PORTSMOUTH CHILDCARE WORKING GROUP · REPORT TO CITY COUNCIL

Childcare on the Seacoast

The problem, the data, and how the city can help

23
cross-sector members

90
days of work

5
asks — none needing a new budget line

July 2026

The broken math: everyone is telling the truth

Families can't pay more. Workers can't earn less. Providers have nothing left. All three are right.

Labor IS the product

65–76%

of a center's operating costs are staff — and state staff-to-child ratios mean the core cost cannot be automated away.

Wages below living wage

$16–$20/hr

current Seacoast ECE wages, against a $25.77 NH single-adult living wage — $46.61 with one child (MIT, Feb 2026).

Families are already maxed out

$2,000+/mo

what 53% of surveyed families reporting costs already pay. Closing the wage gap through tuition would add ~$390 more per month — money that isn't there.

There is no tuition number that both pays educators a living wage and remains affordable for Seacoast families.

What care actually costs here

Confirmed, published 2025–26 rates at licensed Seacoast centers — not projections.

Weekly rate (full-time)	Infant	Toddler	Preschool
Great Bay Kids	$476	$406	$380
Seacoast Community School	$437	$395	$374
Smart Start (Dover)	$375	—	—

Annual infant care: $19,500 – $24,750 per child

13–43% above the NH statewide average

For comparison

UNH in-state tuition:

≈ $16,000/yr

A year of Seacoast infant care costs more than a year at the University of New Hampshire.

Who can actually afford it

The federal affordability standard: childcare should cost no more than 7% of household income.

$280K–$355K

household income NEEDED for one infant's care to meet the 7% standard

$600K

NEEDED for two children

$85K

what Portsmouth's median household ACTUALLY earns — care costs three to four times what the standard says it can afford

Share of gross income one infant's care consumes (Appendix A):

Median household

28%

ECE educator

~60%

Firefighter

32–37%

LPN / social worker

35–40%

Registered nurse

25–28%

Teacher

22–26%

The people who provide the care are the least able to afford it — the system's central paradox.

The state scholarship helps — and it is not enough

NH's one public affordability tool, by the numbers (June 2026 provider-database search; UNH Carsey; NH DHHS).

~8%

of eligible NH children actually reached (fall 2024: 4,348 of ~55,000)

$31–$132/wk

reimbursement below published infant tuition — a loss providers absorb from the budgets that pay wages

1

Portsmouth center that both accepts the scholarship and has an infant/toddler opening today

A family with a scholarship isn't choosing among 119 providers — they're choosing from whoever has an opening they can reach. In Portsmouth today, that is effectively one center.

What Portsmouth told us

Two June 2026 surveys — residents citywide, and families in the thick of it.

RESIDENTS — CITY FLASHVOTE SURVEY (N=324)

68%
support the city taking a more active role on childcare

14%
say the city should take no active role at all

80%
had no childcare need themselves — support extends well beyond direct beneficiaries

In open-ended responses, residents drew one clear line: no direct taxpayer subsidy of childcare costs.
Every ask in this report is designed to respect that line.

FAMILIES — WORKING-GROUP SURVEY (N=195)

“We almost moved to Maine just to access free public pre-K.”

Parents report leaving jobs, cutting hours, and turning down promotions; several are weighing leaving the Seacoast entirely. 28% pay more than $2,500 per month.

Two independent surveys, one conclusion

Southern Maine (United Way, N=1,193) and New Hampshire (Granite United Way/BHII CCBEP, N=2,289) — both 2023.

Southern Maine — employees (Nov. 2023)

79% use childcare in order to work at all

Affordability: the most-cited difficulty

Most miss 1–2 workdays per month to care disruptions

84% of those not full-time: affordable care would enable it

New Hampshire — employees & employers (Dec. 2023)

62% say childcare affects their work “always” or “often”

Top challenge: staying within budget (64%)

96% of employers: childcare supports matter for recruitment

Only 25% are very satisfied with what they offer today

The cost of doing nothing: NHFPI puts each unavailable childcare slot at $44,100–$66,800 in lost wages, productivity, and tax revenue over ten years — with ~9,100 slots missing statewide.

