



THE ECONOMIC IMPACT of Georgia's Early Care and Education Industry 2022–2024

Executive Summary

Summer 2026

THE EARLY CARE AND EDUCATION (ECE) INDUSTRY IS A CRITICAL ECONOMIC DRIVER FOR GEORGIA. Access to reliable child care enables parents to participate fully in the workforce and contribute to their family's well-being, boosting the overall economy and helping sustain a stable labor force. Working parents need reliable child care that ensures their children's safety and supports healthy development. In addition, the industry in Georgia employs thousands of teachers, administrators, health and safety staff, and other aides. These workers spend their earnings in the state, producing additional employment and economic activity in other sectors.

This study, a collaboration between researchers at the University of Georgia's Carl Vinson Institute of Government and the Georgia State University Andrew Young School of Policy Studies, examines the size and short-term economic impact of the ECE industry in Georgia over calendar years 2022–2024. These years saw the tapering down of unprecedented federal support for families and early care providers that had stabilized the industry during the COVID-19 pandemic and subsequent recovery.

Between 2020 and 2024, the Georgia Department of Early Care and Learning (DECAL), the state agency responsible for overseeing various components of Georgia's early education system, distributed more than \$2 billion in federal pandemic relief funding. Most of this federal support expired in September 2023, with all supplemental funding ending by October 2024.

The ECE Industry in 2022–2024

Georgia had 5,281 licensed or regulated providers in 2022, increasing slightly to 5,346 in 2024. These providers served approximately 336,000 children in 2024, in line with pre-pandemic levels.

- Four-year-olds were the most widely served group, with at least 76% of providers offering care, while infants were the least served, with around two-thirds accommodating that age group.
- Total licensed capacity rose 5.7% from 369,249 in January 2022 to 390,175 in January 2025. Home-based care represented less than 2% of total capacity.
- Enrollments varied across age groups, increasing with age from birth through 4.
- In 2023, an estimated 366,328 households with children under 6 had at least one parent in the labor force, with total wages supported by ECE estimated at \$46.2 billion.



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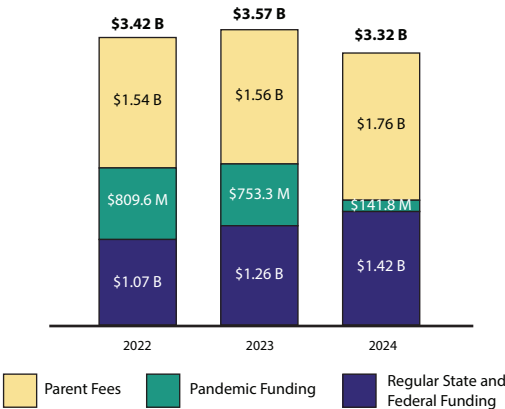
Georgia Dept
of Early Care
and Learning
BRIGHT FROM THE START

Gross Receipts and Economic Impact

Gross receipts capture the amount of resources going through an industry and are a first step in measuring the economic impact of that industry. ECE industry gross receipts totaled \$3.42 billion in 2022, \$3.57 billion in 2023, and \$3.32 billion in 2024, reflecting large swings in federal pandemic relief.

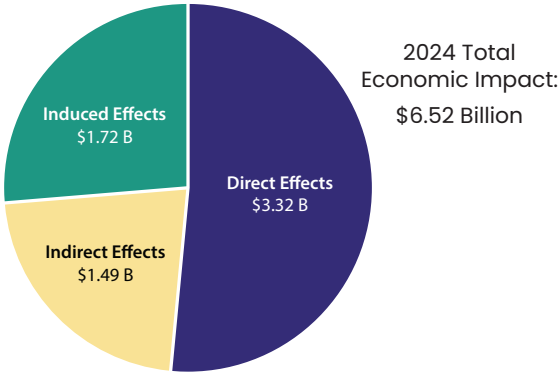
- State and federal programs, including Georgia’s Pre-K, Head Start, the Childcare and Parent Services (CAPS) program, and nutrition programs, provided \$1.07 billion in 2022, \$1.26 billion in 2023, and \$1.42 billion in 2024 in regular funding.
- Pandemic relief contributed an additional \$810 million in 2022, \$753 million in 2023, and \$142 million in 2024, temporarily transforming the industry’s financial structure.
- Parent fees, which typically represent around 60% of industry revenues, dropped to 45% in 2022 and 44% in 2023 during peak relief funding, then rose to 53% in 2024 as federal support phased out.

Funding Sources for the ECE Industry in Georgia, 2022–2024



Programs in the industry also purchase items and services from businesses outside of the ECE sector (indirect effects), and these expenditures “ripple” through the economy as workers in these industries receive wages and spend some of their income purchasing even more goods and services (induced effects). The research team used IMPLAN, a widely used and accepted input-output model, to estimate the indirect and induced effects of the ECE industry. These estimates show the industry’s reach beyond simply its spending.

Total Economic Impact of the ECE Industry in Georgia, 2024



- In 2024, Georgia’s ECE industry generated \$6.52 billion in total economic impact, which includes \$3.32 billion in direct spending and an additional \$3.21 billion in indirect and induced effects across the state economy.
- The industry’s output multiplier in 2024 was 1.97, meaning that for every \$1 of direct spending in the ECE industry, an additional \$0.97 of economic activity was generated in other sectors.
- Total economic impact grew by roughly \$1.8 billion from 2014 to 2024, peaking in 2023 due to federal pandemic relief.
- In 2024, the ECE industry supported over 72,800 jobs in Georgia, encompassing early care staff as well as workers in businesses indirectly affected by the industry’s economic activity. For every 100 jobs within the ECE industry in Georgia in 2024, another 30 jobs were supported in other industries.
- In 2024, the industry generated roughly \$651.2 million in federal tax revenue and \$307.3 million in state and local tax revenue, demonstrating its significant contribution to Georgia’s economy.

