



OPPORTUNITIES LOST:

How Child Care Challenges Affect Georgia's Workforce and Economy



OPPORTUNITIES LOST:

How Child Care Challenges Affect Georgia's Workforce and Economy

AUTHORS

Hanah Goldberg, Ph.D.

Director of Research & Policy

GEEARS: Georgia Early Education Alliance for Ready Students

Tim Cairl

Director, Education Policy

Metro Atlanta Chamber

Thomas J. Cunningham, Ph.D.

Senior Vice President and Chief Economist

Metro Atlanta Chamber

ACKNOWLEDGEMENTS

This report was made possible by generous support from
The Goizueta Foundation.

We are particularly grateful to our colleagues at the **Louisiana Policy Institute for Children** and **LSU Public Policy Research Lab** as well as our many local and state partners for their guidance on this report.

Design by **GEEARS**: Georgia Early Education Alliance for Ready Students

EXECUTIVE SUMMARY

A growing body of evidence underscores the value of early childhood education for both children and their parents, providing the former with a strong educational foundation and allowing the latter to work or obtain job training. Child care challenges, whether a result of systemic barriers to access or the cumulative impact of inconsistent or unreliable care, affect parents' participation in the workforce and can have far-reaching effects for families, employers, and the state's economy as a whole. Recent reports from two states, Louisiana and Maryland, suggest that such child care challenges lead to significant costs to families, employers, and the states' economies.

Building on the work of our partners in these states, we set out to examine such issues in Georgia. In mid-2018, a polling firm surveyed Georgia parents of children under 5 to better understand the intersection of workforce participation (including participation in work training and postsecondary programs) and child care challenges. The results are alarming. Child care challenges in Georgia are leading to significant disruptions to parental workforce participation—both in the short (e.g., missed days at work or school) and long (e.g., leaving the workforce) term—and to the state's economy.



Child care challenges lead to at least **\$1.75 BILLION IN LOSSES** in economic activity annually and an additional **\$105 MILLION** in lost tax revenue.



	Economic Loss Estimate (Millions)	State Income Tax Revenue Loss (Millions)
Absences	\$331.1	\$19.9
Turnover	\$1422.1	\$85.3
Total	\$1753.2	\$105.2



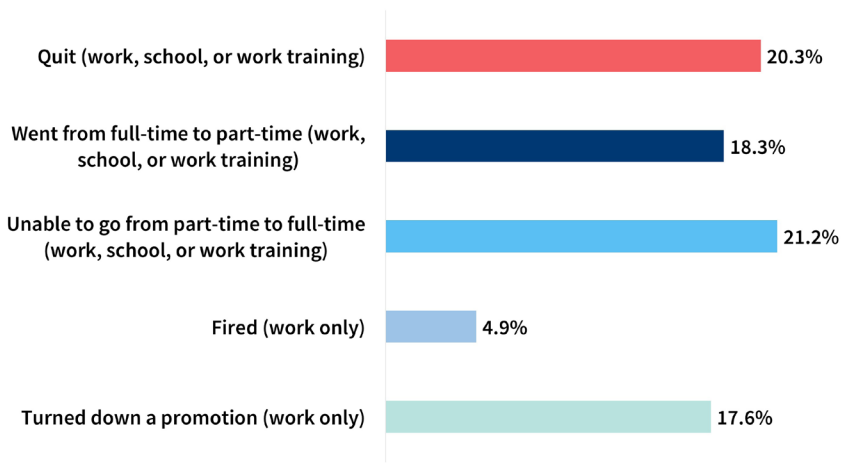
of Georgia parents of children under 5 reported a significant disruption to their or a family member's employment (quitting, not taking, or greatly changing a job) in the past year.

OPPORTUNITIES LOST:

How Child Care Challenges Affect Georgia's Workforce and Economy

Child Care Challenges Affect Georgia Parents' Workforce Participation in a Variety of Ways

Incidence of Long-Term Disruptions to Employment, Schooling, or Work Training Resulting from Child Care Challenges



Georgia Parents Miss a Significant Amount of Work or Schooling Due to Child Care Challenges

Days Missed, Tardy, and Left Early (last 6 months) Due to Child Care Challenges

	1-5 Days	6-10 Days	>10 Days
Missed Work (among those employed)	37.4%	12.4%	7.1%
Missed School (among those enrolled)	29.8%	11.2%	22.2%
Missed Work Training (among those enrolled)	38.0%	22.2%	-----
Arrived late (work, school, or work training)	30.1%	13.0%	5.7%
Left early (work, school, or work training)	40.7%	10.2%	1.8%

The impact of child care challenges is felt by Georgia families, employers, higher education institutions, work training programs, and the state as a whole. Georgia's current and future economy depends upon an educated, stable workforce. As business and state leaders focus on increasing the number of skilled employees, particularly in Georgia's high-demand sectors, they should prioritize and pursue practices and policies that will better support both parents and our youngest learners who represent the workforce of tomorrow.



INTRODUCTION

A large and growing body of research points to the importance of children’s experiences during the early years, when brains are developing most rapidly,¹ and to the benefits of early childhood education (ECE) for children, families, and society at large. Recent research from Nobel Laureate economist James Heckman suggests that comprehensive, high-quality early childhood education yields a 13% return on investment through improved outcomes in health, education, social behaviors, and employment.² High-quality child care affords benefits to parents, too, enabling them to support their families and further their careers, whether participating in the workforce or attending school or work training programs. In Georgia, 65% of children birth through age 5 have all available parents (i.e., either both parents or their only parent) in the workforce,³ meaning that most parents in the state require consistent child care to attend work and support their families. Without access to reliable, quality child care, employees and employers both suffer. Parents may have to miss work, turn down advancement opportunities, or even leave a position in order to address child care challenges. Such challenges likely affect parents enrolled in school or work training programs, as well. Employee absences and turnover affect employers’ bottom lines, and reduced participation in higher education and work training programs stifles the development of the state’s workforce.

