

## Program Endorsement Brief: 0501.00/Business and Commerce, General Workplace Readiness

Orange County Center of Excellence, April 2021

### Summary Analysis

|                                                         |                                                               |                                                                           |                                                 |
|---------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------|
| <b>Program Endorsement:</b>                             | <b>Endorsed:</b><br>All Criteria Met <input type="checkbox"/> | <b>Endorsed:</b><br>Some Criteria Met <input checked="" type="checkbox"/> | <b>Not</b><br>Endorsed <input type="checkbox"/> |
| <b>Program Endorsement Criteria</b>                     |                                                               |                                                                           |                                                 |
| <b>Supply Gap:</b>                                      | Yes <input checked="" type="checkbox"/>                       | No <input type="checkbox"/>                                               |                                                 |
| <b>Living Wage:</b><br>(Entry-Level, 25 <sup>th</sup> ) | Yes <input type="checkbox"/>                                  | No <input checked="" 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 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: *sales representatives, wholesale and manufacturing, except technical and scientific products* (41-4012), and *customer service representatives* (43-4051). Middle-skill occupations typically require some postsecondary education, but less than a bachelor's degree.<sup>1</sup>

In addition to traditional labor market data, this report also includes an analysis of online job postings related to workplace readiness skills, more commonly known as soft skills. These skills include communication skills, teamwork/collaboration, organizational skills and being detail-oriented, as well as sixteen other baseline skills listed in Appendix B, and will prepare students for the workplace. While *sales representatives, wholesale and manufacturing, except technical and scientific products*, and *customer service representatives* are occupations that often require the soft skills that will be taught in this proposed program, these skills can be applied to numerous occupations across all industry sectors. 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.

Based on the available data, there appears to be a supply gap for middle-skill occupations related to workplace readiness in the region. While the majority of annual openings have entry-level wages that are lower than the living wage in both Los Angeles and Orange counties, around one-third of the current workforce in these occupations has completed some college or an associate degree. **Therefore, due to some of the criteria being met, the COE endorses this proposed program.** Detailed reasons include:

<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.

### Demand:

- **Supply Gap Criteria** – Over the next five years, there is projected to be **15,268 jobs available annually** in the region due to retirements and workers leaving the field, **which is more than the 800 awards conferred annually** by educational institutions in the region.
  - **There were 996,333 online job postings** listed in the past 12 months that mention one or more of the **top baseline skills included in job postings**. The top five baseline skills listed in job postings are communication skills, teamwork/collaboration, organizational skills, being detail-oriented, and Microsoft Excel.
- **Living Wage Criteria** – Within Orange County, **the majority (64%) of annual job openings** for these middle-skill occupations related to workplace readiness have **entry-level wages below the county's living wage** (\$17.36/hour).<sup>2</sup>
- **Educational Criteria** – The Bureau of Labor Statistics (BLS) lists a **high school diploma** as the **typical entry-level education** for these middle-skill occupations related to workplace readiness.
  - However, the national-level educational attainment data indicates **between 30.5% and 42.1% of workers in the field have completed some college or an associate degree**.

### Supply:

- There are **19 community colleges** in the LA/OC region that issue awards related to business, sales and/or customer service, conferring an average of **629 awards annually** between 2016 and 2019.
- Between 2014 and 2017, there was an average of **171 awards conferred annually** in related training programs by non-community college institutions throughout the region.

### Occupational Demand

Exhibit 1 shows the five-year occupational demand projections for these middle-skill occupations related to workplace readiness. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to decrease by 6% through 2024. However, there will be nearly 15,300 job openings per year through 2024 due to retirements and workers leaving the field.

*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 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*

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<sup>2</sup> Living wage data was pulled from California Family Needs Calculator on 4/26/2021. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

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  | 106,137        | 99,502         | (6,636)          | (6%)               | 10,833          |
| Orange       | 42,694         | 40,849         | (1,845)          | (4%)               | 4,436           |
| <b>Total</b> | <b>148,832</b> | <b>140,351</b> | <b>(8,481)</b>   | <b>(6%)</b>        | <b>15,268</b>   |

## Wages

The labor market endorsement in this report considers the entry-level hourly wages for these middle-skill occupations related to workplace readiness in Orange County as they relate to the county's living wage. Los Angeles 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.

