

The Economic Impact of the Early Care and Education Industry in Georgia



The contributions of the early care and education industry to Georgia's economy are numerous and large. The industry employs child care teachers and family child care providers, administrators, and a variety of staff that support the operation of the early care and education system in Georgia. Workers in these early care and education settings subsequently spend their earnings in Georgia, which in turn, distribute additional employment and spending opportunities throughout Georgia's economy. The early care and education industry also supports parents by providing them with opportunities to engage in meaningful employment.

A research study by the Child Policy Partnership, which consists of researchers from the University of Georgia and Georgia State University, estimates the impact of this important industry on Georgia's economy. The study, *The Economic Impact of the Early Care and Education Industry in Georgia*, was commissioned by Bright from the Start: Georgia Department of Early Care and Learning, and provides an in-depth analysis of the industry. Detailed information and analysis can be found in the study itself, and this policy brief highlights the main short-term economic impact findings of the study.

The primary objective of the report is to quantify the short-term economic impact of the early care and education industry covering children from infancy to age 13. Licensed and/or regulated care settings in Georgia were analyzed. The report estimates that the annual total level of gross receipts is \$2.4 billion, which represents the amount of economic activity generated by early care and education providers through their employment of an estimated 61,203 teachers, support staff, contractors for specific services, and the like. In turn, those jobs and the money spent by those in the industry provide additional economic activity in the state.

The economic models detailed in the full report indicate that each dollar spent in the early care and education industry generates an additional \$0.70 in the broader state economy and that every 100 jobs in the industry generate an additional 21 jobs throughout the economy. This further economic activity associated with the industry adds another \$1.7 billion to Georgia's economy. Thus, the industry generates

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\$4.1 billion of economic activity in the state each year. As part of the economic fabric of Georgia, the early care and education industry may be unparalleled in terms of its support of short- and long-term economic development in the state.

Highlights of the economic impact analysis are as follows:

- The early care and education industry in Georgia provides care for an estimated 383,379 children in the state each year.
- The industry provides 61,203 jobs in the industry itself and generates an additional 12,900 jobs in other industries.
- The industry generates over \$4.1 billion of economic activity in the state each year and is on par with industries such as computer and electronic product manufacturing; the arts, entertainment, and recreation industries; and pharmaceutical manufacturing.
- There are over 10,000 licensed for-profit and not-for-profit early care and education centers and family child care homes in Georgia and an additional number of group child care homes, pre-kindergarten programs, military family child care homes, Head Start and Early Head Start sites, and military early care and education centers.
- A conservative estimate of the level of parents' annual earnings that are supported by the availability of child care in Georgia is \$13.6 billion but may be as high as \$32.7 billion.
- Through employment and other spending in the industry, and by fueling expansions in other sectors of the economy, the industry generates \$117 million in federal, state, and local tax revenues.



The study definitively shows that the early care and education industry in Georgia is a significant contributor to the state's economy. Given that the fastest growing industries in Georgia utilize a relatively young workforce likely to have children needing care, the early care and education industry must expand to meet these demands, making it a very important economic engine for the state. The findings from this economic impact study can provide the evidence needed in a discussion among families, workers, policy makers, industry administrators, the business community, and Georgia's taxpaying citizens about how best to assist this industry in strengthening the state economy now and in the future.