

Child Care in New Hampshire

The *Child day care services* industry is an important part of New Hampshire's economy. *Child day care services* are primarily provided to children under five years of age who are still too young to attend public school. Childcare services also include care for older children during times when they are not in school.

Many working parents – in two-parent households where both parents work, as well as single-parent households – rely on day care services to care for their children. These services allow more parents to participate in the workforce. Without a professional day care industry, many workers would need to reduce their work hours or stay at home entirely to care for their children. Enabling parents to work is a valuable function provided by the *Child day care services* industry, increasing

both the size and productivity of the workforce of every sector of the economy.

Size of the Child Care Industry

The *Child day care services* industry consisted of 483 worksites in 2018, employing almost 5,500 workers. There were also 1,213 “nonemployer” establishments consisting of sole proprietorships or partnerships that don't employ any workers other than the owner(s).

The number of *Child day care services* worksites has steadily declined in recent years. In 2011 there were 533 worksites, 50 more than in 2018. Over that same time frame, the number of workers has increased by more than 700. Nonemployer establishments declined by almost 500 from 2012 to

2018, indicating that the increase in employees is being driven more by the industry consolidating into fewer, larger establishments, than by industry growth.

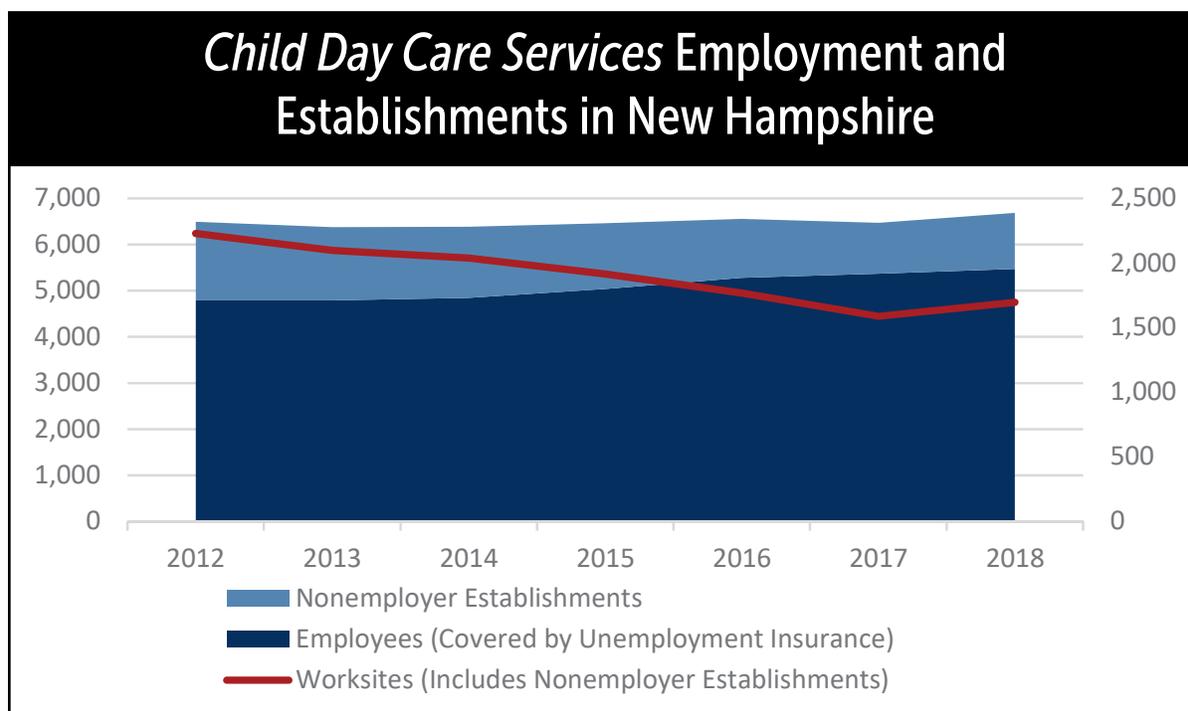
The U.S. Bureau of Labor Statistics estimates that nationwide employment in the *Child day care services* industry will

