



Research on Early and Preschool Education in Georgia

Prepared based on 2018 data



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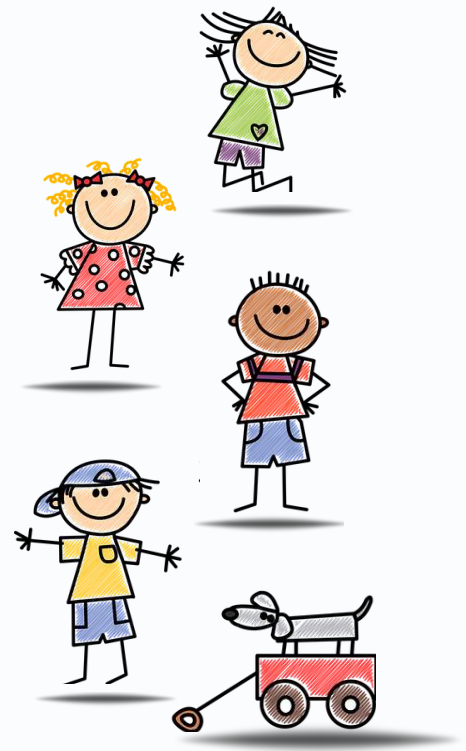
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Purpose of research

This study serves as an overview of early and preschool institutions, identifying existing trends, based on the 2018 financial statements of second and third tier institutions. The report presents the average financial indicators of the sector, which forms the "benchmark" of the sector and provides information on its financial condition.



Methodology

The data used in the study are taken from the website of the reporting portal, where the annual financial statements are published in accordance with the legislation of Georgia.

These early and preschool institutions belong to the second and third size category companies. This information is based on the data of 2018, the study will consider early and preschool institutions, the number of which is a total of 14. The study focuses on the review of authorized early and preschool institutions, specifically their curricula, number of children and financial indicators, data taken from the Ministry of Education, Science, Culture and Sports of Georgia, as well as the National Statistics Office of Georgia.





Research Result

The study reviews early and preschool institutions including schools that also have kindergartens. Their total turnover exceeds GEL 33 million, assets total GEL 56 million, and total profit before tax reaches GEL 4.5 million.

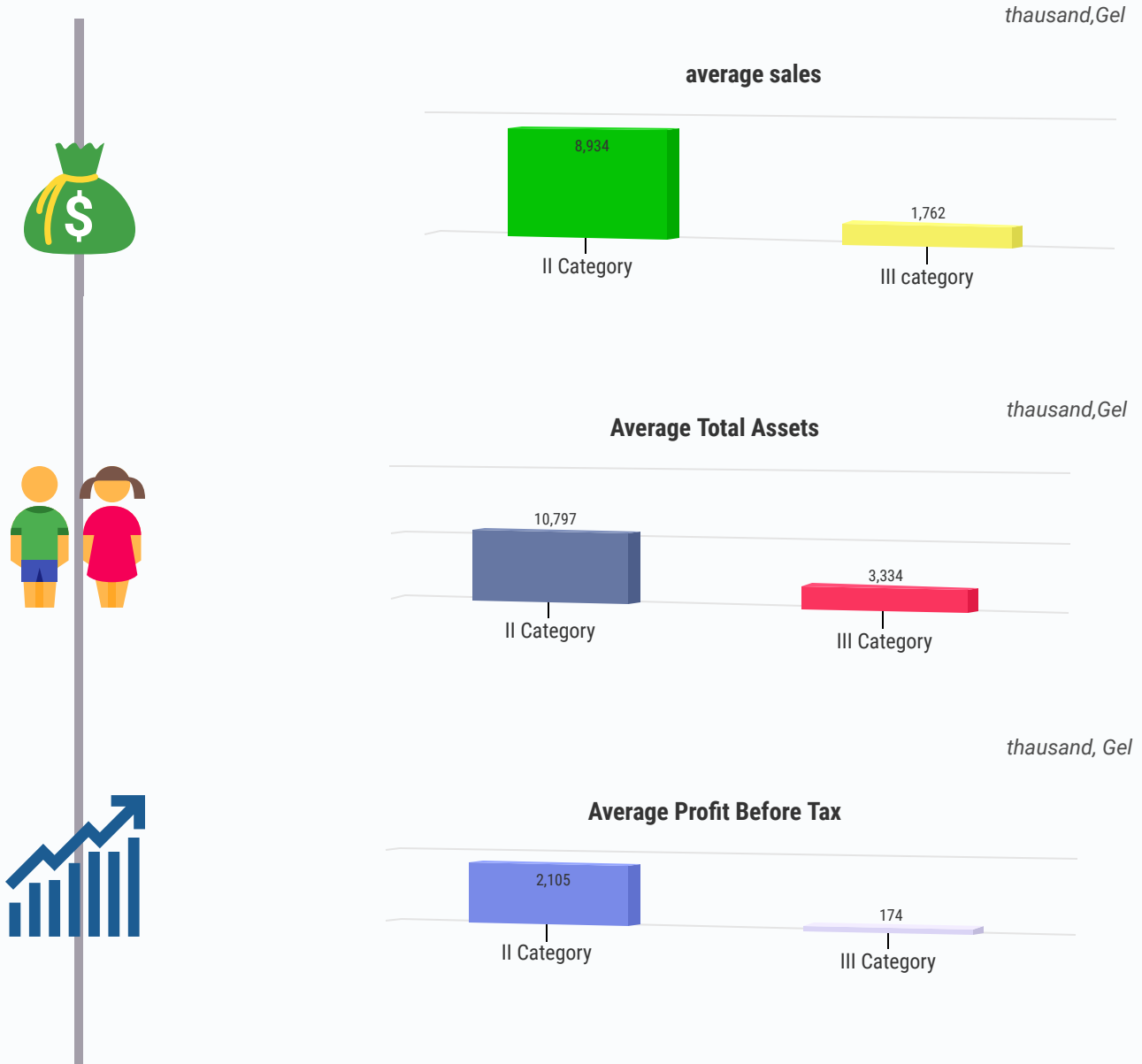
The survey revealed industry-leading companies in terms of revenue, assets and profits. The analysis of the data revealed their financial performance: average return on assets (ROA) was 8%, and return on equity (ROE) was 14%. In addition, the financial ratios of the industry average liquidity and solvency were determined.