**Orange County—** The majority (64%) of annual openings these middle-skill occupations related to workplace readiness have entry-level wages below the living wage for one adult (\$17.36 in Orange County). Typical entry-level hourly wages for *sales representatives, wholesale and manufacturing, except technical and scientific products* are above the county's living wage (\$20.63), while *customer service representatives* wages are below the living wage (\$14.88). Experienced workers can expect to earn wages between \$23.60 and \$47.66, which are higher than the living wage estimate. Orange County's average wages are above below the average statewide wage of \$27.08 for these occupations.

**Los Angeles County—** The majority (62%) of annual openings for these middle-skill occupations related to workplace readiness have entry-level wages below the living wage for one adult (\$15.04 in Los Angeles County). Typical entry-level hourly wages for *sales representatives, wholesale and manufacturing, except technical and scientific products* are above the county's living wage (\$18.87), while *customer service representatives* wages are below the living wage (\$14.83). Experienced workers can expect to earn wages between \$23.56 and \$43.69, which are higher than the living wage estimate. Los Angeles County's average wages are below the average statewide wage of \$27.08 for these occupations.

## Job Postings

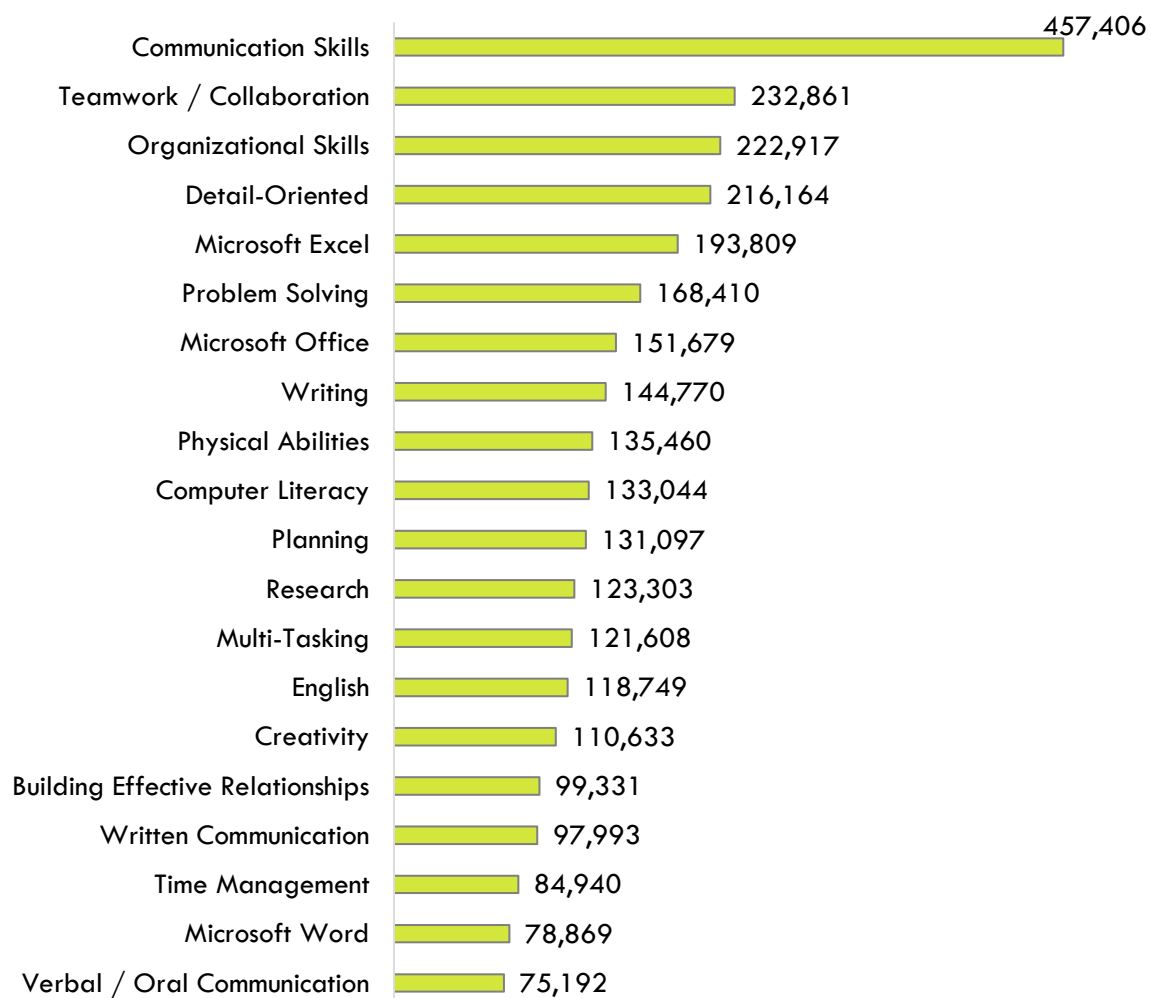
There were 77,447 online job postings for these middle-skill occupations related to workplace readiness listed in the past 12 months. The highest number of job postings were for customer service representatives, sales representatives, account executives, account managers, and outside sales representatives. The top skills were: customer service, sales, customer contact, scheduling and working experience with prospective clients. The top three employers, by number of job postings,

