

# Wisdom Wednesday

*NH Alliance of Early Childhood Coalitions*

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# Overview

## **The ECE system faces a cost-revenue imbalance**

- ECE costs families too much
- High program operating costs constrain wages and threaten stability
- Effects = shrinking number of programs (especially smaller ones)

## **NH Child Care Scholarship Program a key support**

- Scholarships provide critical family support
- And can be an important revenue stream for programs

## **Addressing Challenges**

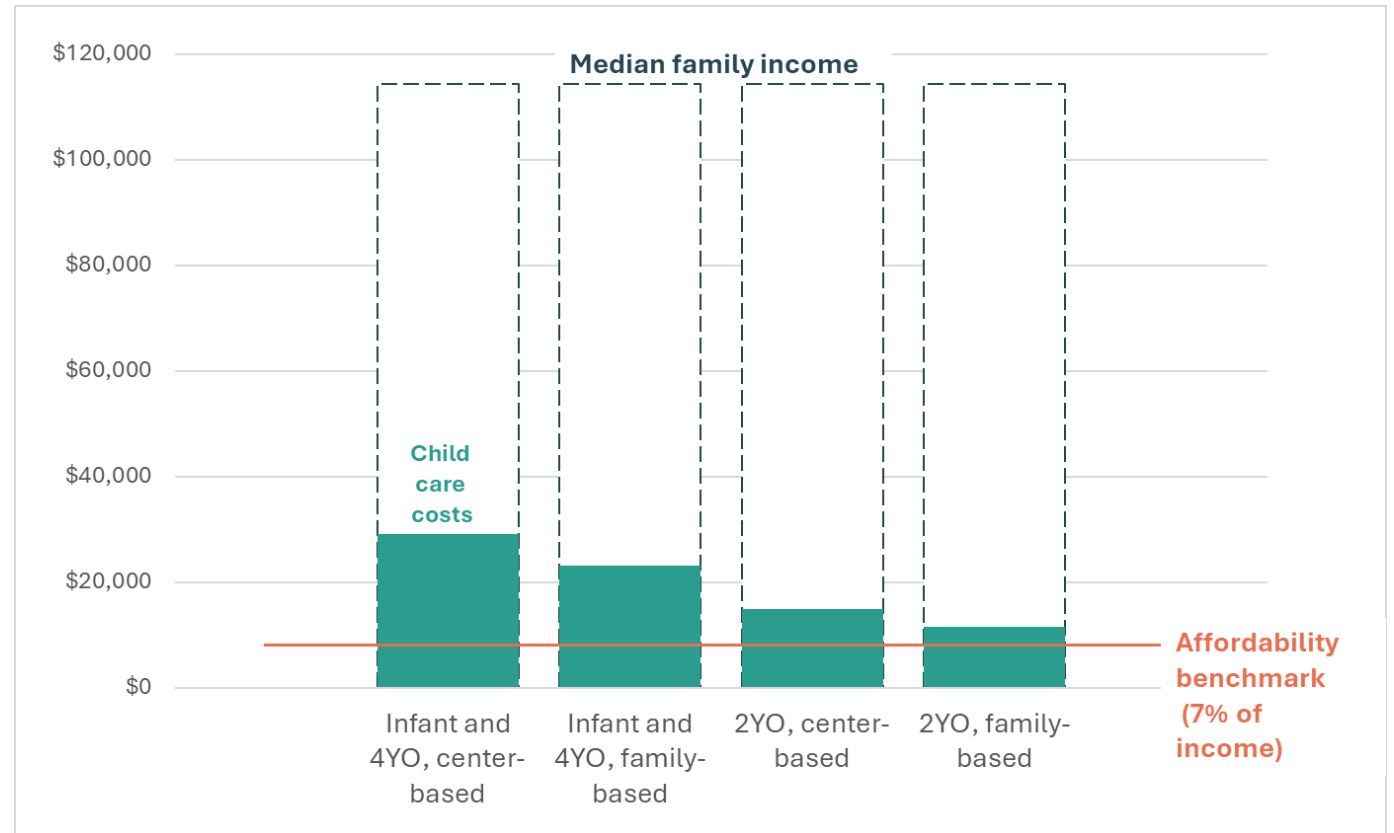
- Example strategy for addressing scholarship program drawbacks

# Cost-Revenue Imbalance in the ECE System

The average price of full-time, center-based care for an infant and a four-year-old in New Hampshire is **\$29,082**.