Research Result

The study also revealed the average data of authorized early and preschool institutions in 2018. Out of the 14 given gardens, 1 belongs to the second category and 13 to the third.

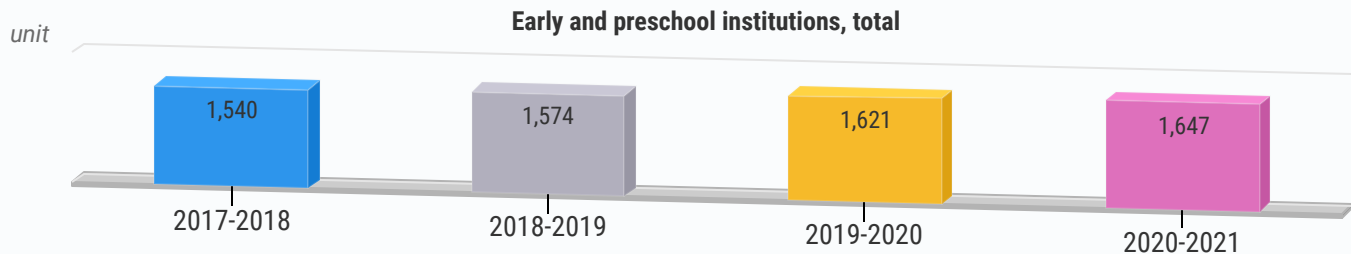


General overview of early and preschool facilities



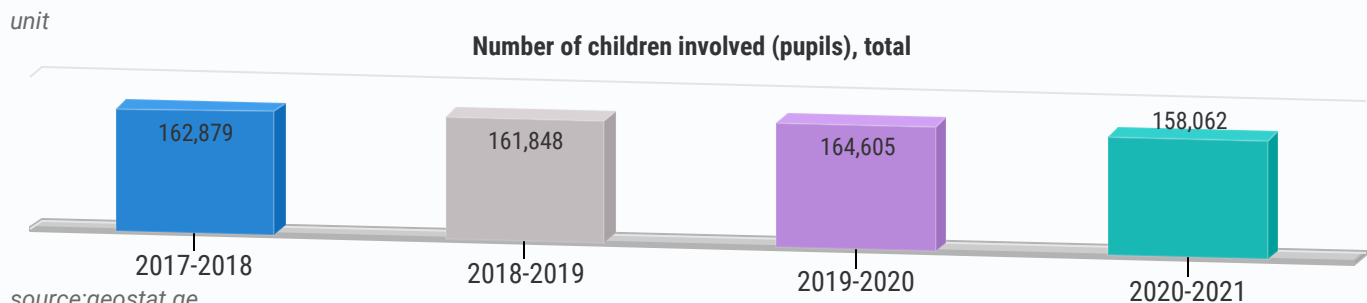
The number of early and preschool institutions in Georgia has been growing steadily for the last four years. From 2017 to 2020, it increased by 107 units (7%), indicating the stability of the sector. However, the total number of foster children is relatively volatile and has been declining in recent years. Gradually, early and preschool institutions create an appropriate environment for the better development of the child and offer the resources necessary to expand their thinking and vision. However in this regard, resources and infrastructure

