

A young child with brown hair and a blue jacket is smiling and holding onto a yellow playground structure. The background is a bright yellow wall with a large circular cutout showing the child. The text is in the top right corner.

THE ECONOMIC IMPACT

of Georgia's Early Care
and Education Industry

2022–2024

Summer 2026

Acknowledgements

This study is a collaboration between Georgia State University's Andrew Young School of Policy Studies and the University of Georgia's Carl Vinson Institute of Government.

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The Research Team thanks the Georgia Department of Early Care and Learning for providing much of the data used in this analysis and conducting preliminary data analyses.

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Suggested Citation:

Andrew Young School of Policy Studies, Georgia State University and Carl Vinson Institute of Government, University of Georgia. 2026. *The Economic Impact of Georgia's Early Care and Education Industry, 2022–2024*. Atlanta: Georgia Department of Early Care and Learning.



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Executive Summary

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.

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.

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.

- 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.



Introduction

THE EARLY CARE AND EDUCATION (ECE) INDUSTRY SERVES AS 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 ensuring a stable labor force. Working parents need reliable child care that ensures their children's safety and supports healthy development. In addition, the ECE industry generates economic activity through employment and spending on facilities, materials, and services, creating a ripple effect that supports local businesses and communities. Georgia's ECE industry employs thousands of teachers, administrators, and support staff throughout the state's 159 counties. These workers spend their earnings in the state, which in turn produces additional employment and spending opportunities in other sectors of the economy.

This study examines the size and short-term economic impact of the ECE industry in Georgia over calendar years (CYs) 2022–2024.¹ These years were marked by the tapering down of unprecedented federal support for families and early care providers that had stabilized the ECE industry during the COVID-19 pandemic and the subsequent recovery period. 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. During this period, DECAL made over 850,000 payments to ECE providers, families, and members of the early care workforce.² These funds stabilized thousands of ECE providers by subsidizing payroll, covering operational costs, and supporting families with tuition assistance. These measures kept thousands of ECE providers open and helped retain a critical workforce.

Most of this federal support expired in September 2023, with all supplemental funding ending by October 2024. In anticipation of these deadlines, DECAL implemented several measures to strengthen the ECE infrastructure in Georgia and help ease the impact of the cessation of federal supplemental funding on providers and families. First, timelines were communicated well in advance, helping providers and families anticipate financial changes. Second, Georgia gradually phased out temporary initiatives that had covered the full cost of care for children from low-income families—measures that had significantly lowered costs for families and stabilized provider income.

1 In addition to short-term economic impact, the early care and education industry provides long-term benefits to children, families, and society through increases in short-term and long-term worker productivity and reductions in spending on social services. It is beyond the scope of this study to capture such effects, and the figures cited in this report do not include these additional benefits.

2 Georgia Department of Early Care and Learning. 2025, May 15. Board of Early Care and Learning Slide Presentation. Retrieved from www.dec.al.gov/documents/BoardMeetings/2025-05-15_Board_Presentation.pdf. Slide # 15.

This phase-out began in mid-2023, giving families and providers time to adjust. The state also gradually rolled back expanded eligibility criteria for these programs, which had temporarily extended such coverage to more families. Third, the state revised the structure of payments to Quality Rated providers. Quality Rated is Georgia's quality rating and improvement system for ECE programs. Under this system, providers who achieve higher Quality Rated star ratings receive more funding for low-income students, reflecting their commitment to meeting elevated standards. Finally, DECAL emphasized strategic investments in Georgia's ECE infrastructure through grant programs that used federal relief funding for teacher training and classroom coaching, improved classroom furnishings and materials, and facility upgrades, such as enhanced playgrounds and ventilation systems. These efforts helped build lasting capacity within Georgia's early care and education system in preparation for the expiration of elevated federal funding.

While the effectiveness of state strategies to prepare families and ECE providers for the withdrawal of enhanced federal support will become clearer over time, this report shows the economic impact of the ECE industry in Georgia during the height of federal pandemic funding in 2022 and as that federal support began to taper down in 2023 and cease completely in 2024.

The report begins by estimating the gross receipts of the ECE industry in Georgia, which captures the amount of resources going through the industry and is the first step in measuring an industry's economic impact. Gross receipts for the ECE industry, which totaled \$3.4 billion in 2022, \$3.6 billion in 2023, and \$3.3 billion in 2024, are the sum of parent fees and federal and state payments to programs.

Gross receipts are an essential gauge of the ECE industry's economic value to the state, but they only show part of the picture. Programs in the industry also purchase items and services from businesses outside of the early care and education sector, and these expenditures "multiply" or "ripple" through the economy as workers in these industries receive wages and spend some of their income purchasing even more goods and services. Thus, the analysis uses gross receipts to calculate the total economic impact of Georgia's ECE industry over the study period, employing IMPLAN, a widely used and accepted input-output economic model that allows researchers to estimate the broader effects of an industry beyond simply its spending. Overall, the analysis shows that the economic impact of Georgia's ECE industry peaked at about \$7 billion in 2023, before dropping back to \$6.5 billion in 2024 as pandemic-related federal funding ceased.

Complicating these estimates are demographic and economic forces affecting the industry in both the US and Georgia during the study period, such as post-pandemic inflation and a declining population of young children. Thus, the report includes an analysis of socioeconomic and population trends impacting the ECE industry in Georgia over time, highlighting patterns that are likely to shape the industry in the coming years.

This report is the final in a three-part series examining the effects of the COVID-19 pandemic and subsequent recovery on Georgia's early care and education industry. The first report, published in February 2024, assessed the initial impact of the pandemic in 2020;³ the second, released in February 2025, analyzed the industry's short-term economic impact in 2021, as the country, Georgia, and the industry were emerging from the COVID-19 pandemic.⁴ This final phase focuses on the size, scope, and economic contribution of Georgia's ECE industry from 2022 to 2024, a period marked by the gradual tapering of federal pandemic relief funding, which ended

3 Georgia State University, Andrew Young School of Policy Studies & University of Georgia, Carl Vinson Institute of Government. 2024, February. *Initial Impact of the COVID-19 Pandemic on Georgia's Early Care and Education Industry*. DECAL.

4 Georgia State University, Andrew Young School of Policy Studies & University of Georgia, Carl Vinson Institute of Government. 2025, February. *Short-Term Economic Impact of Georgia's Early Care and Education Industry in Georgia in 2021*. DECAL.

entirely in 2024. Commissioned by DECAL, the study builds on earlier economic impact reports completed in 2008, 2016, 2024, and 2025, and relies on data collected by DECAL from providers, along with preliminary analyses from DECAL's internal research team. This study was conducted by a joint research team from Georgia State University's Andrew Young School of Policy Studies and the University of Georgia's Carl Vinson Institute of Government.

Defining the Early Care and Education Industry in Georgia

Consistent with earlier studies, the ECE industry is defined as all early care and education programs licensed or regulated by DECAL, including programs serving children ages birth to 5 for full weekday care as well as programs serving school-age children up to age 13 before and after school and during the summer.

Thus, the industry described in this study comprises four primary types of providers:

- **Child care learning centers** are state-licensed programs operated by a person, society, agency, corporation, institution, or group that receives pay for group care. Child care learning centers care for seven or more children under the age of 14 for fewer than 24 hours per day.
- **Family child care learning homes** are state-licensed programs that operate in a private residential home fewer than 24 hours per day and provide care for three to six children under the age of 14 for pay.
- **Georgia's Pre-K Program** is a voluntary, universal educational program for Georgia's 4-year-olds to prepare children for kindergarten. The program is funded by the Georgia Lottery for Education. Georgia's Pre-K classrooms can be housed in public schools or in private child care learning centers.
- **Early Head Start and Head Start** sites are federally funded programs that provide comprehensive early childhood and family development services to children from birth to 5 years old, pregnant women, and families. Most meet state licensing requirements. In Georgia, many Head Start providers work with Georgia's Pre-K programs to braid funds to increase the services that they can provide. Head Start and Early Head Start can be housed in child care learning centers, in family child care learning homes, in public schools, or in license-exempt child care centers.

In the analyses detailed in this report, providers are grouped into three categories: center-based locations, home-based locations, and school-based Pre-K locations.

This definition of the industry does not include providers exempt from DECAL regulation and licensing that do not offer full-day care, but it does include exempt providers included in the DECAL licensing database like Georgia's Pre-K providers based in public schools, some Head Start and Early Head Start providers, and certain other center-based exempt providers with some form of governmental oversight (e.g., the Department of Defense).

The following types of care are NOT included in this analysis:

- Nonlicensed, nonregulated care
- Part-time or drop-in care
- Care provided by grandparents or other relatives, whether paid or not, or any in-home care for fewer than three unrelated children for pay, even if they receive funding through the federal Childcare and Parent Services (CAPS) program⁵
- Businesses that do not provide full-day care but do provide camps or afterschool programs

Further, the parent fees discussed in this report are only those associated with weekday full-time care for private enrollment birth through age 5, before- and afterschool care for Georgia's Pre-K students at private providers, and afterschool and summer care for school-age children at these same providers. Some providers offer other services like sick or nighttime care, and the revenues associated with these services are not included. Due to data limitations, analyses of providers serving specific age groups, and the associated parent fees, consider only child care learning centers and family child care learning homes. Data on the age groups served by school-based and other center-based providers were not available. Thus, these centers were excluded from the corresponding calculations.

This definition of the industry, and the data provided, determines the number of businesses whose revenues are included in the estimates of gross receipts. The early care and education industry creates economic impact in a variety of ways that are hard to quantify. In those instances, following the strategies employed for previous economic impact studies, the research team did not attempt to estimate these impacts and simply excluded them.

The following are the primary economic inputs excluded from this analysis:

- Any tuition, business expense, or wages associated with informal and unlicensed care, including family, friend, and neighbor (FFN) providers
- Any tuition, business expenses, or wages associated with afterschool or summer care occurring at exempt locations (Afterschool programs at public schools, operating as exempt, are a prominent example.)
- Any revenues or parent fees associated with part-time, weekend, nighttime, or sick care
- Parent fees associated with school-based and certain other center-based exempt providers

Due to these exclusions, this analysis understates the total size and scope of providing early care and education in Georgia.

⁵ A friend, family, or neighbor (FFN) provider is an informal type of care arrangement made between a parent or caregiver and a family member, a friend, or a neighbor to care for young children. If the parent is eligible for federal child care subsidies through the CAPS program and would like to use an FFN provider as their subsidy provider, the parent and the FFN provider must officially register, and the provider must meet a set of specific requirements. FFN caregivers are essential to the care ecosystem and are often the first choice for many families. For more information about FFN care, see Natalie Renew, 2023, *Diving into the Data: How Data Can Shift the Narrative for Home-Based Child Care*, Home Grown: homegrownchildcare.org/diving-into-the-data-how-data-can-shift-the-narrative-for-home-based-child-care/

Data Sources

The analyses in this study draw on multiple data sources. Provider counts and other provider characteristics come from monthly DECAL licensing file data, and weekly price data are taken from the 2021 and 2024 Georgia Market Rate Surveys conducted by Care Solutions. DECAL Kids Online Administrative Licensing Application (KOALA) data files were used to estimate inflation in child care rates by age group and to impute prices in years without a market rate survey. The impact analyses rely on US Census population data for the number of parents and birth-through-age-5 children.

Several key metrics serve as baseline measures to assess the impact of Georgia's ECE industry. These include the number and types of DECAL-licensed or -regulated providers, the number of children served in each age group, the shares of the state's child population served, the number of educators and support staff employed in the industry, and annual industry revenue.

The economic impact analyses rely on data collected for 2022–2024, and all economic impact numbers are intended to represent the entire corresponding calendar year. Consistent with prior studies of Georgia's ECE industry, gross receipts are used to measure industry size and as the main input for estimating total direct economic impact. Gross receipts represent the sum of parent fees and federal, state, and local payments to providers.

Data Sources Used in This Study

- DECAL licensing file data: monthly
- 2016, 2021, and 2024 Georgia Market Rate Surveys conducted by Care Solutions: weekly prices
- US Census Bureau: county population by characteristics
- American Community Survey: household and wage data, 1-year and 5-year estimates
- IMPLAN web app, 2023 data year, using inputs provided by the research team and IMPLAN Group LLC
- KOALA data files
- DECAL-provided data on state and federal funding amounts
- DECAL CAPS enrollments data
- Provider monitoring visit data
- Bureau of Labor Statistics: local area unemployment statistics, Current Population Survey, Consumer Price Index
- US Bureau of Economic Analysis: wage data
- Georgia Department of Health OASIS: birth data

Estimating Economic Impact

This report uses a standard, well-respected method for determining the short-term economic impact of the early care and education industry in Georgia. This method, based on enrollment and weekly average tuition rates, has been used before to measure the size of the ECE industry in Georgia and other states. It is designed to estimate the total amount of parent fees being paid to providers for care. Federal and state funding are added to that total to represent the aggregate level of gross receipts received by providers in each year studied.

IMPLAN, a widely used and accepted input-output economic model, enables researchers to go beyond measuring economic impact simply by gross receipts. It allows researchers to estimate the indirect effects and induced effects of an industry. In this analysis, indirect effects refer to the increased demand for goods and services by firms that are suppliers to the early care and education industry. Induced effects refer to changes in the broader economy due to the spending of employees in both the ECE industry and those industries that do business with the early care and education industry.

Report Organization

Chapter 1 provides an analysis of the size of the early care and education industry in Georgia for years 2022–2024. This chapter includes estimates of the number and types of providers, the children and families they serve, and licensed capacity across the state for each of the three study years. These factors set the stage for understanding the industry’s economic impact and its critical role in supporting families throughout Georgia.

Chapter 2 estimates the gross receipts of the early care and education industry in Georgia for years 2022–2024, which totaled \$3.4 billion, \$3.6 billion, and \$3.3 billion, respectively. This chapter details both regular state and federal funding for the industry as well as pandemic-related supplemental federal funding. Also included is an estimate of parent fees collected in each of the three study years.

Chapter 3 describes the economic model used to calculate the immediate impacts of the early care and education industry on the state’s economy and provides an estimate of the industry’s total economic impact in Georgia in each of the three years of interest. This chapter also compares the total economic output of the industry over the last 10 years.

Chapter 4 examines the economic and demographic forces shaping Georgia’s early care and education industry. The chapter details workforce trends, household characteristics, population growth, and the distribution and diversity of young children, explaining how these factors influence the demand for ECE services across the state.

The final section concludes the report with key insights and trends from the three study years.



Chapter 1

The Size of Georgia's Early Care and Education Industry, 2022–2024

THE EARLY CARE AND EDUCATION INDUSTRY IS AN IMPORTANT ECONOMIC DRIVER, touching the lives of hundreds of thousands of families in every part of the state, employing more than 56,000 workers, and generating millions of dollars in tax revenues each year. This chapter uses a variety of metrics to explore the size and reach of the ECE industry in Georgia over the years 2022–2024, as the unprecedented federal support that had sustained the sector during the COVID-19 pandemic began to phase out.

Before estimating gross receipts and then applying the IMPLAN model to calculate an industry's short-term economic impact, it is important to understand the scale and reach of that industry. The number of early care and education programs and number of children and families served are all important factors in calculating and understanding the ECE industry's economic impact in Georgia. Thus, this chapter estimates the size and scope of the industry based on these metrics to provide context for the economic impact analysis that follows. Chapter 4 provides additional details about economic and demographic trends in Georgia during the study period that are likely to affect the early care and education industry in the years ahead.

This chapter highlights the following key trends in Georgia's ECE industry over the 2022–2024 study period:

- The state had 5,281 licensed or regulated providers in 2022, increasing slightly to 5,346 in 2024. Urban counties accounted for more than three-quarters of all providers, with modest growth in the number of center-based providers offsetting declines in home-based care.
- 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 of providers able to accommodate that age group.
- Total licensed capacity increased by 5.7% from 369,249 in January 2022 to 390,175 in January 2025. Home-based care represents less than 2% of total capacity and continued to decline slightly, while center-based care grew modestly.
- Georgia's birth-to-age-5 population declined by 1.6% from 2020 to 2024, reaching 771,172 in 2024, reflecting ongoing demographic shifts affecting ECE demand.
- The number of children served stabilized at pre-pandemic levels, with 336,000 children enrolled in 2024. Enrollment varied dramatically across age groups, increasing with age from birth through age 4.
- Early care and education supports working parents across Georgia. In 2023, an estimated 366,328 households with children under age 6 had at least one parent in the labor force, with total wages supported by the availability of early care and education estimated at \$46.2 billion.

Number of Early Care and Education Providers, 2022–2024

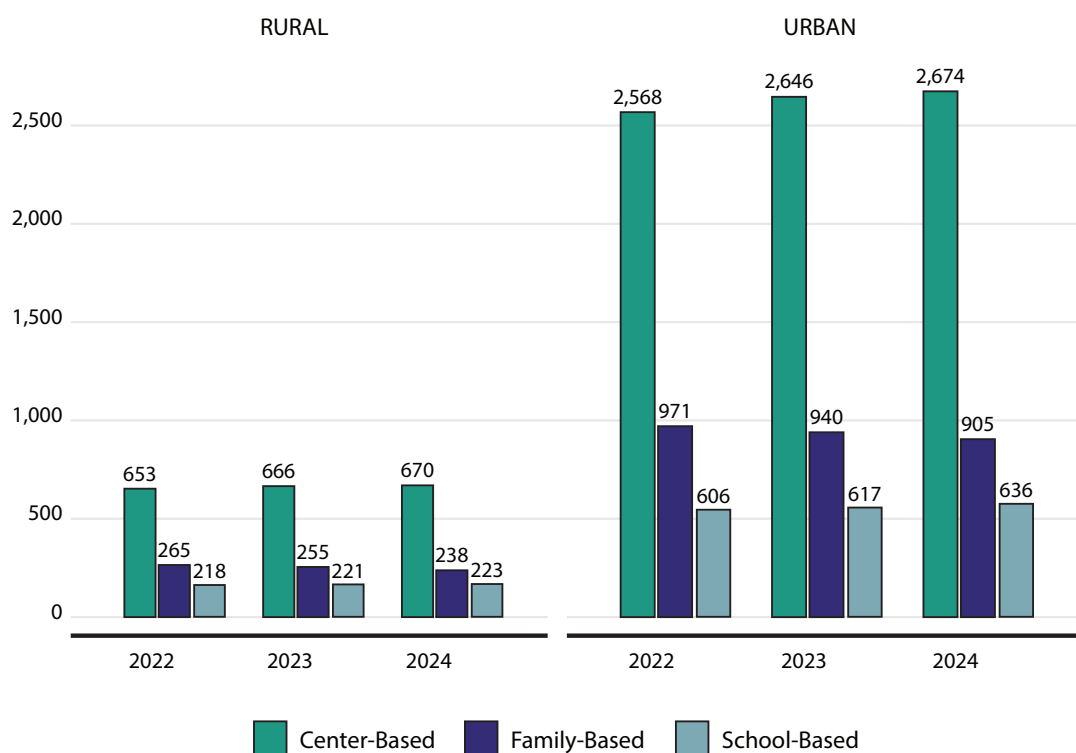
The ECE industry is made up of center-based and home-based providers. In addition, many elementary schools in Georgia provide learning and care to 4-year-olds through the free Georgia’s Pre-K Program, funded by the state lottery.

Figure 1 shows the number of center- and home-based providers as well as the school-based Georgia’s Pre-K Program providers located in urban and rural counties for each year between 2022 and 2024. Providers are defined as “rural” if they are located in a county with a population below 50,000 or as “urban” if they are located in a county with a population of 50,000+. Not surprisingly, over three-quarters of the providers are located in urban counties.⁶

The state had 5,281 licensed or regulated providers in 2022, a slight drop from 5,307 providers in 2021. This figure increased to 5,345 licensed or regulated providers in 2023 and 5,346 in 2024. In each of the three years studied, the number of home-based providers declined slightly, with a more than offsetting increase in the number of center-based providers. Increases in the number of providers were more pronounced in urban areas. These modest increases continue the trend of slow consolidation toward fewer but larger providers. The most recent data show this pattern continuing, with a steady decrease in the number of home-based providers and a slow increase in center-based providers.

6 Based on updated population counts from the 2020 US Census, Liberty and Camden counties—classified as rural in earlier economic impact studies—are now considered urban. This reclassification accounts for some of the observed increase in urban providers and corresponding decrease in rural providers compared to prior reports. Beginning with the 2022 analysis, a total of 80 providers shifted from rural to urban: 14 center-based, 9 school-based, and 3 home-based providers in Camden County; and 23 center-based, 1 school-based, and 30 home-based providers in Liberty County.

Figure 1. Count of ECE Providers in Georgia by Type and Urban/Rural Status, 2022–2024



Source: DECAL monthly licensing data, 2022–2024

Note: For this analysis, providers were counted based on the number of months they were open. A provider that operated for a full year counted as one; providers open for partial years were counted based on the fraction of the year open, and the totals were rounded.

Providers are defined as “rural” if they are located in a county with a population below 50,000 or as “urban” if they are located in a county with a population of 50,000+.

These ECE providers choose to supply different services. Table 1 shows the count of providers serving each age group during each of the three study years. Table 1 counts include only child care learning centers and family child care learning homes. School-based providers and other center-based providers that did not indicate which age groups they served in the licensing files are excluded. The most frequent age group served was preschool, with at least 76% of licensed or regulated providers in the state offering care for that age group in each of the three years studied. The preschool care category only includes 4-year-olds not enrolled in Georgia’s Pre-K Program, so that share is even higher when accounting for school- and center-based Pre-K providers. Infants are the age group least likely to be served, with approximately two-thirds of providers offering care for that group. These shares held relatively constant across the three years.