This is **equivalent to 25%** of median NH family income.

*New Hampshire Child Care Costs Compared With Median Family Income and Affordability Benchmark*





Although families pay so much...



...young children's development requires low child-to-adult ratios...



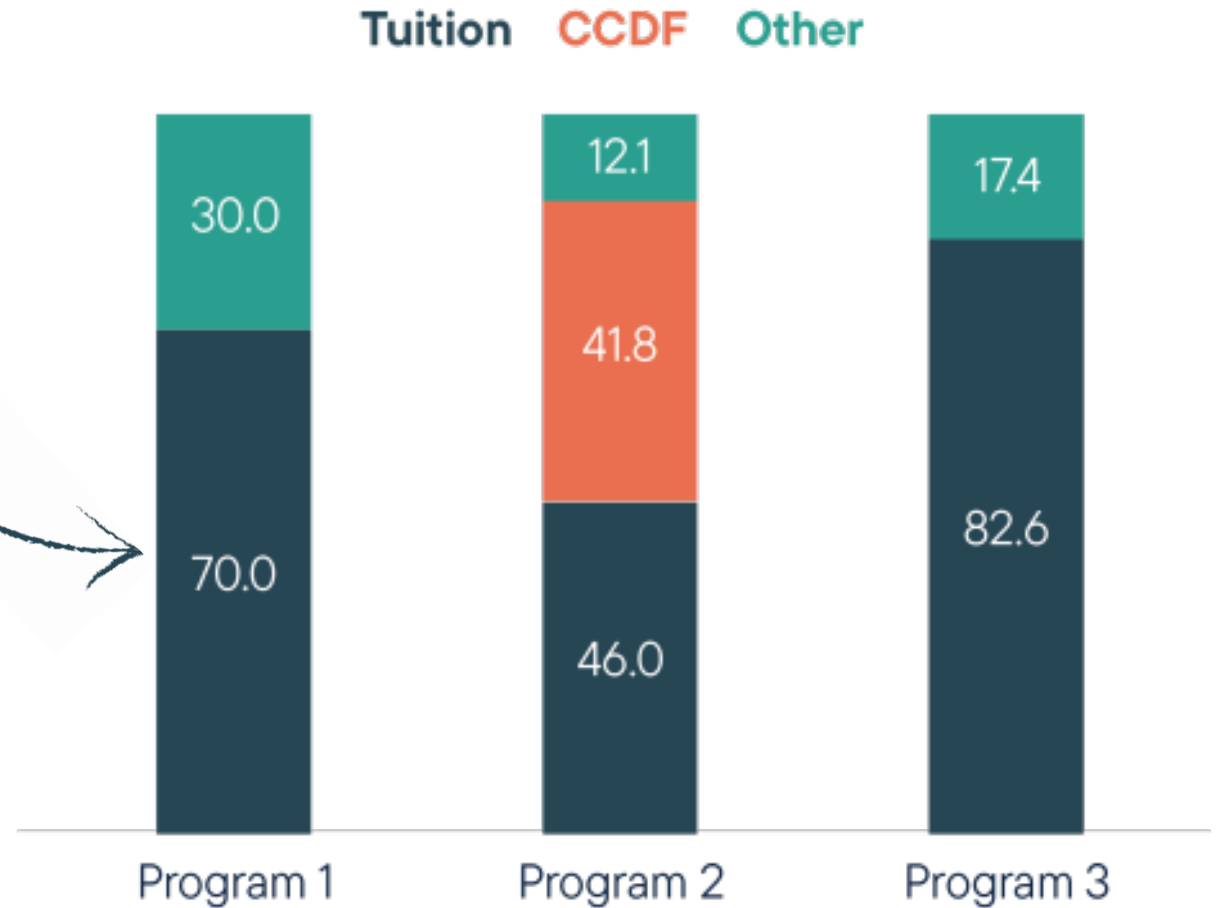
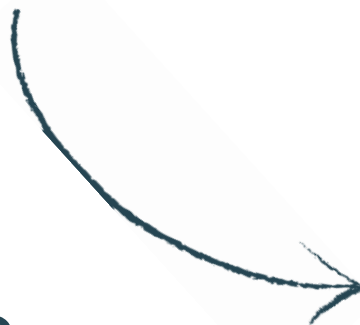
...spreading families' contributions thinly across multiple educators.