<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.

in the region were: Charter Communications, Anthem Blue Cross, and State Farm Insurance Companies.

To better understand the demand for workplace readiness skills (commonly known as soft skills or baseline skills) throughout the region, this section analyzes online job postings for 20 commonly requested baseline skills identified by Burning Glass, an online job postings analytics firm.<sup>4</sup> In the LA/OC region, there were nearly one million job postings that mentioned one or more of the top 20 baseline skills over the past 12 months. Exhibit 2 visualizes the top 20 baseline skills that were listed on job postings that included one or more of the top 20 baseline skills. The full list of baseline skills is included in Appendix B. The baseline skill requested most often was communication skills, followed by teamwork/collaboration and organizational skills.

**Exhibit 2: Top baseline skills listed in online job postings (n=996,333)**



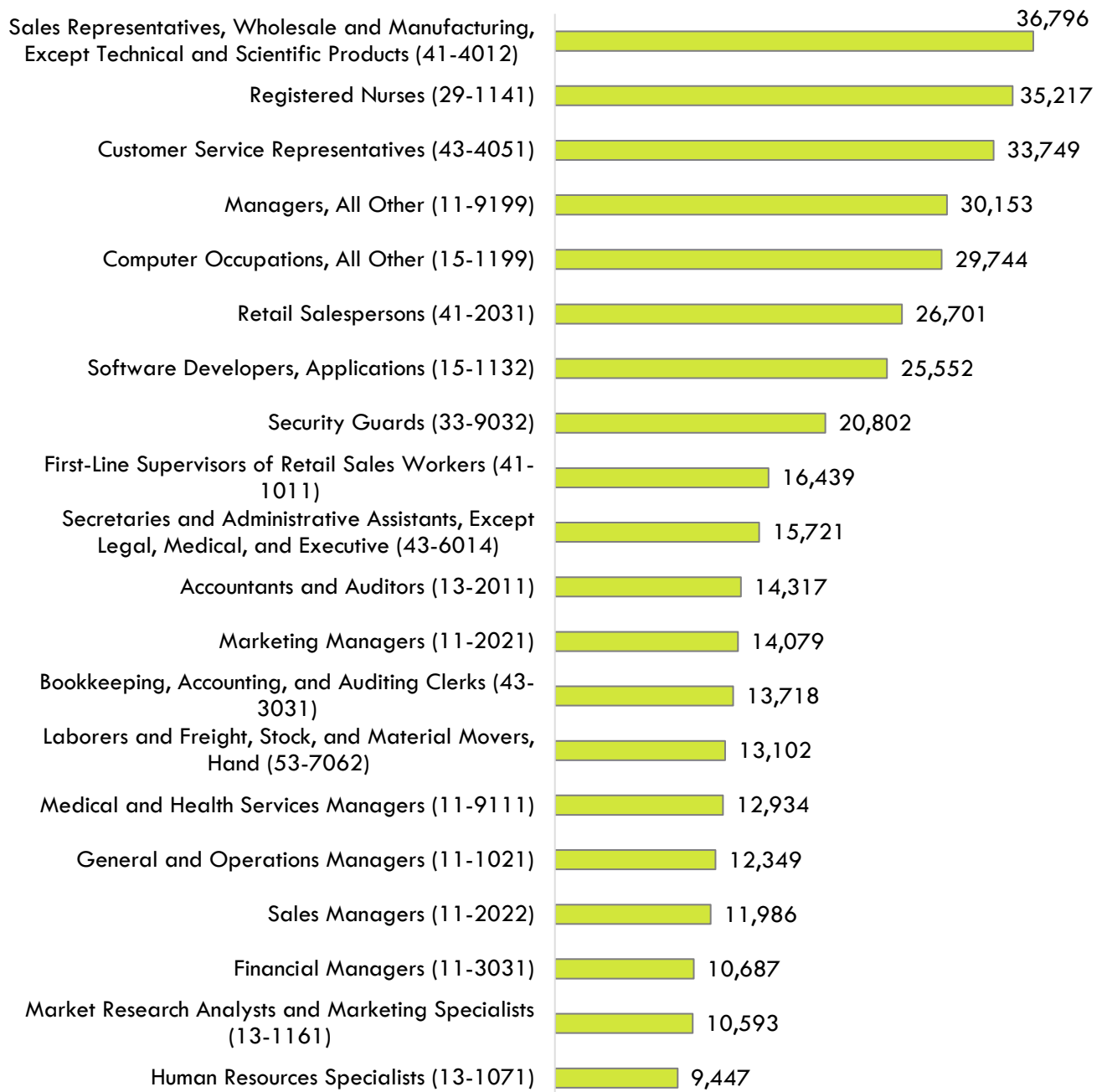
<sup>4</sup> Burning Glass ranked the top “soft” skills or baseline skills that are found in job postings in a 2015 report titled “The Human Factor: The Hard Time Employers Have Finding Soft Skills.” For more information, see: [https://www.burning-glass.com/wp-content/uploads/Human\\_Factor\\_Baseline\\_Skills\\_FINAL.pdf](https://www.burning-glass.com/wp-content/uploads/Human_Factor_Baseline_Skills_FINAL.pdf)

