

**Program Endorsement Brief: 0502.10/Tax Studies**  
**Income Tax Form**

Los Angeles/Orange County Center of Excellence, March 2021

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**Summary Analysis**

<b>Program Endorsement:</b>	<b>Endorsed: All Criteria Met</b>	<input checked="" type="checkbox"/>	<b>Endorsed: Some Criteria Met</b>	<input type="checkbox"/>	<b>Not Endorsed</b>	<input type="checkbox"/>
<b>Program Endorsement Criteria</b>						
<b>Supply Gap:</b>	Yes	<input checked="" type="checkbox"/> (See comments below)	No	<input type="checkbox"/>		
<b>Living Wage: (Entry-Level, 25<sup>th</sup>)</b>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>		
<b>Education:</b>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>		
<b>Emerging Occupation(s)</b>						
Yes <input type="checkbox"/>			No <input checked="" type="checkbox"/>			

The Los Angeles/Orange County Center of Excellence for Labor Market Research (COE) prepared this report to provide Los Angeles/Orange County regional labor market supply and demand data related to two middle-skill occupations: *tax examiners and collectors, and revenue agents* (13-2081) and *tax preparers* (13-2082). Middle-skill occupations typically require some postsecondary education, but less than a bachelor’s degree.<sup>1</sup> Although the occupation, *tax examiners and collectors, and revenue agents*, typically requires a bachelor’s degree, it is considered middle-skill because approximately one-third of workers in the field have completed some college or an associate degree. This report is intended to help determine whether there is demand in the local labor market that is not being met by the supply from community college programs that align with the relevant occupations.

While there does not initially appear to be a supply gap for these middle-skill tax occupations in the region, the COE recognizes that the supply data is overstated when considering only the two middle-skill tax occupations related to this proposed program. When comparing these tax occupations solely with tax-specific programs in the region, a supply gap emerges. Furthermore, the majority of annual openings in Los Angeles have typical entry-level wages that exceed the living wage and one-third of current workers in the field have completed some college or an associate degree. **Therefore, due to all of the criteria being met, the COE endorses this proposed program.** Detailed reasons include:

**Demand:**

- **Supply Gap Criteria** - Over the next five years, there are projected to be **802 jobs available annually** in the LA/OC region due to job growth and workers leaving the

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<sup>1</sup> The COE classifies middle-skill jobs as the following:

- All occupations that require an educational requirement of some college, associate degree or apprenticeship;
- All occupations that require a bachelor’s degree, but also have more than one-third of their existing labor force with an educational attainment of some college or associate degree; or
- All occupations that require a high school diploma or equivalent or no formal education, but also require short- to long-term on-the-job training where multiple community colleges have existing programs.

field, **which is less than the 2,512 awards conferred annually** by educational institutions in the region.

- However, **supply for the two middle-skill occupations in this report is overstated** because the Accounting (0502.00) TOP Code trains for three additional middle-skill occupations that are not included in this report. These occupations account for more than 10,200 annual openings in the LA/OC region, which render a significant supply gap when taken into account.
- When these middle-skill tax occupations are compared solely with tax-specific programs, there is **potential supply gap of 642** (802 annual openings minus 160 tax-related awards).
- **Living Wage Criteria** - Within Los Angeles County, **all of the annual job openings** for these income tax occupations have **entry-level wages above the county's living wage** (\$15.04/hour).<sup>2</sup>
- **Education Criteria** - Within the LA/OC region, **84% of the annual job openings** for occupations related to income tax **typically require a high school degree or equivalent**.
  - However, national-level educational attainment data indicates **between 32.2% and 33.1% of workers in the field have completed some college or an associate degree**.

#### Supply:

- All **28 community colleges** in the LA/OC region that issue awards related to accounting and tax studies conferring an average of **1,593 awards annually** between 2016 and 2019.
  - However, the Accounting (0502.00) TOP Code trains for three additional middle-skill occupations not included in this report, and supply data for these specific occupations cannot be extrapolated from the awards total. Therefore, **supply is overstated when considering only the two middle-skill tax occupations in this report**.
- Between 2014 and 2017, there was an average of **919 awards conferred annually** in related training programs by non-community college institutions throughout the region.

