

# State of Child Care in New Hampshire

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**What are the biggest challenges in the state's child care sector?**



**What are the implications of these challenges?**



**What are some potential short- and long-term solutions?**

**What are the biggest challenges in the state's child care sector?**

Child care is a textbook  
example of a broken  
market.

Secretary of the Treasury, Janet L. Yellen

September 15, 2021

# Families pay too much.

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

71 percent of NH households with kids under 5 use child care.

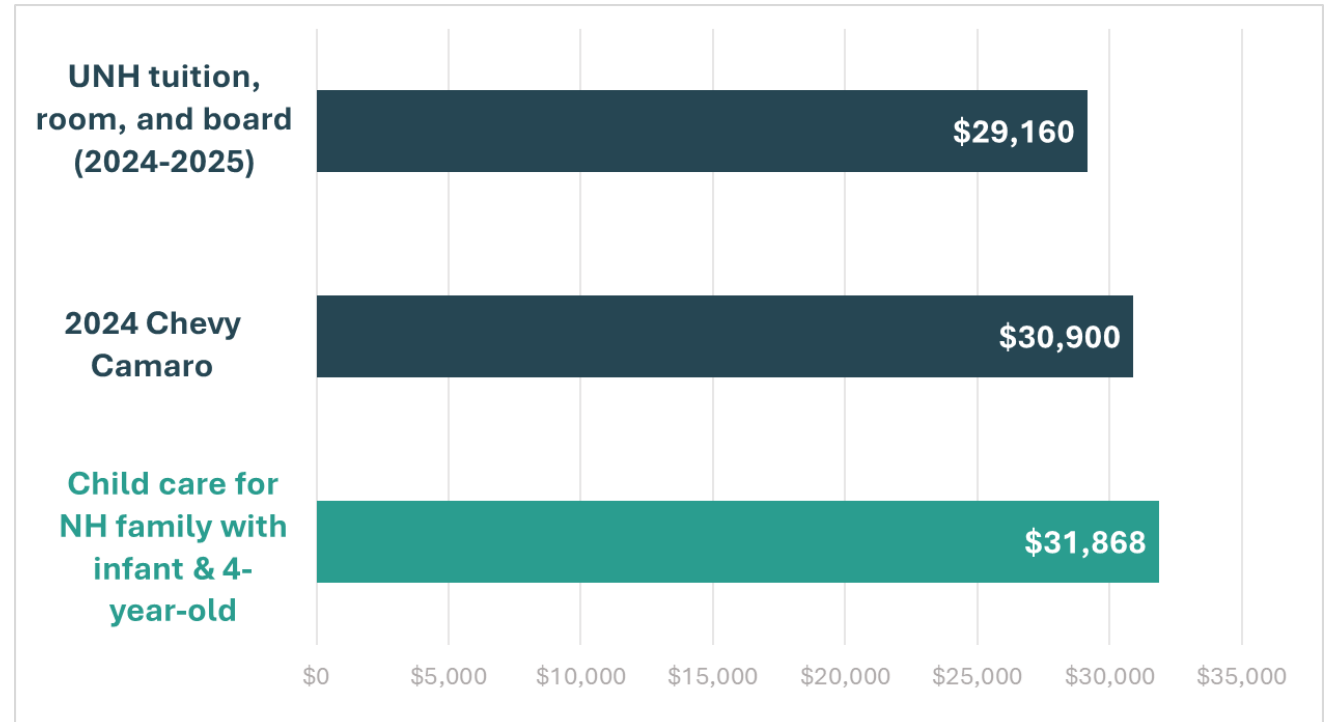
Most of these families pay out of pocket.  
(Historically, only ~5-10% get help from the state)

The average child care cost for an infant in  
New Hampshire is **\$17,250**.

For a family with a baby and a four-year, the  
price is **nearly \$32,000** a year.