Exhibit 3, on the following page, shows which occupations requested one or more of the top baseline skills in job postings over the past 12 months.<sup>5</sup> Of these top occupations listing one or more baseline skills in job postings, 10 are above middle-skill, seven are middle-skill and three are below middle-skill. This group of 20 occupations includes six management occupations, three business and financial operations occupations, three sales and related occupations, three office and administrative support occupations, two computer and mathematical occupations and one each of the following occupational groups: healthcare practitioners and technical, protective service, and transportation and material moving. While these baseline skills are necessary for virtually every occupation, *it is important to note that students who complete this workforce readiness program will need additional training and/or experience in order to obtain employment in many of the occupations listed below.*

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<sup>5</sup> Advertised education for the job postings in this search include high school diploma, associate degrees, bachelor's degrees or educational preference was not listed. Job postings that requested a master's degree or more education were not included in this search.

**Exhibit 3: Top occupations requesting one or more of the top baseline skills in online job postings (n=996,333)**



*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 both occupations related to workplace readiness. However, the national-level educational attainment data indicates between 30.5% and 42.1% of workers in the field have completed some college or an associate degree. Of the 52% of related job postings listing a minimum education requirement in Los Angeles/Orange County, 57% (22,906) requested a high school diploma, 38% (15,570) requested a bachelor's degree, and 5% (1,982) requested an associate degree.

## Educational Supply

**Community College Supply**—Exhibit 4 shows the three-year average number of awards conferred by community colleges in the related TOP codes: Business and Commerce, General (0501.00), Sales and Salesmanship (0509.40), Customer Service (0518.00), and Consumer Services (1301.10). The colleges with the most completions in the region are: Mt. San Antonio, Long Beach, and LA City. Over the past 12 months, there were eight other related program recommendation requests from regional community colleges.