**Table 1. Number of Providers Serving Age Groups in Georgia,
2022–2024, by Urban/Rural Status**

Center-Based Providers by Age Group Served

Age Group	2022		2023		2024	
	Urban	Rural	Urban	Rural	Urban	Rural
Infants (0m–12m)	1,941	439	1,977	446	1,990	448
Toddlers (13m–35m)	2,108	475	2,149	483	2,163	488
Preschool (36–47 months and 4 years, not in Georgia's Pre-K)	2,316	573	2,358	582	2,374	585
Georgia's Pre-K, before- or afterschool care	916	97	932	94	953	87
School age (5–13 years)	2,348	514	2,434	527	2,460	533
School age (5–13 years), summer care	998	211	951	199	915	188

Family-Based Providers by Age Group Served

Age Group	2022		2023		2024	
	Urban	Rural	Urban	Rural	Urban	Rural
Infants (0m–12m)	835	229	806	216	774	200
Toddlers (13m–35m)	944	254	916	244	880	228
Preschool (36–47 months and 4 years, not in Georgia's Pre-K)	932	257	904	247	875	231
School age (5–13 years)	744	208	730	205	705	190
School age (5–13 years), summer care	295	109	265	99	251	91

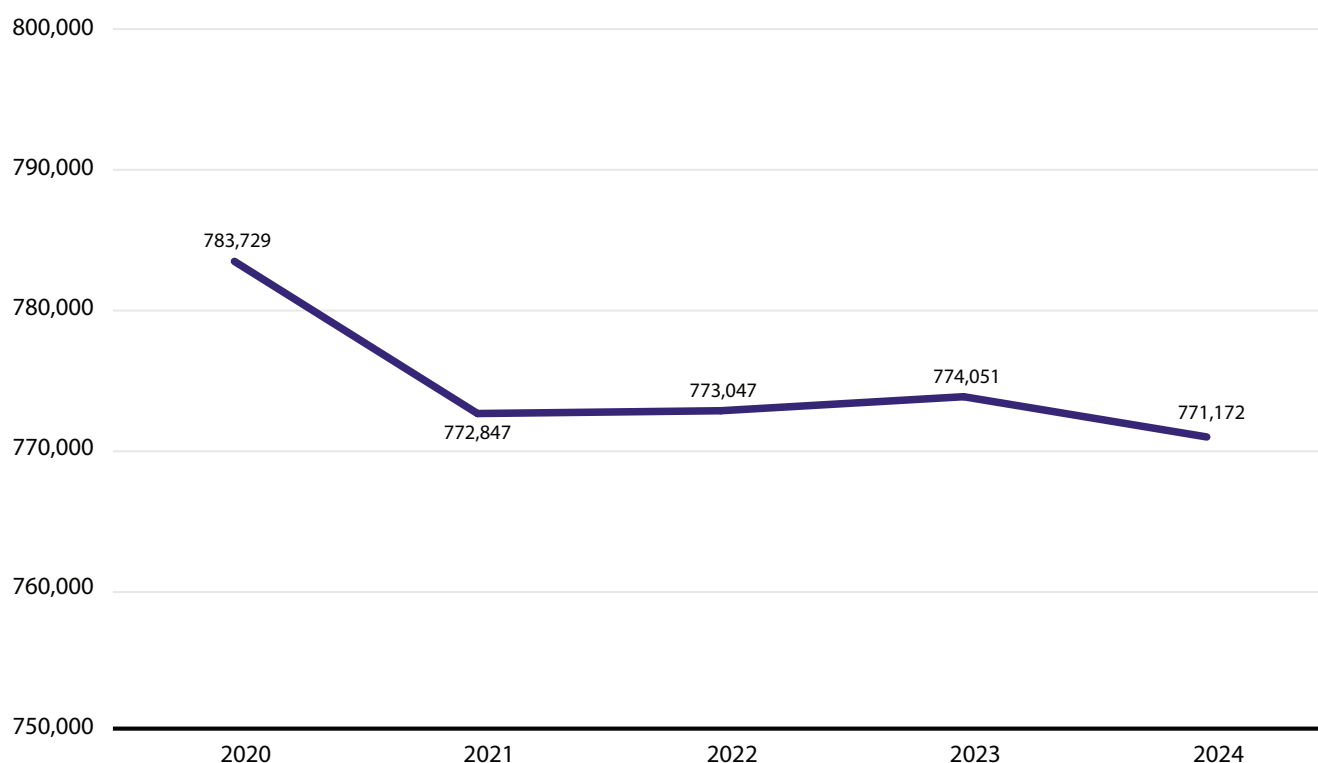
Source: DECAL monthly licensing data, 2022–2024

Notes: For this table, providers were counted based on the number of months they were open. A provider that operated for a full year counted as one; providers open for partial years were counted based on the fraction of the year open, and the totals were rounded. Totals include only child care learning centers and family child care learning homes. Providers are defined as “rural” if they are located in a county with a population below 50,000 or as “urban” if they are located in a county with a population of 50,000+. School-age summer care indicators were not included in the licensing data; thus, these counts are estimated using provider extract data from the end of 2021 and beginning of 2025.

Georgia’s Child Population, 2022–2024

The population of children ages birth through 5 in Georgia is the primary source of demand for the industry. The growth or decline in the number of families with small children and the population of these young children drive fundamental changes in the need for early care and education. The pre-existing declining trend in the birth-through-age 5 population accelerated in 2021, dropping 1.4% from the previous year, possibly due to the pandemic. In 2022 and 2023, the number of children in this age range increased slightly before dropping again in 2024 to 771,172. Overall, from 2020 to 2024, the birth–5 population in Georgia dropped 1.6%.

Figure 2. Georgia's Population Birth Through Age 5, 2020–2024



Source: Kids Count Data Center, based on population estimates from the US Census Bureau (August 2024 update).

Note: Numbers from 2020 and 2021 differ from those reported in earlier reports in this series due to revised numbers from the US Census Bureau.

According to the Kids Count Data Center, approximately 33% of children ages 0–4 living in Georgia in 2024 were African American, 40% were White, 17% were Hispanic/Latino, and 5% were Asian. Georgia children from all racial and ethnic groups are living in families that face economic challenges. In 2024, approximately 25% of children under age 6 in Georgia were living in low-income working families, down from 26% in 2022. Approximately 17% of children birth to age 5, or 122,000 Georgia children, were living in poverty in 2024. These figures are noticeably lower than 2021 estimates of 22%, approximately 167,000 birth-to-age-5 children, living in poverty.⁷ Chapter 4 provides additional details about the child care population in Georgia and demographic trends likely to impact the ECE industry in the coming years.

⁷ See Kids Count Data Center from the Annie E. Casey Foundation: datacenter.aecf.org. A “low-income working family” is defined as a family with an income of less than 200% of the federal poverty line and at least one parent working 50+ weeks the previous year. “Living in poverty” is defined as an annual salary at or below the federal poverty level based on family size and composition.

Children Served by the ECE Industry in Georgia, 2022–2024

In the pre-pandemic era, the early care and education industry in Georgia typically served roughly 340,000 children annually, but this number dropped to approximately 309,000 children in 2021, likely due to the ongoing pandemic. In 2022, the industry served about 327,000, rising to 330,000 in 2023 and 336,000 in 2024. Thus, over the three study years, the percentage of children served by the industry stabilized to pre-pandemic levels, if not increased.

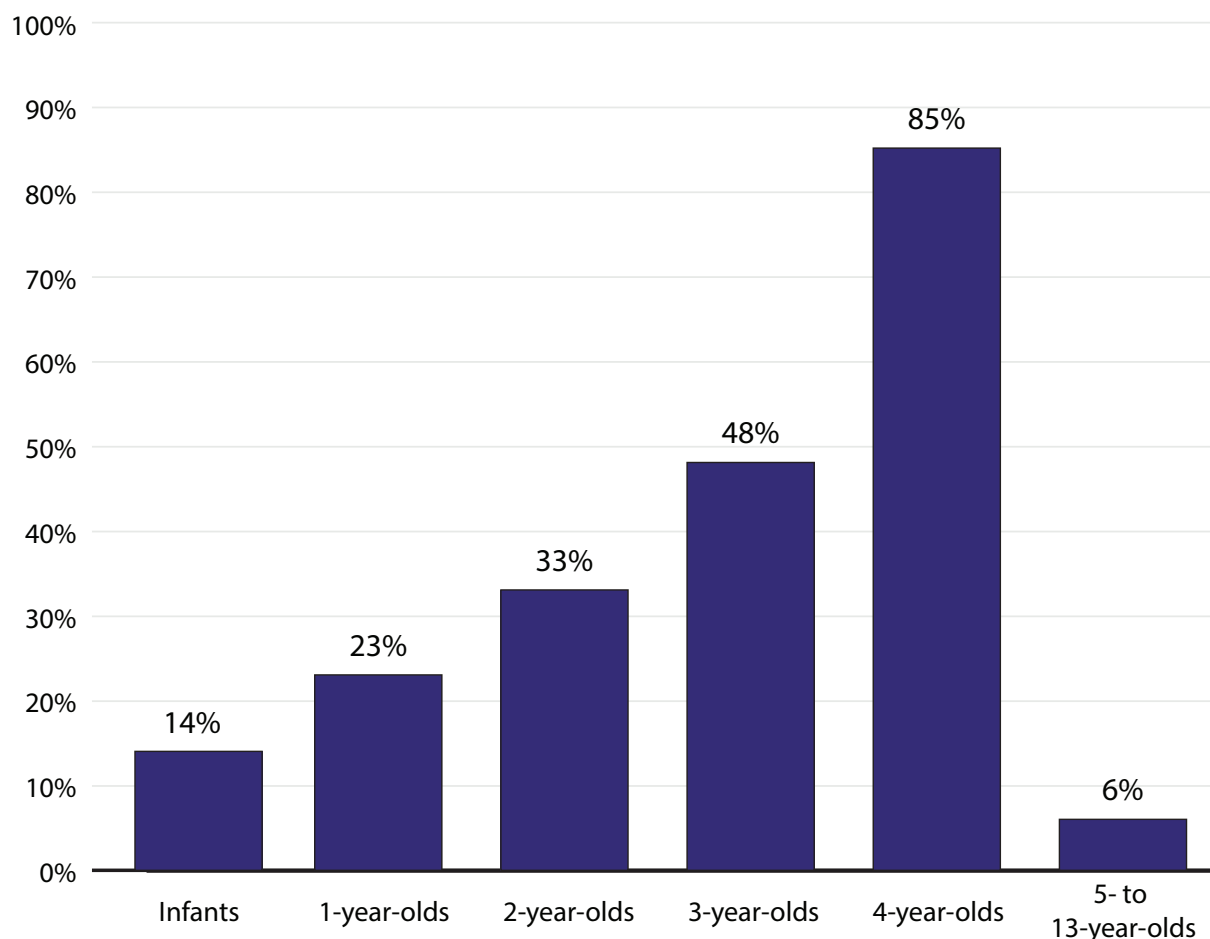
Enrollment in early care and education varies dramatically across age groups, increasing with age from birth through age 4. Table 2 presents the percentage of the population of children by age served by the ECE industry in Georgia for years 2022–2024, and Figure 3 shows these estimates visually for 2024.

Table 2. Age Groups and Percentages of Population Served by Licensed or Regulated ECE Providers in Georgia, 2022 to 2024

Age Group	2022		2023		2024	
	Population Estimate	Percentage Served	Population Estimate	Percentage Served	Population Estimate	Percentage Served
Infants	125,176	13.5%	125,342	13.2%	124,703	13.8%
One-year-olds	123,039	22.1%	127,471	21.7%	127,316	22.5%
Two-year-olds	126,999	31.2%	125,136	31.9%	128,765	32.7%
Three-year-olds	129,370	45.0%	129,152	45.4%	126,518	48.2%
Four-year-olds	132,977	84.6%	131,580	86.0%	130,668	85.2%
School age (5-to-13-year-olds)	1,280,647	5.7%	1,279,089	5.8%	1,274,706	5.9%

Sources: US Census vintage 2024 estimates. Enrollments estimated using (1) DECAL licensing and monitoring visit data, (2) DECAL administrative data for unique CAPS and Georgia’s Pre-K fall student counts, and (3) DECAL provider licensing files.

Figure 3. Percentage of Population Served by Licensed or Regulated ECE Providers in Georgia, by Age, 2024

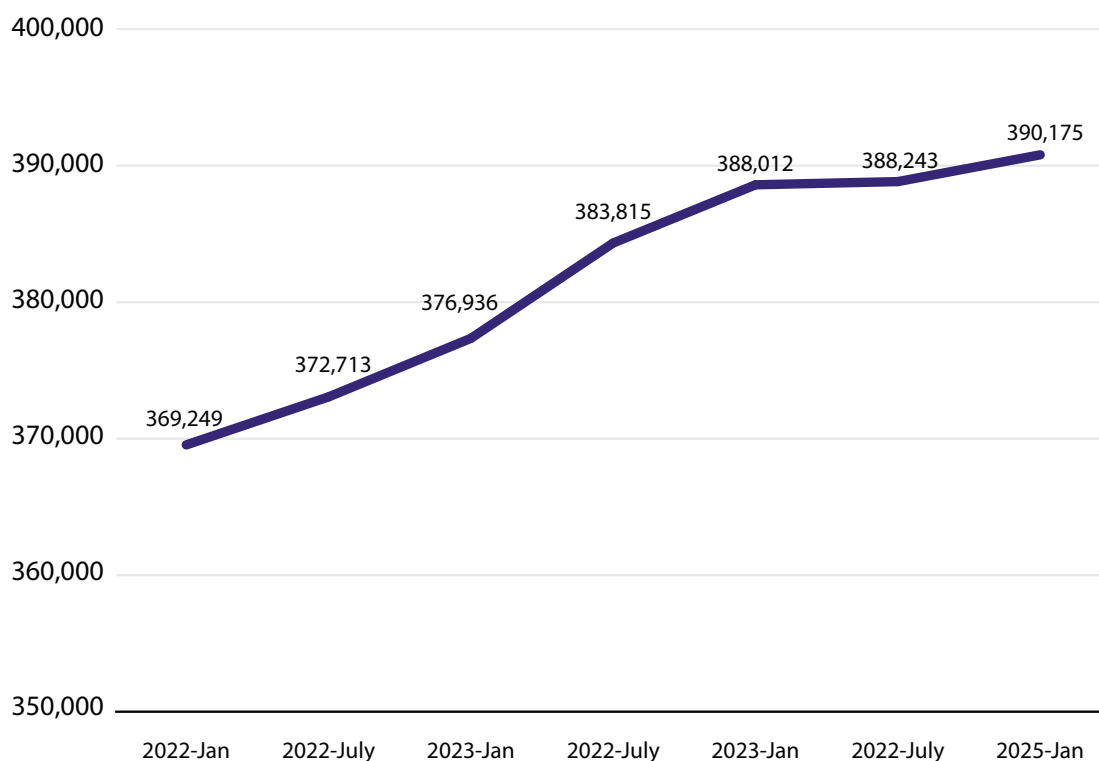


Sources: US Census vintage 2024 estimates. Enrollments estimated using (1) DECAL licensing and monitoring visit data, (2) DECAL administrative data for unique CAPS and Georgia's Pre-K fall student counts, and (3) DECAL provider licensing files.

Licensed capacity of programs, the maximum number of children a provider is legally allowed to care for at one time, is another way of understanding the supply of early care and education in the state. Examining changes in capacity over time provides additional insights into how the industry has recovered from the pandemic and how its size is changing.

Figure 4 shows licensed capacity over time, from January 2022 to January 2025. From the start of 2022 to the start of 2025, total licensed capacity in the state increased by 5.7%, from 369,249 in January 2022 to 390,175 in January 2025. Note that these estimates do not include Georgia's Pre-K classrooms located in public schools.

Figure 4. Licensed Capacity in Georgia Over Time, 2022–2024



Source: DECAL licensing data

Table 3 takes a deeper dive by comparing licensed capacity in January and December of 2024 by urban versus rural status and by center-based versus home-based care. As the table shows, total licensed capacity in the state in January 2024 was 388,012, 86% of which was located in urban areas. Licensed capacity rose slightly to 390,175 by December, a 0.56% increase. In addition, the table highlights that home-based providers serve a very small percentage of Georgia’s children, representing less than 2% of the licensed capacity in the state in 2024. This small proportion appears to be shrinking, with home-based capacity falling over the course of 2024, while center-based care showed a slightly more than offsetting increase in capacity. These findings reflect an ongoing steady decline in home-based providers in the US and in Georgia.⁸

Together, Figure 4 and Table 3 show that capacity continued to increase at a modest rate of 0.5% between January and December of 2024.

⁸ A national study found that 97,000 licensed family child care homes closed in the United States between 2005 and 2017, representing a 21% decrease. During the same period, the number of licensed center-based providers increased by 2%. Early reports in this research series found a similar trend in Georgia. National Center on Early Childhood Quality Assurance. 2019, October. *Addressing the Decreasing Number of Family Child Care Providers in the United States*. Retrieved from childcareta.acf.hhs.gov/sites/default/files/addressing_decreasing_fcc_providers_revised_final.pdf

Table 3. Licensed Capacity in Georgia by Provider Type and Urban/Rural Status, January 2024 versus December 2024

	January 2024			December 2024			Change Jan to Dec	Percent Change
	Urban	Rural	Total	Urban	Rural	Total		
Center-based	328,129	52,916	381,045	330,098	53,352	383,450	2,405	0.63%
Home-based	5,522	1,445	6,967	5,322	1,403	6,725	-242	-3.47%
Total	333,651	54,361	388,012	335,420	54,755	390,175	2,163	0.56%

Source: DECAL, January and December 2024 licensing data

Notes: Providers are defined as “rural” if they are located in a county with a population below 50,000 or “urban” if they are located in a county with a population of 50,000+.

“Center-based” numbers do not include public school-based Georgia’s Pre-K sites.

Note that licensed capacity does not necessarily represent the number of slots available for children. Licensed capacity in child care learning centers is determined by square footage, and some facilities may not be designed to hold their allowable number of children due to room configurations. Some programs may also choose to care for fewer children than are legally permitted in the facility. For example, accreditation standards require lower enrollments than the licensed capacity, so some programs voluntarily choose to limit enrollments to meet those standards. In addition, class sizes may be smaller than space would allow in order to accommodate the needs of younger children, especially infants.

Parents Served by Georgia’s ECE Industry, 2022–2024

Child care allows parents to work, both supporting their families and contributing to the state’s economic health. The number of parents served by the ECE industry and the wages they earn are another metric of the industry’s importance in Georgia.

According to data from the US Census Bureau, Georgia had 210,054 households with children under 6 years old and two parents in the labor force and 156,274 single-parent households with children under age 6 and that parent engaged in the labor force in 2023. Table 4 shows average household wages for each family type. The total wage and salary income of all of those households in 2023 was an estimated \$46.2 billion.

Table 4. Number of Georgia Households with Children Under 6 Years Old with Parent(s) in the Labor Force, 2023

	Number of Households	Average Household Wages	Estimate of Total Parents' Wages Supported
Two-parent families, both parents in the labor force	210,054	\$167,039	\$35.1 billion
Single-parent families, parent in the labor force	156,274	\$71,124	\$11.1 billion
Total			\$46.2 billion

Source: US Census Bureau

Note that this number is a very rough estimate of total parents' wages supported by the availability of early care and education in Georgia. On the one hand, this estimate using US Census data is likely conservative because some nonworking families utilize child care services and because many working parents rely on afterschool, before-school, and summer care for their school-age children. On the other hand, this estimate inherently includes care that is not part of the definition of the ECE industry used throughout this report, such as households that rely on nonlicensed, nonregulated care and those using informal care through grandparents, friends, or other relatives.

Conclusion

This chapter uses a variety of metrics to explore the size and scope of the ECE industry in Georgia over the three-year period from 2022 to 2024. The analyses suggest that the industry weathered and rebounded relatively well from the pandemic. The number of licensed providers remained largely stable, with modest increases in center-based programs offsetting continued declines in home-based care. Licensed capacity grew slightly during this period, suggesting steady recovery from the pandemic. Despite these increases, the total number of providers in the state remains slightly below pre-pandemic levels. Trends vary by provider type: center-based and school-based providers increased each year, while home-based providers continued to decline, consistent with national patterns.

Importantly, enrollment returned to pre-pandemic levels, with more than 330,000 children served annually by 2024. In 2023, this care enabled more than 575,000 parents to work, generating roughly \$46.2 billion in wages.

These measures of the industry's size in Georgia provide context for the estimates of industry gross receipts and short-term economic impact that follow.



Chapter 2

Estimating Gross Receipts for Georgia's ECE Industry, 2022–2024

THE SHORT-TERM ECONOMIC IMPACT OF GEORGIA'S EARLY CARE AND EDUCATION INDUSTRY is estimated using annual gross receipts. In this study, gross receipts represent the total resources flowing through the ECE industry from parent tuition payments and federal and state funding. This approach is widely used by researchers, including in economic impact studies conducted in other states, to measure the size of the early care and education industry.⁹

The following key findings are explored in this chapter for the years 2022–2024:

- Gross receipts of Georgia's ECE industry 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-related 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.

The information in the previous chapter about the size and scope of the industry provides context for these estimates as well as background for understanding where the numbers presented in this chapter come from. ECE programs collect monies from various sources and, in turn, spend those dollars on their employees' wages, transportation for their students, supplies, and other goods and services. Gross receipts include all revenues received by programs across the state and are nearly equivalent to the industry's aggregate expenditures. The gross receipts estimates produced in this chapter are then inputted into the IMPLAN model to calculate the total economic impact of the industry for the years 2022–2024 (see Chapter 3).

Gross receipts can be calculated in numerous ways depending on the data available, but in general they are the sum of federal, state, and local payments to programs; parents' fees; and contributions from companies, philanthropists, and other entities. Data on other contributions were not available for the study period at the time of publication, so these monies are not included in the calculations given in this report. However, other

⁹ For example, see The Conference Board. 2024. *Child Care in State Economies – 2024*. Retrieved from education.ced.org/child-care-in-state-economies

contributions accounted for less than 1% of the gross receipts of the ECE industry in Georgia in 2014, so this omission is unlikely to significantly affect the economic impact numbers.¹⁰

A variety of state and federal programs provide funds to ECE establishments in Georgia each year. Because these funds become part of the monies that the programs use to pay wages, purchase supplies, and operate their businesses, they are included in gross receipts and add to the industry's total direct economic impact.