Despite a growing understanding of the many benefits of ECE—for children, parents, and communities—its specific impact on employers, working families, and the broader economy is less clear. This report considers how child care issues—which may reflect systemic barriers to access or the cumulative impact of inconsistent or unreliable care—affect Georgia’s workforce and the state’s economy. It builds on findings from similar reports recently released in Louisiana and Maryland that underscore the significant cost of child care challenges or instability. In both states, child care issues were found to lead to considerable short- (e.g., missed days) and long-term (e.g., quitting a job) disruptions to parents’ participation in the workforce, school, and work training programs. In Louisiana, employee absenteeism and turnover related to child care issues resulted in an estimated \$1.1 billion loss annually for the state’s economy and an \$84 million loss in annual tax revenue.⁴ In Maryland the figures were even higher: \$1.28 billion and \$117 million, respectively⁵. These reports informed the present study’s development and methodology. The report that follows is the first of its kind in Georgia and sheds important light on a phenomenon previously unstudied in the state. While prior research suggests that the child care industry itself generates a significant amount of economic activity in Georgia—\$4.7 billion in 2013⁶—less was known about the effect of child care on parents’ participation in the workforce and subsequent economic impact to the state. This report describes how child care challenges affect parental participation in the workforce, work training programs, and higher education, and, consequently, Georgia’s economy. The implications are significant for families, employers, and the state of Georgia as a whole.

¹Center on the Developing Child (2009). *Five numbers to remember about early childhood development* (Brief). Retrieved from www.developingchild.harvard.edu.

²García, J. L., Heckman, J. J., Leaf, D. E., & Prados, M. J. (2017). *Quantifying the life-cycle benefits of a prototypical early childhood program* (No. w23479). National Bureau of Economic Research.

³U.S. Census Bureau, American Community Survey (2012-16).

⁴Louisiana Policy Institute for Children (2017). *Losing ground: How child care impacts Louisiana’s workforce productivity and the state economy*.

⁵Maryland Family Network (2018). *Counting our losses: The hidden cost to Marylanders of an inadequate child care system*.

⁶Georgia State University Andrew Young School of Policy Studies & University of Georgia Carl Vinson Institute of Government (2016). *Economic impact of the early care and education industry in Georgia*. Revised.

OVERVIEW AND METHODOLOGY

The present report addresses three general areas of inquiry related to parents' child care challenges and their participation in Georgia's workforce and higher education and work training programs:

- 1) What long-term disruptions to employment or schooling—such as quitting or significantly changing a job—do parents of children under 5 experience as a result of issues with child care?
- 2) What short-term disruptions—such as missing or arriving late to work or class—do parents experience?
- 3) What is the estimated economic impact to the state?

With assistance from the authors of the Louisiana report,⁴ we created a survey instrument that included items regarding parents' employment and participation in school or work training programs, child care arrangements, and demographics. A polling firm administered interviews via telephone as well as online. Interviews were stratified by age, race/ethnicity, socioeconomic status, gender, and geography to best reflect the actual demographic composition of Georgia parents with children ages 0-4. The total sample included 400 Georgia parents with children under age 5. See Appendix A for a full description of the sample, weighting, and additional methodological details.



Respondent Demographics



GENDER

56% Female 44% Male

RACE/ETHNICITY

53%
White

36%
Black

4%
Asian

7%
Other/Multiracial

13% Hispanic/Latino

MEAN AGE

34.1 years

MARITAL STATUS

61%
married

32%
single

5%
divorced or separated

CHILD CARE ARRANGEMENTS (PRIMARY)

Note: Multiple responses accepted for those with more than one child.

52% home with parent/guardian

26% child care center

15% with family/friend

9% local school system

5% family child care home

3% Head Start program

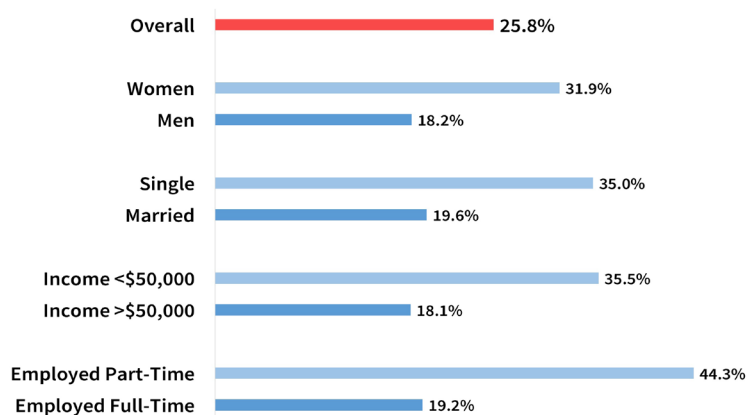


LONG-TERM DISRUPTIONS TO PARENTAL PARTICIPATION IN THE WORKFORCE

First we considered how child care challenges affected long-term parental participation in the workforce, work training programs, and higher education. In order to allow for comparisons to national data, our survey included an item that has been featured in the National Survey of Children’s Health (NSCH)⁷ in its two most recent administrations (2011-2012 and 2016). The NSCH asked parents of children birth through age 5: “During the past 12 months, did you or anyone in the family have to quit a job, not take a job, or greatly change a job because of problems with child care?” Over a quarter of our respondents—25.8%—responded “yes” to this question, signaling that child care challenges are causing significant disruptions to Georgia parents’ participation in the workforce. 2016 NSCH data indicate that, nationally, 13.7% of parents reported such disruptions, although it should be noted that the respondents in the Georgia survey were asked a series of questions specifically focused on child care and perhaps subsequently “primed” to respond to such a question, whereas the NSCH is a broader survey of children’s overall health. Those responding to the Georgia survey also reported a higher incidence of employment disruption than their counterparts in Louisiana (20.9%)⁴ and Maryland (14.7%)⁵, where the same⁸ question was posed in their respective instruments. As indicated in Figure 1, women and those who were single, had an annual household income under \$50,000, and were currently employed part-time were more likely to report employment disruptions.

More than a quarter of Georgia parents of children under 5 reported that, in the past year, they or someone in their family experienced a significant disruption to employment—quitting, not taking, or greatly changing a job—due to challenges with child care.

