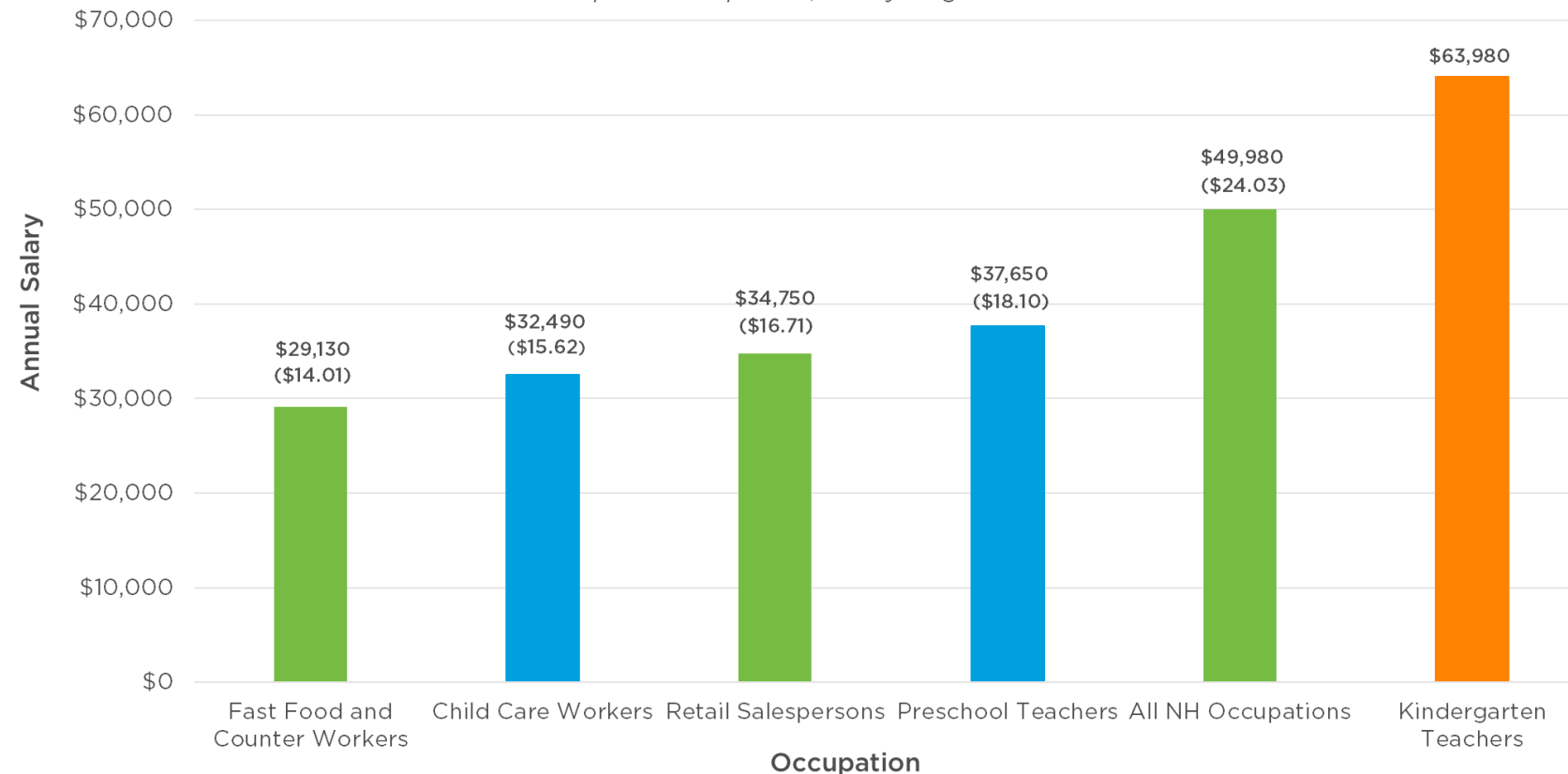
Sources: U.S. Census Bureau's American Community Survey Five-Year Estimates 2019-2023, New Hampshire Department of Health and Human Services Child Care Licensing Unit Program Data (Updated 6/13/2024)

- Between July 2017 and October 2024, ECE capacity dropped by nearly 13% (Carsey School of Public Policy)
- 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*