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*Average Annual Child Care Costs in New Hampshire, Compared with Example Loan-Eligible Expenses*



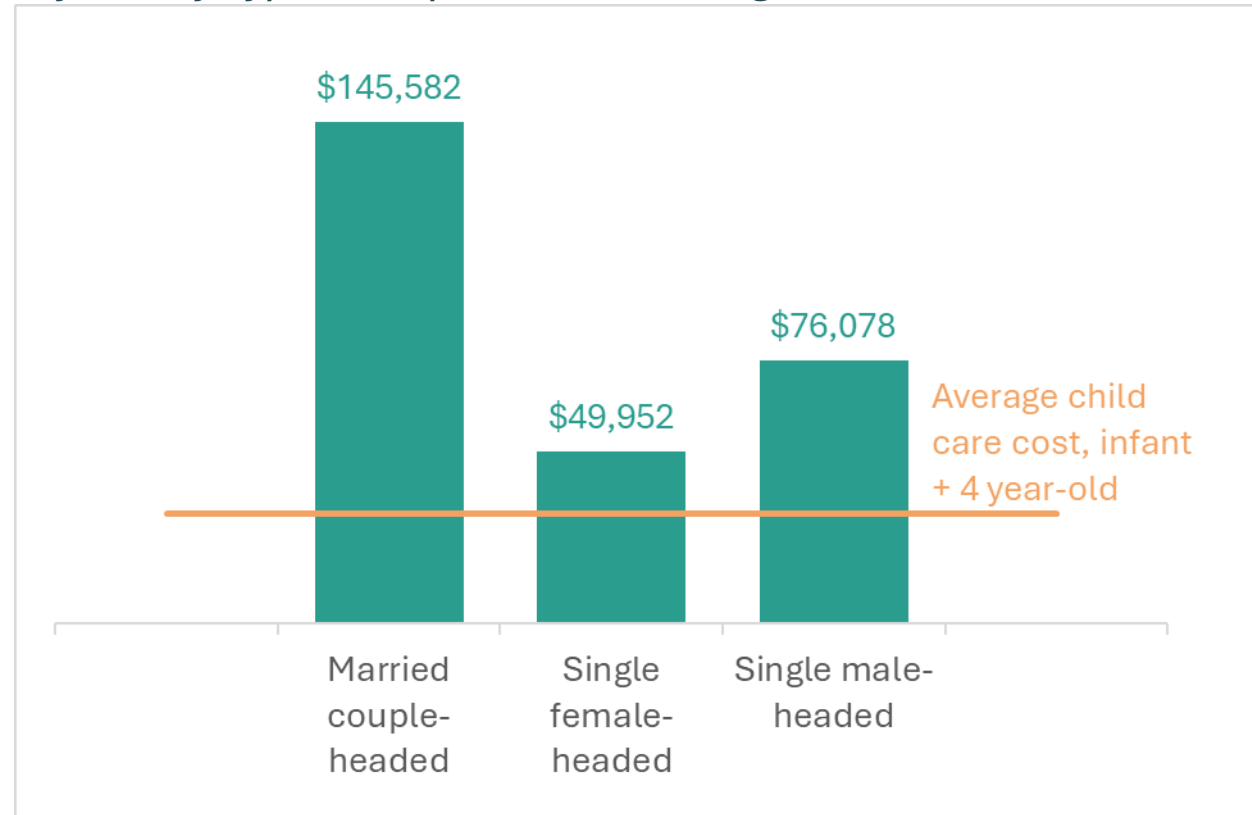


The federal recommendation for affordable child care is **below 7%** of family income.

In New Hampshire, child care costs are:

- **22% of median income** for married couples
- **64%** for single mothers
- **42%** for single fathers

**Median Family Income** for New Hampshire Families with Children, by Family Type, Compared with Average Child Care Costs



Providers  
earn too  
little.

Although families pay so much...

