



# Growing Georgia's Economy Through CAPS

## **Increasing support for working parents through the Child care and Parent Services (CAPS) program could make Georgia's economy \$2 billion stronger.**

### **Topline:**

The Metro Atlanta Chamber (MAC) believes an increase of \$270 million over the next three fiscal years for the CAPS program and a change in the state median income requirement from 50% to 85% is necessary to serve Georgia's children and their hard-working parents. This increase would serve approximately 50,000 additional children. Thus, more families could continue to work, prosper and seek education to contribute to our vibrant economy.

### **Overview of CAPS:**

CAPS is a subsidy program used to cover the cost of child care for low-income families. It is available to children of families with an income 50% of the state median income (SMI) or less AND whose parent(s) are working at least 20 hours per week or enrolled full-time in a 2 or 4-year degree program. It is also available for foster children and those in the DFACS system. The subsidy can be used at any quality-rated child care center in Georgia and for select, after-school child care for children up to twelve years.

A base level of CAPS is federally funded through the Child Care Development Grant and the remainder is funded through the state Department of Early Care & Learning (DECAL). The FY2019 state appropriation was \$61 million.

### **Economic Impact of Child Care:**

Access to affordable, high-quality child care is an integral component of a healthy and responsive workforce development system. In Georgia, low-income parents have a 20% chance of being fired or leaving a job due to problems with child care.

The 2018 *Opportunities Lost* report found that challenges related to child care lead to Georgia's economy annually losing an estimated \$1.75 billion and state coffers suffer over \$100 million in lost revenue.<sup>1</sup>

The pandemic-induced strain on both parents and child care businesses has only further demonstrated the importance of access to quality, affordable child care. The child care industry itself has been hit hard, further reducing options for working parents. Some organizations estimate a loss of at least 25% of child care providers nationwide. Most providers in Georgia are small, private businesses.

### **Goal: Increase the number of children receiving quality child care from 35% to 60%**

#### **Proposed solutions to achieve this goal:**

1. Provide an additional \$270 million over the next three fiscal years.
2. Raise the SMI requirement to 85%. Based on the current 50% SMI requirement, Georgia covers no more than 35% of eligible children.<sup>2</sup>

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<sup>1</sup> Metro Atlanta Chamber and the Georgia Early Education Alliance for Ready Students, 2018, <https://gears.org/oppslost/>

<sup>2</sup> Metro Atlanta Chamber and Georgia State University's Policy Labs, 2020