**Exhibit 4: Regional community college awards (certificates and degrees), 2016-2019**

| TOP Code                | Program                              | College        | 2016-2017<br>Awards | 2017-2018<br>Awards | 2018-2019<br>Awards | 3-Year<br>Award<br>Average |
|-------------------------|--------------------------------------|----------------|---------------------|---------------------|---------------------|----------------------------|
| 0501.00                 | Business and<br>Commerce,<br>General | Cerritos       | 23                  | 39                  | 41                  | 34                         |
|                         |                                      | Compton        | 47                  | 1                   | -                   | 16                         |
|                         |                                      | Glendale       | 47                  | 48                  | 40                  | 45                         |
|                         |                                      | LA City        | 21                  | 113                 | 157                 | 97                         |
|                         |                                      | LA Harbor      | 20                  | 8                   | 13                  | 14                         |
|                         |                                      | LA Mission     | 38                  | 29                  | 9                   | 25                         |
|                         |                                      | LA Pierce      | -                   | -                   | 5                   | 2                          |
|                         |                                      | LA Southwest   | 48                  | 20                  | 30                  | 33                         |
|                         |                                      | Long Beach     | 69                  | 93                  | 130                 | 97                         |
|                         |                                      | Mt San Antonio | 183                 | 161                 | 209                 | 184                        |
|                         |                                      | Santa Monica   | -                   | -                   | 1                   | 0                          |
|                         |                                      | West LA        | 38                  | 8                   | 5                   | 17                         |
|                         |                                      | LA Subtotal    | 534                 | 520                 | 640                 | 565                        |
|                         |                                      | Coastline      | -                   | 5                   | 5                   | 3                          |
|                         |                                      | Golden West    | 7                   | -                   | -                   | 2                          |
|                         |                                      | Saddleback     | 14                  | 8                   | 14                  | 12                         |
|                         |                                      | OC Subtotal    | 21                  | 13                  | 19                  | 18                         |
| Supply Subtotal/Average |                                      |                | 555                 | 533                 | 659                 | 582                        |
| 0509.40                 | Sales and<br>Salesmanship            | Cerritos       | 10                  | -                   | -                   | 3                          |
|                         |                                      | Santa Monica   | 14                  | 16                  | 13                  | 14                         |

| TOP Code                | Program              | College         | 2016-2017<br>Awards | 2017-2018<br>Awards | 2018-2019<br>Awards | 3-Year<br>Award<br>Average |
|-------------------------|----------------------|-----------------|---------------------|---------------------|---------------------|----------------------------|
|                         |                      | LA Subtotal     | 24                  | 16                  | 13                  | 18                         |
|                         |                      | Orange Coast    | -                   | 11                  | 3                   | 5                          |
|                         |                      | Santa Ana       | -                   | 1                   | -                   | 0                          |
|                         |                      | OC Subtotal     | 0                   | 12                  | 3                   | 5                          |
| Supply Subtotal/Average |                      |                 | 24                  | 28                  | 16                  | 23                         |
| 0518.00                 | Customer<br>Service  | East LA         | 13                  | 30                  | 17                  | 20                         |
|                         |                      | Santa Monica    | -                   | -                   | 3                   | 1                          |
|                         |                      | LA Subtotal     | 13                  | 30                  | 20                  | 21                         |
|                         |                      | Santiago Canyon | -                   | 6                   | 3                   | 3                          |
|                         |                      | OC Subtotal     | 0                   | 6                   | 3                   | 3                          |
| Supply Subtotal/Average |                      |                 | 13                  | 36                  | 23                  | 24                         |
| 1301.10                 | Consumer<br>Services | Mt San Antonio  | 1                   | -                   | -                   | 0                          |
|                         |                      | LA Subtotal     | 1                   | 0                   | 0                   | 0                          |
| Supply Subtotal/Average |                      |                 | 1                   | 0                   | 0                   | 0                          |
| Supply Total/Average    |                      |                 | 593                 | 597                 | 698                 | 629                        |

**Non-Community College Supply**—For a comprehensive regional supply analysis, it is also important to consider the supply from other institutions in the region that provide training programs for middle-skill occupations related to workplace readiness. Exhibit 5 shows the annual and three-year average number of awards conferred by these institutions in the related Classification of Instructional Programs (CIP) Code: Business/Commerce, General (52.0101). 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 171 awards annually in related training programs.

**Exhibit 5: Regional non-community college awards, 2014-2017**

| CIP Code | Program                    | College                       | 2014-2015 Awards | 2015-2016 Awards | 2016-2017 Awards | 3-Year Award Average |
|----------|----------------------------|-------------------------------|------------------|------------------|------------------|----------------------|
| 52.0101  | Business/Commerce, General | Argosy University-LA          | 8                | 9                | 23               | 13                   |
|          |                            | Argosy University-OC          | 15               | 11               | 7                | 11                   |
|          |                            | Azusa Pacific University      | 13               | 8                | 24               | 15                   |
|          |                            | Biola University              | 115              | 125              | -                | 80                   |
|          |                            | Brandman University           | -                | 5                | -                | 2                    |
|          |                            | DeVry University-California   | 23               | 21               | 19               | 21                   |
|          |                            | ITT Technical Inst.-Orange    | 15               | -                | -                | 5                    |
|          |                            | ITT Technical Inst.-San Dimas | 14               | -                | -                | 5                    |
|          |                            | ITT Technical Inst.-Sylmar    | 13               | -                | -                | 4                    |