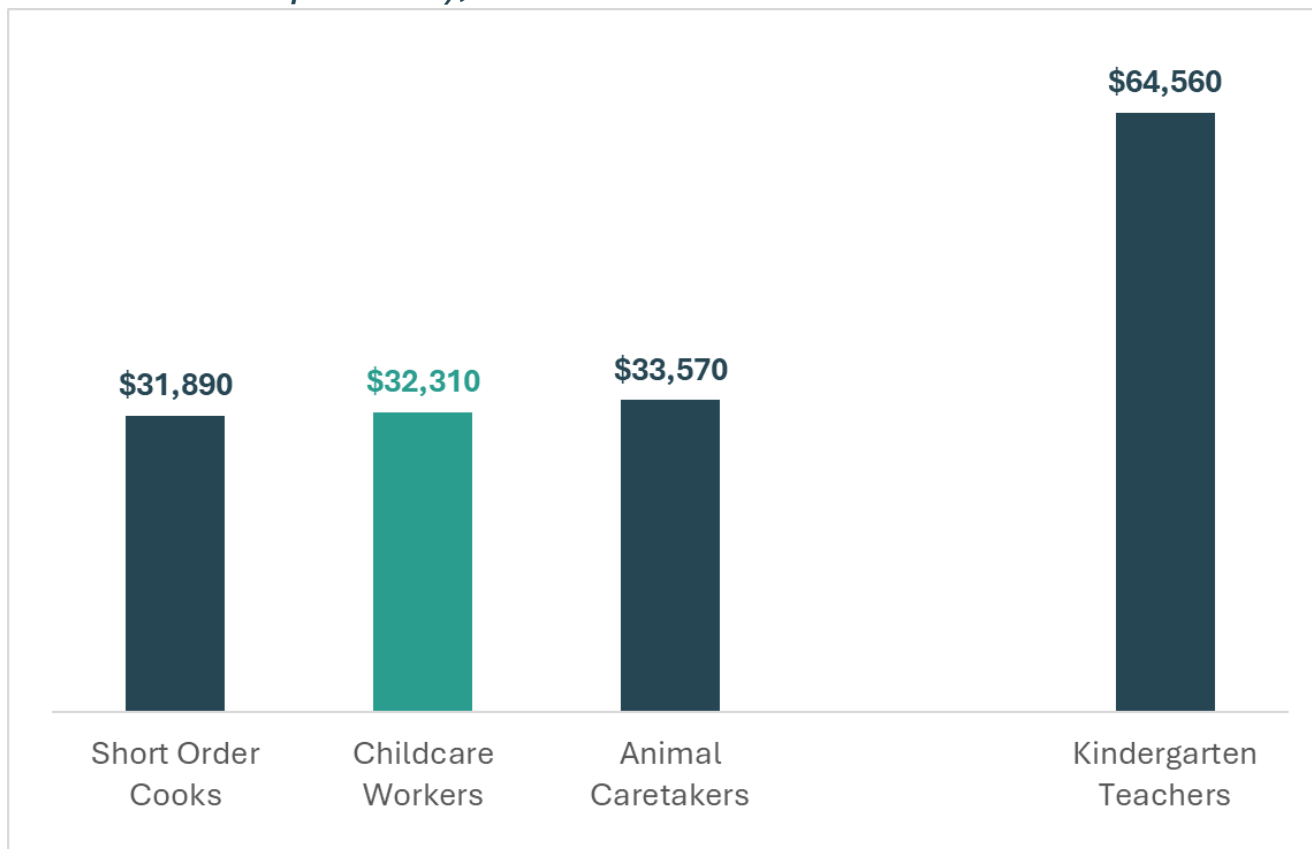
Intensive staffing needs mean tuition is spread across multiple workers.

In 2023, the average annual salary for a NH child care worker was **\$32,310**

Child care workers are compensated at levels inconsistent with the role's influence.

Compensation diverges sharply from that in K-12 teaching professions.

Average *Annual Wages for Child Care Workers* (compared to select occupations), 2023



“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.”

NH Child Care Provider  
Interview with Carsey School of Public Policy  
December 2022

**What are the implications of these challenges?**

# The tough business model means...



We don't have enough child care supply.



Child care options are shrinking.



Child care often can't offer flexibility that families need.



We don't have enough child care supply.

# What do we know about demand for care?

We have 63,000 kids under age 5 and around 40,000 slots among providers that serve non-school-age kids.

In 2023, Early Learning NH talked to one-quarter of providers and found 8,000 waitlist entries.

**However, we don't have the data infrastructure needed to give us a more specific tally of need.**





Child care options are shrinking.

