



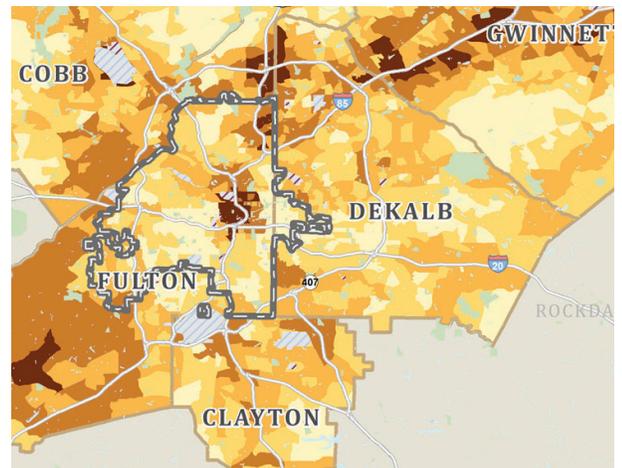
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Understanding the Landscape and Estimating Changes in Access to Child Care in the Five-County Metro Atlanta Region 2017 to 2018

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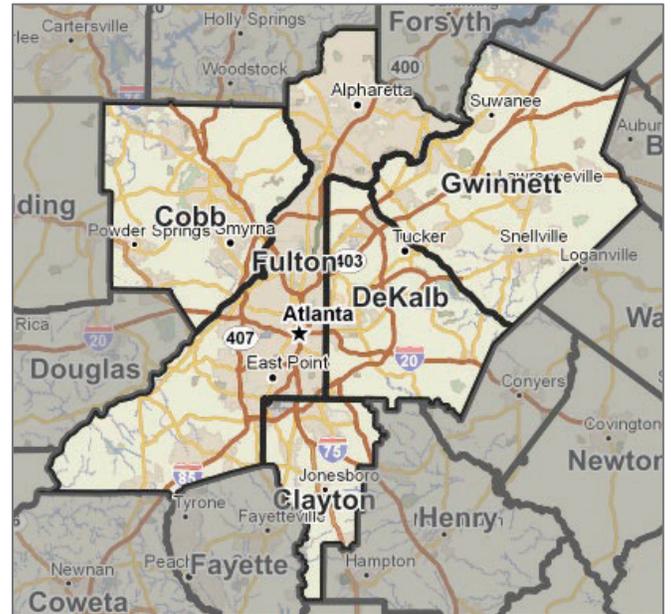
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Introduction

In 2017, Reinvestment Fund conducted an initial analysis of the supply of and demand for child care in the five-county metro Atlanta region (Clayton, Cobb, DeKalb, Fulton, and Gwinnett counties), hereafter ‘five-county region,’ to identify areas where targeted investments could help address shortages of high-quality child care. In addition, an interactive web-based tool, the **ATL ACCESS Map: Atlanta Child Care and Early Learning Supply**, was created to present the results of this analysis, accessible to the public at www.atlaccessmap.org. The analysis and mapping tool complement existing tools and initiatives in the region to increase access to high-quality child care. With this information, funders, practitioners, and advocates can make data-informed decisions about where resources and interventions are needed most, and where those investments are filling a demonstrable gap in supply.



This report, developed with support from the Richard W. Goldman Family Foundation, presents the results of descriptive and spatial analyses of the child care landscape in the five-county region in 2018 and includes analysis of changes observed since the initial 2017 study.

2018 Findings

- **Approximately one-third of the region’s potential demand for child care is unmet.** The 2018 study estimated a commuter adjusted maximum potential demand of 265,000, compared with a supply of about 174,000.
- **An overwhelming majority of supply was provided by Regulated providers.** Nearly 90% of the estimated supply was provided by licensed childcare providers, local school systems, or full-time providers with a specific license exemption (e.g., full-time accredited private or religious schools).
- **High gap areas can be found across all income groups, but a larger share of children in low- and moderate-income areas are affected.** Across the five-county region, 10% of block groups had high family poverty rates (over 20%) and higher than expected child care shortages. Among children under age 5 living in block groups with a median income up to \$45,000, 38% also lived in a high-gap area compared to 28% of young children in block groups with median incomes above \$90,000.
- **Many gap areas with large minority populations also had high levels of poverty.** Nearly 55% of areas with high concentrations of African American or Latino residents and larger than expected shortages also had high concentrations of family poverty.

Key Changes from the 2017 Report

- **Participation in the Quality Rated Child Care program grew substantially.** The number of sites participating in the Quality Rated program grew by 134 from 2017 to 2018—including 80 sites that were *rated* and 54 which were *not yet rated* as of June 2018. This resulted in a 23.6% increase in the estimated *rated* supply (growth of 9,500, for a total capacity of nearly 50,000). The supply in programs awaiting a rating was almost 61,000.
- **The total supply of Regulated child care increased 2%.** Since 2017, the quantity of full-time, year-round, regulated child care in the five-county region grew by 2,083, to 154,411. An increase in the number of *child care learning centers*, which tend to be larger, drove the change. Capacity in unregulated sites (exclusive of sites that are specifically exempt from licensing) fell by about 1,500 seats (-7%), to just under 20,000 seats.
- **A growing number of commuters led to increased demand for care.** The number of children under age 5 living in the region was statistically unchanged in 2018, but the number estimated to be traveling into the region during the workday climbed by about 4,000, resulting in a slight uptick in net demand.
- **The estimated gap between supply of and demand for child care was essentially unchanged.** Due to increases in both supply and demand, the share of demand that was unmet held steady.

Estimating the Supply of Child Care

As seen in Table 1, there is an estimated maximum supply of 174,394 in the five-county region in 2018.¹ Since 2017, the total supply remained essentially flat, edging up by 1.2%. Table 1 presents the changes over time in the count and share of supply in regulated (including full-time, year-round, license-exempt programs), unregulated, and across both regulated and unregulated providers ('total supply'). Almost 90% percent of total supply is provided by regulated operators. The region's net gain in supply was entirely within regulated care.

Table 1: Estimated Change in Total Supply of Child Care¹

	2017	Share of Supply	2018	Share of Supply	Change	Percent Change
Regulated Supply	150,787	88%	154,411	89%	3,624	2%
Unregulated Supply	21,524	12%	19,983	11%	-1,541	-7%
Total Supply	172,311		174,394		2,083	1%

