

Executive Summary

Children's early experiences are shaped by the care, relationships, and resources available to them and their families. Child care, early intervention, maternal and infant health care, housing, food access, and transportation all influence children's development. The New Hanover Community Endowment commissioned NC Child to conduct an early childhood needs assessment and develop strategies to strengthen New Hanover County's early childhood system. This report examines child care, child development, maternal and infant health, and the social conditions that affect children and families.

Phase I of the New Hanover County Early Childhood Landscape Analysis, conducted from January through March 2026, examined local indicators of child outcomes, provider capacity, workforce conditions, and system performance. Phase II, conducted from April through June 2026, added focus groups with parents, child care teachers, and directors, as well as interviews with community leaders and service providers. Conversations with state and national experts informed the strategies presented at the end of the report.

New Hanover County performs above the state average on several broad early childhood measures, but countywide results do not fully capture families' experiences. Child care remains difficult to find and afford. Infant care costs more than 10% of the median income of married couples in the county, exceeding the federal affordability benchmark of 7%. The burden is greater for single parents: approximately 26% of median income for single fathers and nearly 35% for single mothers. Parents described long waitlists, limited information about openings and tuition, and few options that accommodate non-traditional work hours.

Since 2019, the county has experienced a net loss of 10 licensed child care programs, an 11.9% decline. Among the 36 programs that responded to NC Child's January 2026 provider survey, 69.4% reported maintaining a waitlist. Yet enrollment filled only 59.4% of licensed capacity. Providers described classrooms that could serve more children but remain closed because they lack sufficient staff. Survey respondents estimated that they could collectively serve 774 additional children if staffing barriers were resolved. This figure reflects the responding programs, not a countywide projection.

Financial pressures make those staffing barriers difficult to address. For infants in five-star centers, the report estimates that subsidy reimbursements cover 56.5% of the cost of care, leaving a gap of approximately \$946 per infant each month. Directors described balancing rising operating costs against tuition that families can afford. Teachers described low wages, inconsistent benefits, limited planning time, and burnout. Parents recognized the need to pay educators more while questioning how their families could manage higher tuition.

The analysis also found gaps in children's developmental and educational supports. Participation in early intervention services is below the state average. At the beginning of the 2024–2025 school year, 36% of

kindergarten students met the early literacy benchmark used in this analysis. Countywide third-grade reading proficiency reached 55.4%, but results varied substantially across schools and student groups. Parents and educators described a need for developmental services, classroom supports, and training to help teachers meet children's behavioral and exceptional needs.

Maternal and infant health findings also warrant attention. Of the 2,213 babies born in New Hanover County in 2024, 9.8% had a low birthweight. Although the county has more obstetricians and gynecologists per resident than the state overall, local provider availability has declined since 2016. Families described difficulty finding providers who accept their insurance and identified postpartum mental health care, lactation support, and home visiting as unmet needs.

The conditions surrounding families affect their ability to use available services. More than one-third of county children live in poor or low-income households, 15.3% experience food insecurity, and 6.2% are uninsured. Parents and community leaders described the combined costs of housing, child care, food, and health care. They also reported transportation barriers and difficulty finding current information about programs and eligibility.

In response to these findings, the report presents five strategies for New Hanover County to consider:

- Strengthen compensation and benefits for early childhood educators through salary supplements and improved access to health insurance.
- Create a centralized family resource navigation platform to help families find current information about child care and other supports.
- Provide child care assistance for child care workers to help programs recruit and retain staff.
- Increase access to high-quality early childhood curriculum and professional development support for all early childhood educators, so educators have the materials and support needed in their classrooms.
- Expand and diversify home visiting services to connect families with support after birth and throughout early childhood.

New Hanover County has a strong network of early childhood providers, health care partners, and community organizations. The findings show where workforce shortages, costs, service gaps, and fragmented information limit that network's reach. These strategies build on existing community resources and respond to the barriers families and providers identified throughout the assessment.