

ECONOMIC IMPACT OF THE EARLY CARE
AND EDUCATION INDUSTRY IN GEORGIA

Initial Impact of the COVID-19 Pandemic on Georgia's Early Care and Education Industry

STUDY AT A GLANCE

FEBRUARY 2024



What's Inside?

- Industry in 2019 vs. 2020
- Pandemic Supports
- The ECE Workforce



The pandemic severely affected the early care and education industry in Georgia.

The spring of 2020 was one of the most turbulent and unpredictable times in modern history, as COVID-19 began spreading around the world and throughout the United States. Leaders imposed lockdowns to try to curb the spread, forcing many businesses to close. Unemployment soared. In Georgia, Governor Brian Kemp encouraged early care and pre-kindergarten providers to take steps to keep children and communities safe. Many early care and education (ECE) providers closed as cities issued stay-at-home orders, schools shut down, and families sheltered in place. These conditions persisted for much of spring and summer 2020 as health professionals, governments, and families dealt with the devastating impact of a global pandemic.

Calculating the size of the early care and education industry in Georgia

Gross receipts capture the amount of resources going through an industry and are a measure of the size of that industry. Gross receipts for the ECE industry are the **sum of parent fees and federal and state payments to programs**. Because definitive data on parent fees paid in 2020 are unavailable, gross receipts for that year are given in a range.

TOTAL GROSS RECEIPTS OF THE EARLY CARE AND EDUCATION INDUSTRY IN GEORGIA

2019	2020
\$2.56 billion	between \$2.21 billion and \$2.52 billion

HOW ARE PARENT FEES CALCULATED?

2019

The tuition parents paid for child care services:

\$1.55 billion

2020

BETWEEN

\$1.27 billion

2020 high estimate

\$962 million

2020 low estimate

During spring and summer 2020, some parents continued paying their ECE provider even if their children were not attending and even if the facility was closed to reserve their spots in the program. Data on such children are not available, so the research team estimated a high and low amount of parent fees collected, with the true value likely falling between the two estimates.

FEDERAL AND STATE SUPPORT HELPED KEEP THE ECE INDUSTRY AFLOAT IN 2020.

2019

60%

Gross receipts from parent fees

40%

From federal and state programs

2020

40%

Gross receipts from parent fees

60%

From federal and state programs

FEDERAL AND STATE FUNDING FOR ECE PROGRAMS

Source	2019	2020
Federal CAPS-related funding	\$286 million	\$301 million
Head Start and Early Head Start	\$237 million	\$262 million
Georgia's Pre-K Program	\$341 million	\$360 million
Child and Adult Care Food Program	\$131 million	\$102 million
Summer Food Service Program	\$15 million	\$28 million
COVID Response Funding – Total:		\$201 million
Total State and Federal Funding	\$1.01 billion	\$1.25 billion

PANDEMIC SUPPORTS FOR GEORGIA EARLY CARE AND EDUCATION INDUSTRY IN 2020

State and federal financial funding was essential to supporting the ECE industry in Georgia during the public health emergency

Paycheck Protection Program \$84 million

Business loans that were forgiven if employment levels were maintained (administered by the US Small Business Administration)

SOLVE Scholarship Program \$3 million

3-month scholarships for school-aged children to engage in virtual learning at an ECE facility when their public school was closed

Essential Services Workforce Group \$3 million

A temporary CAPS priority group to help frontline Georgians workers pay for child care during the public health emergency

**TOTAL COVID-19
RESPONSE FUNDING
IN 2020**
**\$201
million**

STABLE Payments \$92 million

Short-Term Assistance Benefit for Licensed Entities (STABLE) payments, sent directly to licensed centers and family child care learning homes

STABLE 1
May–June 2020
\$38.5 million total funds to
3,841 providers

STABLE 2
November–December 2020
\$58.3 million total funds to
3,659 providers

CAPS Emergency Payment Policy \$20 million

Payments to ECE providers with CAPS children enrolled in but not attending their programs

KEY POLICY CHANGES BY DECAL TO SUPPORT THE INDUSTRY IN 2020

Quickly distributed \$92 million in pandemic funding to struggling providers through STABLE payments

Temporarily funded CAPS and the Georgia's Pre-K Program based on enrollment rather than attendance

Lessened the economic hit providers would have taken due to low attendance

Conducted virtual licensing site visits and virtual technical assistance

Teamed with the Georgia Department of Public Health to create cleaning and social distancing guidance



THE ECE WORKFORCE IN GEORGIA 2020

The pandemic had a sharp and lingering impact on employment and wages during 2020.



NUMBER OF EMPLOYEES

2019

Approximately 71,500

March 2020

↘ **38.3% drop**

December 2020

↘ **18% below 2019 levels**



AVERAGE ANNUAL SALARY IN ECE WORKFORCE IN GEORGIA

2019

\$20,317

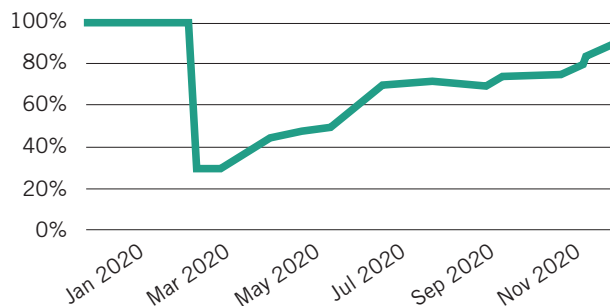
Includes both full-time and part-time workers