FIGURE 1. Incidence of Significant Job Change in Family (last 12 months) due to Problems with Child Care



⁷Health Resources and Services Administration Maternal and Child Health Bureau (2016). National survey of children’s health.

⁸The Louisiana survey did not specify a time frame (i.e., “ever” as opposed to “the last 12 months”).

MORE THAN 1 IN 5
Georgia parents of children under five indicated that they had quit a job, school, or a work training program due to child care issues.

Roughly 1 IN 20
Georgia parents of children under five reported having been fired as a result of missing work due to challenges with child care.

MORE THAN 1 IN 6
reported having turned down a promotion at work because of issues with child care.

Child care challenges can affect parents' long-term participation in the workforce in a number of ways. Parents may have to quit a job, school, or work training program, significantly reduce hours, turn down an advancement or enrollment opportunity, or even be fired. Over one-fifth (20.3%) of Georgia respondents indicated that they had quit a job, school, or a work training program due to child care issues, with 14.4% specifically reporting having left a job, 6.9% having left school, and 3.8% having left a work training program. Furthermore, roughly 1 in 20 (4.9%) reported having been fired as a result of missing work due to challenges with child care. Parents also reported having had to make significant changes to the number of hours worked—either needing to move from full-time to part-time employment or being unable to move to full-time from part time. Overall, 18.3% of parents reported having had to go from full-time to part-time employment (13.7%) or enrollment in school (6.5%) or work training programs (2.7%). Even more parents—21.2% of respondents—reported that they were unable to move to full-time employment or enrollment, with 16.3% specifically reporting such an impact at work, 7.4% at school, and 4.1% at work training programs. Finally, parents reported turning down career advancement opportunities, including promotions at work and opportunities to enroll in school or work training programs. More than 1 in 6 (17.6%) of total respondents, and a notable 40.1% of Hispanic respondents, specifically reported having turned down a promotion at work because of issues with child care. Nearly 1 in 4 (24.4%) reported having turned down an opportunity to enroll in school or work training programs, including 40.3% of those who reported their employment status as part-time. In general, as Figures 3-6 illustrate, particular respondent groups were more likely to report long-term career disruptions resulting from child care issues: women, those with a household income less than \$50,000, single individuals, and those under age 30.

FIGURE 2.
Incidence of Long-Term Disruptions to Employment, Schooling, or Work Training Resulting from Child Care Challenges

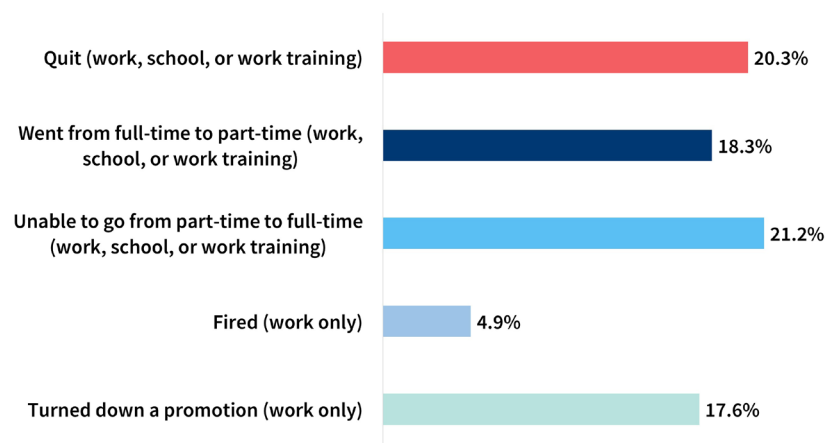


FIGURE 3. Incidence of Long-Term Disruptions to Employment, Schooling, or Work Training, by Gender

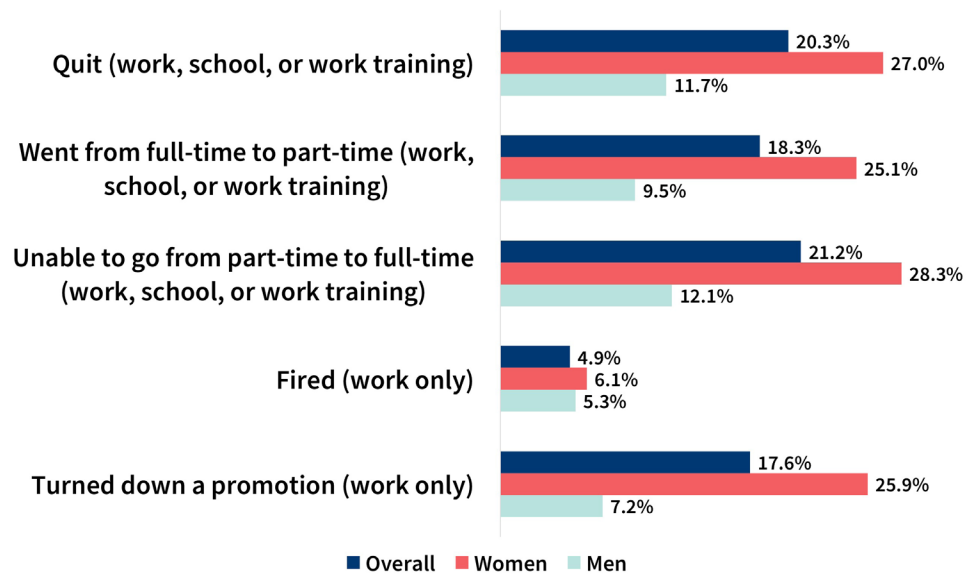
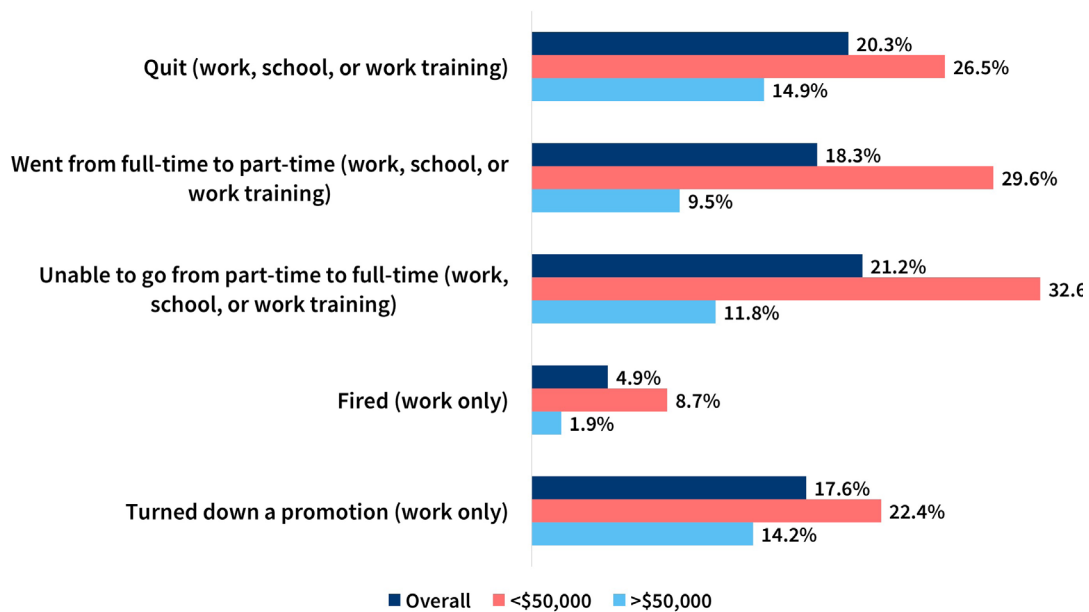