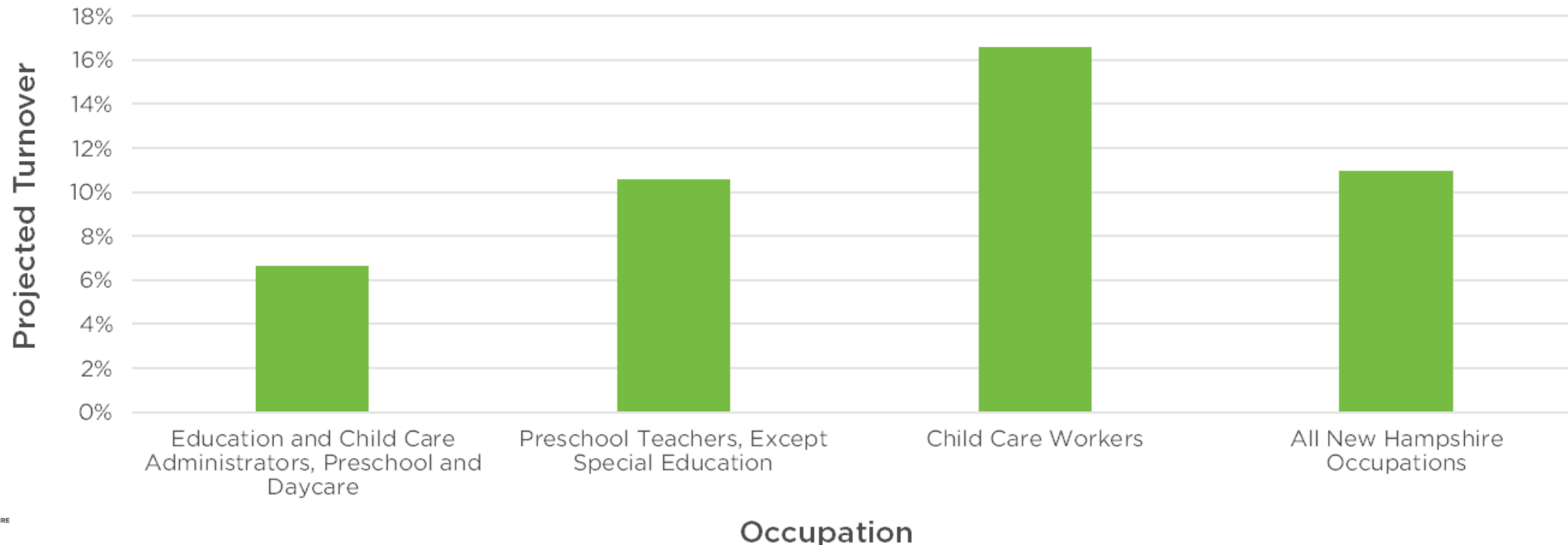
Note: Kindergarten teacher income is only reported as an annual salary.

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              |
| <b>Overall Total</b>       | <b>\$158.5M</b>  | <b>\$247.5M</b>   | <b>\$22,416</b>     | <b>\$35,004</b>      |