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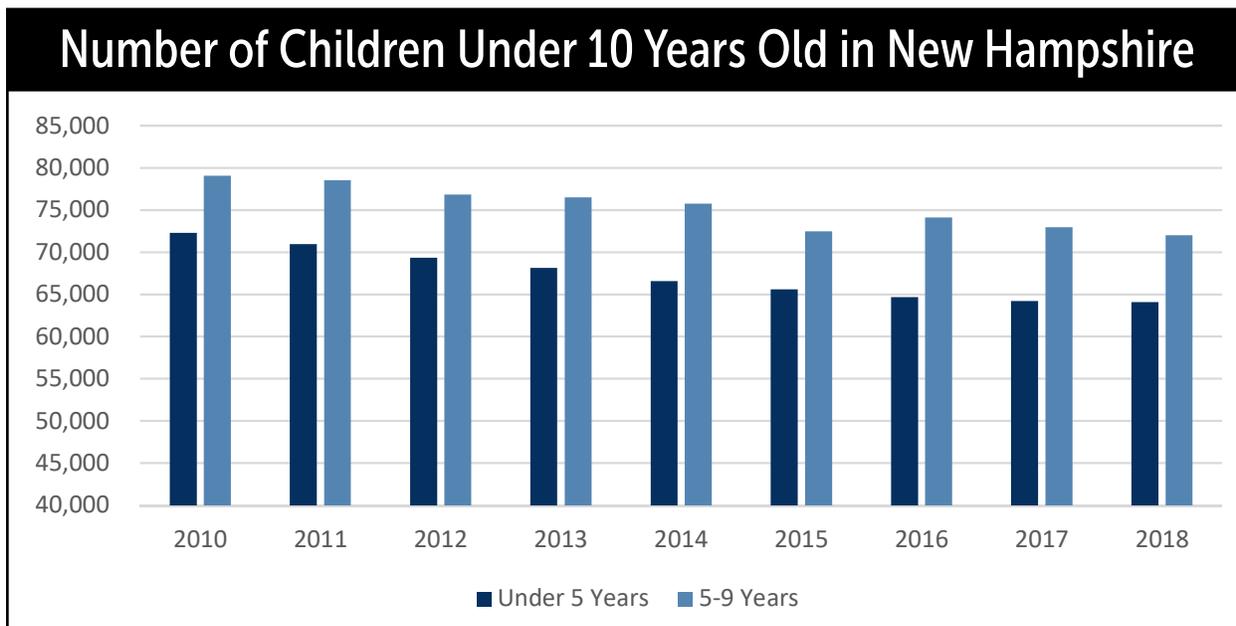
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Source: New Hampshire Employment Security Quarterly Covered Employment and Wages, U.S. Census Bureau Nonemployer Statistics



Source: U.S. Census Bureau, American Community Survey

grow 7.3 percent from 2018 to 2028, an average of 0.7 percent per year.¹ This is slightly faster than overall employment is projected to grow over that time. However, recent demographic trends in New Hampshire may limit growth in the *Child day care services* industry. While New Hampshire’s total population was been growing at a slow but consistent rate, the number of children under 10 years of age has been gradually declining. From 2010 to 2018, the number of children under 10 years of age fell by 15,000, a ten percent decline.

Despite declines in the number of children under age 10 in New Hampshire, just over 30 percent of workers in New Hampshire have children under age 18 and eight percent have children under age six. The percentage of New Hampshire residents between ages 25-54 – those most likely to have children under age 18 – in the labor force has been fairly steady in recent years, indicating that the percentage of parents in the workforce has not changed. If more parents joined the workforce, a greater proportion of children would require daycare services, but this does not appear to be the case. With the number of children in New Hampshire declining and the labor force participation of parents unchanged, demand for daycare services seems unlikely to increase. However, there remain significant availability and affordability constraints for many parents seeking day care services in the state.

Occupations and Wages

Over eighty percent of workers in childcare are classified as either *Preschool teachers, except special education*, *Childcare workers*, or *Teacher assistants*. The responsibilities of these occupations differ, but they all involve directly working with

children, rather than administrative or other responsibilities. An additional four percent of workers are classified as *Education administrators, preschool and childcare center/program*.

Occupation Title	Median Annual Wages	Education / Experience / Training
Childcare Workers	\$24,322	High School none Short OJT
Teacher Assistants	\$30,013	Some College none none
Preschool Teachers, Except Special Education	\$31,442	Associate's none none
Education Administrators, Preschool and Childcare Center/Program	\$46,125	Bachelor's < 5 yrs none

Source: New Hampshire Employment Security Occupational Employment Statistics May 2019 Panel, 2018-2028 Occupational Employment Projections

Typical educational requirements for entry-level child day care occupations are relatively low. *Childcare Workers* generally require a high school diploma and less than one month of on-the-job training, while *Teacher assistants* usually require some college and *Preschool Teachers* usually require an Associate’s degree for entry-level employment.