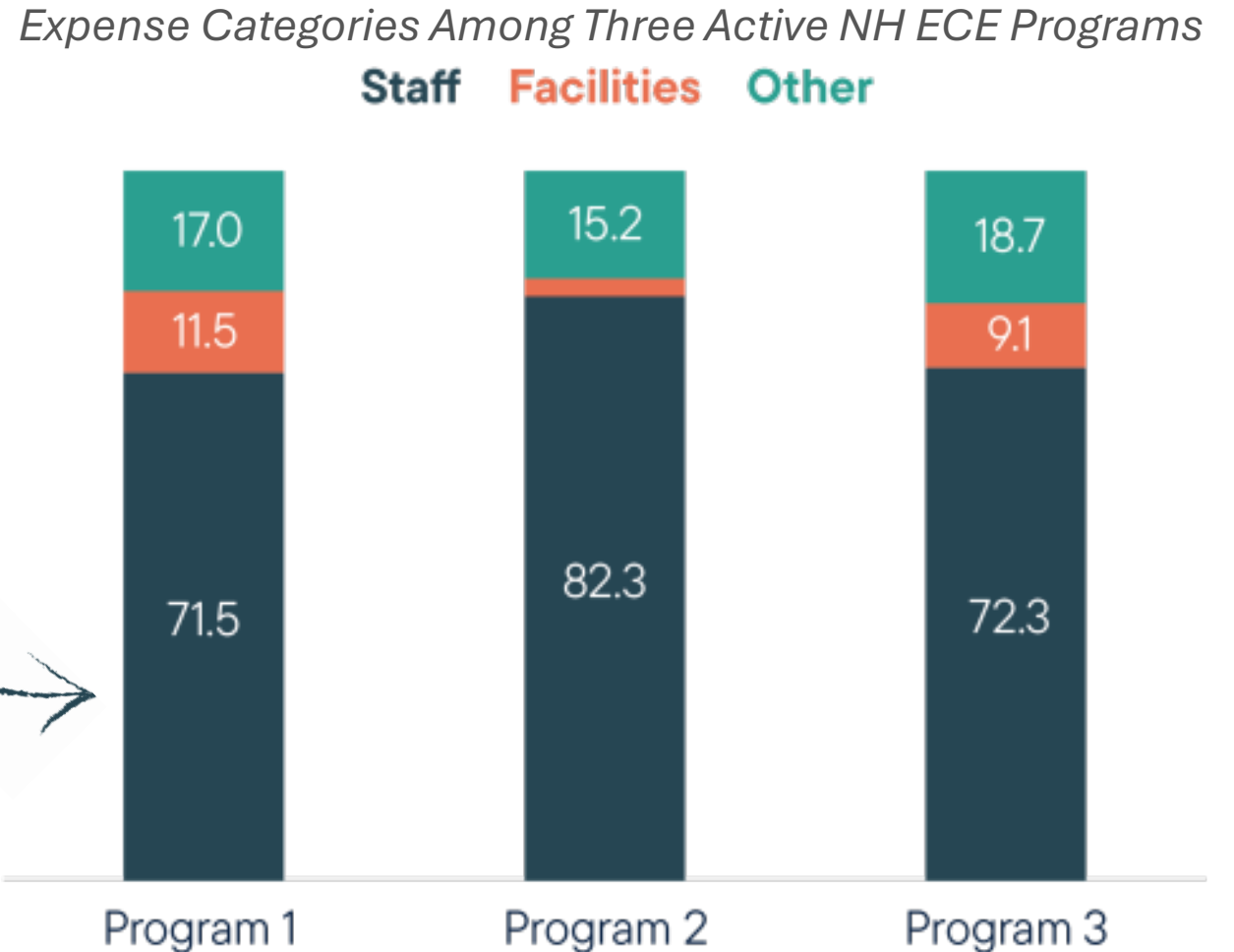
In 2024, the median annual salary for a NH “child care worker” was \$34,570.