FIGURE 4. Incidence of Long-Term Disruptions to Employment, Schooling, or Work Training, by Household Income



Impact on Postsecondary and Work Training Programs

Child care challenges disrupt not only parents' employment but also their ability to complete credentials or degrees that will advance their careers.

- **Nearly a quarter** of surveyed parents reported turning down an opportunity to enroll in school or participate in a work training program as a result of child care issues
- Overall, 7.0% of respondents reported having been dropped from a roster at school or a work training program as a result of child care issues
 - **15.9%** of those **currently attending school**
 - **30.9%** of those **currently enrolled in a work training program**
- Among those currently enrolled in such programs, **46.2%** missed school in the past 6 months due to child care issues, and **68.8%** missed work training, forgoing an average of **2.3** and **3.3 days**, respectively

FIGURE 5. Incidence of Long-Term Disruptions to Employment, Schooling, or Work Training, by Marital Status

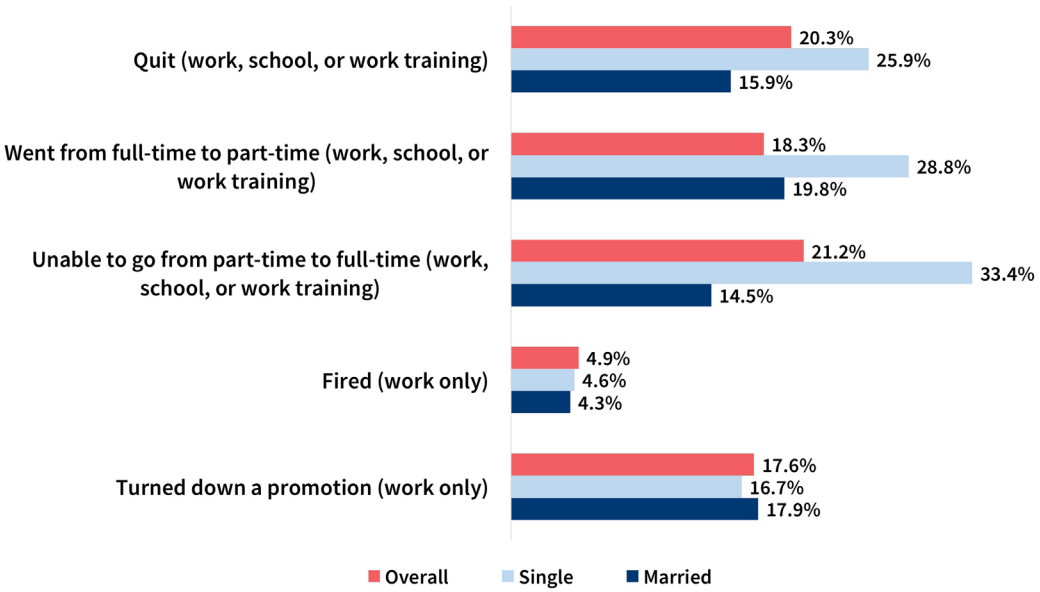
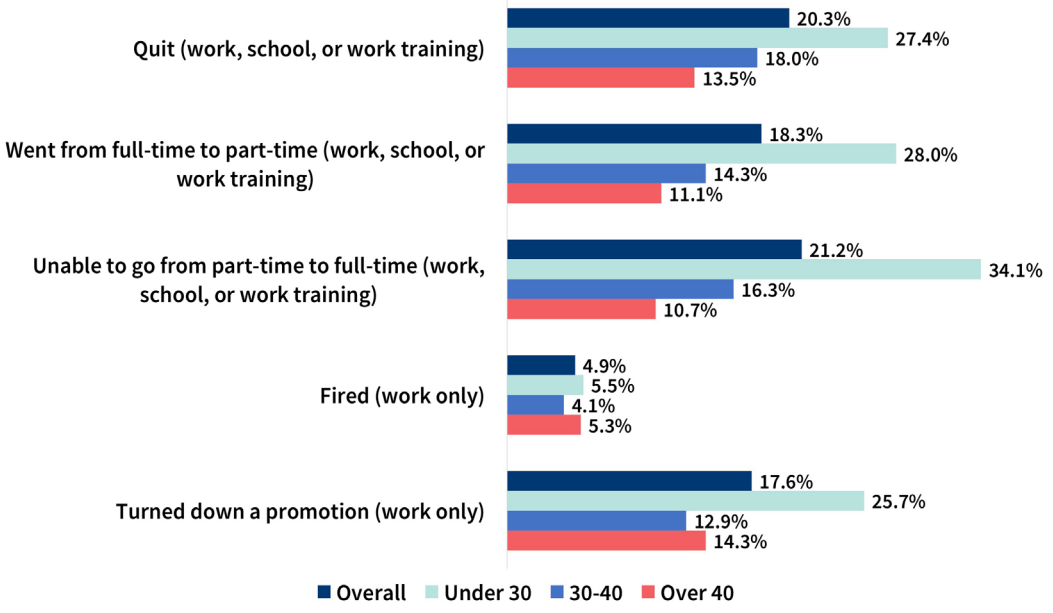