There is a lack of early and pre-school institutions in the regions, where conditions need to be improved to meet the requirements of the country. According to the Reporting Portal website, in 2018-2019, the number of early and preschool facilities was 1,574 units. Below are the early and pre-school institutions and the number of children in them (at the beginning of the school year) during the last four years, according to official Geostat data.



source:geostat.ge

As can be seen from the graph, the number of early and pre-school institutions has been growing over the last four years, with 1,647 institutions registered in 2020-2021. As for the number of children, it is as follows:



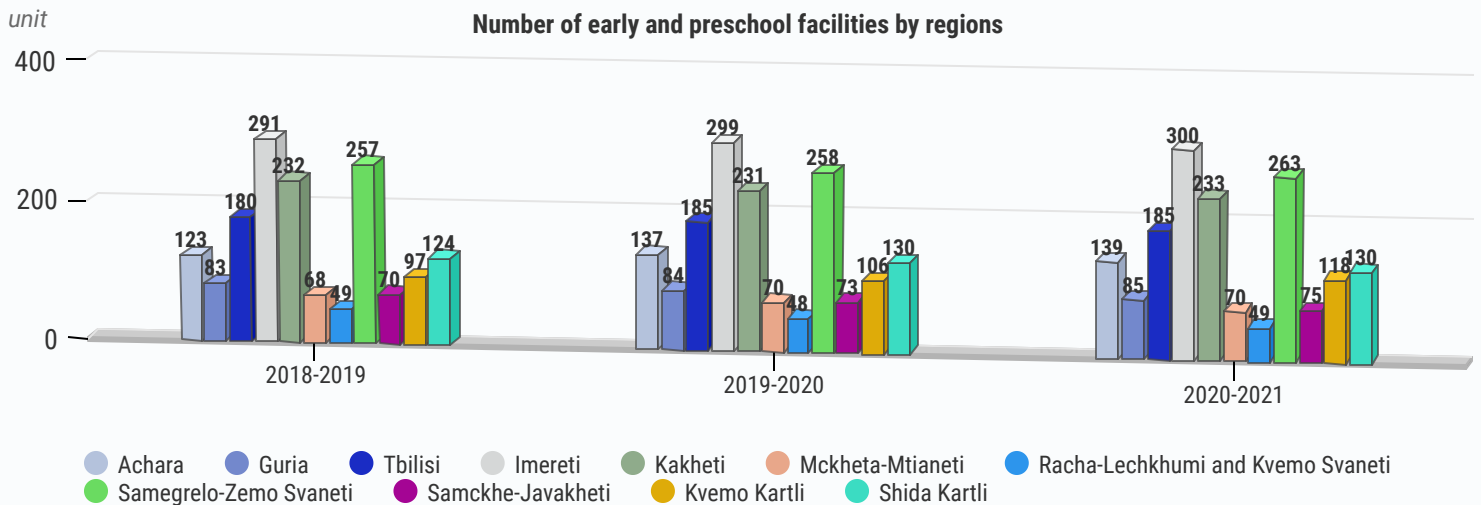
source:geostat.ge

As can be seen from the diagram, in the last four years 2019-2020 the maximum number of children was observed - 164 605. Last year the number of children decreased by 6,543 children, which may be caused by the current pandemic situation.