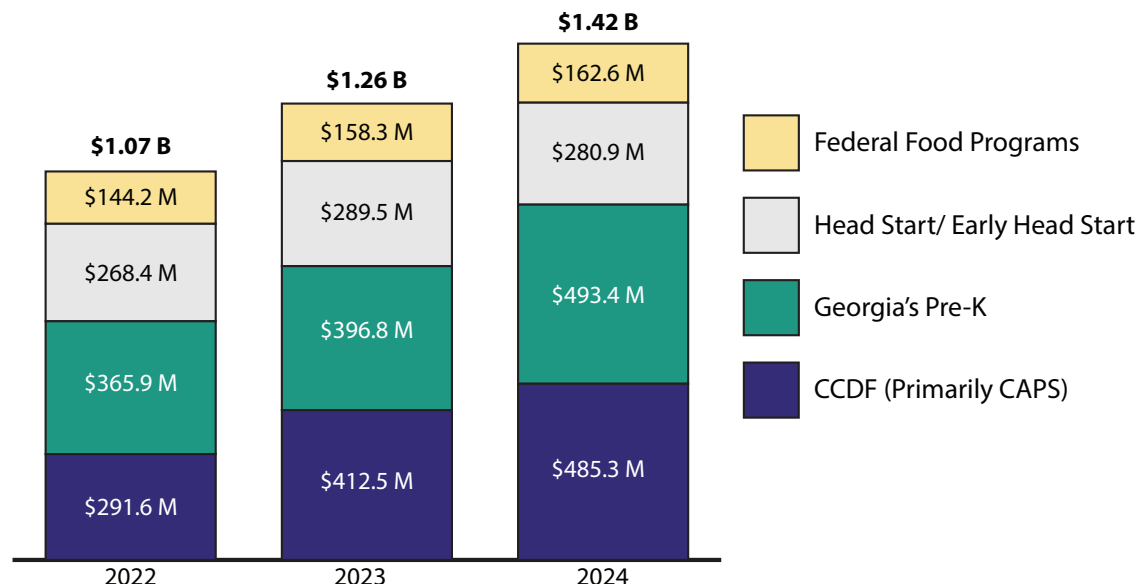
A total of \$1.88 billion in federal and state funding was included in the gross receipts for Georgia's ECE industry for calendar year (CY) 2022, a substantial increase over the \$1.42 billion in such funding in 2021. This figure further increased to \$2.01 billion in 2023 before substantially decreasing to \$1.56 billion in 2024. These large changes primarily reflect federal pandemic-related funding phasing in and out. The analysis that follows attempts to distinguish "regular" funding sources from temporary federal pandemic-related supplemental funding. However, because DECAL braided multiple funding streams—combining different federal and state sources to stretch resources and expand services—it is not always possible to separate the dollars cleanly. In addition, some programs, such as Head Start, reported only a single statewide total without separating out base annual allocations from pandemic-related supplements. As a result, the estimates of "regular" funding described below are likely somewhat overstated, and comparisons of "regular" funding between the study period and other years should be made with caution.

Regular State and Federally Subsidized Programs

Each year, Georgia's ECE industry is supported by four annual federal and state funding sources: Georgia's Pre-K Program; Head Start and Early Head Start; two federal food programs; and the Child Care and Development Fund, which is a federal block grant that supports the Childcare and Parent Services (CAPS) program and related quality initiatives. Figure 5 shows regular funding for the ECE industry in Georgia during the study period, which totaled \$1.07 billion in 2022, \$1.26 billion in 2023, and \$1.42 billion in 2024.

¹⁰ While data have not been available since 2014 for the research team to calculate this figure for Georgia, a 2022 report about private funding in the US child care system found a similar percentage. See Jacob L. Rosch, Marci Monaco-Vavrik, Ira Goldstein, and Kevin Reeves. 2022, January. *Capitalizing Child Care: The National Landscape of Grants, Loans, and Community Development Capital in Early Childhood Education*. Reinvestment Fund. Retrieved from [Capitalizing+Child+Care+Final+Report.pdf](#)

Figure 5. Federal and State Funding for the ECE Industry in Georgia, 2022–2024, Regular Annual Programs



Source: DECAL

These four regular state and federal funding sources for the ECE industry in Georgia are described in detail below.

CAPS and Other CCDF–Funded Programs

Each year the state receives federal funding for the ECE industry through the Child Care and Development Fund (CCDF). The bulk of this block grant, together with a state match, goes toward the state-run Childcare and Parent Services (CAPS) program, which helps support the ECE industry by subsidizing the tuition expenses of economically disadvantaged families. DECAL distributed a total of approximately \$291.6 million of this funding in 2022, \$412.5 million in 2023, and \$485.3 million in 2024. The large increases in CCDF funding reflect expanded state and federal support available for the CAPS program.

The CCDF base grant also funds several quality initiatives, the largest of which is tiered reimbursement bonuses that highly rated providers receive for each CAPS student enrolled. Quality Rated is Georgia's quality rating and improvement system designed to assess, improve, and communicate the level of quality in licensed early education and care programs in the state. Through this system, participating child care providers receive a 1-, 2-, or 3-star rating based on their demonstrated program quality. As part of its commitment to improving access to quality care for low-income families, DECAL has long offered bonus payments to star-rated providers for each CAPS student enrolled: 10% for one-star programs, 20% for two-star programs, and 40% for three-star programs.

In 2022, DECAL distributed approximately \$57.1 million in Quality Rated bonuses, rising to \$74.4 million in 2023, before dropping back to \$58.2 million in 2024. These bonus payments are included in the CCDF base funding shown in Figure 5.¹¹

With the end of pandemic relief support in September 2024, DECAL eliminated traditional tiered reimbursement and introduced a new system of Commitment to Quality (C2Q) payments in tandem with increases in CAPS rates. This model separates Quality Rated bonuses from weekly CAPS payments and instead provides quarterly lump-sum bonuses to 2- and 3-star providers. Specifically, 2-star programs receive a quarterly bonus equal to 5% of the CAPS reimbursements they earned in the prior quarter, while 3-star programs receive 10%. One-star providers, as well as those with provisional or probationary status, no longer receive any quality bonus. This shift is designed to make quality payments more predictable, easier to administer, and aligned with providers' past performance.¹²

The C2Q payments began in February 2025 and thus are not included in this report. However, to cover the gap between the end of tiered reimbursement weekly payments (September 30, 2024) and the first quarterly C2Q payment (February 27, 2025), DECAL made one-time BOOST payments in late December 2024 and early January 2025 to eligible 2- and 3-star CAPS providers.

In 2024, \$4.57 million in BOOST payments were made to 421 providers. This 2024 BOOST funding is included in the CCDF total in Figure 5. The remainder of BOOST payments were made in January 2025 and therefore are not included in this report. The payments were calculated on CAPS billing during the first five service weeks after the end of tiered reimbursement (September 30 to October 27, 2024). These first five service weeks were used to estimate a full quarter, and the BOOST payment was calculated using this estimate.

DECAL also allocated CCDF funds to temporary assistance for providers through CAPS emergency policy payments, which were in effect from March 2020 through June 2024. Under this policy, providers were reimbursed based on enrollment rather than daily attendance, meaning they continued receiving payments even when children were absent due to illness, quarantine, or closures. This shift offered financial stability during a time of significant uncertainty and helped ensure that providers could remain open and retain staff. The policy also protected access to early care and learning for working families, especially those most affected by pandemic-related disruptions and economic hardship across the state. During the study period, the emergency policy payments were made using Georgia's CCDF block grant.¹³

Note that between 2022 and 2024, Georgia used federal relief funds to temporarily expand CAPS eligibility, waive family fees, and increase provider payments. These changes aimed to improve access to affordable, high-quality child care for low-income families and support the child care workforce during and immediately after the COVID-19 pandemic. These funds are separate from the CCDF funding shown in Figure 5, and each of these policies and programs are described separately in the next section.

¹¹ In addition, DECAL used approximately \$139.1 million in pandemic-relief funding to temporarily increase each of these bonus payments by an additional 15 percentage points (e.g., one-star programs: 10% bonus per child in base funding + an additional 15% per child in enhanced bonus = a total of a 25% per-child bonus). This supplemental funding is not included in the numbers above but is included in the Figure 6 totals.

¹² DECAL. 2024, September 25. "Stakeholder Forum: Quality Rated and CAPS Rate Changes." Retrieved from [QRCAPS_PolicyChangesStakeholderMeeting.pdf](#)

¹³ Note that in 2020 and 2021 federal pandemic relief dollars were used to fund the CAPS emergency policy payments rather than the CCDF block grant.

Once all federal pandemic relief funding ended on September 30, 2024, DECAL implemented a new CAPS rate framework starting October 1, 2024, permanently increasing baseline reimbursement rates. This adjustment, which aligned Georgia's provider payment schedule with federal guidance, was the most significant permanent hike in CAPS in state history, shifting state subsidy levels from around the 25th percentile to approximately the 60th percentile of local market rates for most types of care. The update was enabled by combined state and federal investment to better reflect the actual cost of quality child care across communities.

Georgia's Pre-K Program

Georgia's Pre-K Program is funded by the Georgia Lottery and administered by DECAL. It is open to all eligible 4-year-olds in Georgia and aims to prepare children for kindergarten. Georgia's Pre-K classrooms are located in public schools and private child care learning centers, and many private providers offer care to these students before and after a typical school day for an additional parent fee.

Each year, Georgia's Pre-K Program represents a major source of funding for early care and education in Georgia. Funding for Georgia's Pre-K Program totaled \$365.9 million in 2022, \$396.8 million in 2023, and \$493.4 million in 2024.

Over these three years, the Pre-K Program operated an average of 1,866 sites: 840 in public schools and 1,026 in private child care learning centers. The number of both school- and center-based programs with Pre-K classrooms increased in each of these three years, at average annual rates of 2.1% and 1.3%, respectively. From 2022 to 2024, an average of 73.8% of school-based Pre-K providers were located in urban areas and 90.9% of center-based Pre-K providers were in urban counties. These shares appear to be stable across years.

For the 2022–2023 school year, the program funded slots for approximately 82,000 4-year-olds, though actual program attendance was close to 73,000.¹⁴ According to the Kids Count Data Center, from 2012 to 2019, approximately 58–60% of Georgia's 4-year-old population was enrolled in Georgia's Pre-K Program each year.¹⁵ That percentage dropped to 49.1% in 2021, likely due to the pandemic. In 2022, this percentage of enrolled 4-year-olds rebounded to 55% and further increased to 56% in 2023.¹⁶ This trend suggests that the pandemic caused a disruption in enrollment that has been slow to correct.

Also included in the Pre-K funding number are two summer transition programs that operate during the months of June and July. The Rising Pre-K program is for students who are age-eligible for Georgia's Pre-K in the fall (4 years old by September 1) and whose home language is Spanish. The Rising Kindergarten program was created to support students who are age-eligible for kindergarten (5 years old by September 1) in the fall and who did not attend a Georgia's Pre-K or Head Start program or who need additional help before entering kindergarten. Each program offers high-quality instruction with a focus on language, literacy, and math, and they are designed to

14 See National Institute for Early Education Research. n.d. State of Preschool, 2023 Yearbook, Georgia. Retrieved from nieer.org/yearbook/2023/state-profiles/georgia#:~:text=During%20the%202022-2023%20school,285%20from%20the%20prior%20year.; DECAL. 2022, November 17. Board presentation slides (slide #24). Retrieved from www.dec.ga.gov/documents/BoardMeetings/2022-11-17_Board_Presentation.pdf

15 DECAL KOALA data on Pre-K seats awarded, September 2022.

16 See Kids Count Data Center from the Annie E. Casey Foundation: datacenter.aecf.org. Georgia's Pre-K Program data come from DECAL.

reduce the achievement gap. During the study period, the two programs were expanded to mitigate learning loss experienced by children during the COVID-19 pandemic.

In 2022, the two programs served approximately 4,000 students in 387 classrooms. Rising Pre-K was available at 57 sites and served 657 students. Rising Kindergarten was offered in 236 sites. Attendance in these programs grew to 4,618 children in 2023 and to 4,788 in 2024. This growth occurred in both programs, with 787 children served by the Rising Pre-K program and 4,001 in the Rising Kindergarten program in 2024.

In 2024, Georgia made significant investments and policy changes to its Pre-K Program to enhance quality, expand access, and support teachers. The Georgia General Assembly allocated an additional \$97 million to the Pre-K Program as part of the fiscal year 2025 budget (which ran July 1, 2024 to June 30, 2025)—one of the largest single-year increases in the program’s history. This investment supported several key initiatives: class size reductions, teacher pay increases, enhanced start-up funding for new classrooms, transportation assistance, and operational support.

Georgia also took steps to align Pre-K teacher pay more closely with K–12 educators. Assistant teacher salaries rose from approximately \$20,000 to \$25,700, while lead teacher pay was aligned with the K–12 State Teacher Salary Schedule to reflect their credentials and years of experience.¹⁷ This change took effect in October 2024, with an initial bump of \$2,500 added to base pay during the transition period.¹⁸ These changes are designed to stabilize the Pre-K workforce and make early education careers more attractive.

To support expansion, DECAL also increased start-up grants for new classrooms from \$8,000 to \$30,000. These funds help cover materials, equipment, and minor renovations needed to open new sites, particularly in underserved communities. Additional funding was also provided for transportation services, reducing access barriers for families.

Together, these reforms reflect Georgia’s commitment to strengthening its lottery-funded Pre-K Program and reestablishing its leadership in early education access and quality. The full impact of these policy changes will not be known for several years.

Head Start

Early Head Start and Head Start are federally funded and regulated programs. In fiscal year (FY) 2022, Head Start and Early Head Start sites served approximately 23,453 children in Georgia. This figure decreased slightly to 22,093 in FY 2023 and 22,105 in FY 2024. Federal expenditures on these programs totaled approximately \$268.4 million, \$289.5 million, and \$280.9 million in 2022, 2023, and 2024, respectively.¹⁹ Nationwide, the Head Start program received more than \$1 billion in supplemental pandemic funding, most of which expired in 2023 and 2024. In Georgia, this supplemental funding was used to stabilize providers and ensure continuity of service during the pandemic, improve health and safety, expand services, and address staffing shortages, among

17 DECAL. 2024, May 17. “Georgia’s Pre-K Updates” [Slide presentation]. Retrieved from www.dec.al.ga.gov/documents/attachments/Pre-KUpdatesWebinarSlides05_17_2024.pdf, Slide 14.

18 DECAL. n.d. “Georgia’ Pre-K Program: FY 25 Teacher Salary Frequently Asked Questions.” Retrieved from www.dec.al.ga.gov/documents/attachments/FAQ%20TeacherSalaries_FY25.pdf

19 Retrieved from <https://headstart.gov/browse/series/head-start-program-annual-fact-sheets>

other uses.²⁰ Because Head Start reported only total amounts distributed in the state for each year, base funding could not be separated from enhanced pandemic support. Thus, the totals for Head Start in Figure 5 include both base funding and temporary supplemental funding.

Because Head Start and Early Head Start operate as federally funded and regulated entities, some locations are included in the DECAL licensing database. To the extent they are included in the database, they are grouped within center-based providers.

Federal Food Programs

DECAL also administers two federal nutrition subsidy programs, the Child and Adult Care Food Program (CACFP) and the Summer Food Service Program. Together, these programs represented \$144.2 million in food reimbursements to ECE providers in Georgia in 2022, \$158.3 million in 2023, and \$162.6 million in 2024. Because these programs reported only total amounts distributed in the state for each year, base funding could not be separated from enhanced pandemic support. Thus, these totals likely include both base funding and some pandemic-related supplemental funding.

CACFP provides reimbursements for nutritious meals and snacks served to eligible children enrolled at participating center-based and home-based providers. CACFP also provides reimbursements for meals served to children and youth participating in afterschool care programs. ECE providers in Georgia received approximately \$134.0 million in reimbursements from CACFP in 2022, \$147.3 million in 2023, and \$149.1 million in 2024. The Summer Food Service Program provides funding for free and healthy meals in low-income areas during summer months when public school is not in session. In 2022, DECAL data indicate providers in Georgia received approximately \$10.1 million in funding from this summer meals program. The corresponding funding was approximately \$10.9 million in 2023 and \$13.6 million in 2024.

In 2022, more than 67.1 million meals were served through these programs, with a similar number of meals served in 2023 and 2024.²¹

Federal Pandemic Relief Funding

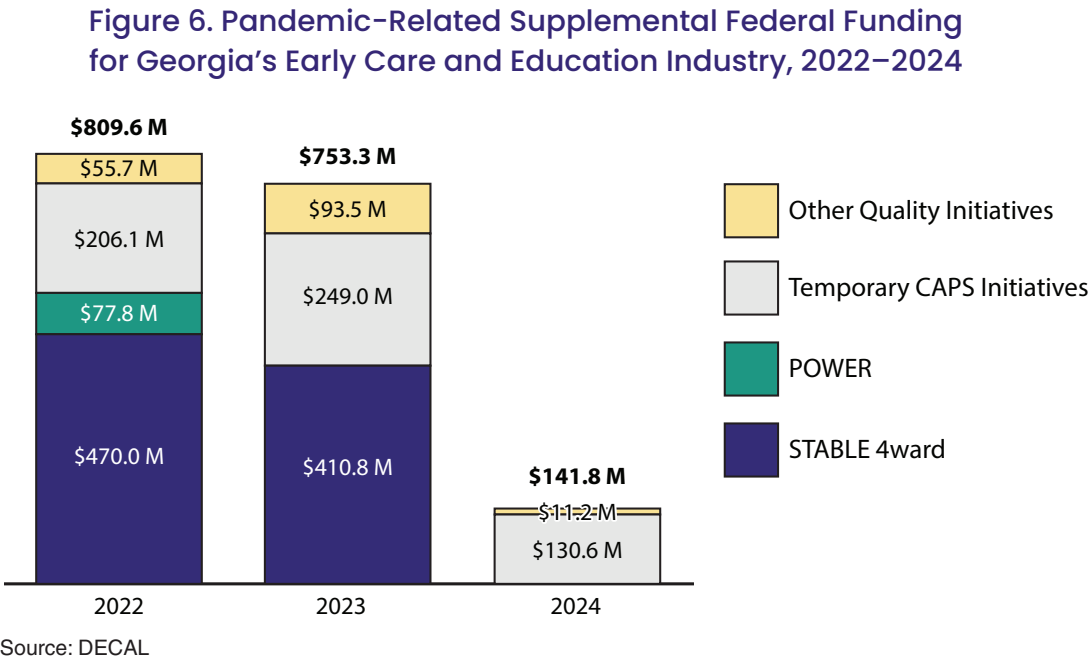
In addition to the regular federal and state funding sources outlined in the section above, Georgia's ECE industry continued to receive special pandemic-related funding during the three-year study period. Most of this relief funding phased out in 2023, and all such support had ceased by October 2024. This supplemental funding was substantial. Between 2020 and 2024, DECAL allocated over \$2 billion in federal pandemic relief through more than 850,000 payments to early care and education providers, families, and members of the ECE workforce. Over the five-year period, approximately 3,700 center-based providers received pandemic relief funding, with

20 National Head Start Association. 2021, March 23. "The American Rescue Plan: Policy Change Affecting Head Start Families and Programs." Retrieved from nhsa.org/wp-content/uploads/2021/12/ARP-Bill-Summary.pdf

21 See www.decal.ga.gov/BftS/AnnualReports.aspx

each receiving an average of more than \$500,000. In addition, more than 1,400 home-based providers benefited from this support, with average total funding per provider approaching \$50,000.²²

In total, Georgia’s ECE industry received approximately \$810 million in pandemic-related funding in 2022, \$753 million in 2023, and \$142 million in 2024. Figure 6 shows the breakdown of the major initiatives supported by this supplemental funding.



Each of these programs and initiatives is described in detail below.

STABLE 4ward

A large portion of the federal supplemental support was earmarked to help stabilize ECE programs during the public health emergency. DECAL used this funding to establish and administer the Short-Term Assistance Benefit for Licensed Entities (STABLE) program. The first three rounds of STABLE payments were disbursed in 2020 and 2021 and thus not included in this report.

DECAL then established a fourth round of stabilization payments called STABLE 4ward in November 2021. During the study period, a total of \$881 million was paid to licensed providers through STABLE 4ward. These funds were paid in monthly installments through September 2023, with \$470.0 million issued in 2022 and \$410.8 million in 2023.

22 Georgia Department of Early Care and Learning. 2025, May 15. Board of Early Care and Learning Slide Presentation. Retrieved from www.decal.ga.gov/documents/BoardMeetings/2025-05-15_Board_Presentation.pdf. Slide # 15.

POWER Payments

In 2022, DECAL offered two rounds of one-time, \$1,000 bonus supplemental payments for Georgia’s early care and education professionals working in DECAL-licensed ECE programs (at both center-based and home-based providers), Department of Defense programs, exempt Early Head Start and Head Start programs, or the Georgia’s Pre-K Program in public schools or private centers. To receive the Providing Our Workforce Essential Recognition (POWER) payments, staff had to work a minimum of 20 hours per week in an eligible program and apply for the bonus. In total, ECE workers received approximately \$77.8 million in these bonus payments in 2022.

Supplemental Pandemic Relief Funding for the CAPS Program

Between 2021 and 2024, DECAL implemented three key short-term changes to the CAPS program using federal pandemic relief funds. First, family copayments were waived, and providers were reimbursed at their full published rates through the Awarding Child Care Education Scholarship Supplements (ACCESS) program.

Second, CAPS was temporarily expanded to serve more children, and income eligibility was broadened, allowing more families to qualify. Typically, the CAPS program serves approximately 50,000 children in Georgia each week. This number peaked in 2023 at more than 70,000 before tapering back to close to pre-pandemic numbers as eligibility requirements once again became stricter.

Third, DECAL temporarily increased tiered bonus payments for CAPS children enrolled in a Quality Rated provider by 15 percentage points. One-star programs increased from 10% to 25%; two-star programs increased from 20% to 35%; and three-star programs increased from 40% to 55%. During the study period, DECAL distributed approximately \$139.1 million in these enhanced bonus payments.

Over the three study years, DECAL distributed approximately \$585.6 million to providers through these three initiatives, with Table 5 detailing the amounts allocated to each.

Table 5. CAPS Program Initiatives in Georgia Using Pandemic Funding, 2022–2024

	2022	2023	2024
ACCESS	\$102.3 M	\$143.2 M	\$75.7 M
CAPS expansion	\$57.7 M	\$47.1 M	\$20.5 M
Quality Rated enhanced tiered reimbursement	\$46.1 M	\$58.6 M	\$34.4 M
Total	\$206.1 M	\$248.9 M	\$130.6 M

Note: Columns may not sum due to rounding.
Source: DECAL

Quality Initiatives Using Pandemic–Relief Funding

During the 2022 to 2024 study period, DECAL used approximately \$161 million in federal pandemic relief funds to support initiatives aimed at improving quality in Georgia’s ECE system. These investments grew from \$56 million in 2022 to \$94 million in 2023, before dropping to \$11 million in 2024 as the supplemental funding began to expire. Some programs, such as COVID-19 Test and PPE Grants, helped ECE providers deal with the immediate impacts of the public health emergency. Other programs, such as Quality Rated Restoration Grants, were designed to strengthen Georgia’s ECE system in ways that would endure after the temporary pandemic funding had ceased. The most significant of these programs are described below.

COVID Test and PPE grants

DECAL used approximately \$11.5 million in pandemic relief support to award grants to help licensed ECE providers purchase COVID-19 test kits, personal protective equipment, and cleaning supplies. Funds were awarded between April and June 2022, with amounts based on provider capacity.