| CIP Code             | Program | College                      | 2014-2015 Awards | 2015-2016 Awards | 2016-2017 Awards | 3-Year Award Average |
|----------------------|---------|------------------------------|------------------|------------------|------------------|----------------------|
|                      |         | ITT Technical Inst.-Torrance | 18               | -                | -                | 6                    |
|                      |         | Loyola Marymount Univ.       | 13               | 2                | 5                | 7                    |
|                      |         | Univ. of Southern California | 4                | 2                | -                | 2                    |
| Supply Total/Average |         |                              | 251              | 183              | 78               | 171                  |

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

### Exhibit 6. 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) |
|--------------------------------------------------------------------------------------------------------|---------------|---------------|----------------|---------------|-----------------|-----------------------------------------------------------|------------------------|-----------------------------------------------------------|
| Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products (41-4012) | 18,314        | 17,005        | (1,309)        | (7%)          | 1,578           | \$20.63                                                   | \$30.63                | \$47.66                                                   |
| Customer Service Representatives (43-4051)                                                             | 24,381        | 23,845        | (536)          | (2%)          | 2,858           | \$14.88                                                   | \$18.41                | \$23.60                                                   |
| <b>Total</b>                                                                                           | <b>42,694</b> | <b>40,849</b> | <b>(1,845)</b> | <b>(4%)</b>   | <b>4,436</b>    |                                                           |                        |                                                           |

### Exhibit 7. 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) |
|--------------------------------------------------------------------------------------------------------|----------------|---------------|----------------|---------------|-----------------|-----------------------------------------------------------|------------------------|-----------------------------------------------------------|
| Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products (41-4012) | 48,267         | 43,519        | (4,748)        | (10%)         | 4,089           | \$18.87                                                   | \$28.04                | \$43.69                                                   |
| Customer Service Representatives (43-4051)                                                             | 57,870         | 55,983        | (1,888)        | (3%)          | 6,744           | \$14.83                                                   | \$18.36                | \$23.56                                                   |
| <b>Total</b>                                                                                           | <b>106,137</b> | <b>99,502</b> | <b>(6,636)</b> | <b>(6%)</b>   | <b>10,833</b>   |                                                           |                        |                                                           |

### Exhibit 8. Los Angeles and Orange Counties

| Occupation (SOC)                                                                                                      | 2019<br>Jobs   | 2024<br>Jobs   | 5-Yr<br>Change | 5-Yr %<br>Change | Annual<br>Openings |
|-----------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|------------------|--------------------|
| Sales Representatives,<br>Wholesale and<br>Manufacturing,<br>Except Technical and<br>Scientific Products<br>(41-4012) | 66,581         | 60,524         | (6,057)        | (9%)             | 5,666              |
| Customer Service<br>Representatives<br>(43-4051)                                                                      | 82,251         | 79,827         | (2,424)        | (3%)             | 9,602              |
| <b>Total</b>                                                                                                          | <b>148,832</b> | <b>140,351</b> | <b>(8,481)</b> | <b>(6%)</b>      | <b>15,268</b>      |

### Appendix B: Top Baseline Skills used in Burning Glass Search

- Analytical Skills
- Bilingual
- Creativity
- Customer Service
- Leadership
- Meeting Deadlines
- Microsoft Office
- Multi-Tasking
- Planning
- Presentation Skills
- Project Management
- Self-Starter
- Teamwork/Collaboration
- Typing
- Basic Mathematics
- Building Effective Relationships
- Critical Thinking
- Detail-Oriented
- Listening
- Microsoft Excel
- Microsoft Word
- Organizational Skills
- Positive Disposition
- Problem Solving
- Research
- Supervisory Skills
- Time Management
- Writing

## Appendix C: 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)
- *The Human Factor: The Hard Time Employers Have Finding Soft Skills*, Burning Glass Technologies, November 2015.

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