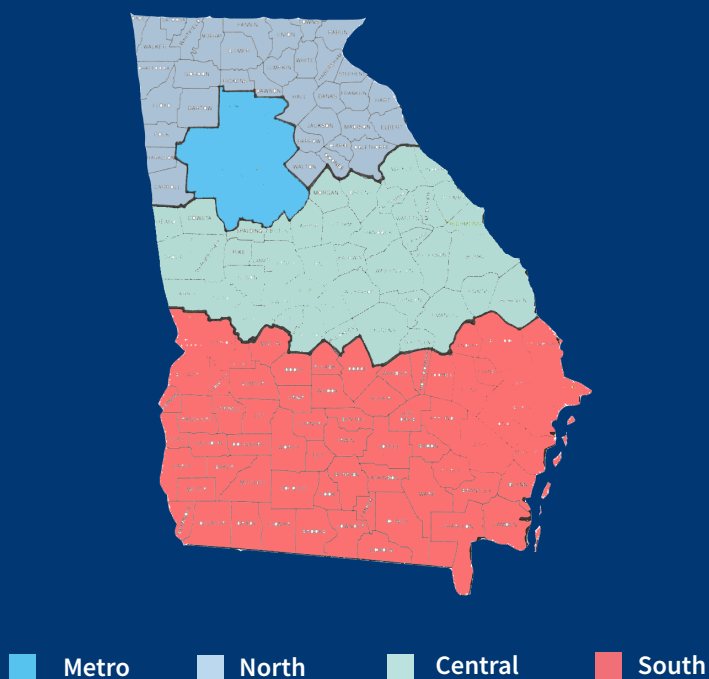
FIGURE 6. Incidence of Long-Term Disruptions to Employment, Schooling, or Work Training, by Age



Regional Differences in Long-Term Disruptions

Parents across Georgia experience child care challenges that disrupt their long-term participation in the workforce. Families in South Georgia, however, are more likely than their counterparts in other areas of the state to report having quit a job, been fired, significantly changed hours, and turned down enrollment opportunities.

MAP 1. Georgia's Regional Boundaries



SPOTLIGHT

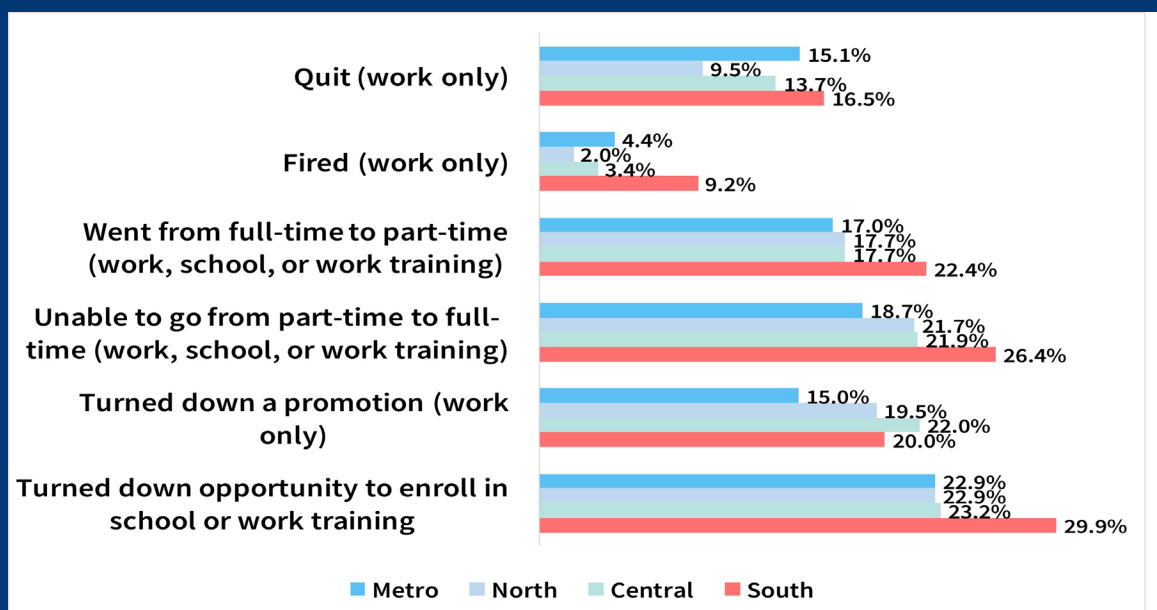
Giving Student Parents a “Boost”

Quality Care for Children (QCC) provides low-income college student parents with child care scholarships through its **Boost: Making College Possible** program. Boost is a two-generation approach to breaking the cycle of generational poverty: parents, confident their children are well cared for, can complete their postsecondary education, while infants and young children reap the lifelong benefits of high-quality early care and learning. QCC is implementing this program in partnership with four Georgia universities: Clayton State, Columbus State, Savannah State, and Georgia Southern - Savannah. Current data indicate that **62%** of parents who participated in Boost graduated on time, viewed by program administrators as a remarkable accomplishment in light of national data that suggest only 33% of single student parents complete their degree after 6 years.

“The experiences of trying to work to make enough money to pay for child care and go to school, where I took 6 to 7 classes each semester, was a hardship. Boost allowed me to quit my part-time job to focus solely on school. The first semester that I had Boost I earned a 4.0 GPA while taking 6 classes. I was able to graduate a year early because I did not have to work, I could just focus on my education. I started my Bachelor’s degree in 2016 and graduated with my degree in Sociology—with honors—in December of 2017. Boost truly made all the difference for my family.”