# Change in NH Licensed Child Care Supply, 2017 to 2024

## Percent Change

Total licensed capacity	↓ 2.2
Number of providers	↓ 16.9

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## Percent Change

Total licensed capacity

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Number of providers

↓ 16.9

Center-based provider capacity

↓ 0.9

Home-based provider capacity

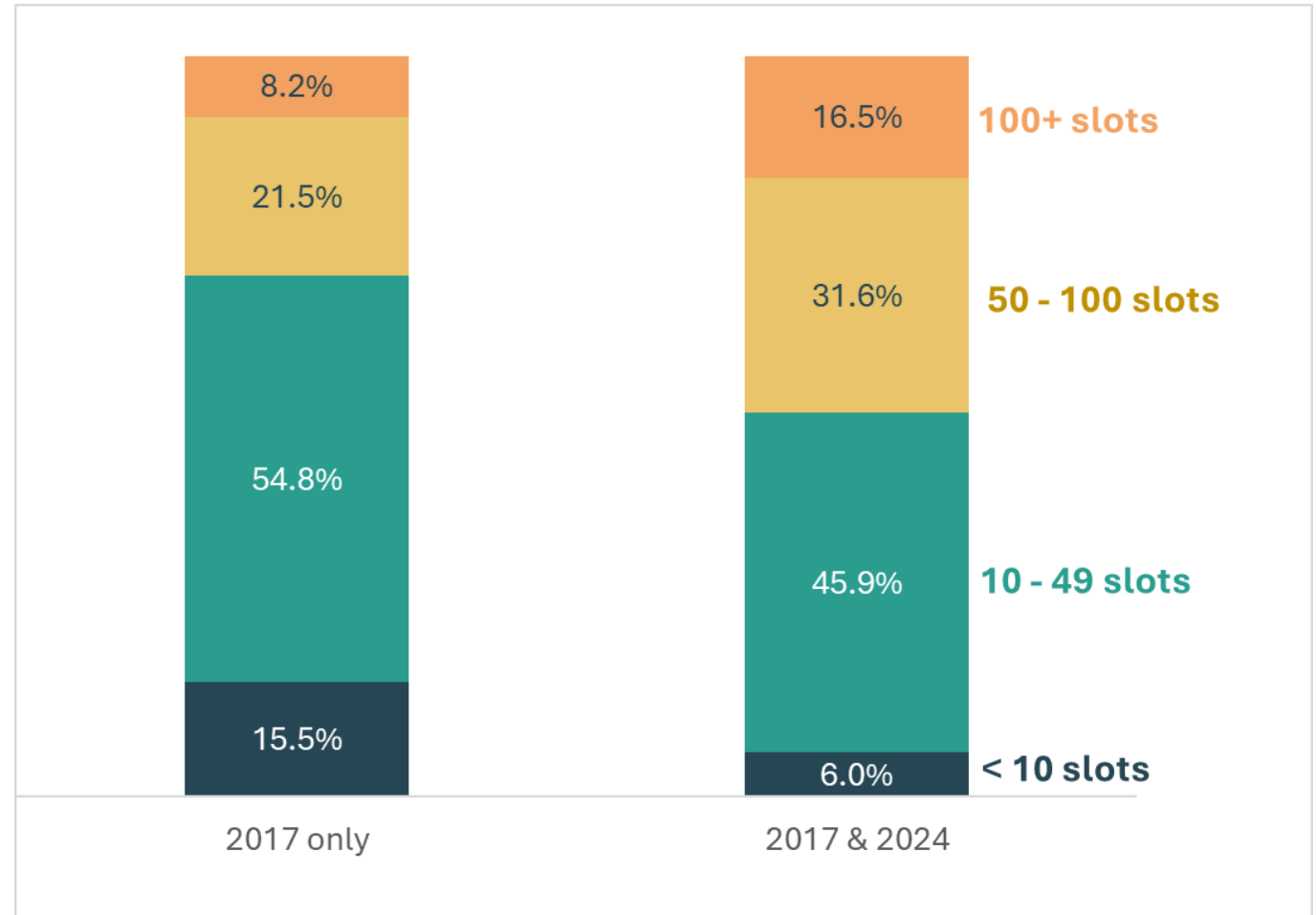
↓ 32.1

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

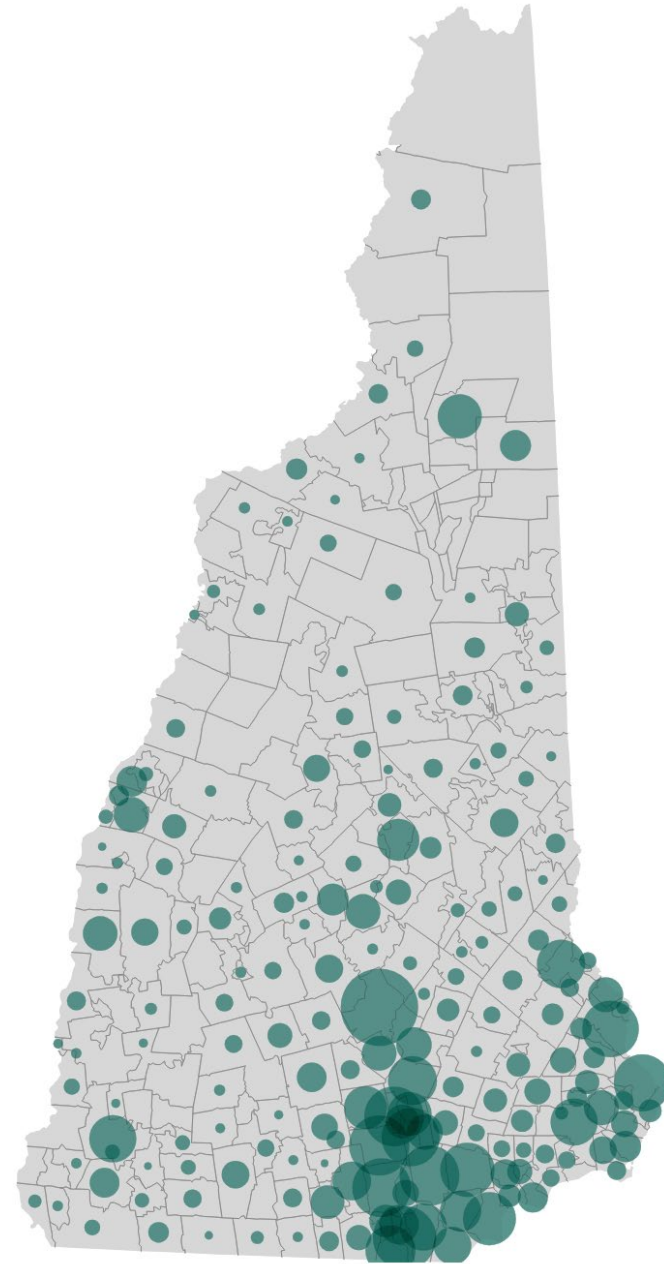


The closure of small providers means that available slots didn't shrink as fast as the provider count did.