### Occupational Demand

Exhibit 1 displays the five-year occupational demand projections for middle-skill tax occupations. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to increase by 3% through 2024. There will be more than 800 job openings per year through 2024 due to job growth and workers leaving the field in the LA/OC region.

*This report includes employment projection data by Emsi which uses EDD information. Emsi's projections are modeled on recorded (historical) employment figures and incorporate several underlying assumptions, including the assumption that the economy, during the projection period, will*

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<sup>2</sup> Living wage data was pulled from California Family Needs Calculator on 2/23/2021. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

be at approximately full employment. To the extent that a recession or labor shock, such as the economic effects of COVID-19, can cause long-term structural change, it may impact the projections. At this time, it is not possible to quantify the impact of COVID-19 on projections of industry and occupational employment. Therefore, the projections included in this report do not take the impacts of COVID-19 into account.

**Exhibit 1: Occupational demand in Los Angeles and Orange Counties<sup>3</sup>**

Geography	2019 Jobs	2024 Jobs	2019-2024 Change	2019-2024 % Change	Annual Openings
Los Angeles	5,323	5,458	135	3%	603
Orange	1,693	1,751	58	3%	200
<b>Total</b>	<b>7,017</b>	<b>7,209</b>	<b>192</b>	<b>3%</b>	<b>802</b>

**Wages**—The labor market endorsement in this report considers the entry-level hourly wages for these middle-skill tax occupations in Los Angeles County as they relate to the county’s living wage. Orange County wages are included below in order to provide a complete analysis of the LA/OC region. Detailed wage information, by county, is included in Appendix A.

**Los Angeles County**—All of the annual openings for these occupations have entry-level wages above the living wage for one adult (\$15.04 in Los Angeles County).<sup>4</sup> Typical entry-level hourly wages are in a range between \$16.69 and \$33.73. Experienced workers can expect to earn wages between \$40.41 and \$54.20, which are higher than the living wage estimate. Los Angeles County’s average wages are above the average statewide wage of \$32.95 for these occupations.

**Orange County**— Approximately 13% of annual openings for these occupations have entry-level wages above the living wage for one adult (\$17.36 in Orange County). Typical entry-level hourly wages are in a range between \$15.61 and \$31.32. Experienced workers can expect to earn hourly wages between \$36.95 and \$50.33, which are higher than the living wage in Orange County. Orange County’s average wages are above the average statewide wage of \$32.95 for these occupations.

**Job Postings**—Over the last twelve months, there were 1,890 job postings for middle-skill tax occupations in the region. The job titles with the most postings were tax professional, tax preparer, and credentialed tax advisor. The top skills were: tax returns, tax preparation, accounting, tax law, and customer retention. The top employers, by the number of job postings, in the region were: H&R Block, Intuit, KPMG, Internal Revenue Service, and Jackson Hewitt Tax Service.

<sup>3</sup> Five-year change represents new job additions to the workforce. Annual openings include new jobs and replacement jobs that result from retirements and separations.

<sup>4</sup> Living wage data was pulled from California Family Needs Calculator on 2/23/2021. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

*It is important to note that the job postings data included in this section reflects online job postings listed in the past 12 months and does not yet demonstrate the impact of COVID-19. While employers have generally posted fewer online job postings since the beginning of the pandemic, the long-term effects are currently unknown.*

**Educational Attainment**—The Bureau of Labor Statistics (BLS) lists a high school diploma as the typical entry-level education for *tax preparers* and a bachelor’s degree as the typical entry-level education for *tax examiners and collectors, and revenue agents*. The national-level educational attainment data indicates between 32.2% and 33.1% of workers in the field have completed some college or an associate degree. Of the 59% of income tax job postings listing a minimum education requirement in Los Angeles/Orange County, 45% (498) requested a high school diploma, 3% (33) requested an associate degree, and 52% (587) requested a bachelor’s degree.

**Educational Supply**

**Community College Supply**—Exhibit 2 displays the annual and three-year average number of awards conferred by LA/OC regional community colleges in the related TOP code: Tax Studies (0502.10). The college with the most completions in the region is LA Pierce. Over the past 12 months, there was one other related program recommendation request from a regional community college.