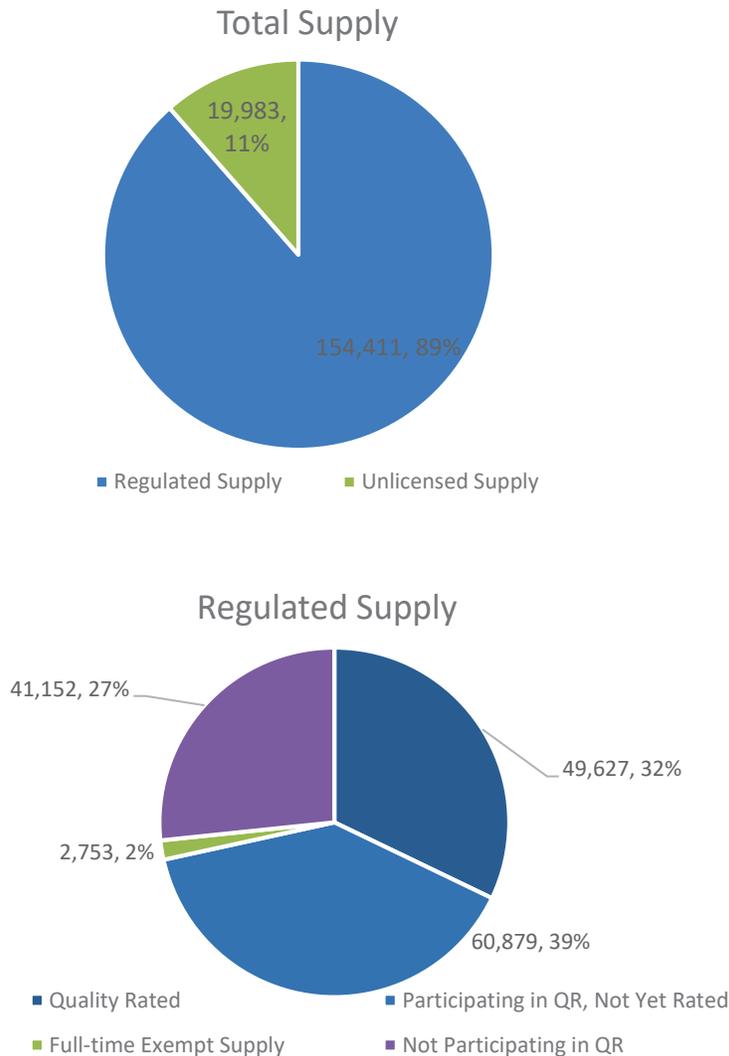
¹ For more detailed information on sources for supply data and estimating supply, see initial methodology report at <https://www.reinvestment.com/research-publications/childcare-analysis-metro-atlanta/>

There were 80 more Quality Rated sites in the region in 2018 than in 2017, bringing the total amount of Quality Rated supply from about 40,000 to nearly 50,000 (a 23.6% gain).

Table 2: Changes within Regulated Supply, 2017 to 2018

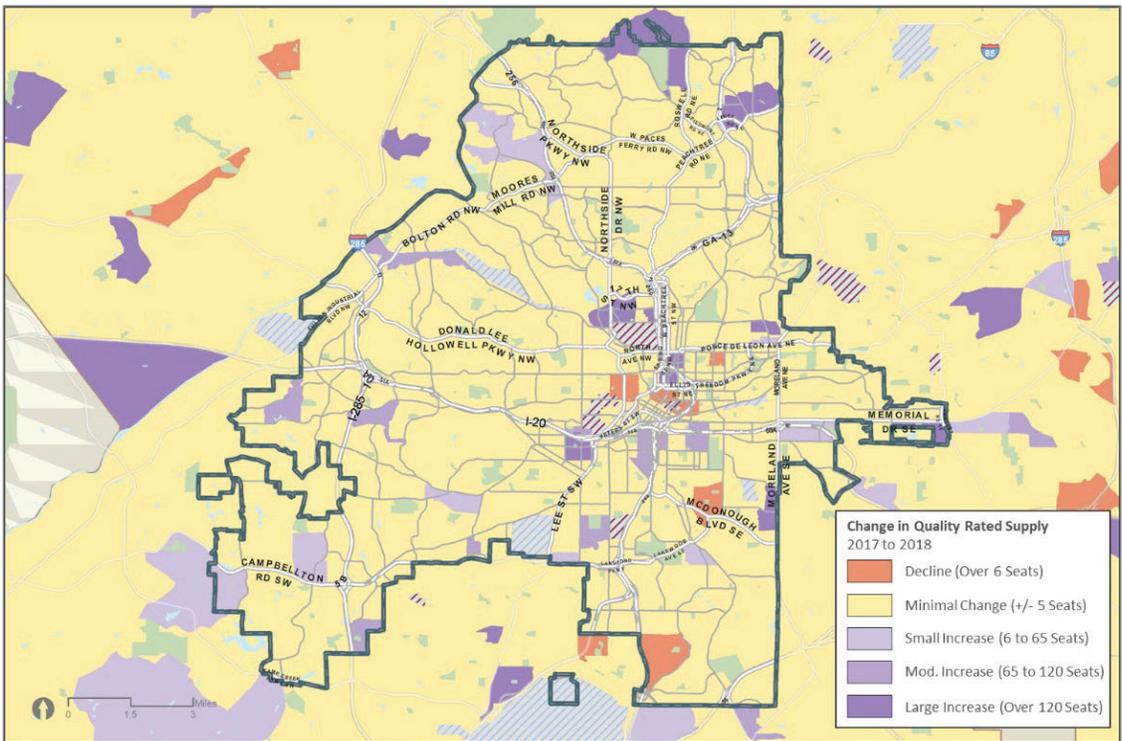
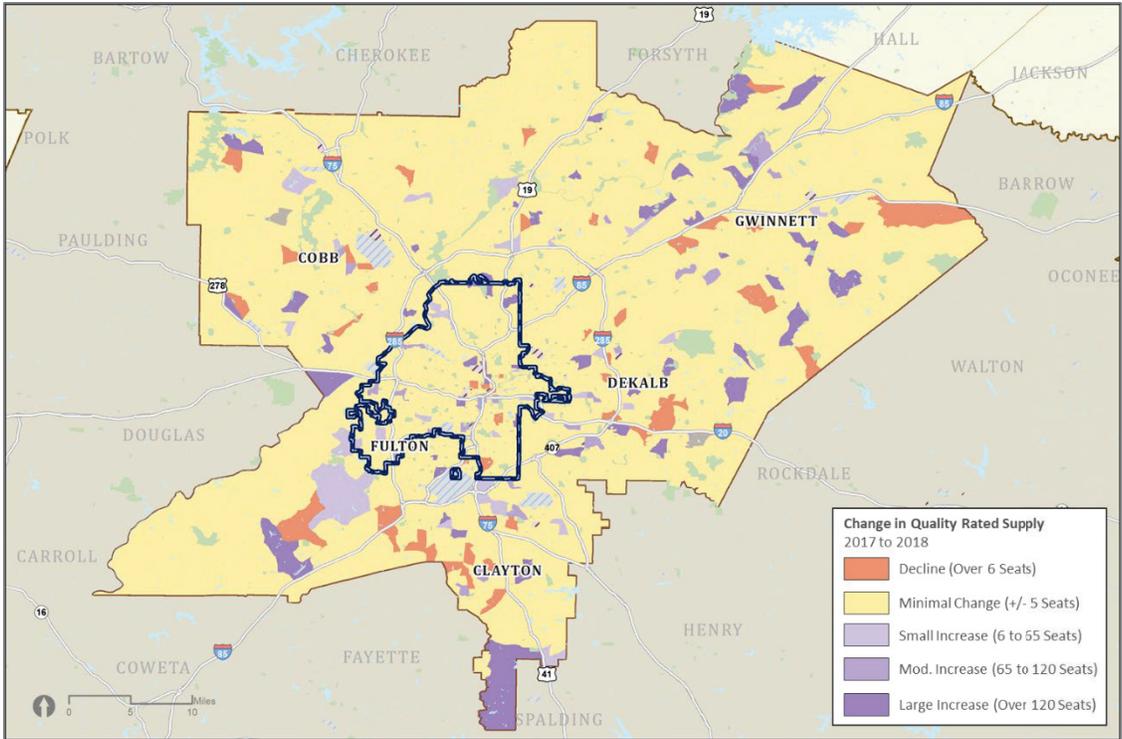
	2017		2018		Change 2017-2018	
	Count of Sites	Estimated Capacity	Count of Sites	Estimated Capacity	Count of Sites	Estimated Capacity
Regulated Supply	1,967	150,787	1,966	154,411	-1	3,624
All Licensed Supply	1,907	145,934	1,914	151,658	7	5,724
Participating in Quality Rated Program	1,090	95,241	1,224	110,506	134	15,265
<i>Quality Rated</i>	428	40,154	508	49,627	80	9,473
<i>Participating, Not Rated</i>	662	55,087	716	60,879	54	5,792
Not Participating	817	50,693	690	41,152	-127	-9,541
Full-time Exempt Supply	60	4,853	52	2,753	-8	-2,100

