

A Statewide Profile of the Early Care and Education Industry in Georgia

A research study, *The Economic Impact of the Early Care and Education Industry in Georgia*, by the Child Policy Partnership, consisting of researchers from the University of Georgia and Georgia State University, was commissioned by Bright from the Start: Georgia Department of Early Care and Learning (BftS) and examined the economic impacts and characteristics of this robust industry in Georgia. As part of this study, licensed and/or regulated early care and education providers were surveyed. This policy brief describes the industry by detailing several of the statistical findings from this study and the survey.

Across Georgia, the availability and use of child care varies dramatically by children’s ages. As shown in Table 1, for children from birth to age 3, 29% of Georgia’s population is enrolled in family child care and center-based programs (including Head Start and Early Head Start programs). Many more options are found in Georgia for four-year-old children including Georgia’s Pre-Kindergarten Program, Head Start, and private preschool classrooms. Of the close to 140,000 children aged four in Georgia, 81% are enrolled in early care and education programs. At 9%, school-age children, who would require only before- and/or after-school care, are the least likely to be enrolled in a program.

Table 1. Access				
Children	Pop. ¹	Estimated Enrollments ²		
		Family Child Care Homes	Center-Based Programs	% Pop. in Care
Birth–3	562,876	27,329	135,976	29%
Age 4	139,258	5,555	107,726	81%
Age 5–13	1,196,898	9,066	97,727	9%
In GA Pre-K ³			75,299	
In Head Start or Early Head Start ⁴			23,420	

Table 2. Services Provided Within Industry ²		
	Family Child Care Homes	Center-Based Programs
% of children receiving free or reduced-price lunch	24%	45%
% of children receiving child care subsidies from government	17%	18%
% of children with diagnosed disabilities	4%	4%
% of children whose first language is not English	3%	6%

A number of special services are provided by the early care and learning industry, including free or reduced-price lunch, child care subsidies, care for children with diagnosed disabilities, and English as a Second Language services. Table 2 details by child care setting the percentage of children receiving these services. These services enable families to maximize their tuition

dollars and may ultimately contribute to decreased costs for Georgia taxpayers once children are enrolled in school as services for disabilities and second language remediation may no longer be necessary.

by the Child Policy Partnership Juanita Blount-Clark, UGA ▪ Angela Fertig, UGA ▪ Stacey Neuharth-Pritchett, UGA ▪ Sally Wallace, GSU



Table 3. Measures of Quality

	Family Child Care Homes	Center-Based Programs
% of providers with a quality designation in 2007	4%	12%
% of caregivers/teachers with college degrees ²	25%	45%

Table 3 provides two indicators of the quality of early care and education programs in the state. 4% of family child care homes and 12% of center-based programs had a quality designation in 2007, including accreditation from the National

Association of Family Child Care, the National Association for the Education of Young Children, the National AfterSchool Association, and quality designations from BftS. 25% of caregivers in family settings and 45% of teachers in center settings have a technical college diploma, associate degree, bachelor's degree, or higher level of education. Teachers in the Georgia Pre-K Program are included as center teachers and make up a large proportion of the center teachers with college degrees.

Data from the survey (shown in Table 4) indicated that the median costs for child care for infants (birth–23 months) was \$4,320 for family child care homes and \$5,160 for center-based care. These figures represent between 7 and 8.5% of median family income in the state.

Table 4. Cost of Child Care

	Family Child Care Homes	Center-Based Programs
Median annual costs for an infant (birth–23 months) ²	\$4,320	\$5,160
Median annual costs for a toddler (2–3 yr olds) ²	\$4,080	\$4,800
Per child allocation for Georgia Pre-K in 2008 ³	–	\$4,111

The median costs for 2–3 years olds in Georgia were \$4,080 for family-based care and \$4,800 for center-based care. The per child allocation for children enrolled in the Georgia Pre-Kindergarten Program was \$4,111.

Table 5. Economic Impact of Industry

Gross receipts of industry	\$2.4 billion
Total economic impact of industry	\$4.1 billion
Earnings of families with children under 6 & all parents working ⁵	\$32.7 billion
Federal, state, and local tax revenues generated by industry	\$117.0 million

Finally, Table 5 presents several measures of the economic impact of the industry. The data collected for the larger study indicates that the annual total level of gross receipts for the industry is \$2.4 billion, which represents the amount of economic activity generated by early care and education providers through their employment of teachers, caregivers, support staff, contracted services, and the like. Further economic activity associated with the industry, including fueling expansions in other sectors and spending by the industry's workforce, adds another \$1.7 billion to Georgia's economy. Thus, the industry is responsible for generating a total of \$4.1 billion of economic activity

in the state each year. In addition, one estimate of the level of parents' annual earnings that are supported by the availability of child care in Georgia is \$32.7 billion. Finally, the early care and education industry itself generates \$117 million in federal, state, and local tax revenues.

CONCLUSIONS

This policy brief provides unique data on Georgia's early care and education industry, demonstrating the access, diversity of services and quality of care provided to children, and the economic impact of the industry. While fees, and correspondingly wages, in the industry are relatively low, the overall economic impact of the industry is substantial at \$4.1 billion per year.

¹U.S. Department of Health and Human Services, Centers for Disease Control, National Center for Health Statistics, Bridged-race population estimates. Accessed at <http://wonder.cdc.gov/bridged-race/v2006.html> on April 15, 2008.

²Early Care and Education Industry Economic Impact Survey, 2007.

³Bright from the Start administrative data.

⁴U.S. Administration of Children and Families Region IV Office, 2008. Data could not be disaggregated by type of care setting.

⁵Estimated using U.S. Census, American Community Survey 2006, Public Use Microdata Sample.

Copies of the executive summary and the full report are available on the Bright from the Start website (www.decal.state.ga.us) or from the Research and Evaluation Specialist at Bright from the Start. Call 404-656-5957 or send a written request to: Research Specialist, Bright from the Start, 10 Park Place, Suite 200, Atlanta, GA 30303. For additional information about the study, contact Juanita Blount-Clark at the Carl Vinson Institute of Government, University of Georgia, at jclark@cviog.uga.edu or 404-463-6805.