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

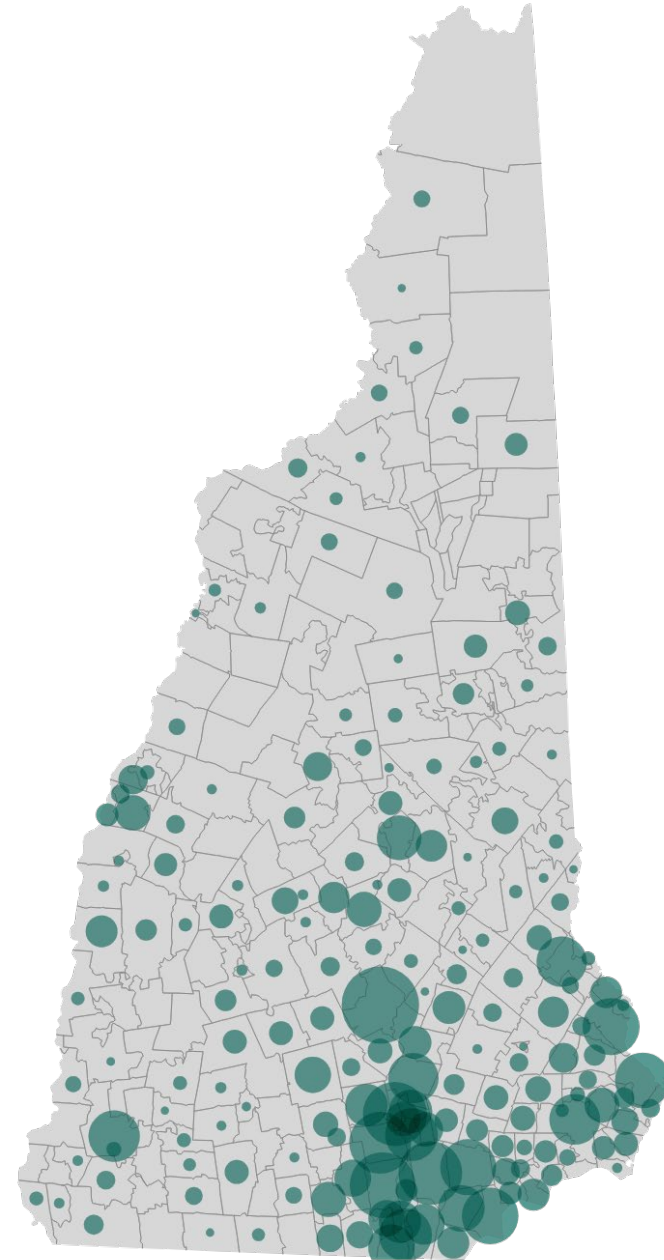
# Licensed capacity by zip code, 2017

In 2017, there were **45,668**  
**licensed slots** in **187** zip codes.