Figure 1: 2018 Estimated Supply by Type, Total (n=174,394) and Regulated (n=154,411)



Block groups that experienced increases in Quality Rated supply of were spread across the five-county region. Where declines in Quality Rated supply occurred, they were small in number.

Figure 2: Change in Quantity of Quality Rated Supply, 2017 to 2018, Region and City of Atlanta



Demand for Child Care

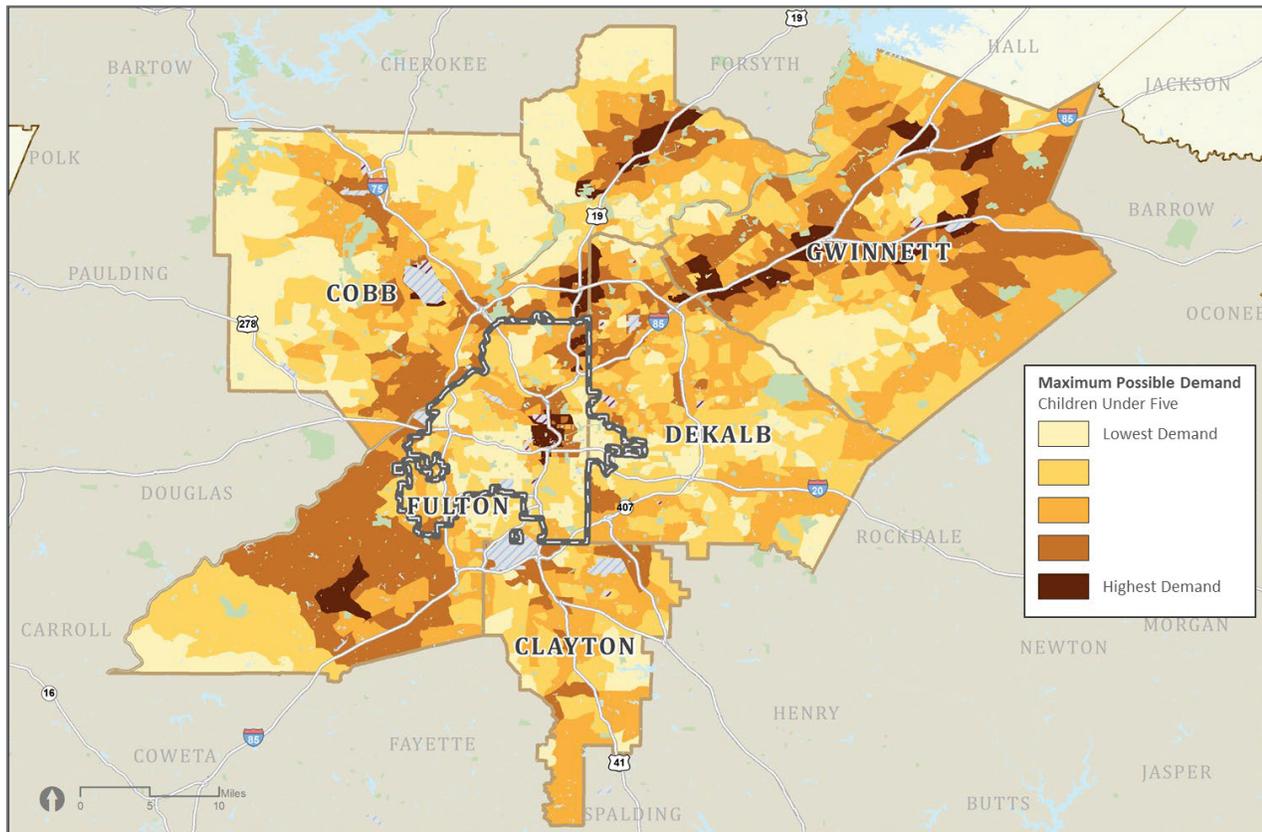
In 2018, an estimated population of 249,327 children under age five living in the five-county region represented the *baseline demand* for child care. From this *baseline demand*, adjustments were made to account for commuting patterns, characteristics of parents, and characteristics of employers, as some parents prefer child care options near their work.² These adjustments reflect children who travel with adults to child care located outside the region near a parent’s place of work, as well as those who live outside and travel in, yielding a net commuter demand of 15,734 and a resulting *maximum potential demand* of 265,061 seats in the five counties.

Between 2017 and 2018, the estimated number of in-commuter children (net) increased by a third (concentrated in Fulton County), from 11,691 to 15,734, driving a 1.3% increase in maximum potential demand within the region. Resident demand was essentially flat.

Table 3: Growth in Demand Driven by Regional Workforce Expansion

Estimated Maximum Potential Demand for Child Care, 2017 to 2018			
	2017	2018	Change 2017 - 2018
Resident Demand (Zero to Five)	249,874	249,327	-547
Net Commuter Demand	+11,691	+15,734	+4,043
Estimated Maximum Possible Demand	261,565	265,061	+3,496

Figure 3: Maximum Potential Demand, 2018



² See initial methodology report.