Georgia’s Pre-K Quality Grants

Between October 2022 and May 2023, approximately \$18.7 million in pandemic relief funds supported one-time \$5,000 grants for 3,728 Georgia’s Pre-K classrooms.²³

Teacher Supply Grants

DECAL used \$4.2 million in pandemic funding to award \$125 grants to ECE professionals to purchase classroom and program supplies for the 2021–2022 and 2022–2023 school years. In total, 28,494 eligible professionals received grants.

Health and Safety Grants

Between April 2023 and March 2024, approximately \$69.5 million in Health and Safety Grants was awarded to ECE providers across Georgia to address urgent facility needs such as HVAC repairs, sanitation upgrades, fencing, and other structural improvements essential to meeting state licensing and health standards.

Quality Rated Restoration Grants

In 2022 and 2023, DECAL used supplemental pandemic funding to award approximately \$46 million in Quality Rated Restoration Grants to support ECE programs preparing for an on-site assessment.

EXPAND Grants

In 2023 and 2024, DECAL used \$1.6 million in federal pandemic support to pilot the Expanding Parents’ Access through Nontraditional Delivery (EXPAND) grants to support families with child care needs during nontraditional hours, such as evenings, early mornings, overnight, and weekends.

School-Age Supports and Grants

During the study period, DECAL distributed approximately \$9.7 million in pandemic relief funding to support ECE providers that offered services to school-age children, primarily before and after school and during the summer.

23 DECAL. 2024, April. *Georgia Department of Early Care and Learning’s Federal COVID-19 Relief Funding Spending Summary*. Retrieved from [decalcrrsaandarpendingplan.pdf](#)

Preparing for the Cessation of Pandemic Relief Funding

Between 2020 and 2024, DECAL distributed over \$2 billion in federal pandemic relief to stabilize and strengthen Georgia's ECE system. This temporary funding helped providers remain open, supported working families, and stabilized the early childhood workforce during a period of extraordinary disruption. As the funding period came to a close, Georgia faced the challenge of preventing a sharp decline in access and affordability. With an understanding that the infusion of federal dollars represented an unprecedented investment in the state's early care and education system, Georgia launched a coordinated and multipronged strategy to maximize the impact of this investment and prepare the ECE system for a return to pre-pandemic funding levels.

A central component of this strategy was early and inclusive planning. In 2021, DECAL partnered with the Urban Institute to conduct statewide stakeholder engagement, gathering input from families, ECE providers, educators, and advocacy organizations.²⁴ This process ensured that funding priorities reflected the on-the-ground needs of those directly impacted by the pandemic and the eventual drawdown of relief dollars.

One of the most direct responses to those needs was the launch in May 2021 of the ACCESS initiative, which temporarily eliminated all out-of-pocket child care costs for CAPS families and stabilized provider funding during and after the pandemic. To support a gradual transition as federal relief funding declined, parent copayments were waived through September 30, 2023, and DECAL continued covering the rate differential between CAPS reimbursements and providers' full published rates through September 30, 2024. Alongside this change, the state also began phasing out temporary CAPS expansion policies that had been implemented in 2021 to serve more Georgia families by broadening income eligibility. As a result of these policies, the number of children served weekly peaked at about 70,000 in 2023. Between December 2022 and September 2024, income thresholds for new participants were gradually reduced to bring enrollments closer to the pre-pandemic norm of approximately 50,000 children per week.

In tandem with family supports, Georgia directed substantial pandemic relief funds toward improving the physical infrastructure of ECE facilities. Through programs like Health and Safety Grants and Quality Rated Restoration Grants, providers received assistance to upgrade their facilities, including HVAC replacement, plumbing and electrical repairs, flooring, new classroom furnishings, and playground improvements.

Another strategy was to strengthen the financial viability of providers through targeted rate increases and business training. A new CAPS rate framework introduced in October 2024 permanently increased baseline reimbursement rates, shifting state subsidy levels from around the 25th percentile to approximately the 60th percentile of local market rates for most types of care. Additionally, DECAL launched the Thriving Child Care Business Academy, a free, online professional development platform designed to help providers—particularly small businesses—build core competencies in financial planning, budgeting, operations, and marketing.

As pandemic-related funding ended in September 2024, DECAL replaced its traditional tiered reimbursement structure for providers that enroll CAPS students with Commitment to Quality (C2Q) payments. This change was timed to coincide with the substantial increase in base reimbursement rates for CAPS. This new C2Q model provides quarterly lump-sum bonuses to Quality Rated providers based on past CAPS reimbursements—5%

²⁴ Teresa Derrick-Mills, Cary Lou, Grace Luetmer, Catherine Kuhns, Diane Schilder, and Peter Willenborg. 2022, June 30. *Supporting Georgia's Early Care and Learning System with CRRSA and ARP Funding: Perspectives from Stakeholders and Families*. Urban Institute. Retrieved from www.urban.org/research/publication/supporting-georgias-early-care-and-learning-system-crrsa-and-arp-funding



for 2-star and 10% for 3-star programs—while 1-star, provisional, and probationary programs no longer receive bonuses. The shift aims to make payments more predictable, easier to administer, and better aligned with demonstrated quality.

Recognizing that quality care depends on qualified, supported educators, Georgia took steps to strengthen the early education workforce in preparation for the end of federal relief funding.

The long-standing INCENTIVES and DECAL Scholars programs continued to reduce financial barriers to education and training, helping early educators access credentials and degrees. In 2021 and 2022, the state also issued bonus payments to eligible ECE workers to recognize their service and support retention during a period of high workforce stress. Building on these efforts, the time-limited POWER-ED initiative, funded with federal relief dollars, provided \$1,000 wage supplements to ECE workers pursuing higher education credentials, such as the Child Development Associate credential. In 2025, a new \$500 annual Quality Rated Workforce Bonus was introduced for eligible staff in rated programs at all star levels. Together, these policies aimed to support career advancement, improve workforce stability, and promote continuity of care as temporary federal funding came to a close.

Finally, throughout the drawdown of federal funds, stakeholders received clear and timely communication on upcoming changes. Published timelines and guidance documents outlined the phaseout of stabilization funds, targeted grant programs, and temporary CAPS policies. This information allowed providers and families to plan ahead, make adjustments, and seek alternative supports.

Through strategic investments in affordability, infrastructure, workforce development, and financial sustainability and a new approach to quality funding, Georgia helped ease the disruption caused by the loss of federal pandemic relief. These efforts have laid the groundwork for a more resilient ECE system—one better equipped to meet the needs of children, families, and providers beyond the emergency response period.

Parent Fees, 2022–2024

Parent fees, which historically account for the largest portion of total revenues in Georgia’s ECE industry, can be estimated using administrative and survey data from DECAL. Parent fees totaled an estimated \$1.54 billion in 2022, \$1.56 billion in 2023, and \$1.76 billion in 2024, representing between 44% and 53% of gross receipts in Georgia in each of the three years.

Direct weekly parent fees can be calculated using the following formula:

$$\begin{aligned} &\text{Number of programs by age group} \times \text{Average enrollment by age group} \\ &\quad \times \text{Average weekly tuition rate} \times \text{Weeks in care} \end{aligned}$$

The number of ECE providers serving each age group is based on administrative data on programs licensed or regulated by DECAL (see Figure 1).²⁵ On average, infants, toddlers, and preschoolers are assumed to be in care for 48 weeks per year. School-age and Georgia’s Pre-K children are assumed to be in before/after school care for 36 weeks per year and in full-time holiday/summer care for 14 weeks, based on a typical Georgia school-year calendar. Georgia’s Pre-K programs housed in public schools are not included in the parent fee calculation because they do not appear to collect any parent fees associated with their Pre-K students.²⁶ Table 6 shows the results of these calculations by urban/ rural status and provider type, for each of the three data years. More detailed tables showing the components of the calculations for each age group are provided in the appendix. The results in Table 6 are the aggregated amounts of the number of programs statewide supplying care to an age group multiplied by the average enrollment estimates and average weekly tuition rates for the birth-through-5 age groups. These totals were then annualized using a typical number of weeks of service per year.

Supplying care to younger age groups is costlier due to lower teacher-to-student ratio requirements and the intensity of care that younger children need. Tuition for the younger age groups usually reflects these higher per-child care costs, as reflected in the “average weekly tuition rate” by age group (see appendix tables).

Table 6. Direct Weekly Parent Fees by Year and Provider Type, 2022–2024

Provider Type	2022			2023			2024		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
Center-based	\$1,333 M	\$142 M	\$1,475 M	\$1,355 M	\$139 M	\$1,494 M	\$1,492 M	\$198 M	\$1,690 M
Home-based	\$38 M	\$7 M	\$45 M	\$39 M	\$7 M	\$46 M	\$37 M	\$7 M	\$44 M
Total	\$1,371 M	\$148 M	\$1,520 M	\$1,394 M	\$146 M	\$1,540 M	\$1,529 M	\$205 M	\$1,734 M

Notes: Totals may not sum due to rounding.

Based on increased population counts in the 2020 US Census, Liberty and Camden counties, which had been classified as rural in previous economic impact studies, are now classified as urban. This change explains some of the increase in the number of urban providers and decrease in the number of rural providers compared to previous reports in this series. Beginning with the analysis for 2022, a total of 70 providers included in this table switched from rural to urban: 14 center-based and 3 home-based providers in Camden County, and 23 center-based and 30 home-based providers in Liberty County.

25 DECAL monthly licensing data, 2022–2024

26 Based on previous Economic Impact Survey responses and Georgia School District Expenditure and Revenue reporting regarding Georgia’s Pre-K programs

Based on this calculation, the total amount of direct weekly parent fees collected by programs in 2022 was approximately \$1.37 billion from urban counties and \$148 million from rural counties. In 2023, approximately \$1.39 billion in direct weekly parent fees was collected by urban programs and \$146 million by rural programs. In 2024, urban programs collected approximately \$1.53 billion in parent fees while rural programs collected \$205 million. In total, direct weekly parent fees are estimated at \$1.52 billion in 2022, \$1.54 billion in 2023, and \$1.73 billion in 2024. In October 2023, CAPS family fees were reinstated, but DECAL continued to pay the difference between providers' published rates and the CAPS reimbursement rates through September 2024. Beginning in October of that year, parents were once again responsible for this rate differential, unless the provider chose to waive it. These fees paid by CAPS parents in 2023 and 2024 are included in the Table 6 totals.

In addition to typical tuition, parents often pay an annual registration fee per child. Data from the 2021 Market Rate Survey responses were used to estimate the average registration fee, after accounting for likely inflationary increases, which was then aggregated to create a statewide estimate of annual fees. These fees totaled an estimated \$20.5 million in 2022, \$21.3 million in 2023, and \$22.1 million in 2024. When added to the direct weekly payments detailed in Table 6, the estimated total parent fees amounted to approximately \$1.54 billion in 2022, \$1.56 billion in 2023, and \$1.76 billion in 2024.

Two Factors Affecting Parent Fees During the Study Period

In most years, parent fees are a straightforward calculation. However, during the study period, two factors affected parent fees that complicate year-to-year comparisons. First, temporary modifications to the CAPS program resulted in federal funds covering portions of child care costs that parents typically pay out of pocket. Second, inflation rose sharply following the pandemic, which affected prices across the economy. These influences are described in more detail below.

The Link Between CAPS and Parents Fees

The first factor that could make comparisons of parent fees over time misleading is temporary changes to the CAPS program made in response to the pandemic to support providers and families. Beginning in 2021, initiatives such as ACCESS and CAPS expansion increased funding and broadened eligibility, allowing more families to qualify for assistance. Under ACCESS, family fees were waived from May 2021 to September 2023, and providers were reimbursed the full difference between their published rates and the CAPS maximum reimbursement rate, a fee that families typically must cover. This latter policy was in place from May 2021 to September 2024.

In addition, the number of CAPS scholarships awarded increased dramatically in 2022 and 2023 due to temporarily raised income eligibility thresholds. While CAPS has long supported approximately 50,000 low-income children per week in Georgia, enrollments reached more than 70,000 per week in 2023. To gradually return to pre-pandemic CAPS scholarship levels, heightened eligibility thresholds for new applicants were phased out over time.

Both policies played a role in the lower amounts of parent fees collected during the study period. First, due to the ACCESS program, CAPS families in 2022 and 2023 no longer paid any family fees, which had previously been included in the parent fee totals. Instead, the full amount of tuition used to estimate economic impact for CAPS-enrolled students was federally supported during these years. In addition, CAPS families did not resume paying any difference between the provider's published rate and the CAPS reimbursement rate until October 2024,

which lowered total parent fees collected during the three years. Second, due to the higher income thresholds for eligibility for CAPS, some families that would have paid the full cost of care instead received CAPS. Thus, in 2022 and 2023, while overall enrollment across ECE programs increased slightly, the amount of estimated parent fees slightly declined from 2021 due to more families receiving CAPS. After 2023, when the federal CAPS expansion program began to phase out, parent fee revenues started to rise, as would be expected.

Inflation's Impact on Parent Fees and Gross Receipts

The second factor influencing comparisons over time is inflation. The IMPLAN model used in this report and in previous studies of Georgia's ECE industry produces economic impact estimates using values expressed in current dollars for the year of analysis. For example, values for 2022 are expressed in 2022 dollars, and those for 2014 are expressed in 2014 dollars. Thus, comparing estimates across years without adjusting for inflation can distort underlying trends and lead to inaccurate conclusions.

This distortion is particularly clear when comparing parent fees across years. Despite a declining population of children aged 0–5 in Georgia, total revenues from parent fees have risen significantly in recent years. While the total child population does not directly determine the number of children served, it is a key driver, and one would generally expect parent fee revenues to follow the same downward trend. Instead, revenues have continued to rise even as the target population has decreased.

One major factor contributing to this counterintuitive trend is inflation. During the study period, inflation was higher than normal, as shown by the Consumer Price Index (CPI) increasing 8% in 2022, 4% in 2023, and 2.9% in 2024. These figures are well above the long-run target of 2% set by the Federal Reserve. (Note that Chapter 4 includes more details about the CPI as well as an analysis of general inflation trends in Georgia and the US over time.)

While the CPI may not directly reflect child care prices, it signals upward price pressure across the broader economy. As parent fees are a direct price-based component of the industry's economic footprint, they are particularly sensitive to these broader inflationary trends.

To investigate the effect of inflation on parent fees over time, the research team conducted a supplementary analysis using constant dollars to adjust for rising prices. Parent fee estimates for 2014–2024 were converted to 2019 dollars, representing the pre-pandemic baseline. The research team made this adjustment using a market price index based on historical data from Georgia's child care market rate surveys (2016, 2021, and 2024), which provide average weekly rates statewide. The team then estimated rates for years between surveys using observed growth rates and CPI data. These data allow for the construction of a child care price index with 2019 set as the base year.

Table 7. Understanding Inflation’s Impact on Parent Fees and Gross Receipts

	2014	2019	2020	2021	2022	2023	2024
Parent fees in current dollars	\$1,581 M	\$1,546 M	\$1,114 M	\$1,534 M	\$1,520 M	\$1,540 M	\$1,734 M
Parent fees in 2019 dollars	\$1,731 M	\$1,546 M	\$1,103 M	\$1,447 M	\$1,288 M	\$1,232 M	\$1,344 M
Gross receipts in current dollars	\$2,453 M	\$2,580 M	\$2,317 M	\$2,954 M	\$3,420 M	\$3,571 M	\$3,314 M
Gross receipts in 2019 dollars	\$2,645 M	\$2,580 M	\$2,294 M	\$2,787 M	\$2,899 M	\$2,856 M	\$2,568 M

Figure 7. Parent Fees in Current Dollars versus 2019 Dollars, 2019–2024 (in \$ millions)

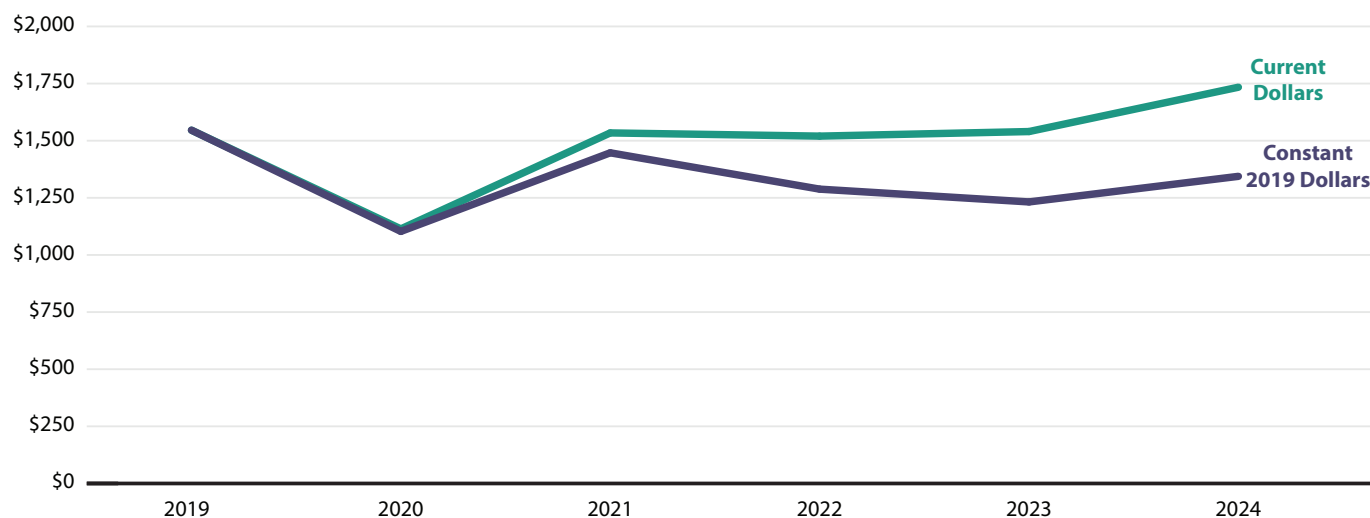
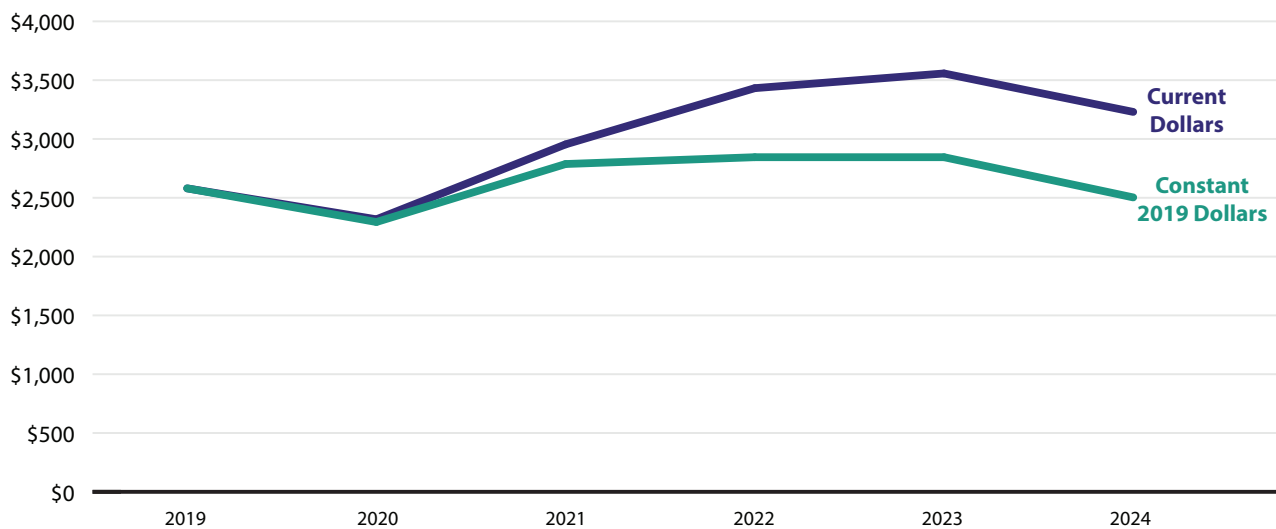


Figure 8. Gross Receipts in Current Dollars versus 2019 Dollars (in \$millions)



To examine how inflation has affected the growth in parent fees over time, the research team then used this price index to deflate parent fee estimates for each of the study years into 2019 dollars. As Table 7 shows, after controlling for inflation, parent fees are actually lower in each of the three study years than they were in 2019. These results indicate that the growth in estimated parent fees and industry size is, in part, driven by rising prices levels.

These findings underscore the importance of interpreting parent fee data within the context of policy and economic shifts. Temporary CAPS policy changes substantially reduced the amount families paid out of pocket, while inflation increased the overall cost of care. Without accounting for these factors, comparisons across years may give the impression of growth in parent fee revenue and gross receipts that is not driven by increased enrollment or higher family payments. Adjusting for inflation shows that total parent fees were comparatively lower in recent years than in 2019, offering a clearer picture of how both policy and economic forces shaped the financial landscape of early care and education in Georgia during the study period.

Total Gross Receipts, 2022–2024

Annual total gross receipts for the ECE industry in Georgia are estimated at \$3.42 billion in 2022, \$3.57 billion in 2023, and \$3.32 billion in 2024. Table 8 presents a breakdown of all state and federal funds received by ECE programs for years 2022–2024. Regular annual state and federal funding for the ECE industry in Georgia totaled approximately \$1.07 billion in 2022, \$1.26 billion in 2023, and \$1.42 billion in 2024. In 2024, Georgia’s Pre-K Program was the largest state or federal funding source for ECE programs at more than \$493 million. Supplemental pandemic-related federal supplements added another \$809.6 million to ECE funding in 2022, \$753.2 million in 2023, and \$141.8 million in 2024. Parent fees made up the rest at approximately \$1.54 billion in 2022, \$1.56 billion in 2023, and \$1.76 billion in 2024.