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

# SELECTED ASSUMPTIONS AND LIMITATIONS

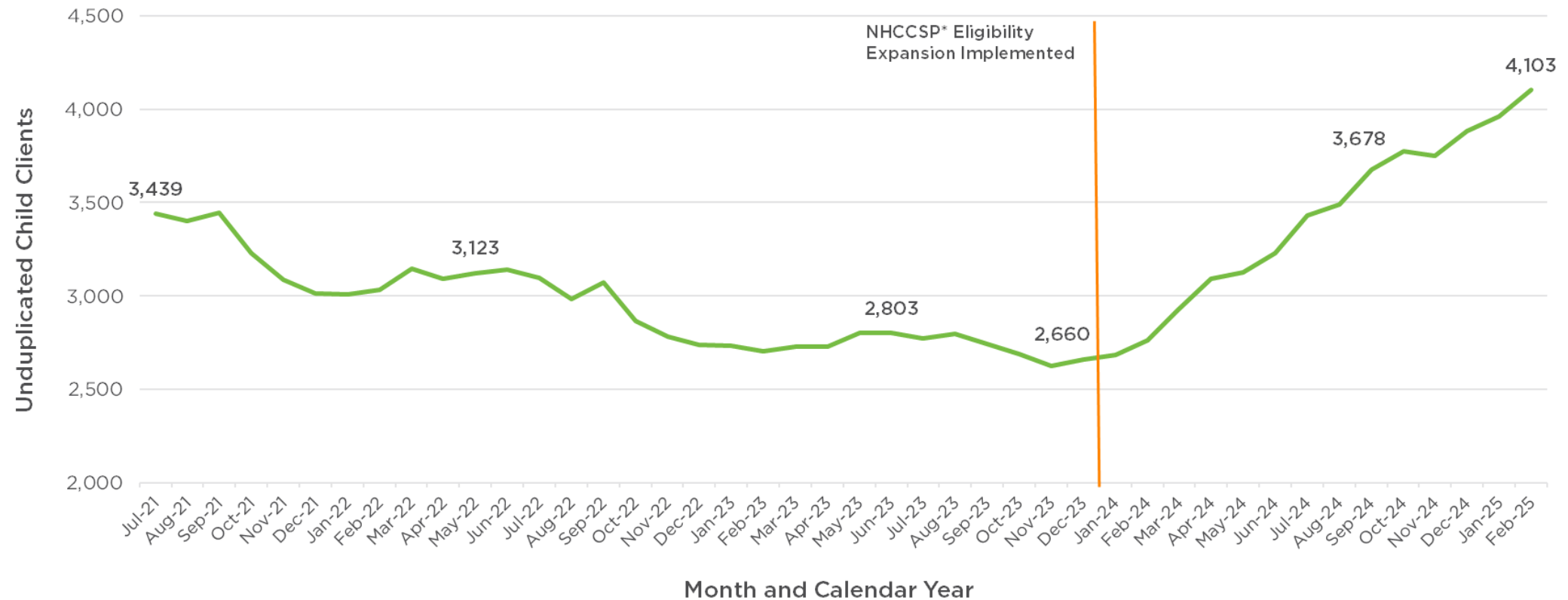
- All children who have both parents, or their sole parent, in the workforce need a licensed child care slot
- The analysis only includes adults in the labor force who live in a household with their “own children”
- The analysis excludes people who were not in the labor force in 2023, but who would have been if they had available child care
- Indirect financial impacts of unavailable child care slots are not explored in this report
- The report does not analyze the impact of unavailable child care slots for children aged six and older

# NEW HAMPSHIRE CHILD CARE SCHOLARSHIP PROGRAM

# INCREASED SCHOLARSHIP USAGE SINCE EXPANDED ELIGIBILITY IMPLEMENTATION

## NEW HAMPSHIRE CHILD CARE SCHOLARSHIP USAGE

Number of Children Served Monthly by the New Hampshire Child Care Scholarship Program from July 2021 to February 2025



\*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

# APPROXIMATELY \$522.6 MILLION NEEDED TO ENROLL ALL ELIGIBLE CHILDREN IN NHCCSP

- Approximately 55,000 Granite State children may be eligible for NHCCSP
  - Of those eligible in 2024, only 7 to 8 percent were enrolled in the program (Sarup & Carson, 2025)
- Cost per child enrolled in 2024 was \$9,502
- If all eligible children were enrolled at the 2024 average cost per child, the program would have cost approximately \$522.6 million

# NH HOUSE BUDGET AND NHCCSP

- NH House's version of SFYs 2026-2027 budget allocated nearly \$90.0M to accounting unit that houses NHCCSP funding
- Of the \$15.5 billion State Budget for SFYs 2026-2027, the \$90.0M is 0.6%
- Projected average cost per child in NHCCSP for SFYs 2026-2027 is \$8,874
- The proposed allocation would allow approximately 5,054 children to utilize NHCCSP funding in SFY 2026 before a waitlist would need to be enacted for the program

# QUESTIONS



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

**PHONE:** 603.856.8337

**WEBSITE:** [www.nhfpi.org](http://www.nhfpi.org)

**EMAIL:** [info@nhfpi.org](mailto:info@nhfpi.org)

**TWITTER:** @NHFPI

**FACEBOOK:** NewHampshireFiscalPolicyInstitute