Childcare is also public health policy

The longer arc: early childhood investment is among the best-evidenced returns in social science.

13%/yr

estimated annual return on investment in quality early childhood programs for disadvantaged children — through education, earnings, reduced public assistance, and lower crime (Heckman, NBER 2019)

$171,473

documented savings per child in reduced justice-system costs alone — Perry Preschool Project, one of the field's most-cited longitudinal studies

134,000

US families pushed into poverty each year by childcare expenses — families who then need the services city and state budgets fund (CAP, 2024)

ACEs

unstable childcare is a documented source of early chronic stress, with measurable lifelong health costs — the kind prevention is far cheaper than treatment (CDC)

This evidence has already moved policy: Denver, San Antonio, New Orleans, and Travis County all built early childhood programs on it — and voters keep renewing them.

Not our blueprint — proof that when this research is applied, it produces meaningful change.

What's working elsewhere — mechanisms, not templates

Iowa Solutions Fund

Pooled employer dollars + public match lift wages at every participating provider — filling classrooms that already exist.

Denver Preschool Program

The distribution design: support follows the child to any licensed provider. Renewed by voters 3 times; made permanent in 2023.

Vermont Act 76

Proof of what sustained investment produces: more programs opened than closed for the first time in six years. Not a template for NH.

United 4 Child Care (ME)

Employer + philanthropy-funded centers, professional operator, plus a shared-services layer for all providers.

Gorham, NH

Braided financing — CDBG, credit union, philanthropy — more than doubled an existing center's capacity (31 → 80 slots).

Timberland (Stratham, NH)

Employer-sponsored, operator-run center serving employees and community since 2007.

No model transfers wholesale — the report extracts the transferable piece of each.

Why this is possible here — without a new tax

The matching public dollars that power other models already exist in the tax code.

75%

NH CDFA Tax Credit

State business-tax credit for contributions to approved community projects. Childcare projects in Nashua, Merrimack, Walpole, and Coös County are funded this way right now.

50–60%

Federal 45F Credit

Expanded for 2026: covers employer childcare spending up to $500K–$600K — and now explicitly includes contributions through pooled community funds.

50%

NH HB 1433 (new)

Signed July 2026: credit for businesses that create or fund 12+ new childcare slots, beginning January 2027.

Employer contributions, a public match, and a proven distribution design are all within reach.

No new tax. No city appropriation. No change in state law. What it requires is assembly.

The standing ask: keep childcare on the list

When these cross your desk, ask one question — is there a childcare angle?

✓ Grant applications & settlement funds

Federal and state programs — and abatement dollars — often allow childcare as an eligible use. It costs nothing to include it.

✓ CDBG Annual Action Plans

Childcare is a documented community development need; naming it lets projects compete for funds Portsmouth already receives.

✓ Development approvals

Play-space credits, childcare space in larger projects, developer incentives — levers other municipalities are starting to use.

✓ Capital projects & partnerships

CDFA congressionally directed funding needs a municipal applicant. The city can unlock doors no provider can open alone.

The regional fund will be built by partners outside city government. The city's superpower is remembering childcare at the moments it can help.

Five asks — low-cost, near-term, within existing authority

1	**Free pre-inspections**	Building & Fire offer free, advisory pre-inspections for prospective family childcare homes.
2	**Plain-language zoning guide**	Planning & Sustainability publish what's permitted where and how the process works — the mapping is already done.
3	**Childcare-appropriate parking standards**	Review parking and drop-off requirements; report back with recommendations.
4	**Name childcare in the FY28 CDBG process**	Eligibility to compete for existing entitlement funds (~$499K/yr) — not a new allocation.
5	**Welcome the new state laws; keep going**	Resolution on the July 2026 package (HB 1195, HB 1433, SB 614); fold HB 1195 compliance into the zoning guide; support extending SB 404.

WHAT WE'RE ASKING TONIGHT

Receive the report.
Act on the five items.
Keep childcare in the frame.

Childcare is not a problem Portsmouth created, and not one the city can solve alone. But Portsmouth convened the table, did the work, and produced this report — so that regional change can begin.