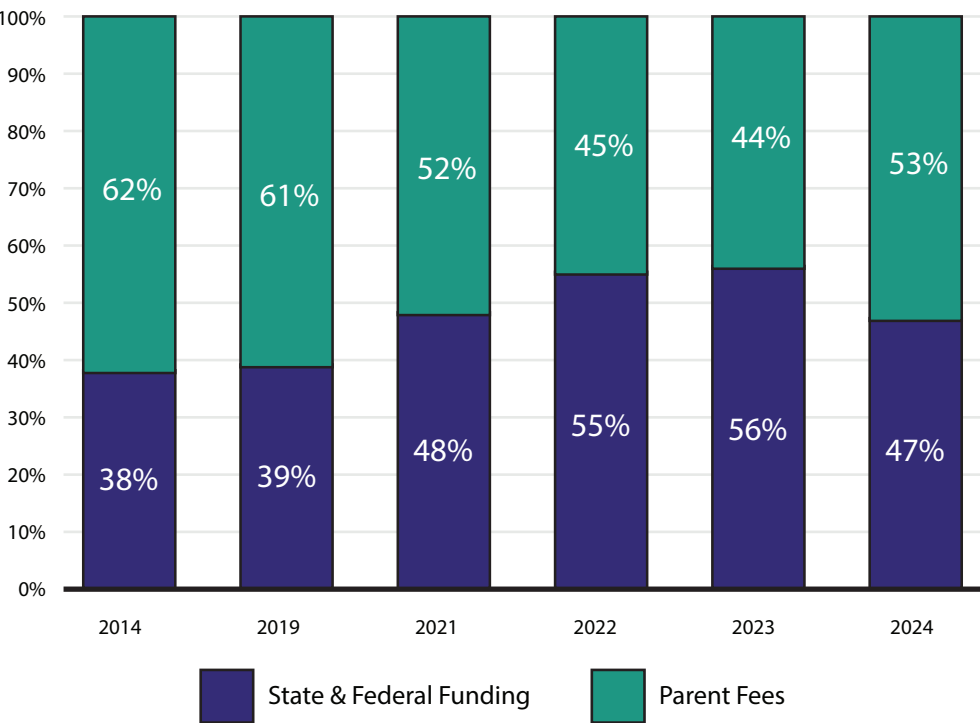
Table 8. Gross Receipts of the ECE Industry in Georgia, 2022–2024

	2022	2023	2024
Regular Annual Funding to Providers			
CCDF (primarily CAPS)	\$291.63 M	\$412.50 M	\$485.32 M
Georgia’s Pre-K	\$365.90 M	\$396.82 M	\$493.40 M
Head Start and Early Head Start	\$268.40 M	\$289.50 M	\$280.94 M
Child and Adult Care Food Program	\$134.01 M	\$147.31 M	\$149.05 M
Summer Food Services Program	\$10.14 M	\$10.94 M	\$13.58 M
Total regular funding	\$1,070.08 M	\$1,257.07 M	\$1,422.29 M
Supplemental Pandemic-Related Funding to Providers			
STABLE 4ward	\$469.96 M	\$410.82 M	\$0.00 M
POWER	\$77.76 M	\$0.00 M	\$0.00 M
Supplemental CAPS funding	\$206.11 M	\$248.88 M	\$130.61 M
Quality initiatives unrelated to CAPS	\$55.73 M	\$93.54 M	\$11.22 M
Total supplemental funding	\$809.56 M	\$753.24 M	\$141.83 M
Total state and federal funding	\$1,879.64 M	\$2,010.31 M	\$1,564.12 M
Direct weekly parent fees	\$1,519.74 M	\$1,539.71 M	\$1,734.16 M
Registrations and other fees	\$20.47 M	\$21.29 M	\$22.14 M
Annual gross receipts	\$3,419.85 M	\$3,571.31 M	\$3,320.42 M

Trends in Parent Fees as a Percentage of Total Gross Receipts

Another way to understand the impact of the unprecedented pandemic relief funding on the industry is to look at the percentage of total gross receipts represented by parent fees over time. Historically, parent fees account for the largest portion of total revenues in Georgia’s ECE industry, hovering around 60% of gross receipts. Federal and state funding typically makes up the other roughly 40%. This split changed significantly during the study years, given the large influx of federal dollars and the temporary changes to the CAPS program that eliminated parent fees for many families (see Figure 9). Thus, parent fees represented only 45% of gross receipts in 2022 and 44% in 2023, before rising to 53% in 2024, as supplemental pandemic-related funding began to expire.

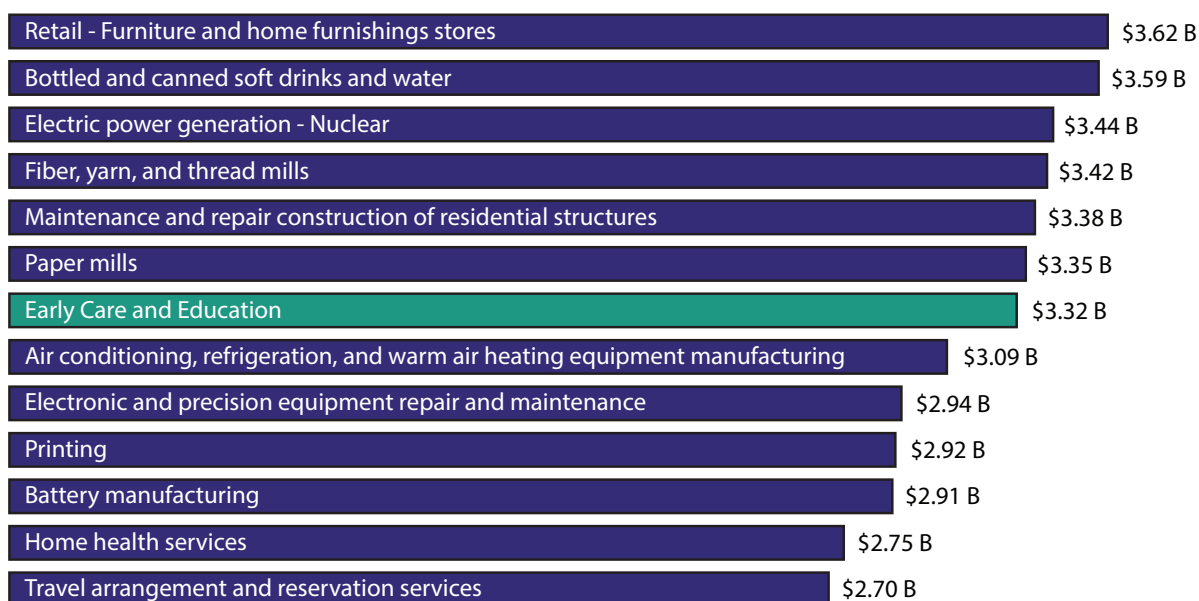
Figure 9. Percentage of the Georgia ECE Industry’s Gross Receipts Funded by Parent Fees and Federal/ State Sources, 2014–2024



Industry Comparison Using Gross Receipts

Context is needed to comprehend what the numbers \$3.42, \$3.57, and \$3.32 billion in gross receipts mean for Georgia. Thus, this section compares the early care and education industry’s gross receipts to those of other industries in the state, focusing on the most recent year, 2024. In terms of gross receipts, the ECE industry in Georgia is comparable to other large industries in the state. Figure 10 shows that its gross receipts are similar to those of the paper mills industry; maintenance and repair construction of residential structures industry; and the air conditioning, refrigeration, and warm air heating equipment manufacturing industry.

**Figure 10. Early Care and Education Industry
Compared to Other Industries in Georgia, 2024**



Source: IMPLAN with 2023 model year data, ECE revenue from 2024

Conclusion

This chapter showed that gross receipts, which capture the total revenues flowing into the industry, totaled \$3.42 billion in 2022, \$3.57 billion in 2023, and \$3.32 billion in 2024. These figures reflect the combined contributions of parent fees, regular state and federal funding, and temporary federal pandemic relief dollars.

Parent fees have historically made up the largest share of ECE revenues, accounting for around 60% of gross receipts. During the study period, however, this share shifted significantly due to federal pandemic relief. Parent fees accounted for 45% of gross receipts in 2022, 44% in 2023, and 53% in 2024, as federal pandemic funding began to phase out. This fluctuation underscores how shifts in public investment directly shape the financial structure of the industry.

While gross receipts capture the direct resources available to providers, the impact of this funding extends much further. ECE programs use these revenues to pay wages, purchase supplies, maintain facilities, and contract with vendors. In turn, employees spend their earnings locally, and suppliers rely on ECE providers as steady customers. Thus, every dollar of gross receipts reverberates beyond the sector itself, supporting additional jobs, income, and economic activity across Georgia.

The next chapter applies the IMPLAN model to trace these ripple effects, quantifying how the gross receipts estimated here generate additional economic impacts throughout the state.



Chapter 3

Total Economic Impact of the Early Care and Education Industry in Georgia, 2022–2024 and Over Time

GROSS RECEIPTS ARE AN ESSENTIAL GAUGE OF THE ECE INDUSTRY'S ECONOMIC VALUE TO THE STATE, but they only show part of the picture. Gross receipts represent the amount of economic activity directly attributable to the early care and education industry and are a conservative way of estimating the industry's economic impact. Programs in the industry also purchase items and services from businesses outside of the ECE sector, and these expenditures “multiply” or “ripple” through the economy as workers in many industries receive wages and spend their income purchasing even more goods and services.

This chapter begins by estimating the total economic impact of Georgia's ECE industry in 2024 using IMPLAN, a widely used and accepted input-output economic model that allows researchers to estimate the indirect effects and induced effects of an industry. These estimates show the industry's reach beyond simply its spending. The chapter concludes with a comparison of the total economic impact of the ECE industry over time, from 2014 to 2024.

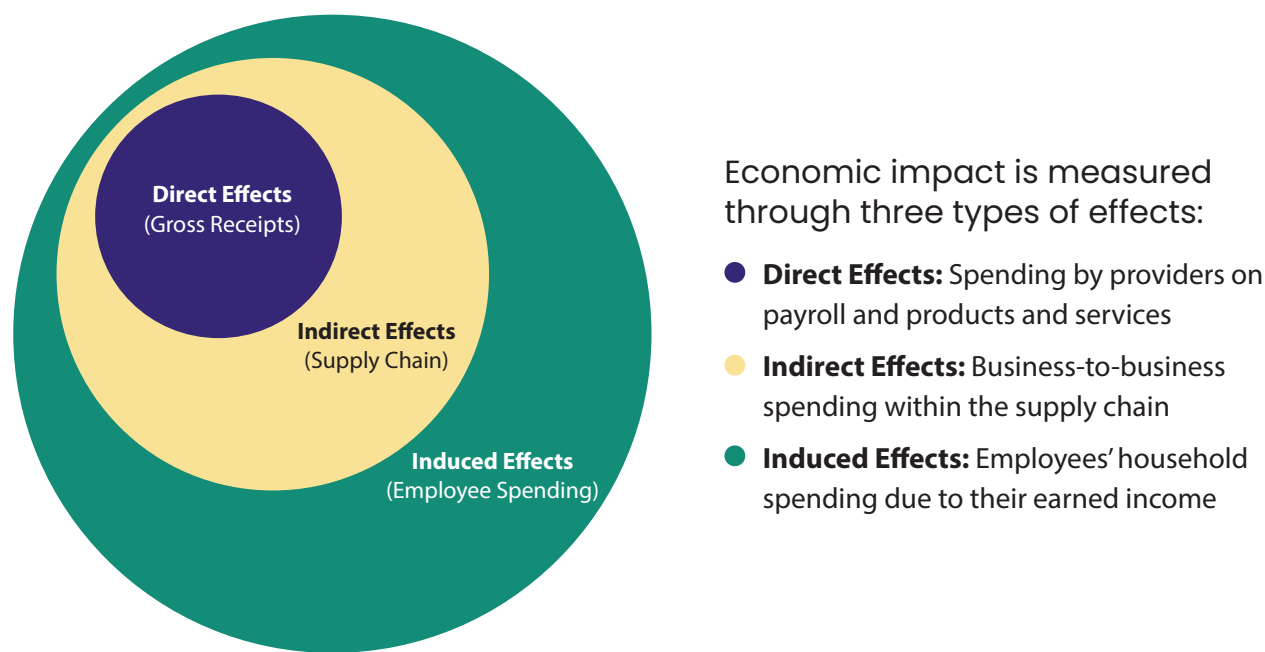
Key findings from this analysis include the following:

- 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.

Total Economic Impact of Georgia’s ECE Industry in 2024

As discussed in Chapter 2, the industry generated \$3.32 billion in gross receipts in 2024, which reflects the industry’s direct spending. The IMPLAN modeling software estimates what happens to spending in all of the associated industries when one more dollar of gross receipts is made in the early care and education industry.²⁷ Based on the industry’s direct spending (gross receipts), IMPLAN identifies indirect and induced effects. Figure 11 illustrates the three types of effects that together make up an industry’s total economic impact.

Figure 11. Understanding Total Economic Impact



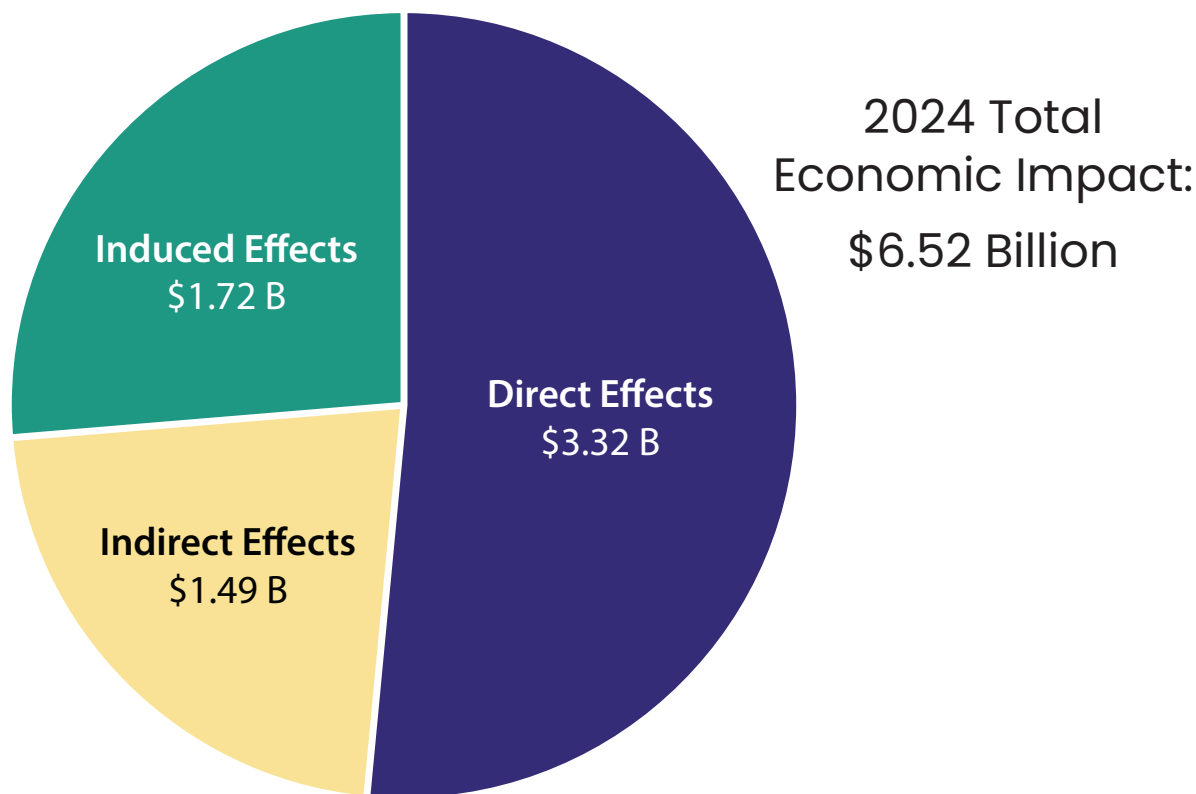
Indirect effects are the result of interindustry trade and capture the increased economic activity associated with businesses that supply goods and services to the ECE industry. This trade would include, for example, food services, transportation services, and office supplies as well as professional services such as accountants and insurance brokers. The IMPLAN software includes estimates of the number, type, and size of other businesses related to the early care and education industry in Georgia. These indirect expenditures increased total economic activity by an additional \$1.49 billion in Georgia in 2024, as shown in Figure 12.

Total economic impact also includes induced effects, which consist of increased household purchases of goods and services in the state by persons employed in the industry and by the firms and individuals that do business

²⁷ IMPLAN is a 546-sector input-output model used to measure the effects of three types of impacts: direct, indirect, and induced. The economic data for IMPLAN come from the system of national accounts for the United States based on data collected by the US Department of Commerce, the US Bureau of Labor Statistics, and other federal and state government agencies.

with the industry. For 2024, the induced effects were an estimated \$1.72 billion. When direct spending and indirect and induced effects are combined, the total short-term economic impact in Georgia from the industry over the 12-month period is an estimated \$6.52 billion.

Figure 12. Total Economic Impact of the ECE Industry in Georgia, 2024



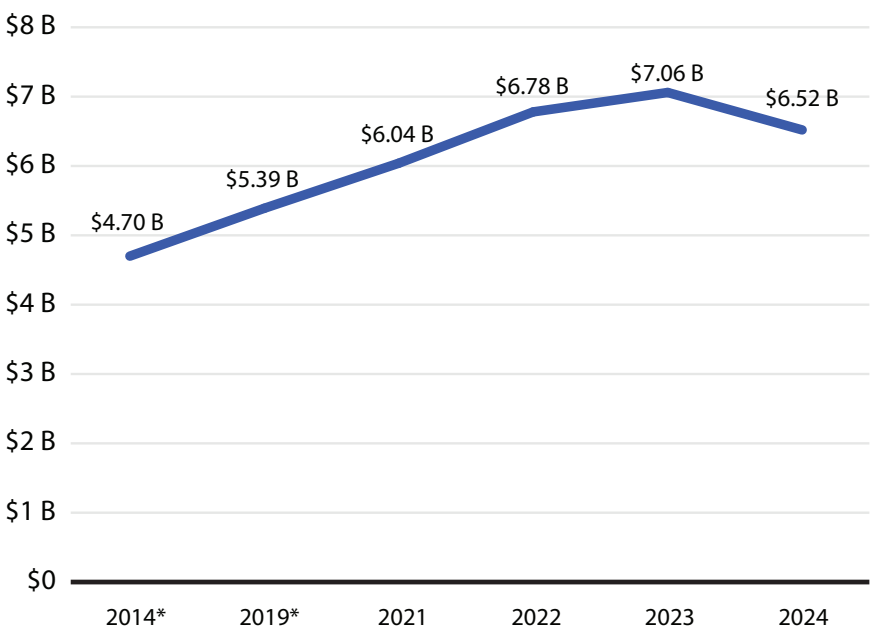
Source: Estimates based on gross receipts calculated by the research team and the IMPLAN input-output economic model for the state of Georgia.

The degree to which one industry’s activity affects the economic activity of all other associated industries through induced and indirect effects is usually referred to as a “multiplier.” Mathematically, a multiplier represents the ratio of total to direct economic impact calculated for the IMPLAN economic model. The early care and education industry had an average multiplier of 1.97 for output. This means that for every dollar of gross receipts in the industry, the indirect and induced effects resulted in an additional \$0.97 of economic activity.

The ECE Industry’s Total Economic Impact Over Time, 2014–2024

The ECE industry in Georgia has grown over the past decade, despite the disruptions of the 2020 COVID-19 pandemic. Figure 13 shows the size of the industry at several time points between 2014 and 2024. During this period, total economic impact grew by approximately \$1.8 billion, rising from \$4.70 billion in 2014 to more than \$6.52 billion in 2024. The peak occurred in 2023, when the influx of federal pandemic dollars temporarily boosted the industry’s impact to over \$7 billion. As this supplemental funding ended in 2024, the industry’s economic impact declined, as expected. Looking ahead, the industry’s trajectory in 2025 and beyond remains uncertain, particularly in the absence of this temporary federal support.

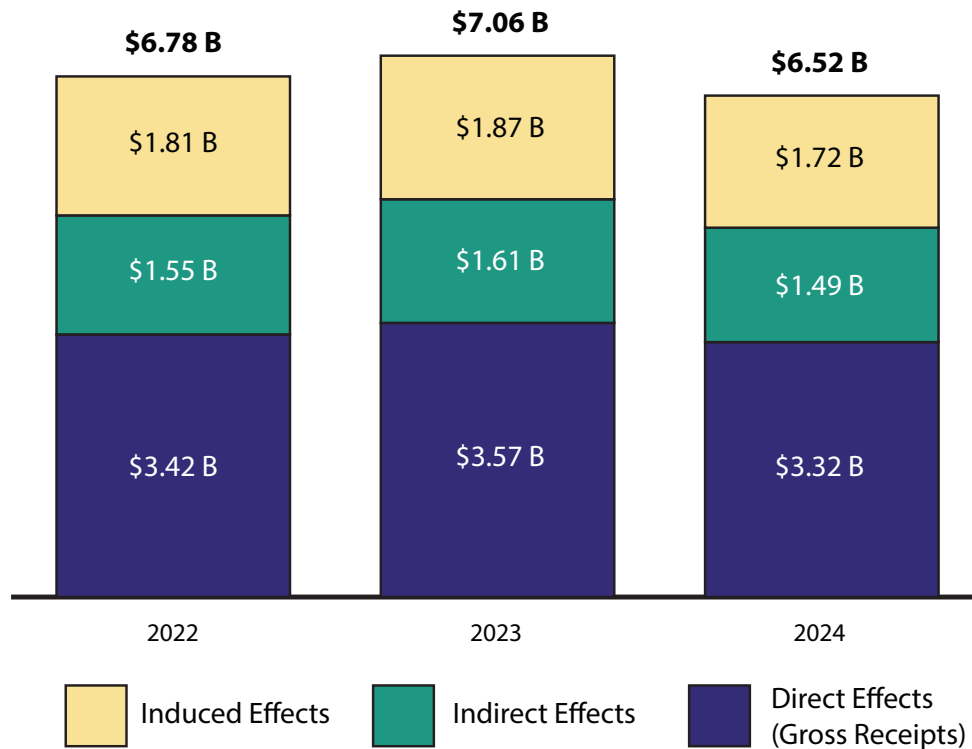
Figure 13. Total Economic Impact of the ECE Industry in Georgia, 2014–2024 (in billions of nominal dollars)



Source: Estimates based on gross receipts calculated by the research team and the IMPLAN input-output economic model for the state of Georgia.

*Note: Time intervals on the X-axis are irregular and reflect the availability of data rather than consistent yearly spacing.

Figure 14. Annual Economic Impact of the ECE Industry in Georgia, 2022–2024



Source: Estimates based on gross receipts calculated by the research team and the IMPLAN input-output economic model for the state of Georgia.

Figure 14 shows the breakdown of direct, indirect, and induced effects for each year in the study period.