General overview of early and preschool facilities

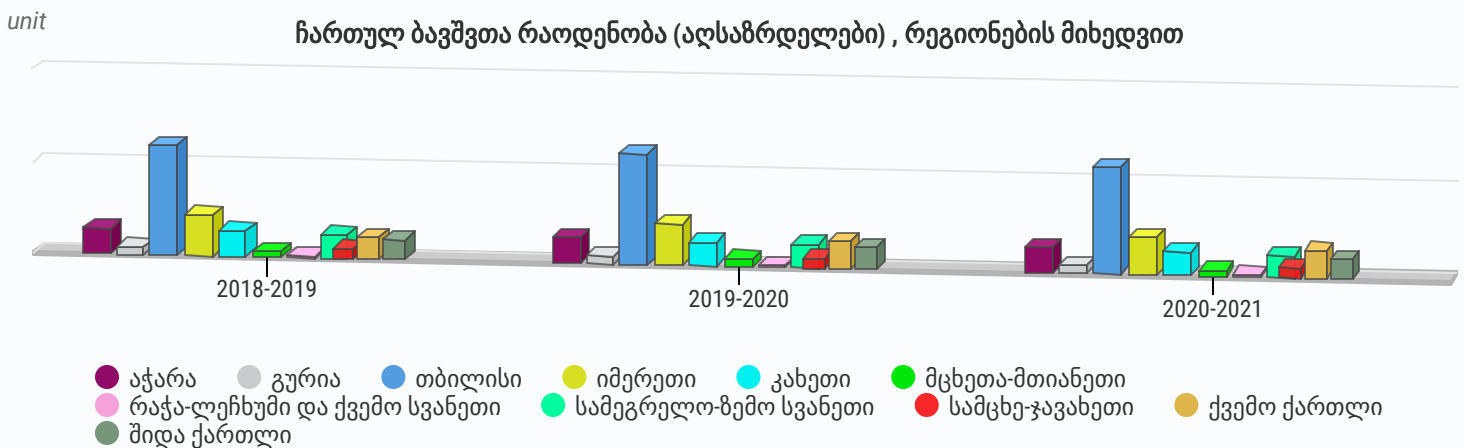


The number of early and preschool institutions in Georgia by regions (for the beginning of the school year) is as follows:



source:geostat.ge

As can be seen from the diagram, according to 2020-2021, the most early and preschool institutions were registered in Imereti - 300 units, followed by Samegrelo-Zemo Svaneti - 263, and Kakheti - 233. As for the distribution of children by regions (for the beginning of the school year), Is as follows:



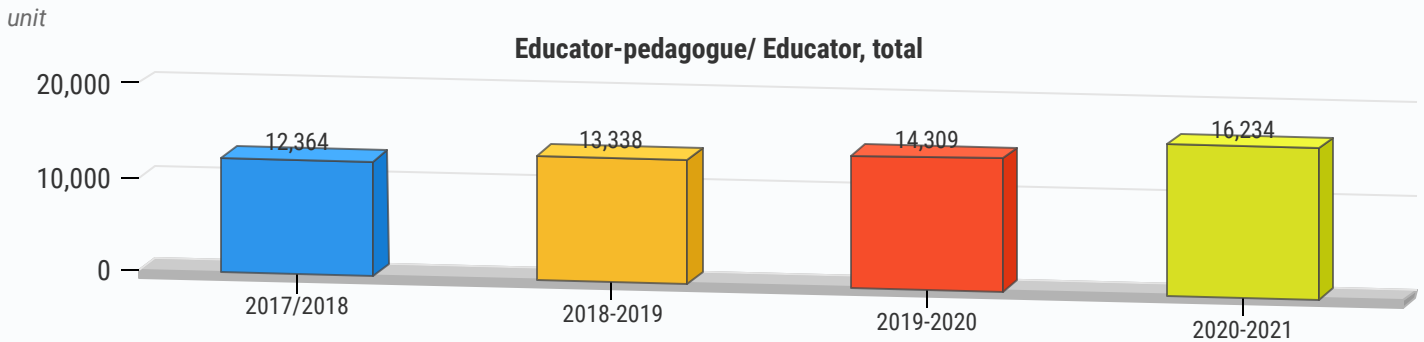
წყარო:geostat.ge

როგორც დიაგრამიდან ჩანს, ყველაზე მეტი აღსაზრდელი ფიქსირდება თბილისის საბავშვო ბაგა-ბაღებში, რაც ლოგიკურიაა მოსახლეობის რაოდენობიდან გამომდინარე. 2020-2021 წლის მონაცემების თანახმად თბილისში 58 836 აღსაზრდელი ფიქსირდება, მეორე ადგილს იკავებს იმერეთი - 20 612 აღსაზრდელი, ხოლო მესამე ადგილზეა ქვემო ქართლი - 14 710.