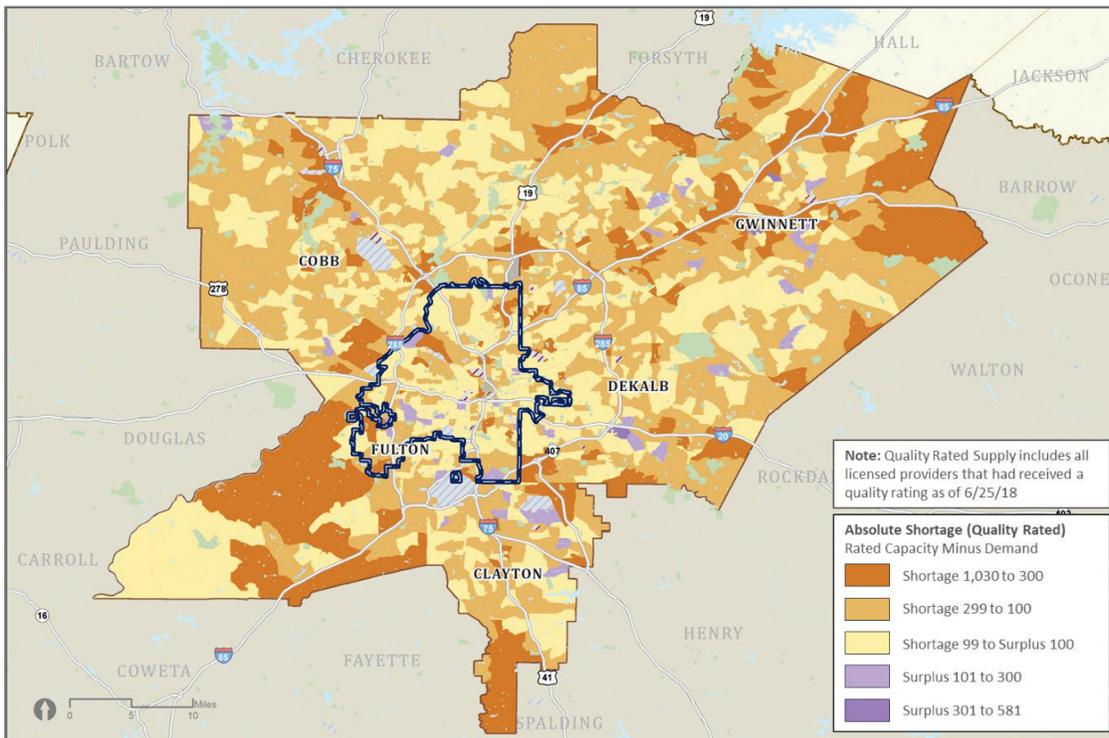
Identifying Gaps and High Priority Areas

Reinvestment Fund calculated two shortage measures: *absolute* and *relative*. The *absolute shortage* is the raw difference between supply and demand within a given block group. The *relative shortage* accounts for supply and demand in neighboring block groups, and identifies block groups where observed shortages between supply and demand are: a) greater than expected given the regional landscape of supply and demand; b) less than expected; or c) meet expectations.³ *Relative shortage* is a useful measure as it takes into consideration that not all parents want child care for their children and that providers do make adjustments in supply to the amount of demand for their services. As observed in previous reports, the geographic distributions of *absolute* and *relative shortages* are different for the three different types of supply – total, regulated, and Quality Rated—with *Quality Rated shortages* being the top priority identified by the local stakeholder advisory group.

Absolute Shortage

With a total demand of roughly 265,061 and a total supply of 174,394, over a third of maximum total demand was unmet in 2018 (an absolute shortage of about 90,000 seats across the five-county region). Quality Rated seats met 19% of total demand, up from meeting just 15% in 2017.

Figure 4: Absolute Shortage, Quality Rated Child Care Supply, 2018



³ See initial methodology report.

Relative Shortage in Total and High-Quality Supply

Block groups with the most severe *relative shortages* in *all types* of programs appeared throughout the five-county region (Figure 5), with a notable concentration along the I-85 corridor northeast of Atlanta. Focusing on relative shortages in *Quality-Rated seats* deemphasized areas adjacent to I-85, instead highlighting block groups close to the northeastern border of Gwinnett County, in northern Cobb County, and central Fulton County, including the southeastern portion of the City of Atlanta (Figure 6).

Figure 5: Relative Shortage in Total Childcare Supply, 2018, Region and City of Atlanta

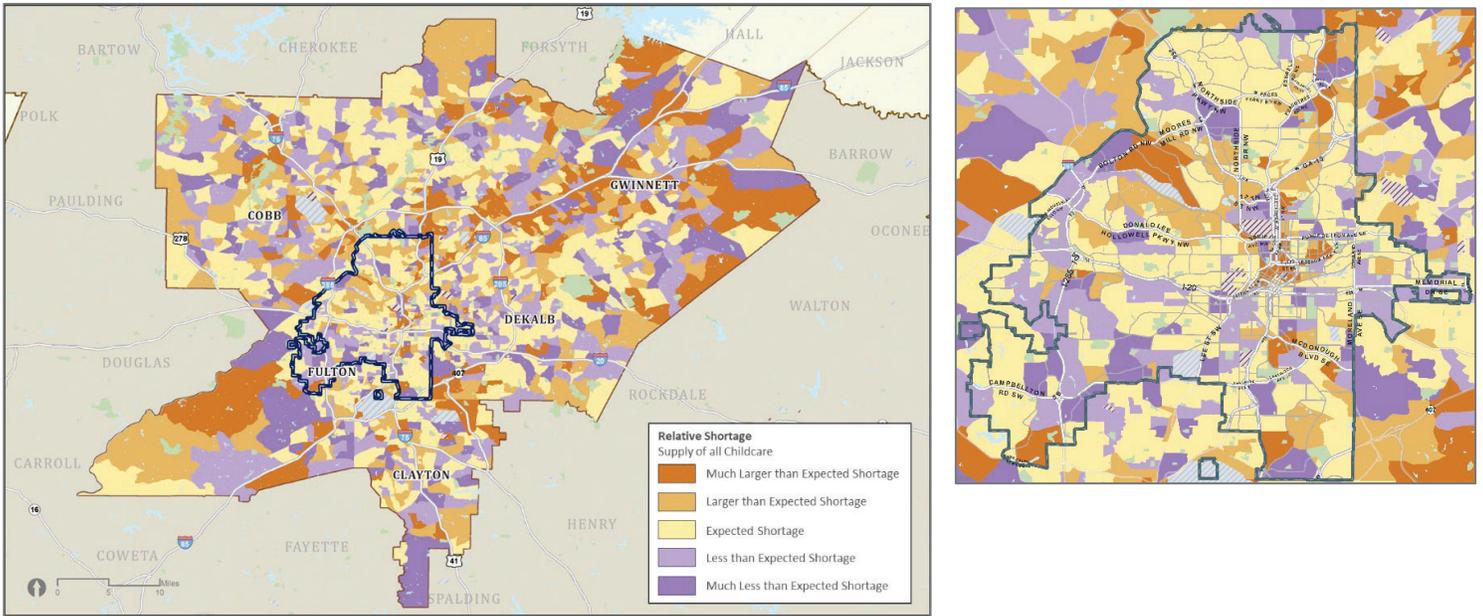
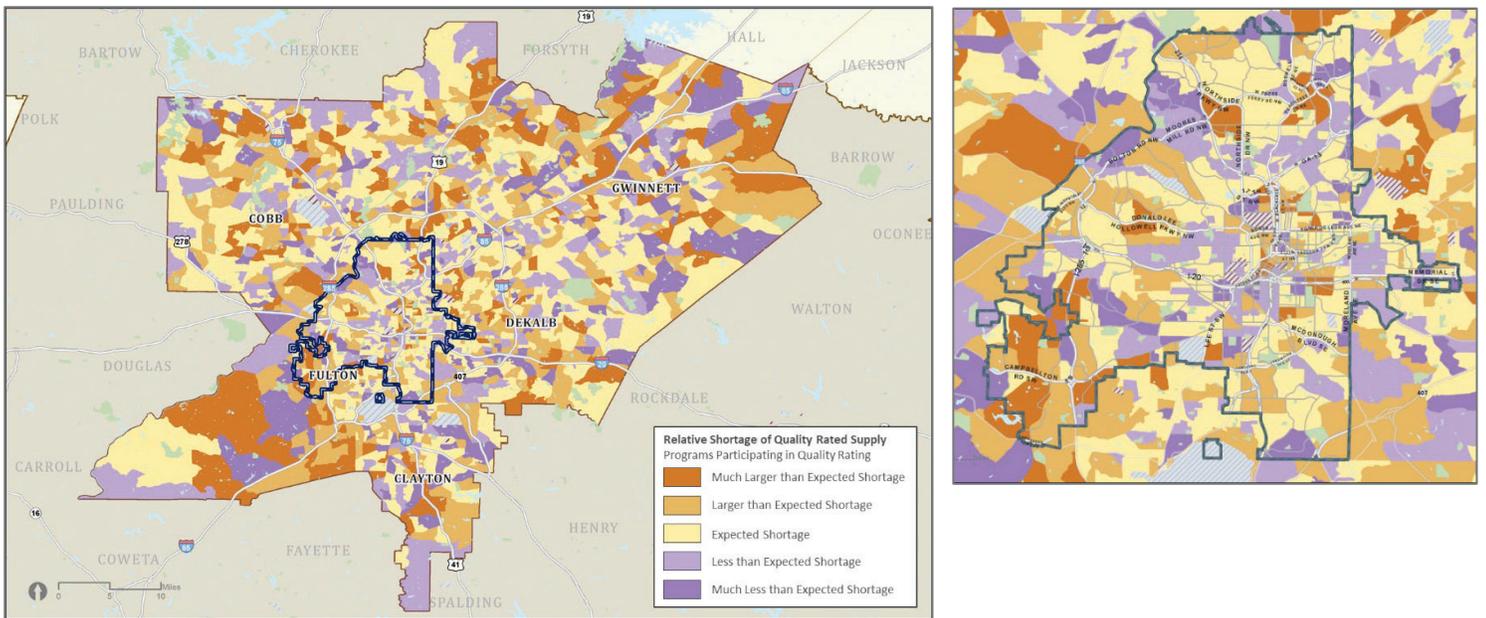


