



## Granite Guide to Early Childhood: Introduction to New Hampshire’s Child Care Sector

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### Introduction








The early care and education (ECE) sector in New Hampshire (NH) is a complex ecosystem that must account for families’ needs and resources, the capacity and availability of the workforce, and the costs of providing services. This ecosystem is also bolstered (and constrained) by local, state, and federal policy. This series of primers, titled the *Granite Guide to Early Childhood*, synthesizes the widely disaggregated scholarship on child care in New Hampshire and compiles this work into an unprecedented accessible collection. These primers aim to provide a vital understanding of key factors involved in developing a high-quality, affordable, and equitable ECE system.

### Family Demand

Most NH families with young children need child care, although both use and preference vary. “[What Do NH Families Want for Child Care?](#)” describes the complexity of families’ child care decision making, shaped by preference and the reality of available offerings. Evidence suggests that family priorities differ, but reliable arrangements are key for most. The need for a diverse mix of accessible options and an emphasis on reliability are true for [families outside of NH as well](#).

### State Supply

The number of NH children who need care is estimated to exceed existing capacity. And because families have different budgets and preferences, having a mix of options available matters. “[Fewer Providers, Longer Distances: NH’s Child Care Landscape](#)” summarizes statewide ECE offerings

#	Primer title	Topic
1	<a href="#">What Do NH Families Want for Child Care?</a>	 Family demand
2	<a href="#">Fewer Providers, Longer Distances: NH’s Child Care Landscape</a>	 State supply
3	<a href="#">NH’s Well Educated, Underpaid Child Care Workforce</a>	 Workforce
4	<a href="#">High Child Care Costs Strain NH Family Budgets</a>	 Costs for families
5	Attempting to Offset Costs Through NH Child Care Scholarships	 State scholarships
6	Operating on Thin Margins: The Cost of Providing Child Care	 Costs for providers
7	Creating an Equitable System of Child Care in NH	 Promising models



and describes how those offerings have shrunk and consolidated since before the pandemic. While the loss of small providers [mirrors national trends](#), NH is among the small share of states, [one of only six](#), without state-funded public preschool that could help reinforce the shrinking supply currently available in licensed child care settings.

### Workforce

The state's early care and education supply is inadequate because it is difficult to expand offerings. In large part, this is driven by challenges facing the field's workforce. "[New Hampshire's Well Educated, Underpaid Child Care Workforce](#)" outlines the ways that early educators are underpaid relative to their peers, particularly when comparing workers with at least some college education to those in other sectors. This presents a challenge to recruiting and retaining ECE workers to expand supply and reflects a [broader tendency](#) to devalue the ECE workforce.

### Costs for Families

Despite its low-paid workforce, the price families pay is exorbitant. For a family with two children under age five, the average price of [\\$31,868](#) would consume 27 percent of median family income and represent the household's single largest expense. "[High Child Care Costs Strain NH Family Budgets](#)" describes the price of child care across different settings and situates that investment within family income. This underscores the importance of choice for families who must make individualized decisions about using child care. The price of care—outright and relative to other family expenses—in NH is similar to other Northeastern states, which in turn, [are higher than in other parts of the United States](#).

### State Scholarships

Perhaps the most well-established way to offset families' child care costs is through the state child care scholarship program. "Attempting to Offset Costs Through NH Child Care Scholarships" describes the program's structure, benefits, and challenges for families and providers. Eligibility requirements for scholarship programs [vary from state to state](#), and in 2024, NH became one of the latest states to raise the program's income limits for

families. However, exploring remaining barriers that limit equitable access to ECE is key.

### Costs for Providers

Despite substantial family contributions and the potential to receive funds through the state scholarship program, child care providers operate on [very thin margins](#). The bulk of expenses are on [labor](#), and as "Operating on Thin Margins: The Cost of Providing Child Care" shows, despite low wages, the volume of staff necessary to meet legal requirements adds up quickly. The challenge of hiring and retaining staff, who are paid mostly through family tuition, is [not unique to NH](#).

### Promising Models

These intersecting concerns related to ECE demand, supply, price, scholarship availability and engagement, and workforce compensation converge to create a complicated ecosystem. Without significant federal policy support, [states are left to identify and test their own potential solutions](#). Many of these [efforts](#) were funded with allocations of temporary [coronavirus relief funds](#), while others are, or have become, permanent. "Creating an Equitable System of Child Care in NH" collates evidence derived from NH and other states to offer "lessons learned" to guide a sustainable path toward a sector that is equitable for both families and workers.

Visit the [NH ECE Research Consortium webpage](#) to find the full versions of each primer in the *Granite Guide to Early Childhood* and for more information about the NH ECE Research Consortium.

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