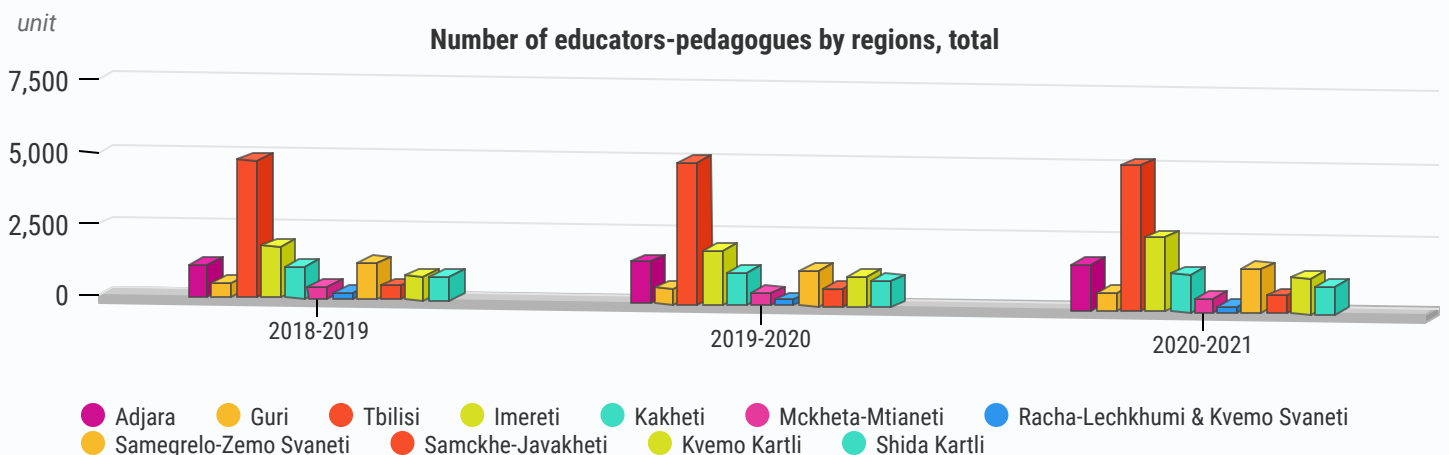
General overview of early and preschool institutions

According to the National Statistics Service of Georgia, the number of educators-pedagogues in early and pre-school institutions has been steadily increasing over the years.



**Note- In 2020-2021, educator-pedagogue/ educator/ educator's assistant/ inclusive education specialist is provided. teacher Source: geostat.ge*

As can be seen from the graph, the number of educators has been steadily increasing over the last four years, and the average annual growth is 9.5%. As for the number of educators-pedagogues by region, it looks like this:



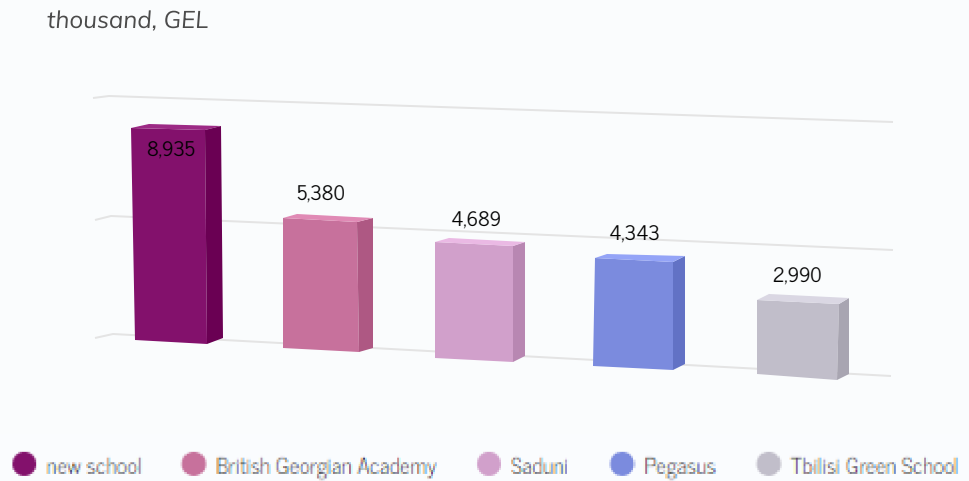
**Note- In 2020-2021, educator-pedagogue/ educator/ educator's assistant/ inclusive education specialist is provided. teacher Source: geostat.ge*

As can be seen from the diagram, according to the year 2020-2021, the maximum number of educators-midwives is fixed in Tbilisi with 5078 teachers, followed by Imereti - 2564, and the third place is occupied by Adjara - 1598 teachers.