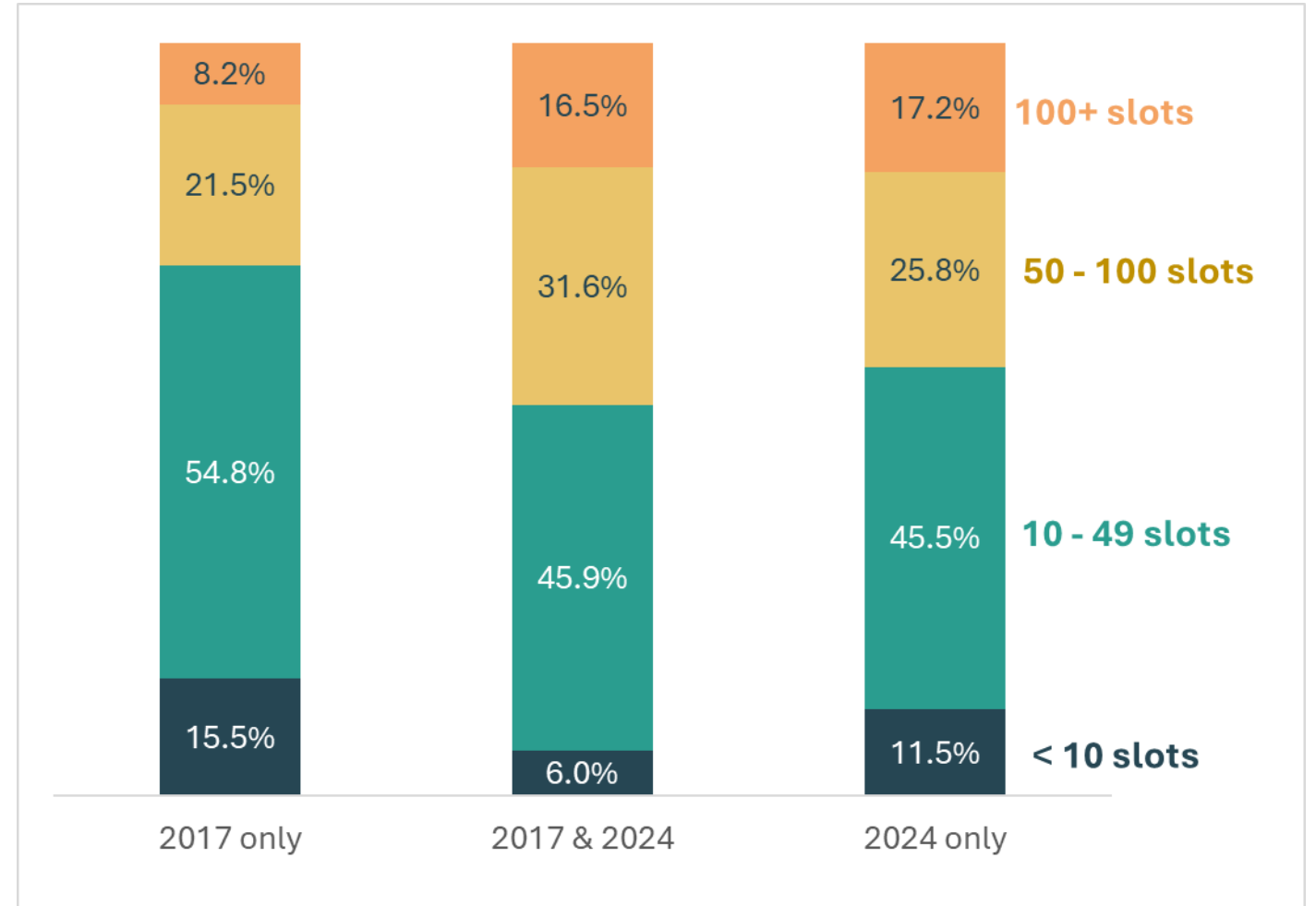


# Licensed capacity by zip code, 2024

In 2024, there were **44,661**  
**licensed slots** in **176 zip codes**.



2017 & 2024 Licensed Child Care Providers by Licensed Capacity, By Operating Period



This transition to fewer, larger providers wasn't just a one-time culling.

The pattern persists as newly-opened providers are also more likely to be large.





Child care often can't offer flexibility that families need.

# Census Bureau data show...



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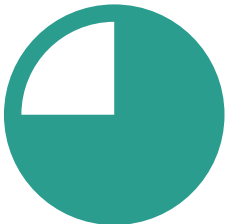
NH households using care use a child care center.  
(But just half of those use *only* a center).

# We asked more than 600 New Hampshire parents about child care.



1 in 5

said their child care arrangement was ideal.



75%

had searched for child care recently.  
(Half of those said it was difficult).

Source: U.S. Census Bureau's Household Pulse Survey, Weeks 49-54. NH PDG 2022 Family Needs Assessment Survey (n = 316 and 429 parents of children under age 5, respectively).

We asked NH parents what would improve their child care arrangement...

- 60 percent of respondents chose **“if it were more affordable.”**
- However, 10-15 percent of respondents picked other options too, touching on location, teacher quality, and other factors.
- The most common write-in?



# Child care that fits their work schedule.

“Longer day to accommodate parents' work schedule”

“Longer hours. Facility closes at 4:30 which does not accommodate a typical 9-5 job.”

“Was open earlier”

“Longer hours”

“Better hours”

“Preschool hours to begin earlier and end later, thus providing more hours for me to work.”

“Open slightly later in the day”

“Offered aftercare”

“Longer hours each day”

“Open later than 2pm”

## Why can't providers offer more hours?

- Staffing constraints are a major barrier to expanding offerings.
- Providers are short-staffed.
- Despite waitlists, providers often enroll fewer children than their licensed capacity, including by closing classrooms.

“We have about 20 open spaces where we can’t fill them, because we have to be so careful...We have that balancing act of ‘hire somebody, enroll a few kids. Hire somebody, enroll a few kids.’