There are also voluntary credentials for child care facility workers in New Hampshire, with a range of credentials reflecting different levels of childcare experience and education.² New Hampshire Department of Health and Human Services’ (DHHS) Child Development Bureau published an Early

¹ Projections for this industry are not available at the state level.

² New Hampshire Employment Security, *Licensed, Certified, and Registered Occupations in New Hampshire 2019*, <https://www.nhes.nh.gov/elmi/products/licertoccl/documents/ccpctea.pdf>.

Childhood Professional Development System Guidebook, which lays out a number of career paths childcare professionals can follow to increase their education, credentials, and professional development.³

Wages for occupations in the *Child day care services* industry are relatively low. *Teacher Assistants* had a median annual wage of \$31,442 in 2019, and *Childcare Workers* had a median annual wage of \$24,322. Median wages for *Preschool Teachers, Except Special Education* were \$30,013 annually. Wages for all three of these occupations were well below the average wage for all workers statewide, which was \$41,485 per year in 2019. Wages for childcare occupations do not increase much with experience. The experienced wage for a *Preschool Teacher*, which measures the mean earnings of the highest-earning two-thirds of workers, was just \$34,439 per year.

Licensure (Program and Professional)

Although credentials for staff are voluntary, childcare facilities require licensure from DHHS. DHHS reported 834 licensed establishments in 2018. There were a number of exceptions to the licensure requirement, including for day care establishments operated out of a private home if they care for three or fewer children who are not related to the establishment operator.⁴ This likely explains the discrepancy between the 834 licensed establishments reported by DHHS⁵ and the 1,696 worksites and nonemployer establishments reported by New Hampshire Employment Security and the

U.S. Census Bureau that same year. The average nonemployer establishment had annual receipts of \$16,400, which suggests that many of these are very small establishments, and are likely too small to require a license.

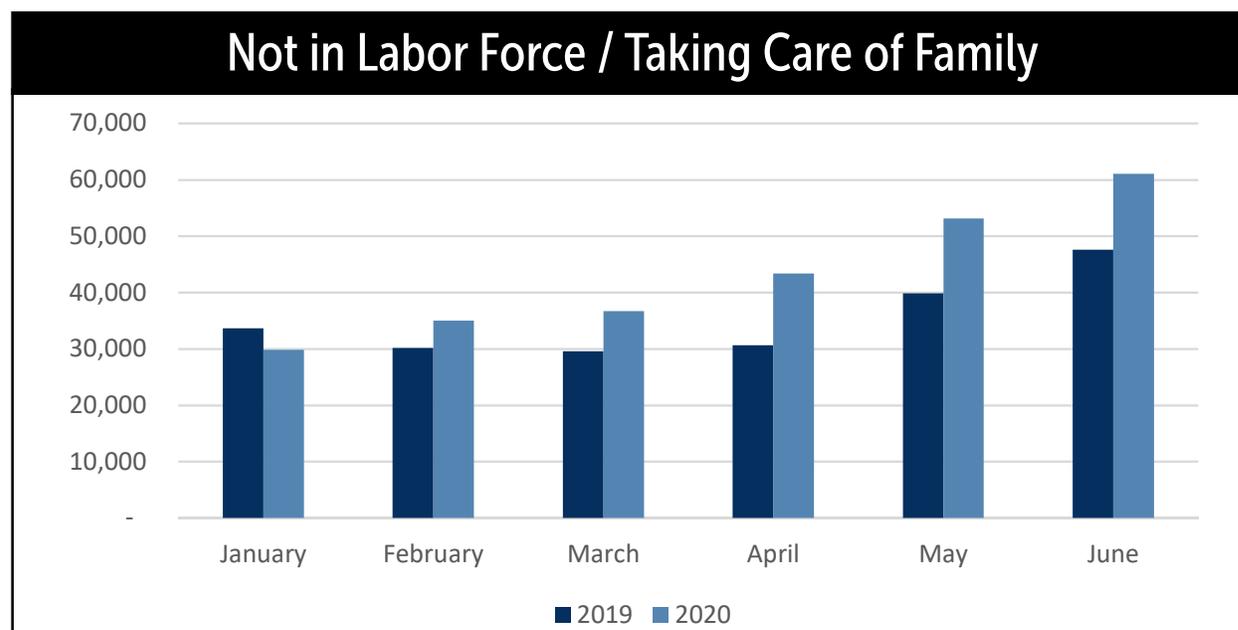
Impact of Pandemic on Labor Force Participation