Figure 6: Relative Shortage in Quality Rated Childcare Supply, 2018, Region and City of Atlanta



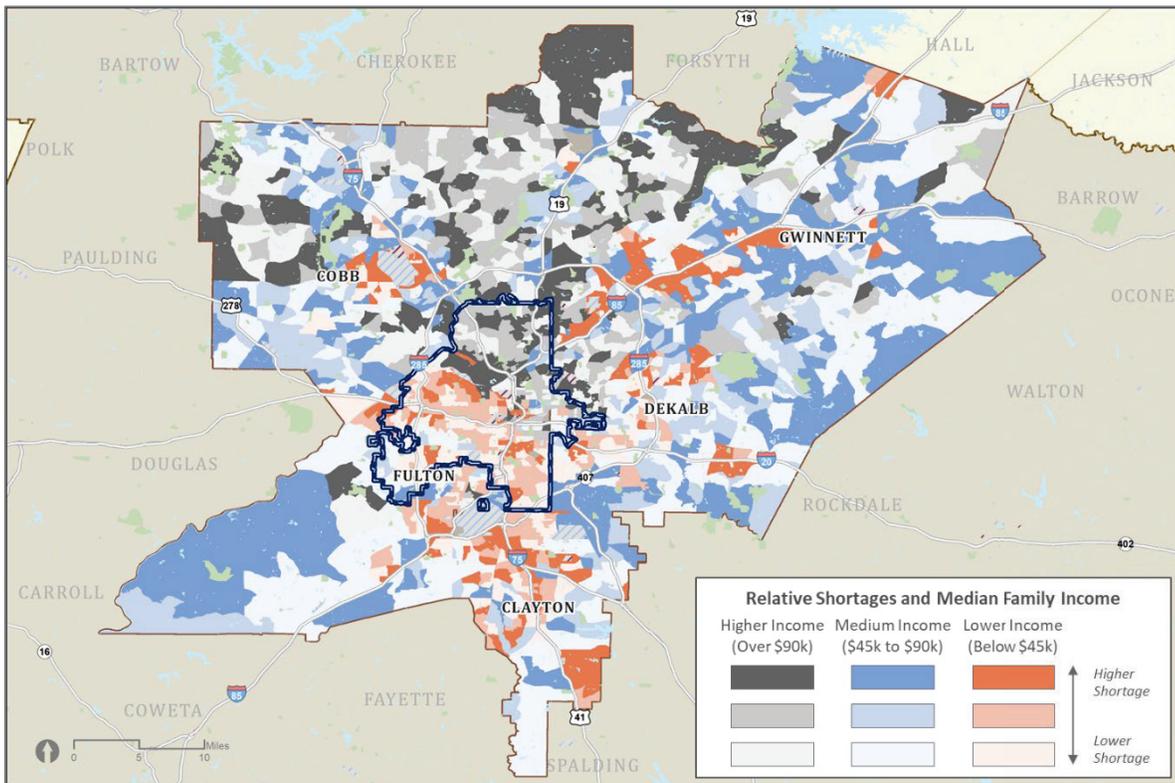
Income and Job Considerations

To help public officials, funders and advocates focus on the most critical shortage locations, Reinvestment Fund also examined the intersection of child care shortages with the residential location of low-income children and low-wage jobs (Table 4, Figure 7). Children living in areas where low and moderate-income families predominate were more likely to experience high-shortages than children residing in high-income areas. The southern portion of Atlanta, Clayton and DeKalb counties all had concentrations of block groups with lower median incomes and higher relative care shortages.

Table 4: Childcare Eligible Population Living in Shortage Areas, by Median Family Income