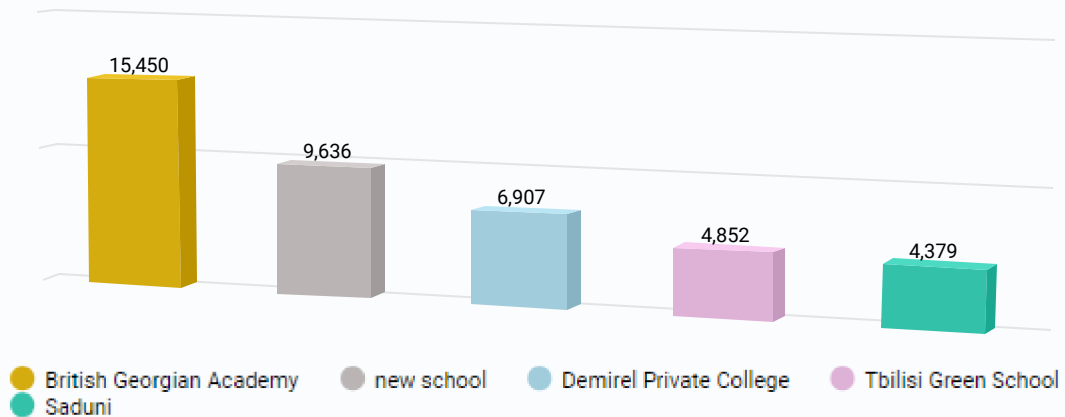
Top 5 early childhood and preschool institutions by revenue (2018)

The total income of the mentioned educational institutions represents 78% of the total income of the other higher educational institutions.



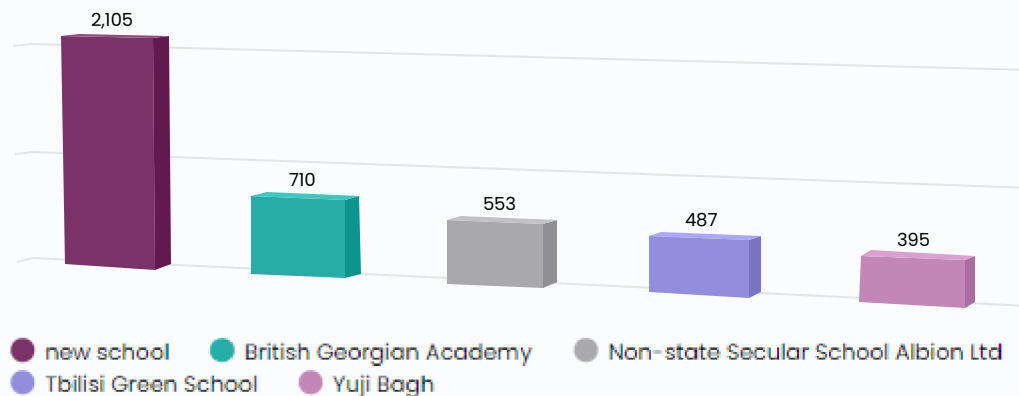
Top 5 early childhood and preschool institutions by total assets, (2018)

thousand, GEL



Earnings Before Taxes, Top 5 Early Years and Preschools (2018)

thousand, GEL

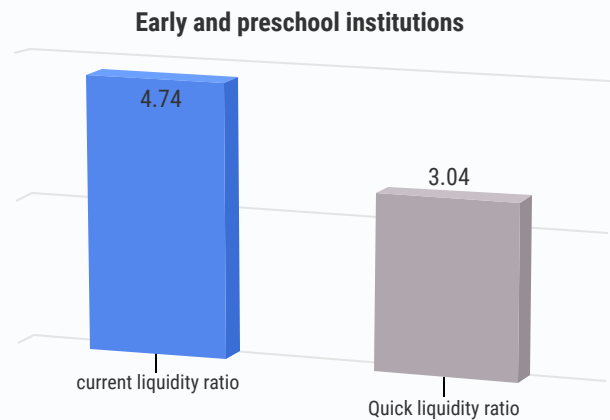




Industry Average Financial Ratios (2018)