December 2020

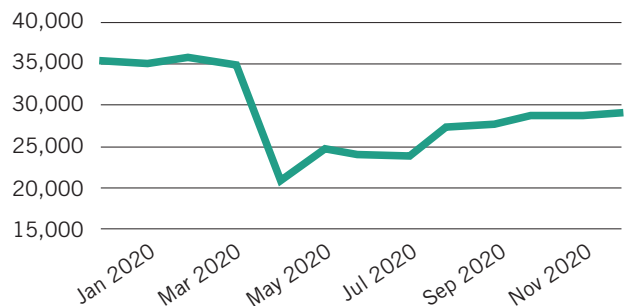
↘ **\$3,200 drop, on average**

While employment followed the same general pattern as enrollment, dropping dramatically in late March of 2020 and slowly improving throughout the year, it never fully recovered. **By December 2020, employment was still down approximately 18% from pre-pandemic levels.**

Share of Providers in Georgia Open for In-Person Instruction, 2020



Employment in "Child Care Services" Sector in Georgia, 2020



Future phases of this research will explore the ECE workforce in detail and will review several initiatives implemented to support ECE teachers and caregivers in 2021 and 2022.

EARLY CARE AND EDUCATION IN GEORGIA

The child care industry in Georgia serves children of all backgrounds and cares for an estimated 340,000 children each year.

2019 vs. 2020

Number of ECE providers

2019	2020
5,512	5,380

Change in Total: **-2.4%**

Licensed Capacity

July 2019	July 2020
361,408	368,311

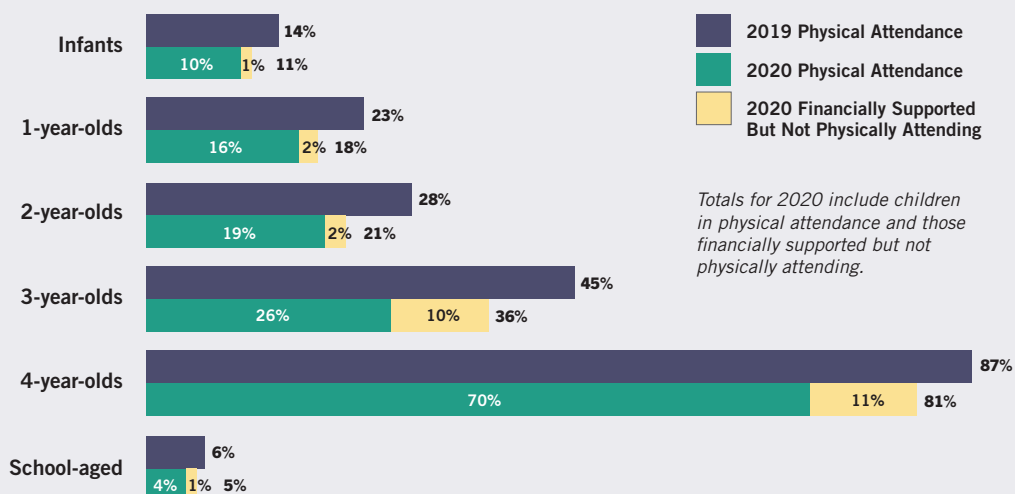
Change in Total: **+0.18%**

Number of children, ages 0–5 living in Georgia

2019	2020
789,981	784,518

Change in Total: **- 5,463**

ESTIMATED PERCENTAGE OF THE POPULATION SERVED, 2019 VERSUS 2020



Beginning in mid-March 2020, some parents chose to keep their children home due to health or economic concerns. To keep the industry afloat, some federal and state programs **continued to pay providers** for the children on their rosters even if they were not physically attending the program.

This report is a collaborative effort between the **University of Georgia** and **Georgia State University**. The economic impact analyses rely on data collected for 2019 and 2020. In certain instances, such as average enrollments, the best available data are from early 2020, pre-COVID. In those cases, the information has been augmented with 2019 data to better represent the period of focus. Data sources for the report include monthly DECAL licensing file data, detailed provider attribute data from licensing applications, weekly price and teacher wage data from the 2021 Georgia Market Rate Survey, US Census population data, and wage and employment data from the Georgia Department of Labor. Another primary data source for this study is enrollment and grant data from applications for STABLE funding, which asked for details about the ECE providers prior to the start of the pandemic.



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The Carl Vinson Institute of Government is a Public Service and Outreach unit of the University of Georgia. The Institute shares the university's overarching public service mission of extending resources of professional knowledge and expertise to help communities in Georgia and beyond improve their quality of life. The Institute of Government is committed to promoting excellence in government through technical assistance, training programs, applied research and technology solutions. The Institute of Government works extensively with governments across Georgia and beyond to develop the knowledge and skills that elected officials, professional staff, and appointed board members need to manage effectively in the 21st century.



The Andrew Young School of Policy Studies at Georgia State University, in downtown Atlanta at the center of one of the nation's largest government and nonprofit hubs, is internationally recognized for its impact and influence on public policy and management issues that affect local, state and national governments around the world and advance economic opportunity, human rights, and social justice.



The Georgia Department of Early Care and Learning is responsible for meeting the child care and early education needs of Georgia's children and their families. It administers the nationally recognized Georgia's Pre-K Program, licenses child care centers and home-based child care, administers Georgia's Childcare and Parent Services (CAPS) subsidy program and federal nutrition programs, and manages Quality Rated, Georgia's child care quality rating and improvement system. The department also houses the Head Start State Collaboration Office, distributes federal funding to enhance the quality and availability of child care, and works collaboratively with Georgia child care resource and referral agencies and organizations throughout the state to enhance early care and education.