



Political Drivers of Health Symposium

December 16th, 2024

Breakout Session - *Childcare*

Panelists:

- Carolyn Isabelle, MS, System Vice President, Workforce Development (Dartmouth Health)
- Rebecca Woitkowski, JD, Early Childhood Policy Director (New Futures)
- Nicole Heller, PhD, Senior Policy Analyst (New Hampshire Fiscal Policy Institute)
- Joelyn Denner, MFA, Sr. Director, Early Childhood Initiatives (Granite United Way)

Panelist Comments

Rebecca Woitkowski

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Importance of childcare

- High-quality child care keeps children safe and healthy.
- Helps children develop the social, emotional, and communication skills they will need for success in school and in life.
- Helps mitigate the impacts of adverse childhood experiences (ACEs)
- Keeps the economy thriving by allowing parents opportunities to work.

Current status

- Currently, child care is unaffordable and inaccessible for many New Hampshire families.
- Families unable to access child care may, in turn, be limited in their ability to participate in the workforce, which limits family income, and adversely impacts the state's economy.

Opportunities

- The New Hampshire child care scholarship program is an important tool to help offset child care costs for working families.
 - o Critical changes were made in 2023 to increase eligibility and participation in the child care scholarship program, which had positive impacts for New Hampshire child care providers, families and kids.
 - o Since these changes were implemented, New Hampshire has had an increase in families participating in the child care scholarship program, which means more parents have been able to work.
 - o But there is still room for improvement. An August 2024 report by the New Hampshire Fiscal Policy Institute noted that

- Only 73.9% of New Hampshire child care providers accept child care scholarship funds
- Many eligible families are not participating in the scholarship program. For 2026
- DHHS has set a target of increasing the number of children and families receiving child care scholarships “by at least 20%.”
- In the upcoming session, it is critical to New Hampshire’s economy that the changes made in 2023 are made permanent to maximize scholarship participation.
- In addition, based on stakeholder feedback and information from listening sessions held in fall 2024,
 - implementing systems of presumptive eligibility and prospective payments in the New Hampshire child care scholarship program
 - among other steps to reduce barriers for families and providers – will help ensure that families and providers who are eligible to participate in the scholarship program will not be deterred from doing so.

Joelyn Drennan, MFA

- **The Case for Family Friendly Workplaces**
 - Approach to engaging businesses/employers must be relevant and real.
 - Childcare accessibility & affordability is an economic issue.
 - Childcare access - community problem that requires a community solution.
 - We all have a role to play in strengthening families: employers have a role to play.
- **Why important** [The Best Place for Working Parents National Trends report](#) (2023):
 - Nationally 27% of families rely on a single income earner.
 - Replacing an employee costs 8-9 months of salary.
 - 83% of millennials will leave one job for another with stronger family policies and supports.
 - 60% of non-working parents cite child care as one of the top reasons they do not participate in the workforce.
 - 73% of highly credential women who leave the workforce would have stayed with access to more flexible workplace policies.
 - 80% of employees would choose additional benefits over a pay raise
 - 88% of employees indicated better healthcare, dental, vision insurance as a top priority
- **WorkWell study/survey:**
 - The bulk of childcare is carried out at home by a parent (24.3%) followed by a center (23.9%), relative (12.2%)
 - Employees reported top challenges related to child care are affordability, accessibility, and quality.
 - Only 3% of survey respondents reported they receive child care scholarship



- Employees reported top benefits they seek when looking for a new job: healthcare/dependent care, predictable and flexible schedules, paid maternity leave, ability to work remotely
- **Resources for employers to consider:**
 - The Best Place for Working Parents Designation: <https://bestplace4workingparents.com/new-hampshire/>
 - Include Child Care Scholarship information in employee onboarding packages and other resource banks. To order free materials from DHHS: <https://www.nh-connections.org/families/child-care-scholarship/>
 - WorkWell data dashboard: <https://workwell.graniteuw.org/> (insights tab)

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Overview The current child care system model doesn't work well for anyone: families, child care professionals or providers. Fragile market. Broken market.

Demographics and Labor Force

- Largest segment of NH's population will reach traditional retirement age in the next 10 years
- By 2050, nearly 27 percent of NH's population may be 65+
- Of the 407,000 people out of NH's labor force, roughly 5 percent are caring for a child not in school/child care
- Approximately 54 percent of NH's labor force is of childbearing age
- 30 percent of workers in NH's labor force have children
- 9.2 percent of NH's labor force have children under 6

High Price for Families

- Price for two children under 5 in center-based care was nearly \$32,000 in 2023
 - Care for infants alone was over \$17,000 annually in center-based care, and that's if a family could secure a spot.
 - According to Carsey School of Public Policy, there was a 26.5 percent drop in the number of providers from July 2017 to October 2024 and a nearly 13 percent reduction in licensed capacity.
 - Especially acute for home-based providers, where capacity dropped nearly 37 percent
- Though US DHHS defines affordable child care to be no more than 7% of household income, a married couple family with earning the median household income in NH would have spent about 20% of their income to put two children in center-based care. Single householders pay considerably more of their income.
- The 2024-2025 budget expanded eligibility for New Hampshire's Child Care Scholarship program
 - A family of four earning around \$113,000 annually may be eligible. Prior to the expansion, a family of four was eligible if they earned about \$66,000.



- They won't pay more than 7% of their household income in their cost share; however, providers can choose to charge parents the difference between tuition and the scholarship reimbursement, so many families will pay more than 7% of their income toward child care

Low Wages for Child Care Professionals and Low Earnings of Providers

- Median wage in 2023 for child care professionals in the Bureau of Labor Statistics "child care worker" category was \$15.62 an hour, which was more than Fast Food Workers who earned about \$14.00 an hour, and retail salespeople who earned under \$17.00 an hour.
 - The median hourly wage for all NH occupations was about \$24.00/hour
 - Kindergarten teachers earn about \$64,000 annually, almost double what child care teachers earn
- This may contribute to a 17% annual projected turnover rate from 2023 to 2025 among those in the child care worker category. For context all NH occupations have a projected turnover of about 11%
- Estimates suggest that child care businesses earn less than 1 percent in profit

Where is the money going?

- Revenue from tuition and NHCCS may not be enough to cover operating expenses for a child care business
- True cost of providing high quality care exceeds what parents are able to afford to pay
 - Reducing child to teacher ratios is needed
 - Out-of-classroom planning and conferencing time
 - Liability Insurance
 - Can't streamline or consolidate child care costs – sacrifice quality and safety
- NH received nearly \$146 million in one-time federal dollars related to the COVID-19 pandemic.
- During the 2024-2025 budget cycle the state allocated \$15 million in one-time funding for the recruitment and retention of the child care workforce.
- All that funding has been spent and it isn't clear if there will be any additional funding.
- Need creative solutions going forward, including examining the role of employers in child care

Notes from Victoria Flanagan, edited by Seddon Savage

Resources

- [New Futures – Quality, Affordable Child Care](#)
- New Hampshire Business Review – [United Way child care study in NH points to need for greater business engagement](#)
- New Hampshire Fiscal Policy Institute:
 - [Despite High Child Care Tuition, Early Childhood Educators Receive Low Wages And Programs Typically Earn Little Profit](#)
 - [The Fragile Economics of the Child Care Sector](#)
 - [High Prices and Low Availability of Child Care in New Hampshire: Challenges Continue in 2024](#)
- [University of New Hampshire – Center for Social Policy in Practice – NH ECE Research Consortium – Resources](#)