- “Jane”, BOOST Parent Participant

FIGURE 7. Incidence of Long-Term Disruptions to Employment, Schooling, or Work Training by Region



SHORT-TERM DISRUPTIONS TO PARENTAL PARTICIPATION IN THE WORKFORCE

Parents may also experience more short-term disruptions—such as missing days of work or school, arriving late, or departing early—as a result of child care challenges. We asked respondents to consider such disruptions to their or their spouse or partner’s employment or schooling over the course of the prior 6 months. Across all categories, parents reported that child care issues caused them to miss days of work, school, and work training (see Figure 8). Among those who were employed or whose spouse was employed, **over half (56.8%) reported missing days of work in the past 6 months due to child care issues, forgoing an average of 3.5 days.** Similarly, among those enrolled in school, 46.2% reported missing school in the past 6 months, with an average of 2.3 days missed. An even larger percentage (68.8%) of those enrolled in work training programs were affected, missing an average of 3.3 days. In many cases, parents appear to be missing a significant number of days of work, school, or training due to child care challenges. Nearly 1 in 5 (19.5%) reported missing more than a full week (6+ days) of work in the past 6 months, and close to 1 in 6 (16.4%) reported missing more than a full week of school. An even higher percentage of those enrolled in work training programs (22.2%) indicated they had missed over a full week of their program. Finally, approximately half of respondents reported that they arrived late (48.8%) to work, school, or work training or had to leave early (52.6%) as a result of child care challenges. See Table 1 for a more detailed breakdown of the short-term disruptions parents reported experiencing.

Nearly 1 in 5 reported missing more than a full week (6+ days) of work in the past 6 months.

FIGURE 8. Incidence of Short-Term Disruptions (last 6 months) to Employment, Schooling, or Work Training Resulting from Child Care Challenges

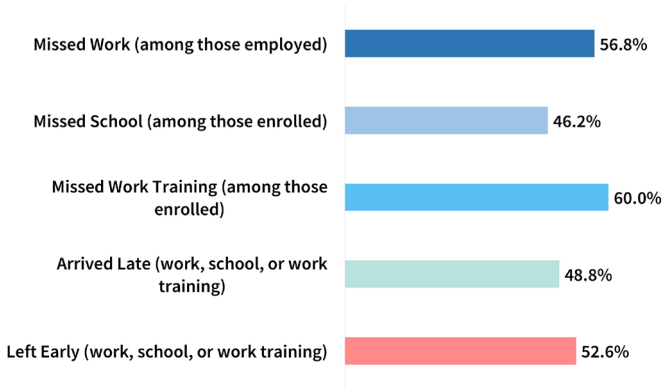


TABLE 1. Days Missed, Tardy, and Left Early (last 6 months) Due to Child Care Challenges

	1-5 Days	6-10 Days	>10 Days
Missed Work (among those employed)	37.4%	12.4%	7.1%
Missed School (among those enrolled)	29.8%	11.2%	22.2%
Missed Work Training (among those enrolled)	38.0%	22.2%	-----
Arrived late (work, school, or work training)	30.1%	13.0%	5.7%
Left early (work, school, or work training)	40.7%	10.2%	1.8%

ECONOMIC IMPACT ANALYSIS

The impact of child care challenges extends beyond families and employers. Employee absences and turnover resulting from such challenges can directly affect Georgia’s ability to generate and collect revenue, potentially stifling the state’s economic development. Everyone—parents, employers, and Georgia residents—loses when the state leaves potential investment dollars on the table as a result of child care challenges. Using survey data specific to two difficulties resulting from child care challenges — absences and turnover—we estimated the direct economic impact to Georgia. The estimates include two figures: the overall economic loss to the state and the subsequent tax revenue lost by the state. A full description of the methodological approach to estimating loss can be found in Appendix B.

Direct Economic Impact to Georgia’s Economy

We estimate that child care challenges leading to absenteeism and turnover result in a conservative **\$1.75 billion loss** in economic activity annually for the state. When parents leave jobs or forgo wages to address child care challenges, their reduced income permeates the state economy. The effects of this loss are distributed among companies of all sizes and across all sectors and revenue levels.

It is important to note that the losses estimated here represent a bare minimum of actual losses, as they do not consider the costs of tardiness or early departures (to both employee and employer), career diversions (not taking a job/promotion due to child care challenges), and education/training diversions. Our survey results indicate that these inestimable sources of loss are significant issues for Georgians with young children. Collectively those costs could, over time, be much larger than the losses estimated here.

TABLE 2. Economic Loss Related to Child Care Challenges, Georgia Estimates

Source	Economic Loss Estimate (Millions)	State Income Tax Revenue Loss (Millions)
Absences	\$331.1	\$19.9
Turnover	\$1422.1	\$85.3
Total	\$1753.2	\$105.2

Direct Tax Revenue Impact to Georgia

Similarly, declines in parent income caused by child care challenges can lead to lost tax revenue for the state, as working parents make earnings-based tax contributions. We estimate that child care challenges lead to a **loss of over \$105 million** in state income tax revenue. Because state tax revenue supports essential public services, including K-12 and postsecondary education, health, transportation, and public safety, declines have a direct impact on families and communities across Georgia.

CONCLUSION AND IMPLICATIONS

This study, the first of its kind in Georgia, considered the costs to families, employers, and the state's economy associated with parents' child care challenges. The results are compelling: child care issues affect a significant number of parents of young children and, consequently, a substantial proportion of the state's workforce. Effects include those that are short-term—such as missing days at work or school or needing to arrive late or leave early to address child care challenges—as well as those that are long-term—such as leaving a position, significantly reducing hours, or turning down opportunities for advancement. Furthermore, child care challenges affect the majority of the employment pipeline—not only current employers and employees but also those enrolled in and serving postsecondary and work training programs that strengthen the future workforce. The economic impact of such disruptions is significant, as well. Absences and turnover resulting from child care challenges lead to an estimated \$1.75 billion in overall economic loss to the state each year, with a subsequent \$105 million loss in state income tax revenue. **If these challenges were addressed, Georgia's economy could be approximately \$2 billion stronger each year.**

The impact of child care challenges is felt by Georgia families, employers, higher education institutions, work training programs, and the state as a whole. Parents experience lost wages and miss out on crucial career advancement opportunities, whether through a promotion or completion of degrees or credentials. Employers' bottom lines suffer. Postsecondary and work training programs may face a decline in enrollment. And the state experiences a significant and negative economic impact. These far-reaching effects can be minimized by investing in solutions that allow more parents to access consistent, high-quality, and affordable child care and encounter family-friendly policies in the workplace.