Revenue Sources Among Three Active NH ECE Programs

**Family-paid tuition**  
is typically  
programs' main  
source of revenue.



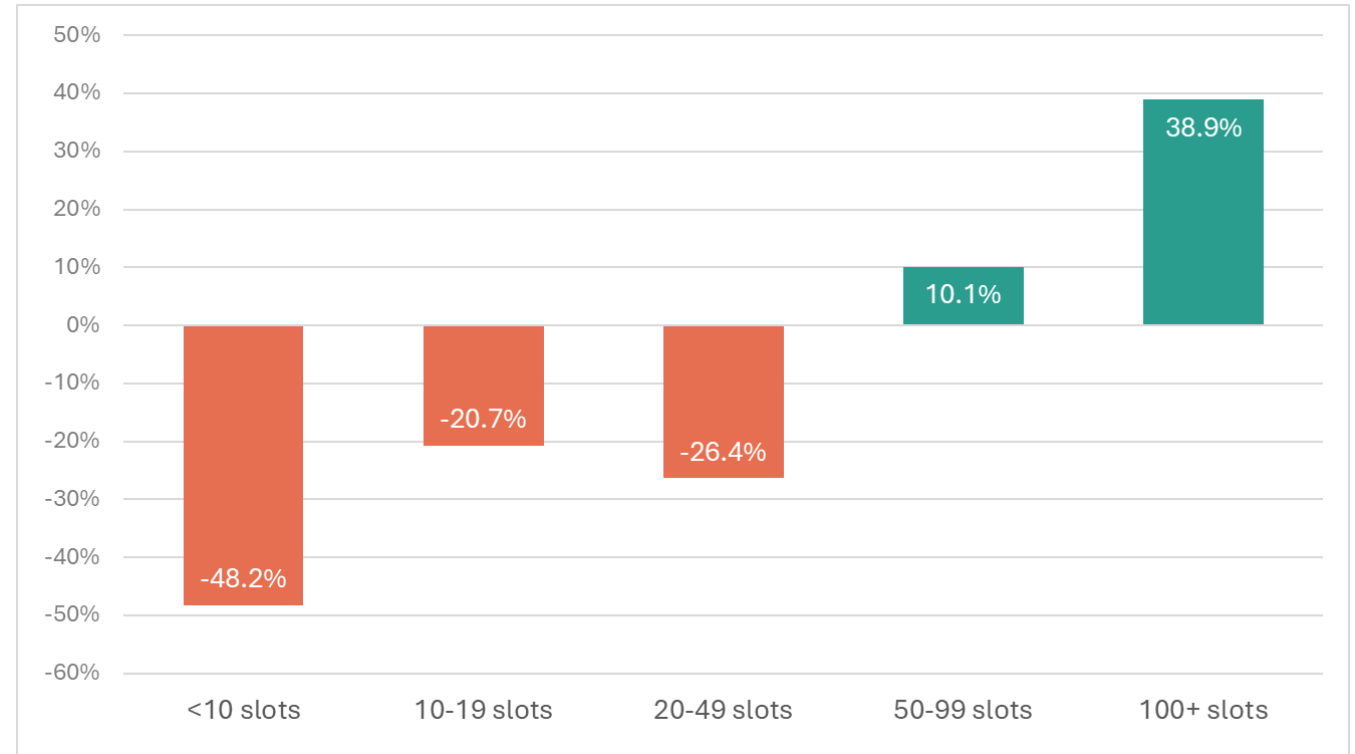
**Staff costs** are typically programs' largest expense category.



NH has **lost about 10%** of its licensed programs serving children under age 5 programs since 2017.