**Educational Supply**

**Community College Supply**—Exhibit 2 shows the three-year average number of awards conferred by community colleges in the related TOP codes: Accounting (0502.00), and Tax Studies (0502.10). The colleges with the most completions in the region are: East LA, Irvine, and Mt. San Antonio. Over the past 12 months, there were 13 other related program recommendation requests from regional community colleges.

It is important to note that the Accounting (0502.00) program trains for three additional middle-skill occupations in addition to the tax occupations included in the demand section of this report: *bookkeeping, accounting, and auditing clerks (43-3031), payroll and timekeeping clerks (43-3051) and brokerage clerks (43-4011)*. The combined annual openings for these three occupations in the LA/OC region is more than 10,200. Since the Accounting (0502.00) TOP Code trains for more occupations than the two middle-skill tax-related occupations in this report and it is not feasible to extrapolate singular occupations from the award totals for a specific TOP code, the supply data in Exhibit 2 is overstated when considering only middle-skill tax occupations.

**Exhibit 2: Regional community college awards (certificates and degrees), 2016-2019**

TOP Code	Program	College	2016-2017 Awards	2017-2018 Awards	2018-2019 Awards	3-Year Award Average
0502.00	Accounting	Cerritos	25	26	29	27
		Citrus	16	20	18	18
		Compton	4	-	1	2
		East LA	346	397	635	459
		El Camino	15	8	16	13

TOP Code	Program	College	2016-2017 Awards	2017-2018 Awards	2018-2019 Awards	3-Year Award Average
		Glendale	55	52	63	57
		LA City	17	16	5	13
		LA Harbor	8	4	8	7
		LA Mission	10	8	8	9
		LA Pierce	12	5	29	15
		LA Southwest	2	-	1	1
		LA Trade	25	26	21	24
		LA Valley	80	45	34	53
		Long Beach	27	36	42	35
		Mt San Antonio	103	114	174	130
		Pasadena	20	30	23	24
		Rio Hondo	11	17	14	14
		Santa Monica	52	169	78	100
		West LA	17	7	15	13
		<b>LA Subtotal</b>	<b>845</b>	<b>980</b>	<b>1,214</b>	<b>1,013</b>
		Coastline	63	43	49	52
		Cypress	4	5	8	6
		Fullerton	14	18	17	16
		Golden West	17	19	36	24
		Irvine	169	142	201	171
		Orange Coast	22	112	104	79
		Saddleback	42	32	38	37
		Santa Ana	95	86	198	126
		Santiago Canyon	6	55	7	23
		<b>OC Subtotal</b>	<b>432</b>	<b>512</b>	<b>658</b>	<b>534</b>
		<b>Supply Subtotal/Average</b>	<b>1,277</b>	<b>1,492</b>	<b>1,872</b>	<b>1,547</b>
0502.10	Tax Studies	LA Pierce	32	16	20	23
		Mt San Antonio	-	-	7	2
		<b>LA Subtotal</b>	<b>32</b>	<b>16</b>	<b>27</b>	<b>25</b>
		Irvine	16	9	26	17
		Saddleback	5	3	3	4
		<b>OC Subtotal</b>	<b>21</b>	<b>12</b>	<b>29</b>	<b>21</b>
		<b>Supply Subtotal/Average</b>	<b>53</b>	<b>28</b>	<b>56</b>	<b>46</b>
		<b>Supply Total/Average</b>	<b>1,330</b>	<b>1,520</b>	<b>1,928</b>	<b>1,593</b>

**Non-Community College Supply**—It is important to consider the supply from four-year institutions in the region that provide training programs for middle-skill tax occupations. Exhibit 3 shows the annual and three-year average number of awards conferred by these institutions in the related Classification of Instructional Programs (CIP) Codes: Accounting (52.0301), and Accounting Technology/Technician and Bookkeeping (52.0302). Due to different data collection periods, the most recent three-year period of available data is from 2014 to 2017. Between 2014 and 2017, four-year colleges in the region conferred an average of 919 awards annually in related training programs.