Employment Supported by the ECE Industry in Georgia

In addition to total economic impact, IMPLAN provides rough estimates of employment, capturing not only jobs within the ECE industry but also additional jobs supported throughout the economy. For 2024, the early care and education industry had a multiplier effect for employment of 1.30, meaning that for every 100 jobs within the ECE industry in Georgia, another 30 jobs were supported in other industries.

Table 9 shows the estimated employment supported by the ECE industry for each of the three study years. These estimates, which include both part-time and full-time employment, are based on the ECE industry's gross receipts calculated by the research team and the IMPLAN input-output economic model for the state of Georgia. IMPLAN estimates employment in the early care and education industry by linking child care program revenue and spending to typical staffing levels for centers and providers, using national data adjusted to the local economy. It also estimates additional jobs supported at suppliers, such as food and services, and through household spending by the early care and education workforce.

Total employment includes three components: (1) direct jobs, which encompass all workers directly employed by ECE providers, including teachers, administrators, and support staff; (2) indirect jobs, which are created in businesses that support the ECE sector, such as food suppliers, cleaning services, and building maintenance; and (3) induced jobs, which are supported when workers in the ECE sector and its suppliers spend their wages in the broader economy, creating demand in areas like retail, housing, and health care. Total employment supported by the industry peaked in 2023 at 80,205 jobs, dropping to approximately 72,872 in 2024 as supplemental federal support ended. Direct employment rose slightly from an estimated 61,041 in 2022 to 61,659 in 2023, before dropping to 56,022 as temporary federal supports ended. Indirect and induced jobs followed similar patterns.

Table 9. Estimated Employment Supported by the ECE Industry in Georgia, 2022–2024

	2022	2023	2024
Direct jobs	61,041	61,659	56,022
Indirect jobs	8,012	8,092	7,350
Induced jobs	10,350	10,455	9,499
Total	79,404	80,205	72,872

Source: Estimates based on gross receipts calculated by the research team and the IMPLAN input-output economic model for the state of Georgia.

Taxes Generated by the ECE Industry

Through its own spending and employment as well as the spending and employment supported in other industries, the early care and education industry generated an estimated total of approximately \$2.9 billion in federal and state and local taxes across the three study years. Specifically, in 2024, the industry generated roughly \$651.2 million in federal tax revenue and \$307.3 million in state and local tax revenue in Georgia (see Table 10.).

To produce these estimates, IMPLAN begins with the ECE industry’s gross receipts, which the research team calculated, and converts them into an economic activity profile for Georgia that includes wages, business expenses, and household spending. It applies the relevant federal, state, and local tax rates to this profile to estimate the taxes generated by the industry.

Table 10. Taxes Generated by the ECE Industry in Georgia, 2022–2024

	2022	2023	2024
Federal taxes	\$673.8 M	\$699.3 M	\$651.2 M
State and local taxes	\$287.9 M	\$299.9 M	\$307.3 M
Total	\$961.7 M	\$999.3 M	\$958.4 M

Source: Estimates based on gross receipts calculated by the research team and the IMPLAN input-output economic model for the state of Georgia.

Note: Columns may not sum due to rounding.

Conclusion

The ECE industry plays a vital role in Georgia's economy, generating substantial spending, jobs, and tax revenue across the state. In 2024, the industry's gross receipts, calculated in Chapter 2, totaled \$3.32 billion. Using the IMPLAN input-output model, this chapter shows how these dollars ripple through the economy. Indirect effects arise when ECE providers purchase goods and services from other industries, while induced effects occur when employees spend their wages in the state. Together, these effects added \$3.21 billion, bringing total economic impact to \$6.52 billion in 2024. The industry has an output multiplier of 1.97, meaning that for every dollar of gross receipts in the industry, an additional \$0.97 is produced in related economic activity.

Over the past decade, total economic impact grew by about \$1.8 billion, peaking in 2023 due to federal pandemic relief. The industry supported over 72,800 jobs in 2024 and generated roughly \$651.2 million in federal tax revenue and \$307.3 million in state and local tax revenue, reflecting its central contribution to Georgia's economy.



Chapter 4

Economic and Demographic Trends in Georgia Affecting the Early Care and Education Industry

CHAPTERS 2 AND 3 ESTIMATED THE SIZE, SCOPE, AND ECONOMIC IMPACT OF GEORGIA'S EARLY CARE AND EDUCATION INDUSTRY, including how gross receipts ripple through the state economy and support thousands of jobs. With federal pandemic relief funding having ended in 2024, Georgia's ECE industry now faces a period of uncertainty. Examining the broader economic and demographic factors that shape demand for early care and education can shed light on the challenges and opportunities likely to affect the industry in the coming years.

Economic and demographic trends are deeply linked and help explain the ECE industry's role in supporting Georgia's workforce and the state's economy. Since the COVID-19 pandemic, Georgia has demonstrated strong economic growth, with much of this success driven by broader, long-term demographic trends in the state. Using state and national data, this chapter examines key demographic and economic trends relevant to the ECE industry. For example, the industry is influenced by shifts in labor force participation and unemployment as well as by demographic changes like declining birth rates. This chapter clarifies these relationships and highlights key trajectories for Georgia's workforce, parents, and child populations.

Key trends highlighted in this chapter include the following:

- Georgia maintains a robust workforce and continues to be a destination for economic development in the US.
- Georgia's population has been among the fastest-growing in the US over the past three decades. Although the number of residents continues to increase, both the growth rate and the annual number of new residents are projected to slow.
- In line with national trends, Georgia's birth rates are steadily declining.
- Georgia's recovery from COVID-19 has been mixed. While low unemployment rates and a growing population signal strong workforce trends, wages have not kept pace with inflation, and the under-18 population continues to decline.

Key Terms

Labor Force – The civilian population aged 16 or over that is either employed or unemployed and looking for work.

Labor Force Participation Rate – The percentage of people in the labor force as a percentage of the total civilian population age 16 or over.

Unemployment Rate – The percentage of unemployed people who are looking for work, as a percentage of the labor force.

Median Income – The income amount that divides the population into two halves, such that half of the labor force makes less than the amount and half make more than the amount. The median income is preferable to the mean, sometimes called “average,” because the highest income earners skew the distribution.

Real Per Capita Income – Per capita income is the average income per person in the total population. “Real” refers to income adjusted for inflation.

Inflation Rate – The rate at which prices increase in a given period, typically over one year.

Crude Birth Rate – The rate of births per 1,000 people in the total population.

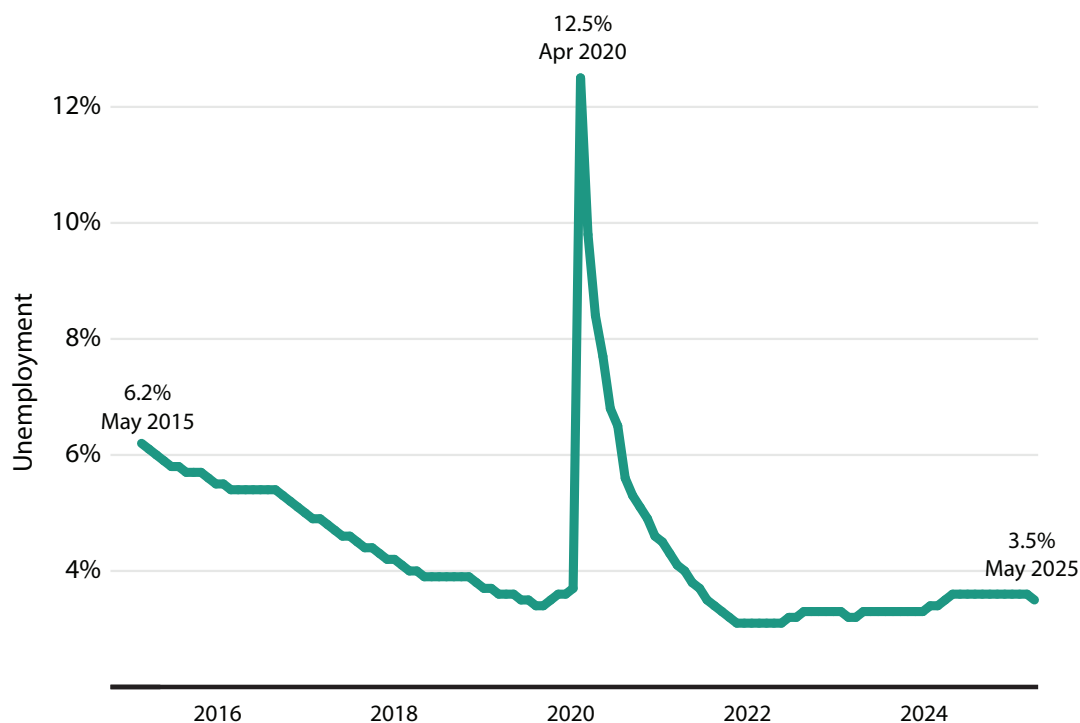
Georgia’s Labor Force, 2015–2025

Labor force trends are closely linked to the early care and education industry because parents’ employment drives demand for child care. Lower unemployment and higher labor force participation mean more parents need reliable care. Labor force size, participation by gender, differences in average earnings between women and men, and per capita income all influence families’ ability to afford child care. These trends help anticipate likely changes in ECE enrollment and staffing related to shifts in employment and family resources.

Prior to 2020, Georgia experienced a steady decline in unemployment rates, reflecting a relatively strong economic landscape with sustained job growth after the Great Recession. From May 2015, when the state’s unemployment stood at 6.2%, the rate steadily dropped by 2.6 percentage points until a sharp surge occurred in 2020 due to the COVID-19 pandemic.

As shown in Figure 15, Georgia’s unemployment rate spiked to a historic high of 12.5% in April 2020 but quickly rebounded to pre-pandemic levels. Throughout this period, Georgia has maintained a lower unemployment rate than the national average. For comparison, the US hit a peak unemployment rate of 14.8% in April 2020. Georgia’s unemployment rate since 2022 has averaged 3.35%, slightly lower than the national average of 3.8% during the same period.

Figure 15. Unemployment Rate in Georgia, 2015–2025



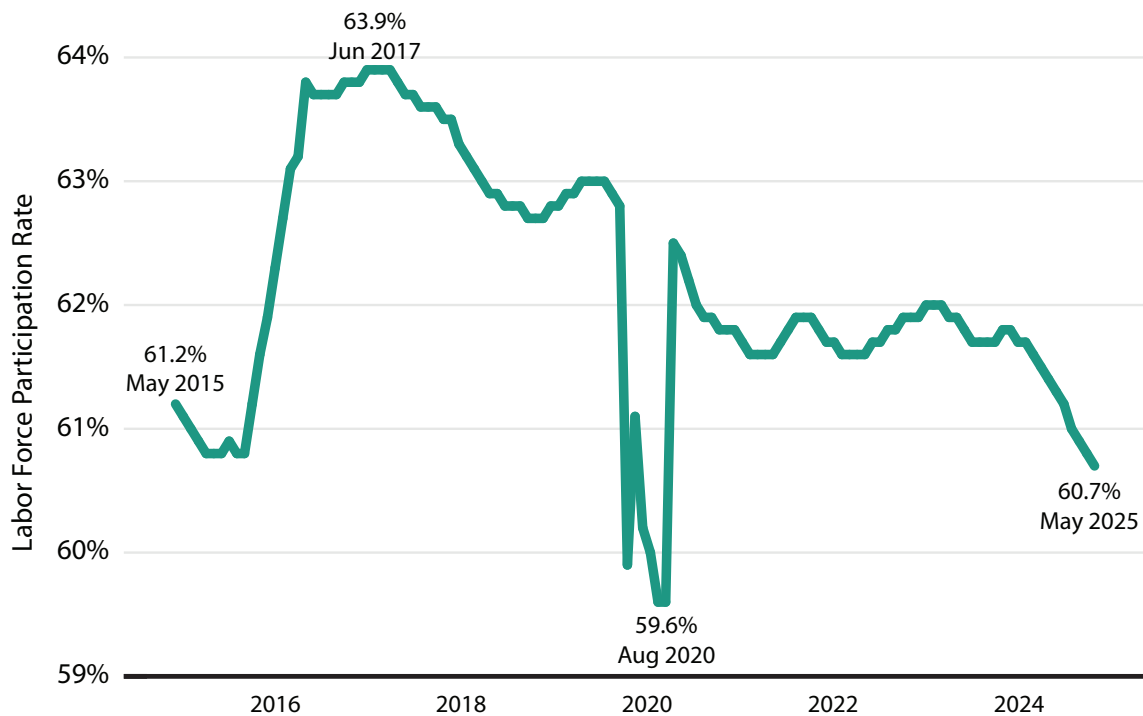
Source: Bureau of Labor Statistics, local area unemployment statistics

Four years after the public health emergency, job recovery has allowed parents who were out of work during the pandemic to reenter the labor force. With unemployment rates remaining low since 2022, demand for early care and education is likely to grow across the state.

Another common workforce metric is the labor force participation rate, which can provide insight into potential demand for early care and education, since higher parent employment often corresponds with greater need for ECE services. Figure 16 shows Georgia’s labor force participation rate—the share of the civilian population age 16 and over that is either employed or actively looking for work—from January 2015 to May 2025. After peaking at 63.9% in the summer of 2017, the rate has declined, stabilizing in recent years at around 60.9%. This downward trend over the past decade mirrors a broader national pattern, driven largely by an aging population.²⁸ Because the labor force participation measure uses the total population over age 16, retirees are included in the calculation. Therefore, as the retirement population gets larger, the labor force participation rate falls, all else being equal. As the large Baby Boomer generation (born 1946–1965) enters retirement, this downward trend in labor force participation rates will continue. Therefore, while labor force participation offers some context, it may not be the most precise indicator of child care needs, given that retirees and non-parent adults are included in the measure.

28 Steven F. Hipple. 2024, September. “Why did Labor Force Nonparticipation Increase from 1999 to 2022?” *Monthly Labor Review*, US Bureau of Labor Statistics. Retrieved from doi.org/10.21916/mlr.2024.17

Figure 16. Labor Force Participation Rate in Georgia, 2015–2025



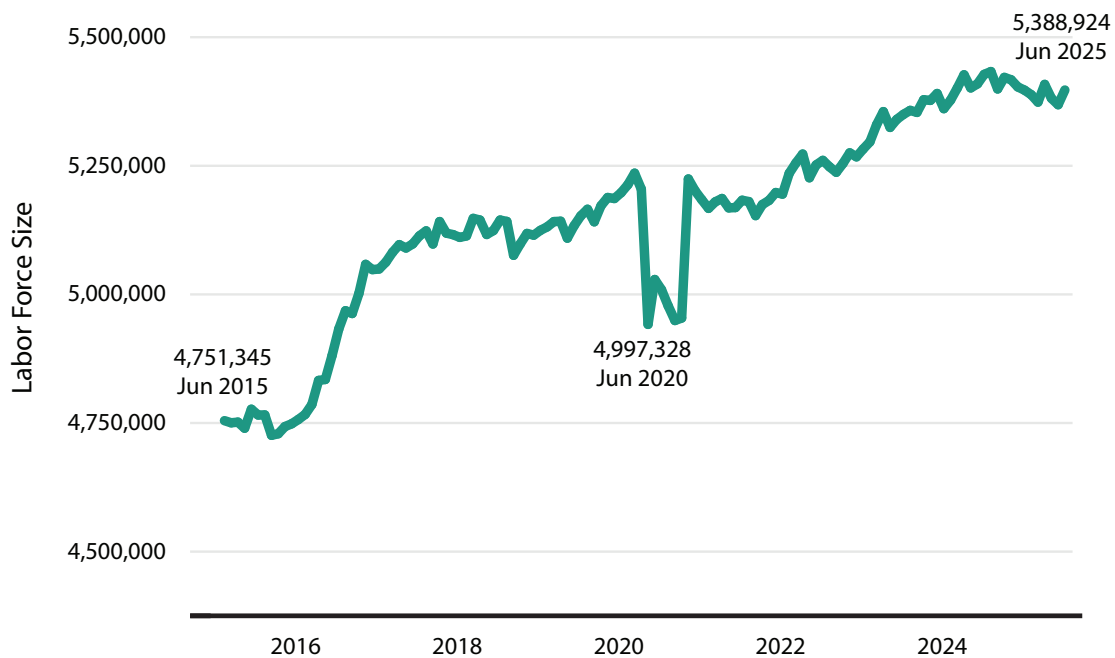
Source: Bureau of Labor Statistics, local area unemployment statistics

Unlike the overall labor force participation rate, the state's labor force size reflects the number of people actively working or seeking work. By excluding retirees, this measure provides a clearer view of the population likely to create demand for early care and education.

Since 2015, Georgia's labor force has experienced steady long-term growth, with some short-term fluctuations. These fluctuations are reflected in Figure 17, which depicts the number of people in the labor force from 2015 to 2025. Between June 2015 and June 2025, the state's labor force increased by more than 668,000 individuals, rising from approximately 4.75 million to nearly 5.42 million — a 14% increase over the decade. Most years saw consistent gains, with the most substantial year-over-year growth occurring between 2015 and 2017, and again from 2020 to 2021 as the state rebounded from early pandemic-related disruptions. Although a strong recovery from COVID-19 has continued through to 2025, the labor force size in June 2025 shows a modest decline, suggesting possible tightening in the labor market.

These labor force trends have potential implications for the early care and education sector. Growth in the working-age population increases demand for ECE services, especially as labor force participation among parents rises. Conversely, any slowdown may place additional pressure on providers to retain staff and manage costs amid shifting enrollment patterns.

Figure 17. Georgia's Labor Force Size, 2015–2025

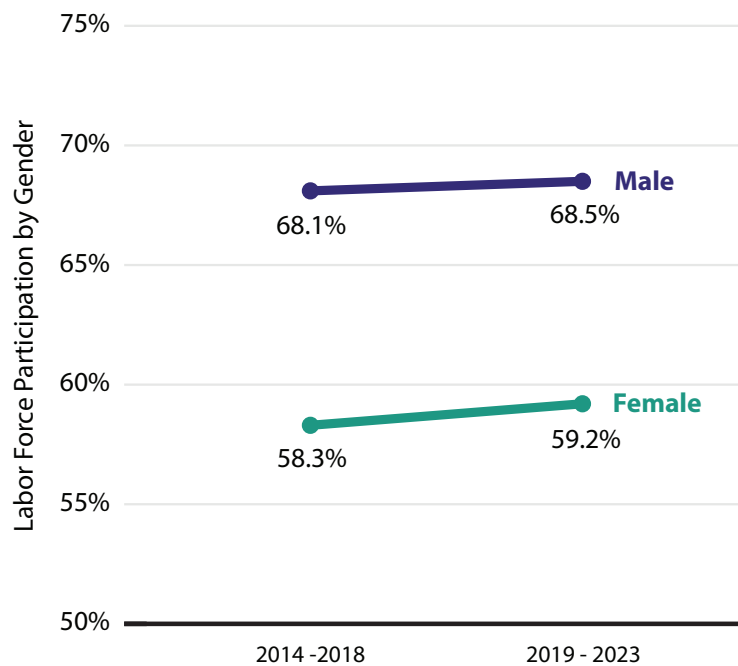


Source: Bureau of Labor Statistics, local area unemployment statistics

In the past decade, more women than men have entered the labor pool in Georgia, with over 248,000 women and approximately 237,000 men joining the workforce since 2013. As Figure 18 shows, women comprise a growing proportion of the labor force, raising a few considerations for the ECE industry. Although, historically, increased labor force entry has been linked to delayed childbearing,²⁹ expanded access to quality early care and education can help ensure that women who do have children are able to maintain or increase their workforce participation.

29 Siddharth Zabak, Ashish Varma, Spandan Bansod, and Meera Pohane. 2023, September. Exploring the Complex Landscape of Delayed Childbearing: Factors, History, and Long-Term Implications. *Cureus*, 15(9):e46291. doi: 10.7759/cureus.46291

**Figure 18. Labor Force Participation
Rate by Gender in Georgia**



Source: US Census Bureau, American Community Survey,
5-year estimates

Income and wage metrics—including household income, real per capita income, and average salaries for men and women—are important for the ECE industry because they reflect families’ ability to afford child care. These measures provide insight into household resources, helping anticipate demand and program affordability.

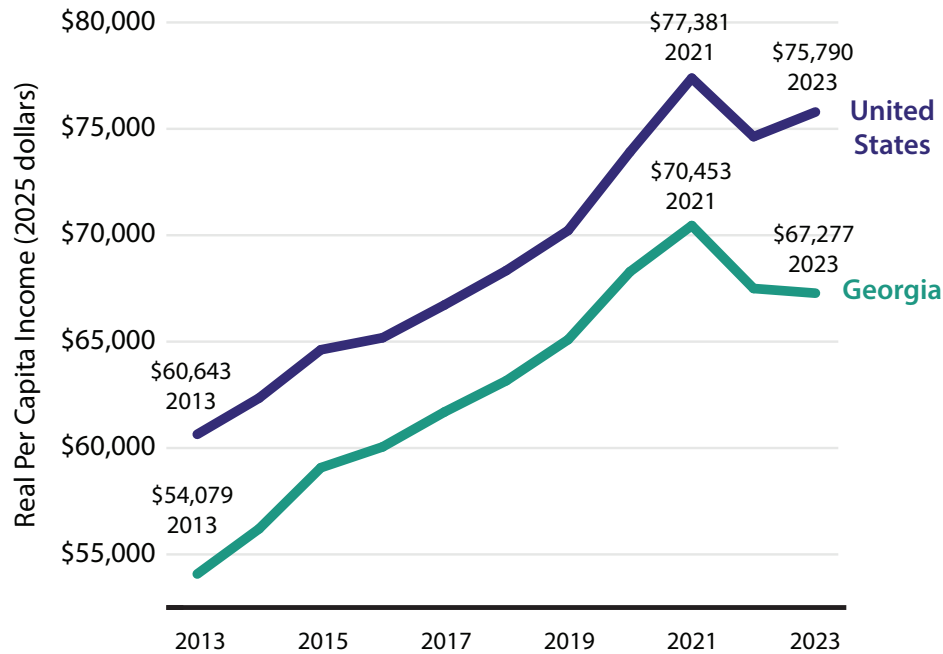
Two common measures of income are median income and per capita income. The median household income in Georgia is about \$74,000, lower than the national median of \$77,700. The median *individual* income in Georgia is about \$44,500, higher than the national median of \$42,200.³⁰

Unlike median income, real per capita income is calculated by dividing total income earned—adjusted for inflation—by the mid-year population. Figure 19 compares the real per capita income of Georgia to the national average from 2013 to 2023, the last year for which data are available. The real per capita income of Georgians in 2023 was about \$67,000. Throughout this period, Georgia’s real per capita income remained below the national average, and wage growth did not keep pace with inflation over these years. Although Georgia’s economy has rebounded strongly from the pandemic, marked by increased women’s workforce participation and declining unemployment, per capita income has fallen behind.