Child care issues affect a significant number of parents of young children and, consequently, a substantial proportion of the state's workforce.

SPOTLIGHT

Making High-Quality Child Care Accessible to Student Parents

The Early Childhood Learning Center at **Central Georgia Technical College's** Macon campus recently underwent a renovation and expansion in order to serve more children. Through its participation in the Quality Rated Subsidy Grant program, the center can offer significantly reduced rates to eligible student parents.

“When we can't see a way for something to happen, often we don't try. This can be true for parents who know additional education would be helpful for them and their family. Without a plan for their child to be safe and cared for while they are in class, including how to pay for it, the dream of going back to school is as unimaginable as unattainable.”

- Brett Copeland, Assistant Director, Child Care, Central Georgia Technical College

“From parents with disabilities training for a future career to guardians in the workforce searching for a reliable, quality child care setting for their little one, child care tuition supports like the Childcare and Parent Services (CAPS) program and the Quality Rated Subsidy Grant help make childcare tuition affordable for families working toward a brighter future. It is more than an initiative; it's a reality we see play out every day.”

- Linda Smith, Director, Child Development Centers, Central Georgia Technical College

“I love that my child can go to class right down the hall from me!”

- Central Georgia Technical College Cosmetology student and CGTC Early Childhood Learning Center parent

Both public and private investments are needed to support Georgia families through a two-generation approach that bolsters parent employees and their young children during their critical early years. High-quality child care is out of reach for many working parents, with annual parent fees for infant and toddler programs often exceeding in-state tuition at a four-year university⁹. Support from a variety of sources—federal, state, and local government, private and corporate philanthropy, and employers—can make high-quality care more accessible for working families. Employers can implement family-friendly policies and retention strategies, such as helping employees secure and afford child care, offering flexible schedules, or providing on-site child care options, in order to support and attract working parents. Finally, postsecondary and work training programs can implement supports specific to student parents. Such investments are likely to have a high return, not only in the sense Nobel Laureate James Heckman describes² but also in the form of reduced costs to employers and higher earnings and tax revenue from parents.



Both public and private investments are needed to support Georgia families through a two-generation approach that bolsters parent employees and their young children.

⁹Gould, E., & Cooke, T. (2015). High quality child care is out of reach for working families. Economic Policy Institute Issue Brief, 404(4).

Georgia's economy could be approximately \$2 billion stronger each year.

SPOTLIGHT

Flexible and On-Site Child Care Options Support Employee Retention and Family Well-Being

Hospitals across Georgia face significant staffing challenges, particularly in Nursing. As hospitals struggle to adjust to this tighter workforce market, some are turning to child care as a solution.

In 2018, **Piedmont Athens Regional Hospital**, with support from private donors as well as the Georgia Department of Early Care and Learning and Georgia Department of Community Affairs, opened the doors to its **Child Development Center**. The center, located on the hospital campus, provides an important resource to hospital staff and the surrounding community.

“The Child Development Center has been a huge employee satisfier and engager. Our nurse turnover in particular is the lowest it has been in years.”

**- Charles Peck, MD
President and CEO,
Piedmont Athens Regional Hospital**

“As we made plans for what we would do with our sweet little one when he arrived, we quickly realized how difficult it would be to find child care that would work for our unique schedule. We didn't need full-time child care, but most of the part-time options in town were not going to work for us. When Piedmont Athens Regional announced plans to open a daycare, I was overjoyed and hopeful that [it] would be able to meet the unique schedule needs of hospital employees. When the center opened, Sawyer was 6 months old and we were able to enroll in the variable schedule. The variable schedule allows for flexibility in scheduling for me as a hospital employee. This type of scheduling has made all the difference in creating work/life balance for me and my family. As a hospital employee I have a deep appreciation of the time, effort and energy it took to get the center opened, and for me, it demonstrates the commitment the hospital has to the employees. Every day when we drop Sawyer off, he is excited to see his friends and his teachers. As a parent, trusting others to care for your child is difficult, but when they are an extension of your work family, it is easy. I will forever be grateful to PAR for making this investment for me as an employee but also for the difference it is making in the life of my son!”

**- Lindsay, parent and employee at
Piedmont Athens Regional**

APPENDIX A: SURVEY METHODOLOGY AND RESPONDENT DEMOGRAPHICS

Survey Methodology

Data for this report are based on a sample of adult residents of Georgia with at least one child under age 5 living in the household. McLaughlin and Associates conducted the survey between May 29, 2018 and June 25, 2018. The total sample includes 400 Georgia parents (or step-parents or legal guardians) who met the above conditions. Interviews were administered via telephone by professional interviewers and conducted online. Interview selection for the telephone interviews was random and respondents were contacted by both landline and cell phone. Phone numbers were obtained from list vendors where consumer and respondent specific data were utilized to isolate segments of Georgia adults who fit the specificity of this universe. For the internet interviews, respondents were carefully selected and screened from a representative platform of individuals who elect to participate in online surveys. Interviews were stratified by age, race/ethnicity, socioeconomic status, gender and geography using the 2012-2016 American Community Survey (ACS) estimates and the ACS Public Use Microdata Sample (PUMS) data to best reflect the actual demographic composition of Georgia parents with children ages 0-4. Due to some variance in the actual responses, the sample was weighted using a statistical procedure to match to the demographic composition of the intended universe. Because the internet sample is based on those who initially self-selected for participation rather than a probability sample, no estimates of sampling error can be calculated. However, a confidence interval of 95% was calculated in order to produce an error estimate of +/- 4.9% for the 400 respondents. This error estimate should be taken into consideration in much the same way that analysis of probability polls takes into account the margin of sampling error. The error estimate increases for cross-tabulations. Totals may not add up to exactly 100% due to rounding, refusals, and the ability for respondents to give multiple answers to certain questions. All surveys may be subject to multiple sources of error, including but not limited to question wording and ordering, sampling error, coverage error and measurement error.