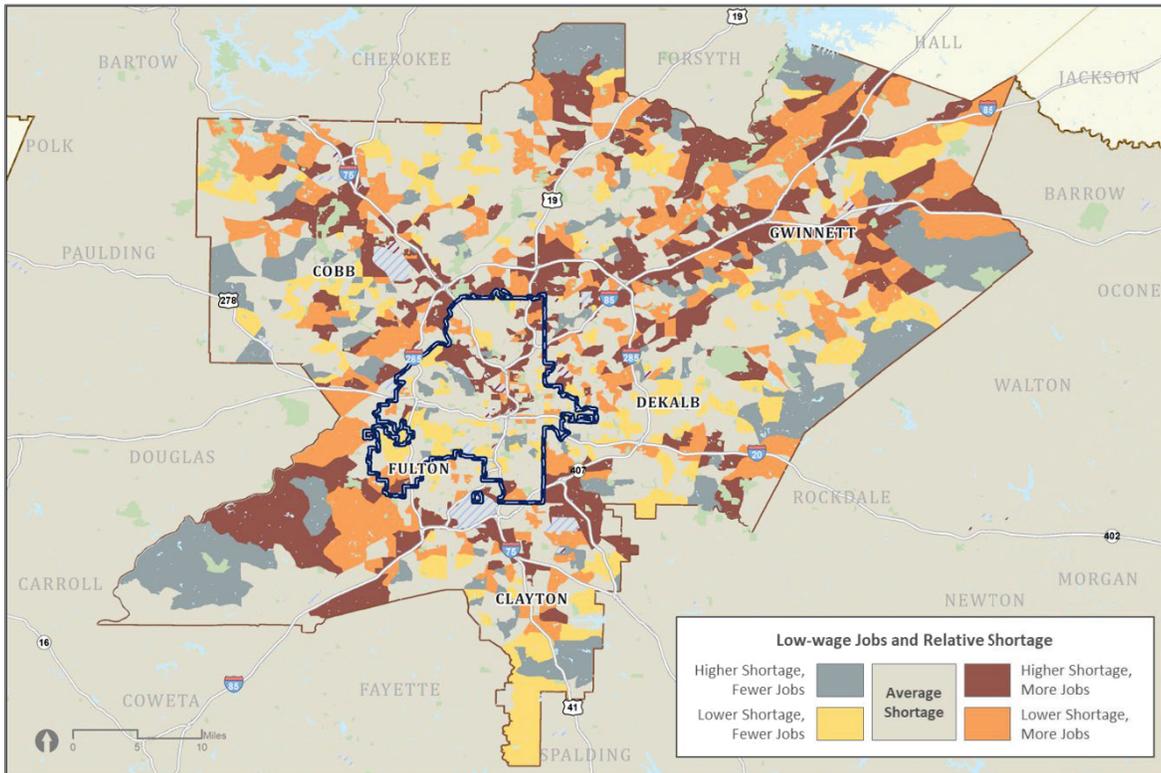
	Higher Incomes (Over \$90k)	Moderate Income (\$45k to \$90k)	Lower Income (Below \$45k)	All Incomes
Higher than Average Shortage	17,696 (28%)	29,129 (44%)	45,541 (38%)	92,366 (37%)
Average Shortage	26,539 (42%)	23,468 (35%)	40,191 (34%)	90,198 (36%)
Lower than Average Shortage	19,487 (31%)	14,035 (21%)	33,184 (28%)	66,706 (27%)
Total Population	63,722 (100%)	66,632 (100%)	118,916 (100%)	249,270 (100%)

Figure 7: Relative Shortage and Income, 2018



Although focusing on filling gaps where low- and moderate-income children live is one important strategy, low-wage job clusters in affluent areas not well served by child care may also be worth consideration. Figure 8 highlights a number of block groups that might not otherwise be flagged as priority areas (i.e., “Higher Shortage, More [Low-wage] Jobs), including several in northern Atlanta and along the I-75 corridor northwest of the city.

Figure 8: Relative Shortage and Low-Wage Jobs, 2018



Poverty and Race/Ethnicity

Shortages correlate with other important socioeconomic characteristics. The table below shows the proportion of block groups with larger or much larger than expected relative shortages as well as concentrations of traditionally disadvantaged populations. Of the 1,723 block groups in the five-county region, 164 (10% of all block groups) had a high concentration of families in poverty (over 20% of all families living in the area) and a larger than expected relative shortage.

Eight percent of all block groups in the five-county region were predominantly African American and had large relative shortages (135 of 1,723), while 8% of block groups had high concentrations of Hispanic residents and large relative shortages (131 of 1,723).

Larger than expected shortages were over-represented in high Hispanic and high family poverty areas. Across the five counties, 30% of block groups had larger than expected shortages. Among block groups with high concentrations of Hispanic residents, 52% had larger than expected shortages (131 of 250). Among block groups with high rates of family poverty, 34% had larger than expected shortages (164 of 480).

Table 5: Share of All Block Groups with High Relative Shortages in Total Childcare Supply

	High Family Poverty (Over 20% of Families in Poverty)	High African American (Over 50% of Population African American)	High Hispanic (Over 25% of Population Hispanic)	All Block Groups
...with Larger Than Expected Shortages	164 (34%)	135 (23%)	131 (52%)	517 (30%)
...without Larger than Expected Shortages	316 (66%)	464 (77%)	119 (48%)	1,206 (70%)
All Block Groups	480 (100%)	599 (100%)	250 (100%)	1,723 (100%)

Many areas with high concentrations of minority residents and large shortages also had high rates of family poverty. Among the 135 block groups with larger than expected shortages and a resident population that was predominantly African American, 55% also had high concentrations of family poverty. Among high shortage, high Hispanic areas, concentrations of family poverty were equally prevalent. Of the 131 block groups with larger than expected shortages and high concentrations of Hispanic students (over 25% of residents), 55% had high concentrations of family poverty.

2018 Analysis Summary

The child care landscape in the Atlanta five-county region has changed rapidly with increased program participation the Quality Rated Child Care program. Although the high-quality supply increased, shortages remain in pockets across much of the region, including in areas where low-income families and low-wage jobs are concentrated. This follow-up to the 2017 analysis allowed Reinvestment Fund to capture and reflect recent changes, providing an up-to-date portrait to inform the decisions of officials and potential funders committed to investing in the region's future.

Appendix: Advisory Group Presentation

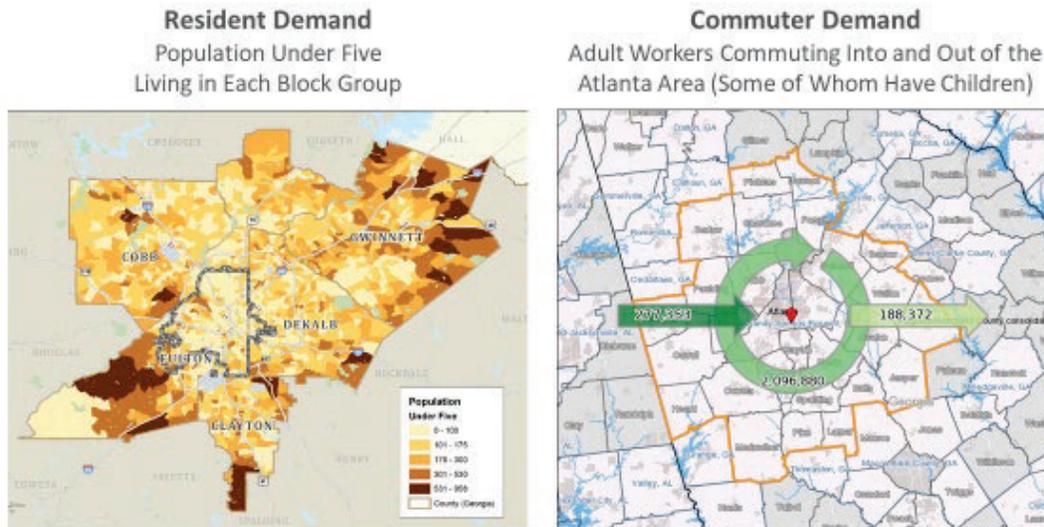
The explanatory figures below were presented at the final 2018 advisory group meeting. Local stakeholders from the early education field met four times throughout the 2017 study and two additional times during the 2018 update to vet results. For a more complete explanation of Reinvestment Fund's methodology, please see the first report: <https://www.reinvestment.com/research-publications/childcare-analysis-metro-atlanta/>.