The greatest net losses have been in **small programs.**

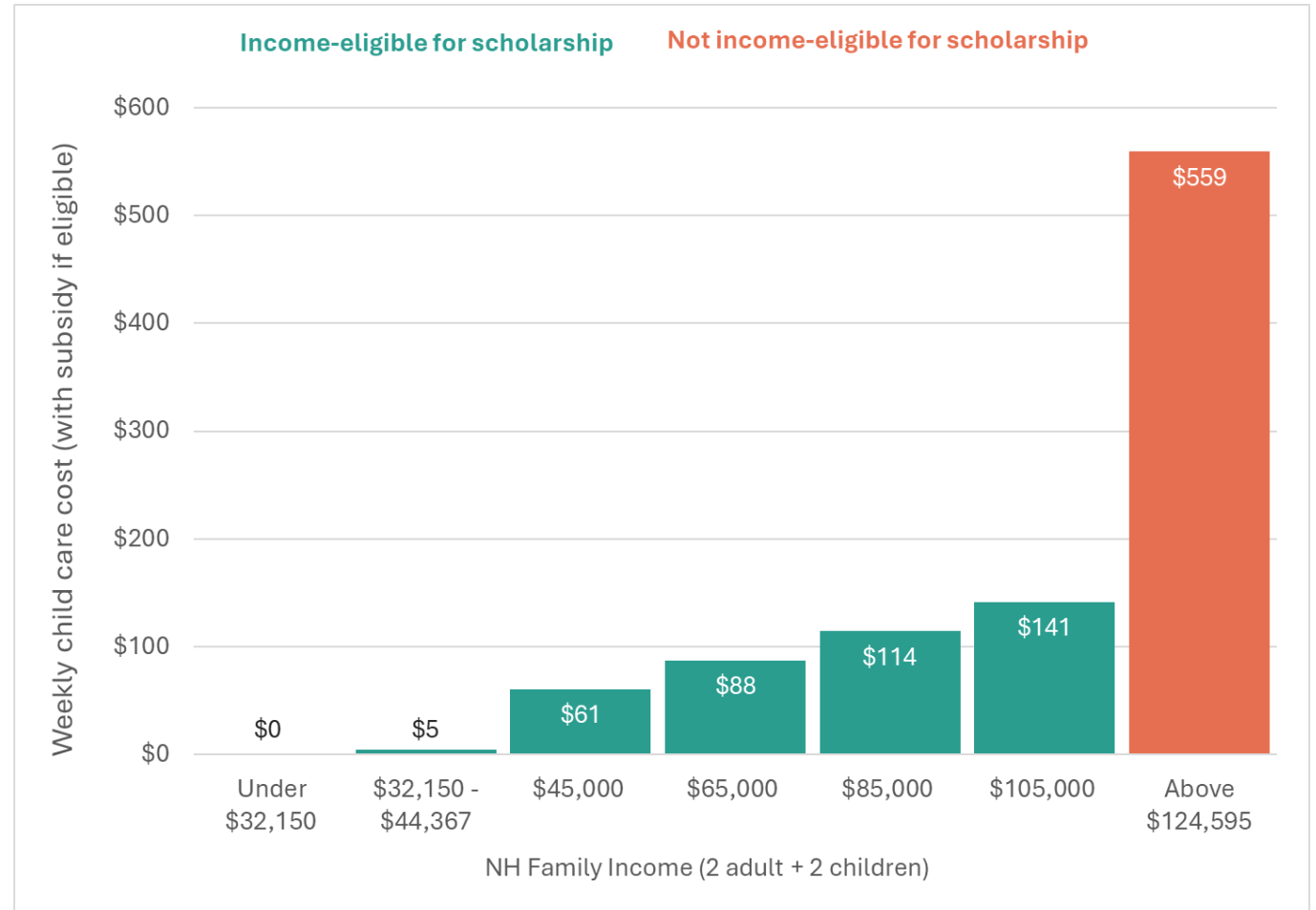
*Percent change in NH licensed child care programs, 2017 to 2026, by program capacity*



# NH Child Care Scholarship Program a key support

For eligible families, **child care scholarships** can significantly reduce weekly costs.

*Weekly Child Care Costs for NH Families with an Infant & 4-Year-Old, by Income & Eligibility for the NH Child Care Scholarship Program*