**Exhibit 3: Regional non-community college awards, 2014-2017**

CIP Code	Program	College	2014-2015 Awards	2015-2016 Awards	2016-2017 Awards	3-Year Award Average
52.0301	Accounting	Advanced College	2	3	2	2
		Azusa Pacific University	29	25	40	31
		Biola University	-	17	29	15
		California State University-Northridge	196	250	285	244
		Chapman University	54	53	55	54
		Claremont McKenna College	25	24	23	24
		DeVry University-California	30	41	36	36
		Los Angeles ORT College-Los Angeles Campus	17	6	23	15
		Los Angeles ORT College-Van Nuys Campus	15	14	21	17
		Loyola Marymount University	60	59	62	60
		Mount Saint Mary's University	16	13	20	16
		Pacific States University	4	5	5	5
		Pepperdine University	19	30	26	25
		Pitzer College	-	-	2	1
		Pomona Unified School District Adult and Career Education	4	3	3	3
		Scripps College	-	2	1	1
		Southern California Institute of Technology	1	-	-	0
		University of La Verne	16	34	41	30
		University of Phoenix-California	42	38	19	33
		University of Southern California	262	222	217	234

CIP Code	Program	College	2014-2015 Awards	2015-2016 Awards	2016-2017 Awards	3-Year Award Average
52.0302	Accounting Technology/ Technician and Bookkeeping	Vanguard University of Southern California	8	6	3	6
		Woodbury University	22	27	17	22
		Hacienda La Puente Adult Education	28	26	28	27
		InterCoast Colleges-Anaheim	12	4	4	7
		Premiere Career College	8	8	2	6
		Southern California Institute of Technology	13	-	-	4
		University of Phoenix-California	-	-	1	0
<b>Supply Total/Average</b>			<b>883</b>	<b>910</b>	<b>965</b>	<b>919</b>

**Appendix A: Occupational demand and wage data by county**

**Exhibit 4. Los Angeles County**

Occupation (SOC)	2019 Jobs	2024 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Entry-Level Hourly Earnings (25 <sup>th</sup> Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75 <sup>th</sup> Percentile)
Tax Preparers (13-2082)	4,069	4,187	118	3%	494	\$16.69	\$27.75	\$40.41
Tax Examiners and Collectors, and Revenue Agents (13-2081)	1,254	1,272	18	1%	108	\$33.73	\$42.73	\$54.20
<b>Total</b>	<b>5,323</b>	<b>5,458</b>	<b>135</b>	<b>3%</b>	<b>603</b>			

**Exhibit 5. Orange County**

Occupation (SOC)	2019 Jobs	2024 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Entry-Level Hourly Earnings (25 <sup>th</sup> Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75 <sup>th</sup> Percentile)
Tax Preparers (13-2082)	1,427	1,479	52	4%	176	\$15.61	\$25.58	\$36.95
Tax Examiners and Collectors, and Revenue Agents	266	272	6	2%	24	\$31.32	\$39.68	\$50.33

Occupation (SOC)	2019 Jobs	2024 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Entry-Level Hourly Earnings (25th Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75th Percentile)
(13-2081)								
<b>Total</b>	<b>1,693</b>	<b>1,751</b>	<b>58</b>	<b>3%</b>	<b>200</b>			

#### Exhibit 6. Los Angeles and Orange counties

Occupation (SOC)	2019 Jobs	2024 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Typical Entry-Level Education	On-The-Job Training & Work Experience
Tax Preparers (13-2082)	5,496	5,666	170	3%	670	HS diploma or equivalent	1-12 months & None
Tax Examiners and Collectors, and Revenue Agents (13-2081)	1,520	1,544	24	2%	132	Bachelor's degree	1-12 months & None
<b>Total</b>	<b>7,017</b>	<b>7,209</b>	<b>192</b>	<b>3%</b>	<b>802</b>		

#### Appendix B: Sources

- O\*NET Online
- Labor Insight/Jobs (Burning Glass)
- Economic Modeling Specialists, International (Emsi)
- Bureau of Labor Statistics (BLS)
- Employment Development Department, Labor Market Information Division, OES
- California Community Colleges Chancellor's Office Management Information Systems (MIS)
- California Family Needs Calculator, Insight Center for Community Economic Development
- Chancellor's Office Curriculum Inventory (COCI 2.0)

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