But again, you have to be very cautious, because you could have three teachers out with the stomach bug the next day [leaving the center understaffed].”

# What happens when families don't have the care they need?

In 2024, Census Bureau has been publishing work-related survey data every four weeks.

Those data show that at any given time, an average of **16,000 Granite Staters aren't working** because they are “caring for children who were not in school or daycare.”

**What are some potential short- and long-term solutions?**



“I worry about what the future of childcare looks like five years, [or] three years down the road—whether it's going to be sustainable. I don't think it will be at this rate, the way that we're going...

Unless something happens soon, I think you're going to see it start to crumble. It's already been crumbling.”

NH Child Care Provider  
Interview with Carsey School of Public Policy  
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# In the short-term...

## What?

## How?

Bring high-quality slots into families' reach by increasing the take up and value of subsidies.



Continue outreach to eligible families.

Ease application process & eligibility criteria.

Increase scholarship value.

Protect child care supply from dwindling further.



Recruit and retain early childhood educators with fair wages, loan forgiveness, or other financial incentives.

Subsidize operating costs.

Tie subsidy reimbursement rates to "true cost," not prices charged.

Start laying groundwork for later policy development



Cross-sector partnerships + robust data systems

# In the longer term...

An extended-view policy agenda would need to find some source of new or repurposed revenue to bolster the sector.

If safe, developmentally appropriate care that meets family needs is a shared goal, the plan will need to:

- address price and access for families,
- bolster supply by better compensating the workforce,
- and be prepared to consider the true cost of providing high-quality care.

# Thank you!

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**<https://carsey.unh.edu/center-for-social-policy-in-practice>**