RESPONDENT DEMOGRAPHICS

Sex	Male	Female
N=400	176	224

Race	White	Black	Asian	Multiracial	Other	No Response
N=400	211	143	16	16	12	2

Hispanic/Latino Origin	Yes	No	No Response
N=400	52	346	2

Marital Status	Married	Single	Divorced	Separated	Widowed	No Response
N=400	246	127	15	6	5	1

Employment Status	Full-Time	Part-Time	Stay at Home Parent	Retired	Looking for Work	Not Employed and Not Looking for Work	Other
N=400	253	56	52	6	17	8	8

Education	<High School Diploma	High School Diploma	Some College or Vocational School	2-year Degree	4-year Degree	Some Graduate Work	Advanced Degree	No Response
N=400	18	70	103	40	94	10	64	1

Household Income	<\$10,000	\$10,000-\$19,999	\$20,000-\$29,999	\$30,000-\$39,999	\$40,000-\$49,999	\$50,000-\$74,999	\$75,000-\$99,999	\$100,000-\$199,999	\$200,000 or more	No Response
N=400	25	35	46	35	37	84	59	58	14	7

Region	Metro	North	South	Central
N=400	205	57	80	58

Number of Children Under Age 5	1	2	3	4	5
N=400	264	99	29	5	3

Primary Child Care Arrangement	Stay at Home	Stay with Family or Friend	Child Care Center	Family Child Care Home	Local School System	Head Start	Other	No Response
N=400*	206	59	105	18	36	10	18	3

*Note: Multiple responses were accepted from respondents with more than one child under age 5

APPENDIX B: ECONOMIC IMPACT METHODOLOGY

The table below presents estimates of economic losses to the state of Georgia because of two specific difficulties—absences and turnover—workers experience as a result of child care challenges. The estimates are based on a survey conducted by McLaughlin and Associates in May and June of 2018. The estimates come from extending the results of work published by the Louisiana Policy Institute for Children⁴, as well as a similar study conducted by the Maryland Family Network⁵. The estimates are for both the overall economic loss to the state and the consequent tax revenue lost by the state.

TABLE 2. Economic Loss Related to Child Care Challenges, Georgia Estimates

Source	Economic Loss Estimate (Millions)	State Income Tax Revenue Loss (Millions)
Absences	\$331.1	\$19.9
Turnover	\$1422.1	\$85.3
Total	\$1753.2	\$105.2

The numbers are focused on only two of the many problems caused by difficulties with child care, largely because of data limitations. Turnover costs associated with job loss due to child care problems, and work days lost for the same reason present situations with specific estimable losses. Estimating losses for less well-defined childcare-related issues is more challenging. For example, the loss associated with declining a promotion because of child care issues is inestimable. Similarly, the short- and long-term losses associated with not always showing up to work on time has costs, but they cannot be estimated without extremely detailed data (and even that is problematic if a reputation of being tardy has a hidden penalty of diminished chances for promotion).

As a result, the losses estimated here represent a bare minimum of actual losses. The estimates do not consider the costs of tardiness or early departures (to both employee and employer), career diversions (not taking a job/promotion due to child care challenges), and education/training diversions. The survey results indicate that these inestimable sources of loss are significant issues for Georgians with young children. The nature of those disruptions make the costs functionally inestimable, but this does not mean that those costs are insignificant. Collectively those costs could, over time, be much larger than the losses estimated here, particularly the long-term consequences of training and education disruptions, and long-term career path disruptions.

Technical Notes:

These estimates rely on two important maintained assumptions. First, there is the obvious assumption that the methodology of the Louisiana and Maryland work is fundamentally sound. Second, there is the assumption that the incidence of child care needs in Georgia resembles that of those two states to within the margin of sampling error. This assumption seems consistent with the data as the states have very similar population shares for the under-5 age cohort: just more than 6% of the female population and about 7% of the male population for Georgia and Louisiana and slightly lower shares of both males and females in Maryland.

The estimates are derived by adopting the basic findings of both papers and adjusting it for differences between the states in fundamental issues of population size and State Median Income, both taken from Census, assumed expenditure multipliers (discussed below), and the differences found in the survey results. In this case, the share of the population forced into some form of job turnover was similar between the two states: 16% in Louisiana and 14% in Georgia. The survey result of the number of days missed, however, was quite different, with Louisiana reporting 14 days missed, Maryland 16.9, and Georgia 7.

At first glance, it would appear that the childcare dysfunction losses are proportionately less in Maryland than in Louisiana based on the size of the states and the differences in the median income. The differences are largely resolved, however, by considering the differences in the multipliers used in each study. In the Louisiana study, a decline in income was projected to result in an ultimate economic cost that was 2.0 times the initial decline. In Maryland, the multiplier applied was 1.1294.

Estimating multipliers is a very imprecise process. There are several standard and competing models, all of which are based on input-output analysis drawn from data at the local, state, and national levels. The results of these models, however, vary substantially given identical initial conditions. As the multipliers vary, so, too, do the loss estimates. For the purposes of the estimate here, a multiplier of 1.8 is used. This is an informed but judgmental number, below the multiplier used for exogenous sports or entertainment events, but above that for hospitality. It is used in cases where the change in spending crosses many economic sectors.

While there is some judgement involved in choosing the multiplier, and there are wide error bands associated with the results of the survey itself, the loss estimates presented here should be considered reasonable lower bounds on the total economic losses associated with these two segments of consequences to child care challenges.





GEEARS

GEORGIA EARLY EDUCATION
ALLIANCE FOR READY STUDENTS

3400 Peachtree Road NE
Suite 1720
Atlanta, GA 30326

www.gears.org



191 Peachtree Street NE #3400
Atlanta, GA 30303

www.metroatlantachamber.com