For the ECE industry, these income patterns matter because they shape what families can realistically spend on child care. Georgia’s slower wage growth and below-average per capita income suggest that affordability remains a challenge for many households.

³⁰ Based on the 5-year ACS estimate 2019–2023.

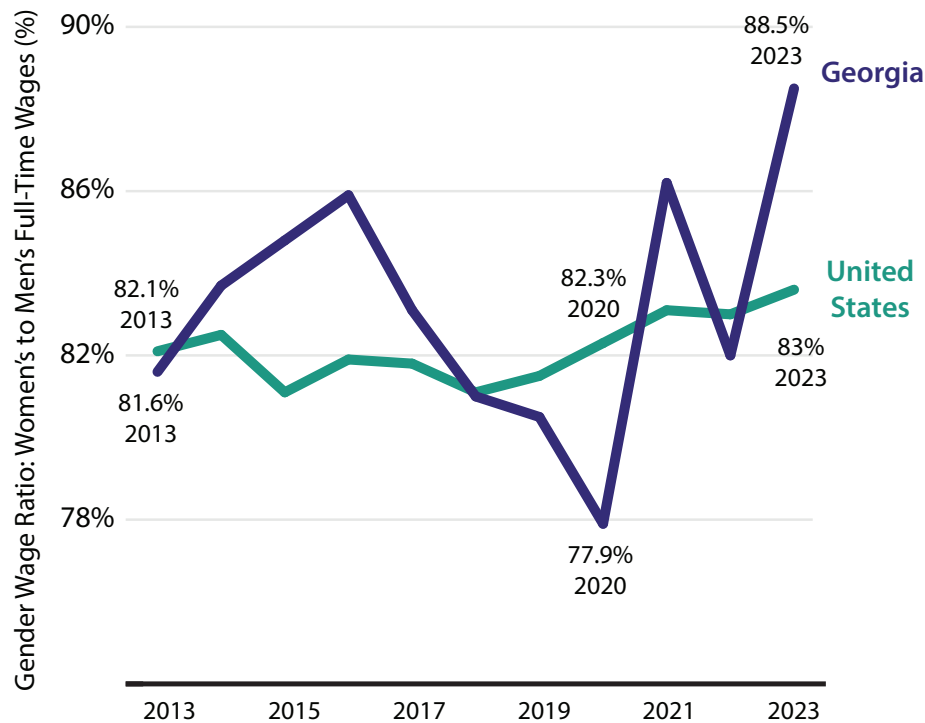
Figure 19. Georgia's Real per Capita Income Compared to the United States (2025 dollars), 2013–2023



Source: US Bureau of Economic Analysis, state annual summary statistics

In addition to overall income levels, differences in earnings between men and women are an important factor in understanding family resources. Figure 20 compares the average salaries of male and female full-time workers in Georgia. The figure shows the average salary of women working full time as a percentage of the average salary of men working full time from 2013 to 2023. In 2020, women's pay dropped to its lowest point relative to men in the past 10 years. However, since the pandemic, women have made gains in income in Georgia. In 2023, women in Georgia working full time made on average about 88% of what men made working full time. This wage growth for women in Georgia relative to male counterparts outpaced the national average, which has hovered at about 82% since 2013. Despite this progress, women's earnings continue to trail behind men's. This wage gap means that while many Georgia families struggle with child care costs, female-headed households are especially vulnerable to financial strain.

Figure 20. Average Full-Time Earnings of Women as a Percentage of Men's Earnings in Georgia, 2013 – 2023



Source: US Bureau of Labor Statistics, Current Population Survey

The patterns identified in Georgia's labor force over the last 10 years—steady long-term growth of more than 668,000 workers since 2015, rising women's participation, and low unemployment averaging 3.35% since 2022—point to increasing parent employment, which in turn drives demand for early care and education. Persistent wage gaps and real per capita income below the national average shape families' ability to afford child care. Together, these trends help anticipate how changes in employment, income, and workforce composition are likely to influence ECE enrollment and providers' capacity to sustain their workforce.

Inflation

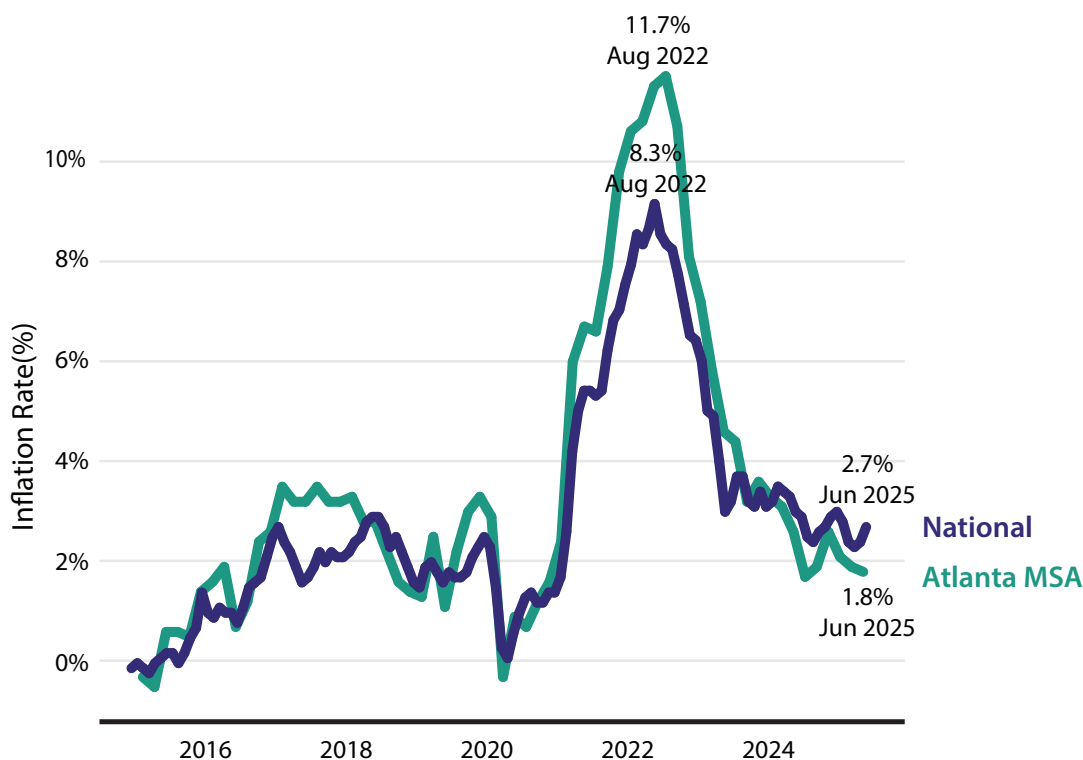
Inflation influences the ECE industry in many ways, from the parent fees families face to the costs providers pay for food, supplies, and wages for their staff. Chapter 2 explained how the rise in inflation following the pandemic affects the calculation of economic impact, complicating year-to-year comparisons of parent fees. Building on the earlier discussion, this section provides a more detailed overview of how inflation is measured and how it has changed over time in Georgia and the United States, offering important context for understanding economic trends in the ECE industry.

Inflation rates are a complex measurement that show how costs impact virtually all consumers. The Consumer Price Index (CPI) reflects the changes in the cost of a standard set of goods and services over time and is used to measure inflation. The US Bureau of Labor Statistics uses the CPI to show how much the cost of a standard set of goods and services changes for all urban consumers in the US monthly, dating back to 1913. The most widely cited inflation rates — such as those referenced in the national media — are based on these data of urban consumers. While the Bureau of Labor Statistics does not publish inflation rates at the state level, Figure 21 features data for the Atlanta metropolitan statistical area (MSA), the Census-defined region that represents the Atlanta metro area.

The inflation rate can be interpreted as the percentage change in the cost of the standard set of goods and services since the previous year. For example, the most recent rate in Figure 21 shows that for the Atlanta MSA, goods and services cost about 1.8% more in June 2025 than they did in June 2024.

Since reaching a peak during the post-COVID-19 recovery period, inflation has moderated and now aligns more closely with the Federal Reserve’s target rate of 2%. Over the past decade, inflation trends in the Atlanta MSA have largely mirrored national patterns, with the notable exception of the COVID-19 recovery period, during which inflation in Atlanta was higher than the national average.

Figure 21. Inflation Rate, 2015–2025, US versus Atlanta



Source: Bureau of Labor Statistics, CPI-U

Demographic Trends

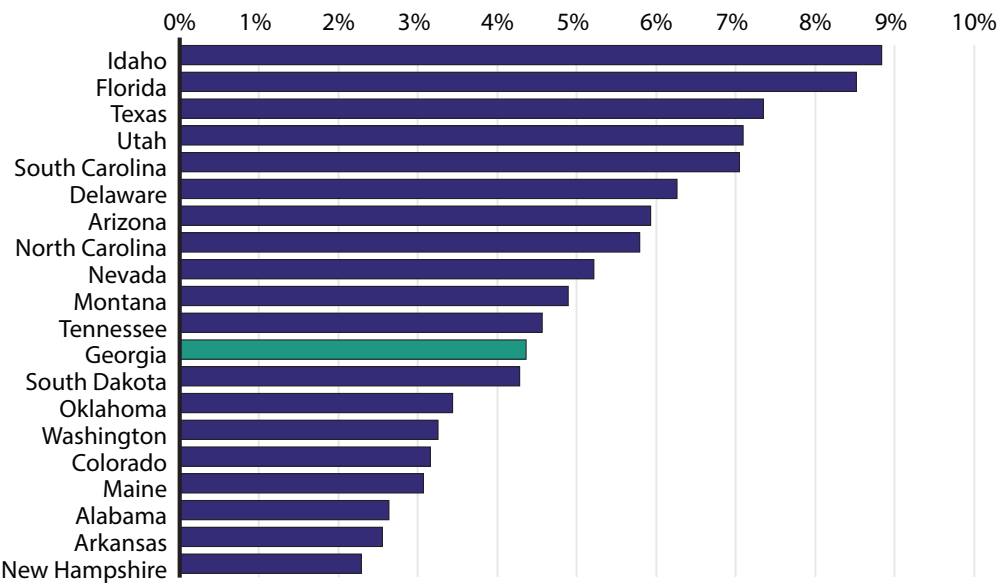
Demographic trends are a key factor in understanding demand for early care and education in Georgia. Population size and growth, including changes in both youth and adult populations, directly affects the number of children needing care. Birth rates and the share of the population ages 0–4 provide insight into the youngest cohorts entering the ECE system, while the geographic distribution of these children highlights areas of concentrated need across the state. Racial and ethnic composition shapes the diversity of the population of children served, and family household types influence child care arrangements and preferences. Examining these trends reveals potential shifts in enrollment patterns, identifies areas of concentrated demand, and supports planning to strengthen the ECE system throughout Georgia.

Georgia’s Current Population

Georgia is the eighth most populous state in the US. Georgia is currently home to more than 11.18 million people, with the state’s population expected to surpass 11.7 million people by 2030.³¹

Georgia is one of the fastest-growing states in the country. In the 2010s, it was one of only four states to exhibit population growth of more than 1 million people, joining California, Florida, and Texas. Since the 2020 Decennial Census, Georgia has been the 12th fastest-growing state in terms of the percentage of population growth (Figure 22) and fourth in terms of total numeric growth (Figure 23). Migration is the leading contributor to the state’s population growth. While growth trends are expected to continue, the pace of this growth is projected to slow down. A significant contributor to this slower growth in Georgia, and nationwide, is declining birth rates.

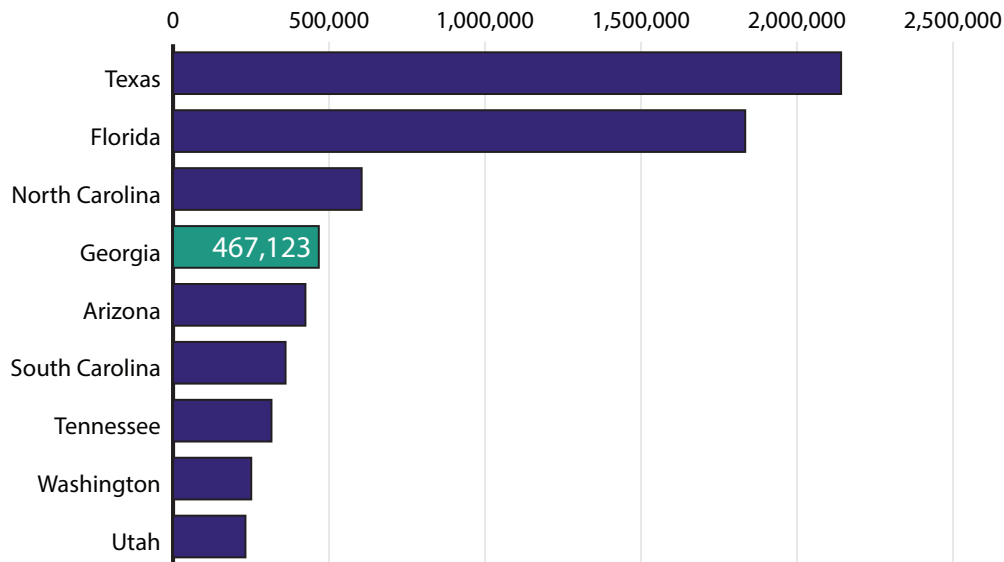
Figure 22. Percentage Population Increase by US State, 2020 to 2024



Source: US Census Bureau, Vintage population estimates 2024

31 Current population is based on US Census Bureau 2024 vintage population estimates, and the 2030 projection comes from the Georgia Governor’s Office of Planning and Budget.

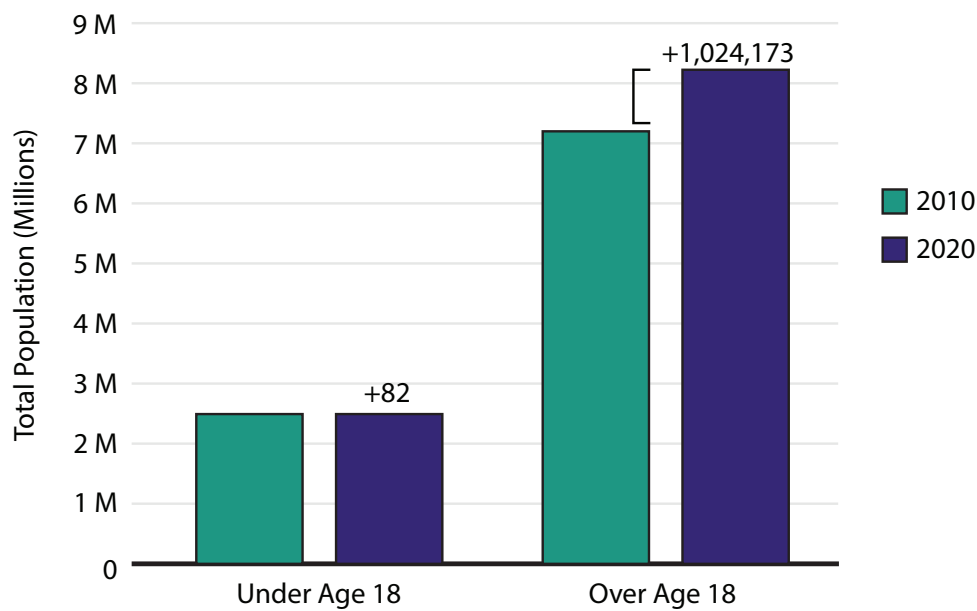
Figure 23. Numeric Population Increase by US State, 2020 to 2024



Source: US Census Bureau, County Population Estimates 2024

Georgia’s growth has been primarily in the adult population, while the under-18 population has remained largely flat. Between the 2010 and 2020 Census counts, the under-18 population of Georgia increased by just 82 residents (see Figure 24). The growth of the adult population helps explain the state’s strong post-pandemic economic recovery, while the minimal change in the youth population presents a key challenge for the ECE industry.

Figure 24. Georgia’s Under-18 and Adult Population Growth, 2010 and 2020



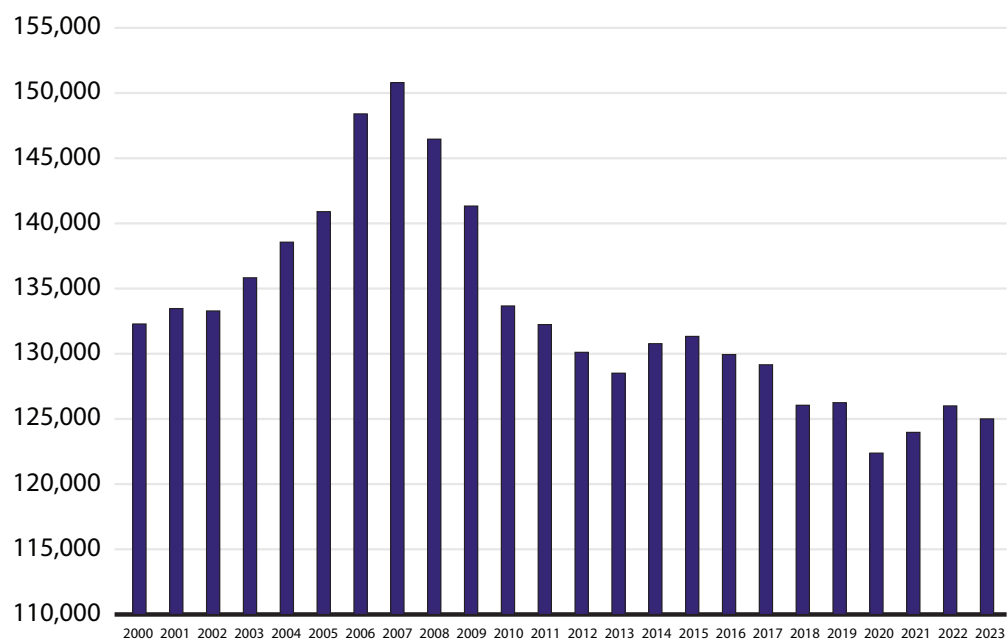
Source: US Census Bureau, Decennial Census

Births

Not surprisingly, births and birth rates are closely linked to the ECE industry, as they determine the number of young children in the state and help shape future child care demand.

As part of a nationwide trend,³² Georgia is experiencing declining birth rates. The absolute number of births in Georgia peaked in 2007 and has steadily declined since. The number of births between 2019 and 2023 remained relatively stable. Even so, the past four calendar years (2020–2023) have seen the four lowest numbers of total births in Georgia in the 21st century. Moreover, the roughly 125,000 births in 2023 were about 7,500 fewer than Georgia experienced in 2000, even though roughly 3 million fewer people were living in Georgia at the time. Therefore, the decline in the birth rate, or the number of births as a share of the population, has been even more pronounced than the decrease in the total number of births.

Figure 25. Number of Births in Georgia, 2000–2023

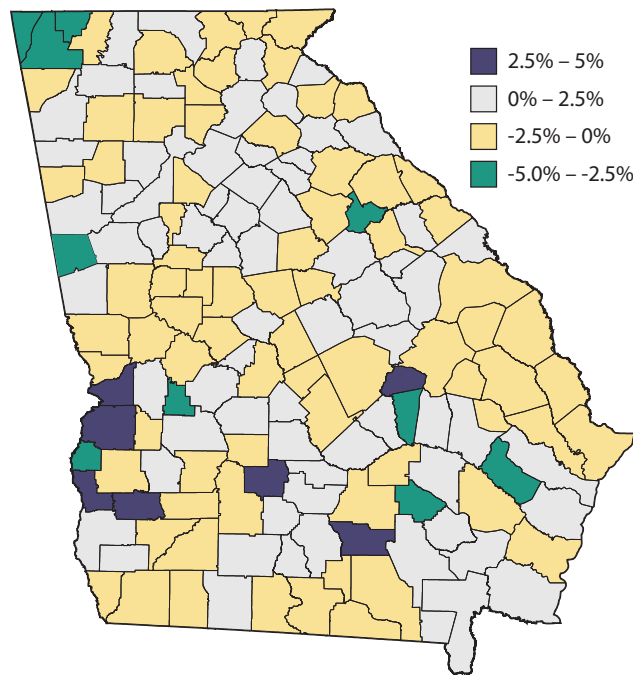


Source: Georgia Department of Public Health, OASIS

Figure 26 maps the change in the crude birth rate, or the number of births per 1,000 residents, between 2021 and 2024. The crude birth rate is useful because it adjusts for the population size. Eighty-four counties experienced a decline in their crude birth rate over that period. By comparison, 75 counties saw an increase. Apart from the Columbus area, many large population centers fell into the 0–2.5% growth category. Even places like the Georgia coast that have experienced tremendous growth may have relatively flat or declining birth rates.

32 K.B. Guzzo and S.R. Hayford. 2023. Evolving Fertility Goals and Behaviors in Current US Childbearing Cohorts. *Population and Development Review* 49(1): 7-42; Melissa S. Kearney, Phillip B. Levine, and Luke Pardue. 2022. The Puzzle of Falling US Birth Rates since the Great Recession. *Journal of Economic Perspectives* 36(1): 151-76; OECD. 2019. OECD Labour Force Statistics 2019, OECD Publishing, Paris.

Figure 26. Change in Births per 1,000 Residents in Georgia, 2021–2024



Source: Georgia Department of Public Health, OASIS

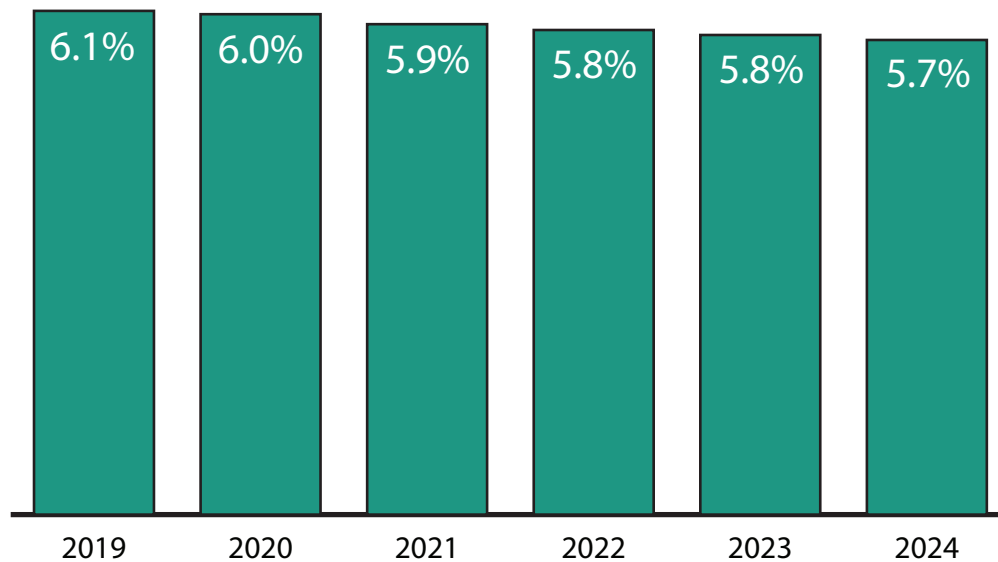
These declining birth rates point to a likely decrease in the number of young children, which will directly impact the ECE industry. While some counties have seen small increases, overall trends suggest future early care and education demand may level off or decline. The next section looks specifically at the 0–4 population in Georgia.