Figure A1: Calculating Demand

Measuring Demand for Childcare

Reinvestment Fund considers two factors to estimate childcare demand: Resident Demand and Commuter Demand.

- *Resident Demand* is the projected number of children in a block group ages zero to four in 2018, produced by the Nielsen Company.
- *Commuter Demand* modifies the *Resident Demand* to account for choices of parents based on commuting patterns from the Longitudinal Employer-Household Dynamics (LEHD) database and individual-level workforce characteristics in the American Community Survey (2016 data accessed through IPUMS USA).



Commuting Patterns

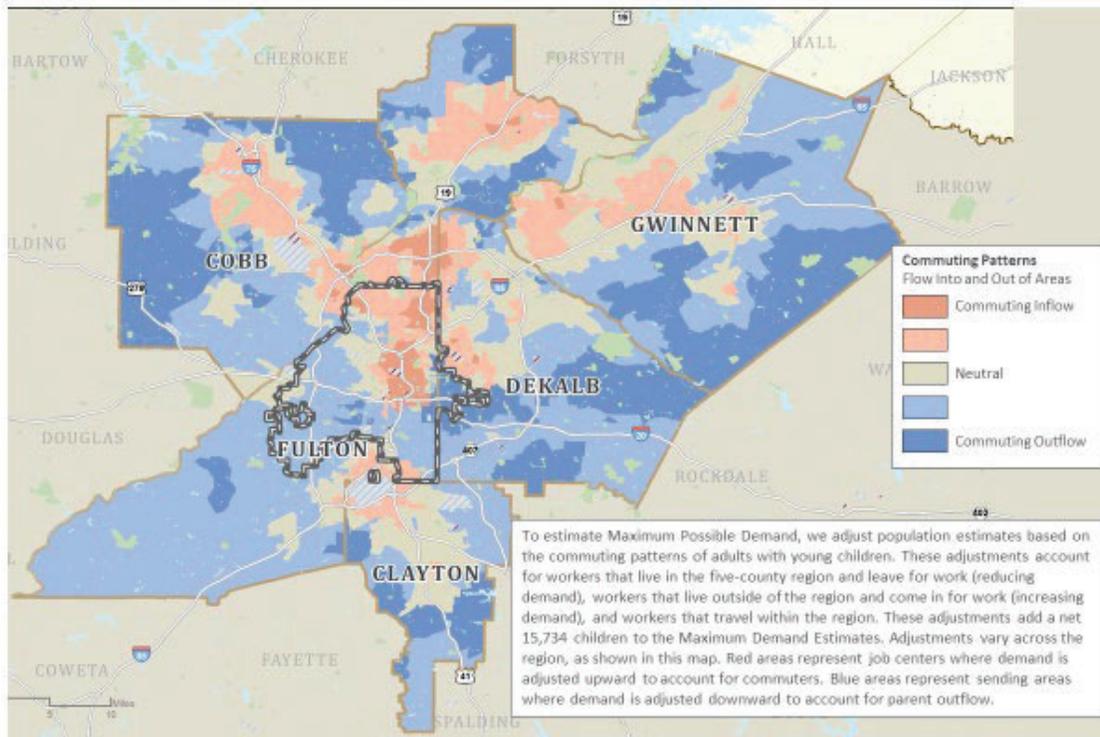


Figure A2: Calculating Supply

Measuring Childcare Supply

There is no single data source to adequately model the supply of child care. For this analysis, six data sources were combined to create an unduplicated list of childcare providers in the five-county region. Three distinct supply estimates provide a comprehensive view of the early childhood education landscape in the five-county region: **Total Supply**, representing the estimated capacity in all identified childcare programs; **Regulated Supply**, representing the estimated capacity in all licensed providers and full-time childcare providers specifically exempt from state regulation; and **Quality Rated Supply**, representing the estimated capacity in programs that have received a quality rating as of 6/25/18 (the date on which license data were downloaded from the state).

Data Sources

- Department of Early Care and Learning (Exempt and Licensed DECAL Sites)
- Head Start
- Quality Care for Children Database
- National Association for the Education of Young Children (NAEYC)
- National Establishment Time Series (NETS)
- InfoUSA

Categories of Supply

- All Regulated Supply.** All Licensed and Full-time Exempt providers.
 - Licensed Supply.** Licensed centers, head start programs, family child care learning homes, and school-based pre-K providers with a DECAL license.
 - Full-time Exempt Supply.** Full-time childcare programs with specific state exemptions from the licensing system (EX 1, 4, 14)
- Unregulated Supply.** Business establishments in NETS and InfoUSA that likely provide childcare services, but are not governed by an official early learning agency, i.e. have not obtained a license or exemption from DECAL
- Total Supply.** All regulated and unregulated providers

License Exemption Categories Defined

Reinvestment Fund included full-time-equivalent, year-round programs for children under five with exemptions 1, 4, and 14. These exemption categories were vetted and agreed upon by the study's advisory committee. Descriptions of each exempt category from state regulations are provided below:

EX 1	Public recreation parks, after-school or summer camp programs operated by a public entity	591-1-1-.46(b)1: Programs which are owned and operated by any department or agency of state, county, or municipal government. This includes, but is not limited to, the customary school day, as defined in Georgia law, and before- and/or after-school programs in public schools operated by the public school system and staffed with school system employees and recreation programs operated by city or county parks and recreation departments and staffed with city or county employees.
EX 4	Accredited private schools for 4-year olds, before/after care for enrolled full day students	591-1-1-.46(b)4: Accredited private nonpublic educational programs with an established curriculum for four-year-old children for the customary school day, as defined in Georgia law, that are not part of a full-day Child Care Learning Center and are an integral part of an accredited private non-public school that provides elementary or secondary instruction or both, providing the accreditation specifically covers these ages; any before- and/or after-school-hours care for four-year-old children who attend such a program as described above, provided the children do not leave the premises of the accredited private nonpublic school and the program is staffed with employees of that private non-public school.
EX 14	Licensed Child Care Learning Centers affiliated with accredited religious schools, accreditation documentation submitted annually, all staff undergo criminal background checks, must relinquish child care license if granted exemption	591-1-1-.46(b)14: A Center that is licensed by the Department may request an exemption from licensure if the Center's program is an integral part of an established religious congregation or religious school that conducts regularly scheduled classes, courses of study, or educational programs, and is a member of or accredited by or certified by a state, regional, or national accrediting agency for religious educational instruction or a state, regional, or national accrediting agency for educational instruction as recognized and approved by the Department if such accrediting entity uses standards that are substantially similar to those established by the Department.