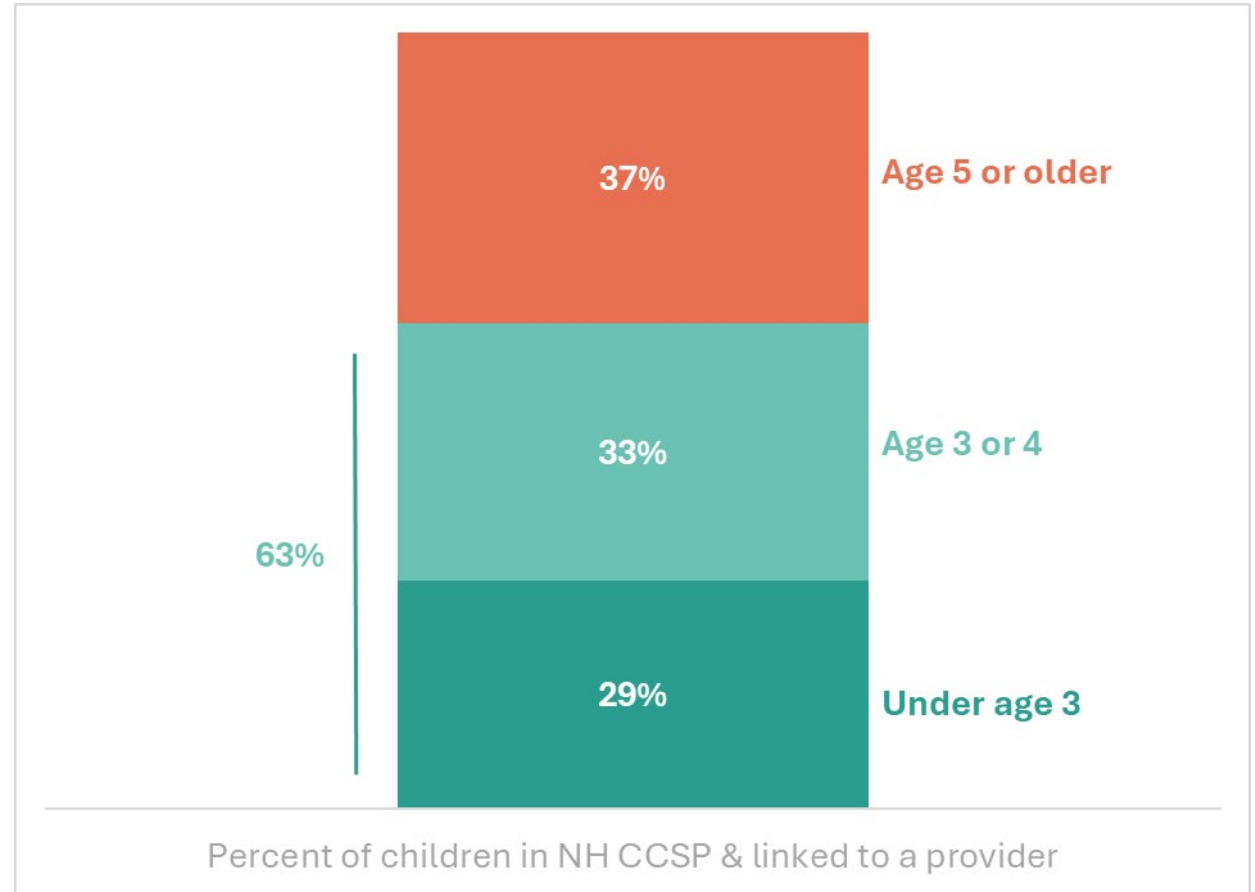


Source: Carsey School of Public Policy calculations of NH DHHS-published income eligibility and co-pay information (as of July 1, 2025) and 2024 Child Care Aware price data.

Scholarship reaches young families.

Nearly **two-thirds** of children currently using a child care scholarship are under age 5