The coronavirus pandemic has had a significant impact on the *Child day care services* industry. The industry never shut down entirely but many day care facilities either closed or reduced capacity. However, some establishments actually expanded capacity⁶ to ensure that the children of essential workers had access to day care facilities. Prior to the pandemic, day care facilities in New Hampshire had the capacity to care for 46,000 children.⁷ In early June, only about 30 percent of that capacity was actually available.

With so many *child day care services* establishments closed or operating at reduced capacity, many workers at these establishments were laid off. In the week ending May 9th, 1,583 childcare workers filed a continuing unemployment claim in New Hampshire.⁸ Continuing claims are filed by individuals who are eligible to receive unemployment benefits, and indicate that they remain unemployed. The continuing claims filed during the week of May 9th represented 24 percent of all workers in the industry. Since then, the number of continuing claims has fallen, but unemployment among *Child day care service* workers remains high. During the week ending June 20th, 17 percent of *Child day care service* workers

filed continuing unemployment claims.

Child day care service workers were not the only ones impacted by reduced childcare capacity. The parents of children who usually attended closed day care facilities now needed alternate childcare arrangements. Unable to find alternative childcare, a significant number of parents left the



Source: U.S. Census Bureau Current Population Survey

³ New Hampshire Department of Health and Human Services, *New Hampshire's Early Childhood Professional Development System Guidebook* https://www.dhhs.nh.gov/dcyf/cdb/documents/nh_early_childhood_profdev_oct2015.pdf.
⁴ New Hampshire Department of Health and Human Services, *Quality Initiatives & Licensing Exemptions* <https://www.dhhs.nh.gov/ooos/cclu/quality.htm>.
⁵ "NH Market Rate Survey: Results, Trends and Predictions," Kalinowski & Kalinowski, <https://www.dhhs.nh.gov/dcyf/cdb/documents/mr-presentation-concord-07182018.pdf>.
⁶ Emergency Child Care Collaborative, *ChildCareAware of New Hampshire*. <http://nb.childcareaware.org/the-child-care-workforce-is-essential>.
⁷ Geier, Susan, "NH's already vulnerable child care industry overwhelmed by COVID-19," *Concord Monitor*. <https://www.concordmonitor.com/NH-s-already-vulnerable-childcare-industry-overwhelmed-by-Covid-19-34559156>.
⁸ Claims data includes only individuals who both live and work in New Hampshire. It does not include individuals who live in New Hampshire and work elsewhere, or those who work in New Hampshire but live elsewhere.

workforce, not because they had lost their job, but because they needed to provide care for their children.

Data from the U.S. Bureau of Labor Statistics' Current Population Survey shows that the number of individuals in New Hampshire who indicated that they were not in the labor force because they were taking care of their family increased significantly in April, May, and June of 2020. Compared to the same months in 2019, the number of individuals in New Hampshire who were not in the labor force because they were taking care of family increased by 13,000.⁹

Individuals who leave jobs during because of childcare issues are not considered unemployed; to be considered unemployed, an individual needs to be available for work. Since those who are providing family care are not available for work, they are considered not in the labor force, and as a result are not considered unemployed. New Hampshire's labor force decreased by nearly 67,000 individuals from February 2020 to April 2020.

The labor force increased in May and June, but was still lower in June than it was in February by 26,000 individuals.

A year-over-year increase of 13,000 individuals taking care of family shows that family care is currently a significant factor in keeping individuals out of the labor force. This number did not change significantly between April 2020 and June 2020, indicating that, even as many New Hampshire residents have been able to return to employment, those individuals who are typically in the labor force, but have been taking care of family during the pandemic are facing barriers to returning to employment. There are a number of reasons why this could be the case; these individuals could be unable to find an open day care, or could be unwilling to risk the health of family members by returning to day care and work.

- Greg David, Economist

⁹ Family care also includes caring for elderly or disabled relatives, or household management.