Figure A3: Location of Childcare Sites

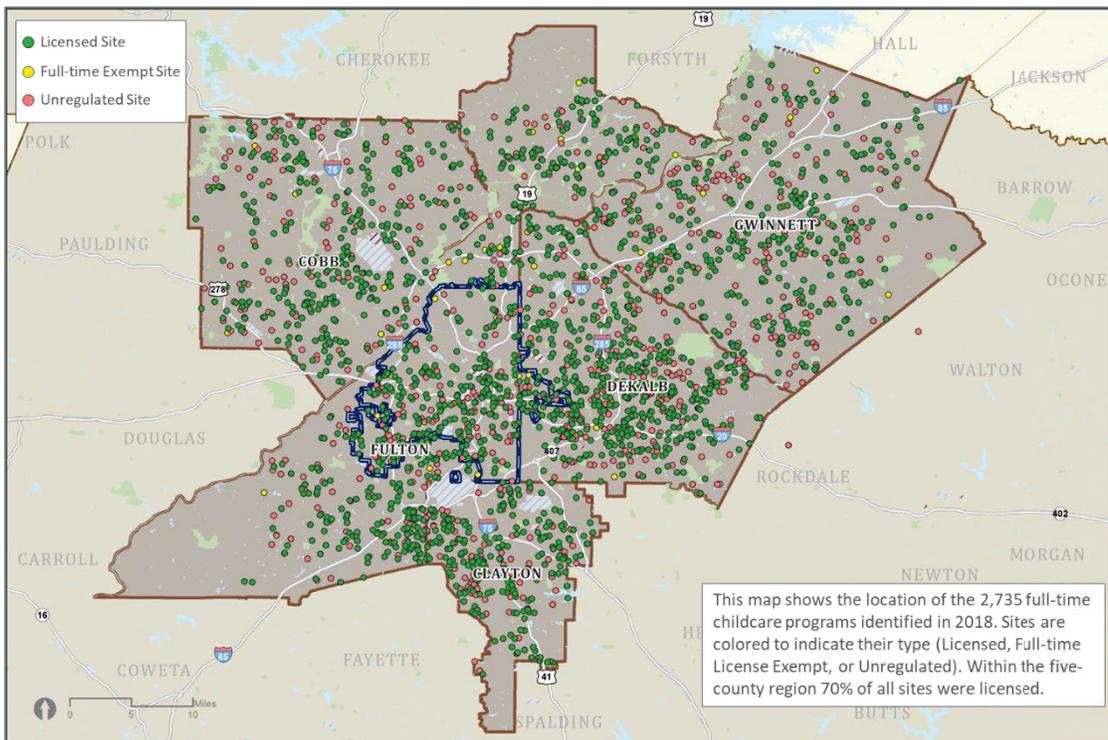


Figure A4: Median Family Income

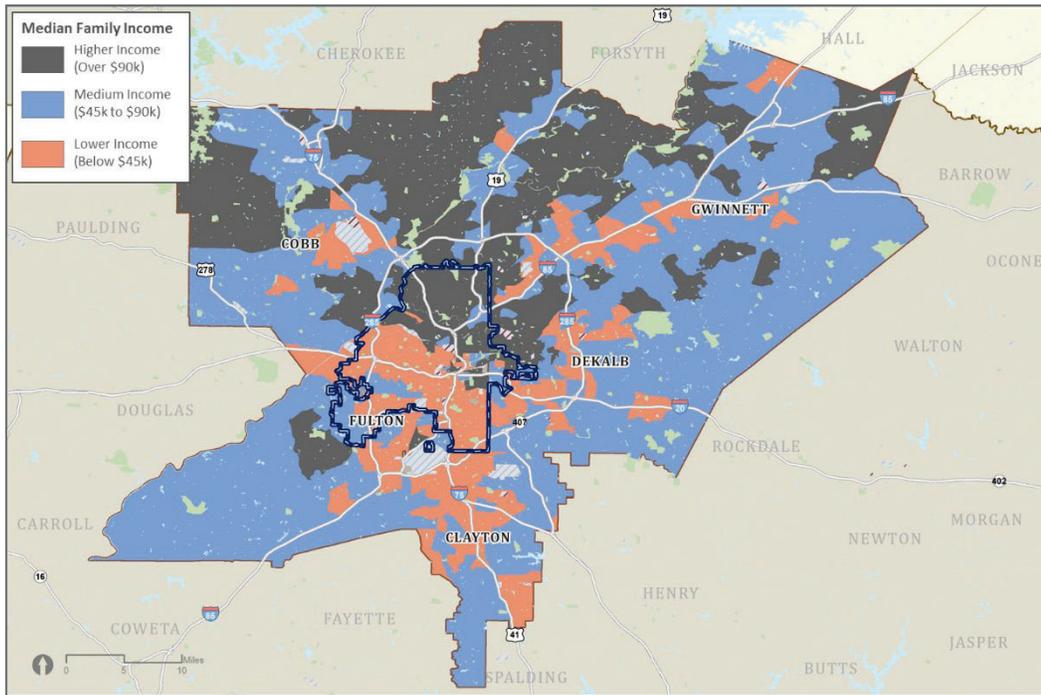
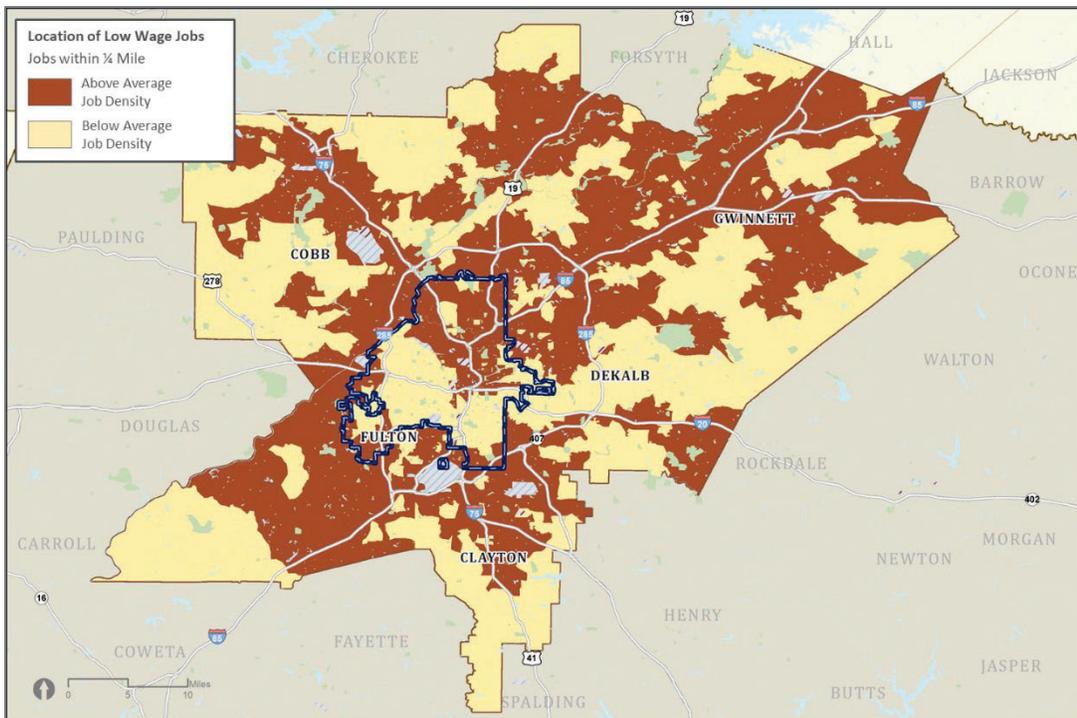


Figure A5: Location of Low Wage Jobs



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