Early Care and Education Population

As of 2024, an estimated 644,506 children ages 0 to 4 reside in Georgia, representing approximately 5.7% of the state's total population. Figure 27 illustrates the share of Georgians ages 0 to 4 from 2019 to 2024. Note that unlike the discussion of births in the previous section, this analysis captures both births and migration.

The declining share of 0–4-year-olds in Georgia is driven by several factors. First, Georgia's population is aging, with individuals age 65 and older increasing at a faster rate than children, young adults, or working-age adults. Second, birth rates are continuing to decline, as discussed above. In 2024, Georgia recorded 36.3 births per 1,000 women of childbearing age, contributing to the reduced proportion of young children in the population. Third, the past few decades of growth have been primarily driven by the migration of working-age adults who may not have children.

Figure 27. Percentage of the Population Aged 0–4 in Georgia, 2019–2024

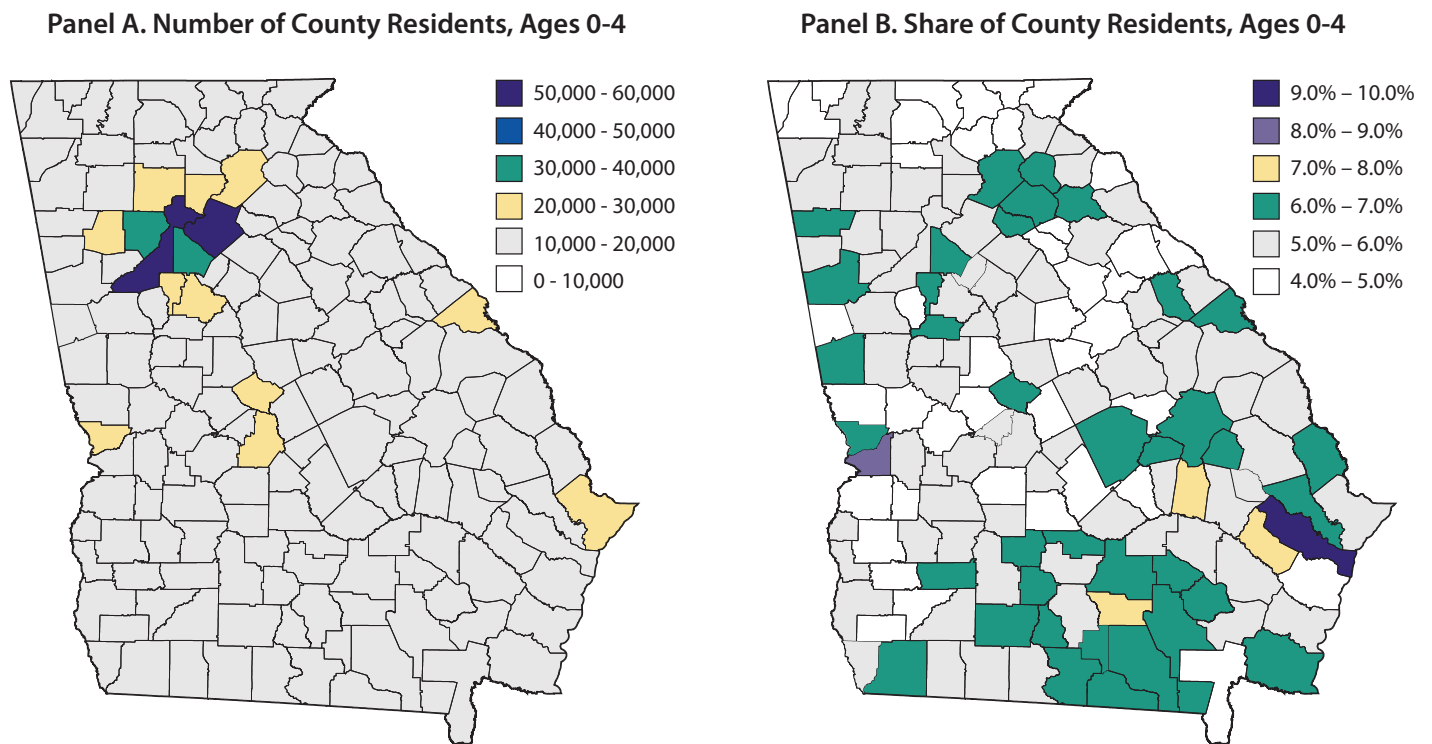


Source: US Census Bureau, county population estimates 2024

The geographic distribution of children ages 0–4, mapped in Panel A of Figure 28, is similar to that of the state’s population as a whole. Cobb, Fulton, DeKalb, and Gwinnett counties are home to one in three Georgians, with 31% of the 0-to-4 age group living in those four counties that make up the core of the Atlanta metropolitan area. The next most populous places—the cities of Columbus, Macon, Augusta, and Savannah—also have large numbers of 0-to-4-year-olds.

Panel B of Figure 28 illustrates that this trend is not the same everywhere. Regions near Columbus, Valdosta, and Savannah all have clusters where the 0-to-4 population is higher as a share of the county population. In 75 counties, or just under half of Georgia’s 159 counties, 0-to-4-year-olds comprise between 5% and 6% of their population. In only five counties do 0-to 4-year-olds account for more than 7% of their population: Atkinson, Chattahoochee, Liberty, Long, and Toombs. Three of these high-share counties are near military bases: Liberty, Long, and Chattahoochee.

Figure 28. Geographic Distribution of Georgia's 0–4 Population, 2024

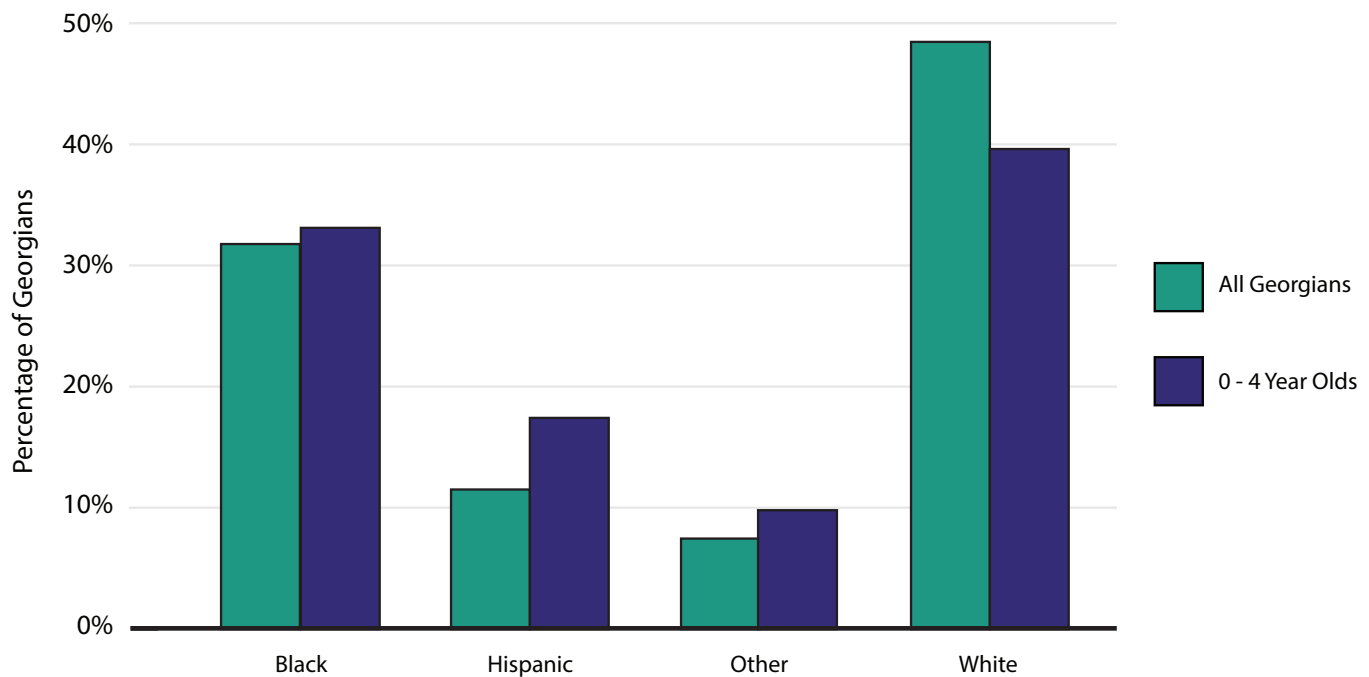


Source: US Census Bureau, county population estimates 2024

These trends of slower growth, declining birth rates, and spatial variation among Georgia's 0–4 population indicate potential shifts in enrollment patterns, providing critical context for understanding demand and the distribution of ECE services across the state.

Another factor that could potentially affect the ECE industry is Georgia's increasing racial and ethnic diversity, particularly among young children. Figure 29 illustrates the diversity of the state's overall population alongside that of children ages 0 to 4. In 2024, Hispanic children accounted for nearly 17.4% of this youngest age group, a notable increase over the 11.6% share of the overall population. Black children comprise 33.1% of the 0-to-4 age group, largely consistent with the 32.0% share of Black individuals in Georgia's total population. Children identified as multiracial, Asian, Pacific Islander, Native American, or other races made up 9.8% of the early childhood population, higher than the 7.5% share of these groups in Georgia's total population. On the other hand, White children comprised approximately 39.6% of Georgians ages 0 to 4, compared to 48.8% of the total state population.

Figure 29. Racial and Ethnic Composition of Georgia's Population, 2024



Source: US Census Bureau, county population estimates 2024

The growing racial and ethnic diversity of Georgia's youngest children has implications for the ECE industry's economic activity. Changes in population composition can influence staffing, program resources, and the allocation of services, shaping overall expenditures and the industry's impact on the state's economy.

Households

Household composition is another factor that sheds light on early care and education demand in Georgia. The number and type of child-rearing households influences how many children need care and the services families use, which in turn affects the economic activity and expenditures of the ECE industry.

In 2023, Georgia had a total of 4,008,013 households. Of these, 2.5 million—or 63.6%—were classified as child-rearing households, defined as households with at least one child under the age of 18. Among all Georgia households, 474,070 (11.8%) included at least one child under age 6, representing 18.9% of all child-rearing households. Married couples accounted for the majority of child-rearing households at 62.5%, followed by female-headed households at 25.9%. Male-headed households and cohabiting couple households made up smaller shares at 4.5% and 7.1%, respectively.

Table 11 shows child-rearing household totals by type from 2019 to 2023. While the numbers in each type of household are relatively stable, between 2019 and 2023, Georgia added nearly 38,000 child-rearing households. Over half of this growth (53.5%) occurred among married-couple households, followed by increases in cohabiting couple households and female-headed households, which together accounted for 14.6% of the growth.

Table 11. Child-Rearing Household Types, 2019–2023

Household Type	2019	2020	2021	2022	2023
Married couple households	1,565,425	1,568,384	1,583,996	1,565,053	1,585,750
Cohabiting households	172,889	170,730	173,261	176,029	180,958
Male-headed households	109,911	110,895	112,210	112,423	113,927
Female-headed households	651,261	649,867	657,627	654,133	656,813

Source: US Census Bureau, American Community Survey 1-year estimates

Looking Ahead

Georgia’s demographic and economic trends signal both challenges and opportunities for the early care and education industry in the coming years. Over the past decade, the state has experienced strong population and job growth, particularly in metropolitan areas. Like the rest of the nation, Georgia has seen a decline in birth rates; however, this reduction has been offset by a growing adult population, keeping the annual number of births relatively stable since 2020. This stability, following years of declining births, may offer an opportunity for consistent planning at the state level, though patterns vary widely across regions. The uneven geographic distribution of these trends highlights the importance of understanding local demographic shifts to ensure resources align with community needs.

Household trends further shape ECE demand. While the number of child-rearing households has remained relatively flat, differences in marital composition influence the types of care families require. Meanwhile, increasing racial and ethnic diversity among young children may affect staffing, program resources, and the allocation of services within Georgia’s ECE industry in the years ahead.

Economic conditions also influence the demand for and delivery of early care and education. Georgia’s labor market has recovered quickly from the COVID-19 pandemic, with low unemployment and steady labor force growth supporting demand for early care and education. Rising labor force participation, particularly among women, increases the need for reliable child care. However, wage growth has lagged behind inflation, limiting household purchasing power. These economic conditions create both opportunities and pressures for the ECE industry, influencing enrollment patterns, affordability, and the sustainability of providers across the state.



Conclusion

EACH YEAR, THE EARLY CARE AND EDUCATION INDUSTRY IN GEORGIA SERVES THOUSANDS OF CHILDREN AND FAMILIES across the state. In 2022, the state had 5,281 licensed or regulated providers, rising slightly to 5,346 in 2024. These include child care learning centers, family child care learning homes, and school-based Pre-K programs. Tens of thousands of educators, administrators, and support staff contribute to children’s healthy development and the broader economy, supporting workforce stability and family well-being.

Gross receipts for the industry totaled \$3.4 billion in 2022, \$3.6 billion in 2023, and \$3.3 billion in 2024. These totals include parent fees as well as federal and state funding for programs. During these three years, DECAL distributed over \$1.7 billion in federal pandemic relief funding—\$810 million in 2022, \$753 million in 2023, and \$142 million in 2024—helping stabilize providers, subsidize payroll and operational costs, and support families with tuition assistance. This financial support played a central role in keeping many programs open and ensuring access to quality care.

In anticipation of the cessation of pandemic funding, DECAL implemented measures to strengthen the ECE system and support providers and families. The agency gradually phased out temporary programs that had fully subsidized care for low-income families, revised the Quality Rated bonus system to reward higher-quality programs, and invested in teacher training, classroom materials, and facility upgrades. These actions helped build lasting capacity and support providers and families during the transition, though the future without elevated federal funding remains uncertain.

The industry’s total economic impact in 2024 reached \$6.52 billion, with an output multiplier of 1.97, meaning that each dollar of gross receipts generated an additional \$0.97 in related economic activity. This total includes indirect effects from purchases of goods and services and induced effects from employee spending, demonstrating how the industry contributes to Georgia’s broader economy beyond direct provider revenue.

Economic and demographic trends further contextualize these findings. Georgia’s growing adult population, shifting household structures, and declining birth rates influence demand for early care and education, while changes in labor force participation and income affect affordability and access. Understanding these patterns is crucial for interpreting the industry’s impact and preparing for the uncertain landscape in a post-pandemic funding environment.



Appendix

Detailed Parent Fee Tables

Parent Fees, Center-Based Providers, 2022

Urban Centers	Provider Count	Average Enrollment: Private	Weekly Rate	Weeks	Estimated 2022 Total
Infants (under 1 year)	1,922	4.60	\$226.0	48	\$95,825,364
Toddlers (1– 2-year-olds)	2,086	19.61	\$220.3	48	\$432,555,400
Preschool (3-year-olds)	2,290	21.38	\$209.8	48	\$492,908,611
Prek (4-year-olds)	905	29.00	\$84.3	36	\$79,679,618
School-age (5 years+)	2,319	10.42	\$163.5	36	\$142,175,234
School-age summer	986	21.00	\$142.3	14	\$41,239,586

Rural Centers	Provider Count	Average Enrollment: Private	Weekly Rate	Weeks	Estimated 2022 Total
Infants (under 1 year)	458	4.14	\$120.1	48	\$10,918,741
Toddlers (1– 2-year-olds)	497	16.51	\$114.0	48	\$44,920,535
Preschool (3-year-olds)	599	17.37	\$108.8	48	\$54,321,367
Prek (4-year-olds)	108	31.00	\$62.7	36	\$7,562,450
School-age (5 years+)	543	8.16	\$89.6	36	\$14,286,970
School-age summer	223	15.50	\$95.7	14	\$4,629,215

Parent Fees, Home-Based Providers, 2022

Urban Home-Based	Provider Count	Average Enrollment: Private	Weekly Rate	Weeks	Estimated 2022 Total
Infants (under 1 year)	813	0.50	\$174.7	48	\$3,408,803
Toddlers (1–2-year-olds)	911	2.00	\$170.7	48	\$14,931,818
Preschool (3–5-year-olds)	901	1.40	\$167.5	48	\$10,139,498
School-age (5 years+)	717	0.40	\$132.9	36	\$1,372,381
School-age summer	286	0.50	\$117.8	14	\$235,868

Rural Home-Based	Provider Count	Average Enrollment: Private	Weekly Rate	Weeks	Estimated 2022 Total
Infants (under 1 year)	251	0.40	\$105.5	48	\$508,444
Toddlers (1–2-year-olds)	287	1.80	\$102.3	48	\$2,535,523
Preschool (3–5-year-olds)	288	1.50	\$101.4	48	\$2,101,742
School-age (5 years+)	235	0.40	\$94.7	36	\$320,315
School-age summer	118	0.60	\$88.6	14	\$87,834

Parent Fees, Center-Based Providers, 2023

Urban Home-Based	Provider Count	Average Enrollment: Private	Weekly Rate	Weeks	Estimated 2023 Total
Infants (under 1 year)	1,959	4.17	\$240.0	48	\$94,011,634
Toddlers (1–2-year-olds)	2,127	17.72	\$234.3	48	\$423,993,683
Preschool (3-year-olds)	2,332	19.61	\$223.1	48	\$489,777,495
Prek (4-year-olds)	920	29.00	\$89.7	36	\$86,153,837
School-age (5 years+)	2,404	9.44	\$171.9	36	\$140,505,430
School-age summer	940	21.00	\$149.6	14	\$41,356,976

Rural Home-Based	Provider Count	Average Enrollment: Private	Weekly Rate	Weeks	Estimated 2023 Total
Infants (under 1 year)	464	3.64	\$125.3	48	\$10,169,768
Toddlers (1–2-year-olds)	505	14.71	\$119.5	48	\$42,611,346
Preschool (3-year-olds)	608	15.57	\$113.7	48	\$51,684,447
Prek (4-year-olds)	106	31.00	\$65.6	36	\$7,760,614
School-age (5 years+)	557	7.80	\$94.3	36	\$14,753,865
School-age summer	210	15.50	\$100.7	14	\$4,588,451

Parent Fees, Home-Based Providers, 2023

Urban Home-Based	Provider Count	Average Enrollment: Private	Weekly Rate	Weeks	Estimated 2023 Total
Infants (under 1 year)	785	0.50	\$184.1	48	\$3,468,187
Toddlers (1–2-year-olds)	884	2.20	\$179.8	48	\$16,780,135
Preschool (3–5-year-olds)	874	1.40	\$176.7	48	\$10,376,238
School-age (5 years+)	704	0.40	\$138.3	36	\$1,402,127
School-age summer	257	0.50	\$122.6	14	\$220,544

Rural Home-Based	Provider Count	Average Enrollment: Private	Weekly Rate	Weeks	Estimated 2023 Total
Infants (under 1 year)	237	0.40	\$109.1	48	\$496,388
Toddlers (1–2-year-olds)	276	1.95	\$106.0	48	\$2,739,483
Preschool (3–5-year-olds)	277	1.50	\$104.3	48	\$2,080,938
School-age (5 years+)	231	0.40	\$97.1	36	\$323,053
School-age summer	107	0.60	\$90.9	14	\$81,718

Parent Fees, Center-Based Providers, 2024

Urban Home-Based	Provider Count	Average Enrollment: Private	Weekly Rate	Weeks	Estimated 2024 Total
Infants (under 1 year)	1,972	4.38	\$252.7	48	\$104,709,428
Toddlers (1–2-year-olds)	2,142	18.27	\$246.2	48	\$462,511,704
Preschool (3-year-olds)	2,348	20.75	\$234.5	48	\$548,454,634
Prek (4-year-olds)	941	29.00	\$94.3	36	\$92,610,037
School-age (5 years+)	2,430	10.35	\$173.6	36	\$157,232,811
School-age summer	904	21.00	\$151.1	14	\$40,153,601

Rural Home-Based	Provider Count	Average Enrollment: Private	Weekly Rate	Weeks	Estimated 2024 Total
Infants (under 1 year)	466	3.90	\$133.7	48	\$11,672,297
Toddlers (1–2-year-olds)	509	15.12	\$127.3	48	\$47,043,525
Preschool (3-year-olds)	611	16.36	\$121.1	48	\$58,083,084
Prek (4-year-olds)	99	31.00	\$69.9	36	\$7,718,067
School-age (5 years+)	563	10.35	\$95.0	36	\$19,941,913
School-age summer	199	15.50	\$101.4	14	\$4,379,984

Parent Fees, Home-Based Providers, 2024

Urban Home-Based	Provider Count	Average Enrollment: Private	Weekly Rate	Weeks	Estimated 2024 Total
Infants (under 1 year)	753	0.40	\$190.9	48	\$2,759,769
Toddlers (1–2-year-olds)	850	2.10	\$186.9	48	\$16,010,271
Preschool (3–5-year-olds)	845	1.40	\$183.4	48	\$10,416,511
School-age (5 years+)	679	0.30	\$138.4	36	\$1,014,772
School-age summer	243	0.50	\$122.7	14	\$208,637

Rural Home-Based	Provider Count	Average Enrollment: Private	Weekly Rate	Weeks	Estimated 2024 Total
Infants (under 1 year)	221	0.40	\$112.4	48	\$477,121
Toddlers (1–2-year-olds)	258	1.90	\$109.1	48	\$2,567,499
Preschool (3–5-year-olds)	261	1.40	\$107.5	48	\$1,885,391
School-age (5 years+)	216	0.30	\$99.6	36	\$232,450
School-age summer	99	0.60	\$93.3	14	\$77,575

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Notes:

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Georgia Dept
of Early Care
and Learning
BRIGHT FROM THE START

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.