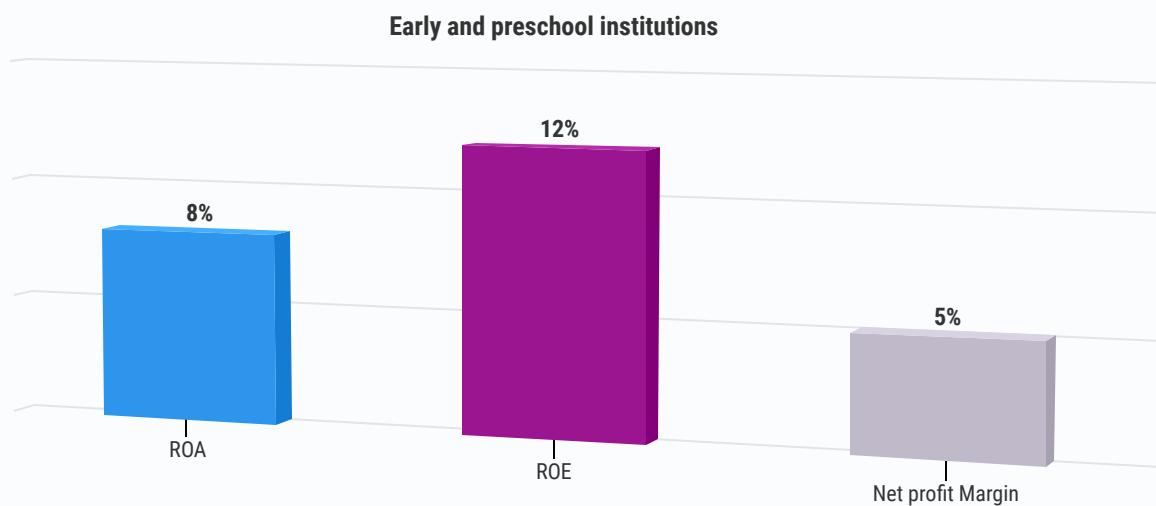
Liquidity ratios

As a result of the research, liquidity coefficients of early and preschool institutions were revealed. Current and quick liquidity ratios were 4.74 and 3.04. When the liquidity ratio is greater than 1, the indicator is considered satisfactory.



Profitability ratios

Profitability ratios of early and preschool institutions were as follows: , annual return on assets for manufacturers (ROA) is 8%, and return on capital ROE is 12%, it is worth noting the rather high costs in the industry, due to which the net profit margin is only 5% .

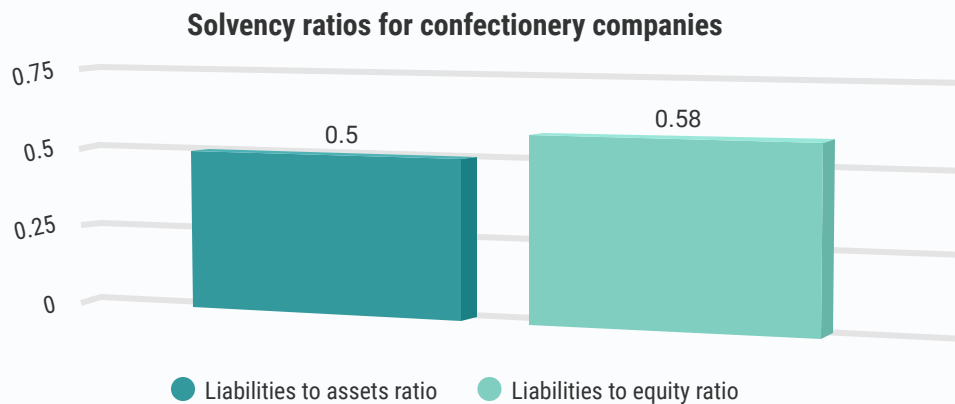




Industry average financial ratios (2018)

Solvency ratios

The liabilities to assets ratio shows the ratio of total assets to liabilities. This indicator of early and pre-school institutions is equal to 0.5, it is also worth noting the ratio of liabilities to capital, which is 0.58, which indicates how much liabilities exceed capital expenditures.



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