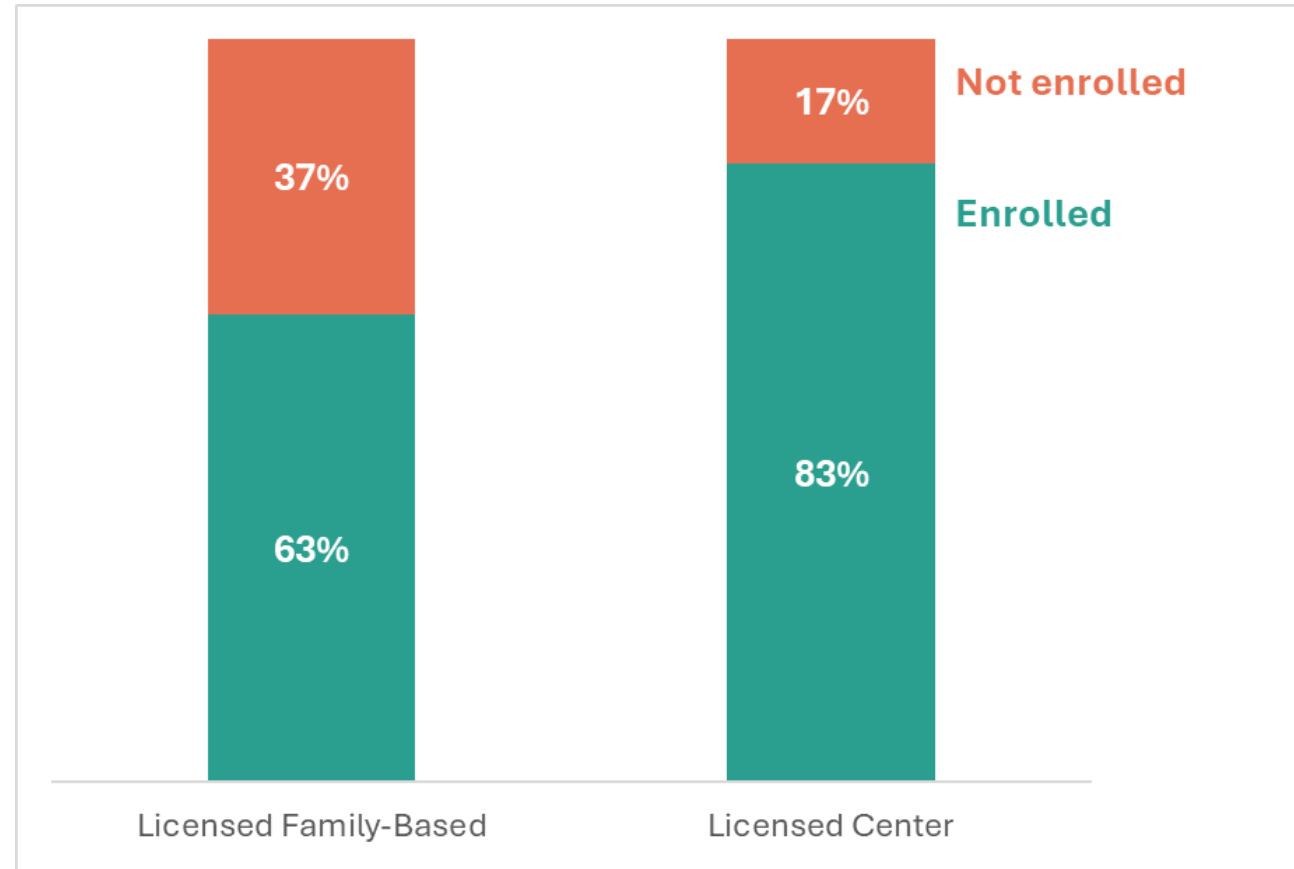
*Age of Children Enrolled in the NH Child Care Scholarship Program and Linked to a Child Care Provider, February 2026*



**80%** of licensed programs are enrolled in the Child Care Scholarship Program

Higher shares of centers are enrolled compared to family-based settings

*Percent of Licensed Providers Enrolled in the NH Child Care Scholarship Program, February 2026*



## **Why aren't all programs enrolled?**

- Reimbursement rates may be less than what programs charge
- Administrative requirements, technological barriers, and complex paperwork may reduce appeal

# Addressing challenges

## Better align reimbursement with program costs

★ ★ *Increases value of scholarship for families AND programs*

- **Providers** > participate in the next market rate survey to ensure your program is represented!
- **Researchers** > develop geographically tailored cost estimates
- **Policymakers** > consider increasing reimbursement rates above 75<sup>th</sup> percentile or supporting tailored rates
- **Long-term** > develop approach that aligns reimbursement with true cost of delivering high-quality care

Need help with data?



# What is the New Hampshire Early Care and Education Research Consortium?



The New Hampshire Early Care and Education (NH ECE) Research Consortium is a **network of researchers & research users** committed to strengthening the state's ECE landscape through data.

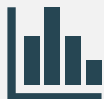
## What does the Consortium do?



Supports the coordination of NH ECE research activity



Builds & centralizes NH ECE research



Lends expertise to the creation & use of strong data systems

## The Consortium is...



Led by UNH's Carsey School of Public Policy



Funded by [the Couch Family Foundation](#) & the [New Hampshire Charitable Foundation](#)

<https://nhece.org>



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