

Program Endorsement Brief: 0504.00/Banking and Finance
Banking and Finance Associate of Science; Banking and Finance Certificate of Achievement

Orange County Center of Excellence, February 2021

Summary Analysis

Program Endorsement:	Endorsed: All Criteria Met <input type="checkbox"/>	Endorsed: Some Criteria Met <input checked="" type="checkbox"/>	Not Endorsed <input type="checkbox"/>
Program Endorsement Criteria			
Supply Gap:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
Living Wage: (Entry-Level, 25 th)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Education:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
Emerging Occupation(s)			
	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 six middle-skill occupations: *credit counselors (13-2071)*, *loan officers (13-2072)*, *bill and account collectors (43-3011)*, *tellers (43-3071)*, *credit authorizers, checkers, and clerks (43-4041)*, and *new accounts clerks (43-4141)*. Middle-skill occupations typically require some postsecondary education, but less than a bachelor’s degree.¹ Although the occupations in this report typically require a bachelor’s degree, they are 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.

Based on the available data, there appears to be a supply gap for middle-skill banking and finance occupations in the region and many current workers in the field have completed some college or an associate degree. However, the majority of annual openings for the occupations in this report have entry-level wages that are below the living wage in Orange County. **Therefore, due to some of the criteria being met, the COE endorses this proposed program.** Detailed reasons include:

Demand:

- **Supply Gap Criteria** – Over the next five years, there is projected to be **4,331 jobs available annually** in the region due to new job growth and replacements, **which is more than the 79 awards conferred annually** by educational institutions in the region.

¹ 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.

- **Living Wage Criteria** – Within Orange County, *the majority (60%) of annual job openings* for these middle-skill banking and finance occupations *have entry-level wages below the county's living wage.* (\$17.36/hour).²
- **Educational Criteria** – Within the LA/OC region, *67% of the annual job openings* for middle-skill occupations related to banking and finance *typically require a high school diploma.*
 - However, the national-level educational attainment data indicates **between 32% and 47.5% of workers in the field have completed some college or an associate degree.**

Supply:

- There are **9 community colleges** in the LA/OC region that issue awards related to banking and finance, conferring an average of **57 awards annually** between 2016 and 2019.
- Between 2014 and 2017, there was an average of **22 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 banking and finance occupations. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to decrease by 2% through 2024. However, there will be more than 4,300 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 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 Counties³

Geography	2019 Jobs	2024 Jobs	2019-2024 Change	2019-2024 % Change	Annual Openings
Los Angeles	25,895	24,999	(897)	(3%)	2,713
Orange	15,134	15,188	53	0%	1,618
Total	41,030	40,186	(843)	(2%)	4,331

² Living wage data was pulled from California Family Needs Calculator on 2/18/2021. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

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

Wages

The labor market endorsement in this report considers the entry-level hourly wages for these middle-skill banking and finance occupations 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 (60%) of annual openings for these middle-skill banking and finance occupations have entry-level wages below the living wage for one adult (\$17.36 in Orange County). Typical entry-level hourly wages are in a range between \$13.73 and \$24.53. Three occupations have entry-level wages above the living wage (*credit counselors; loan officers; and new account clerks*), while the other three occupations have entry-level wages below the living wage (*bill and account collectors; tellers; and credit authorizers, checkers, and clerks*). Experienced workers can expect to earn wages between \$18.18 and \$44.14, which are higher than the living wage estimate. Orange County's average wages are above the average statewide wage of \$25.19 for these occupations.

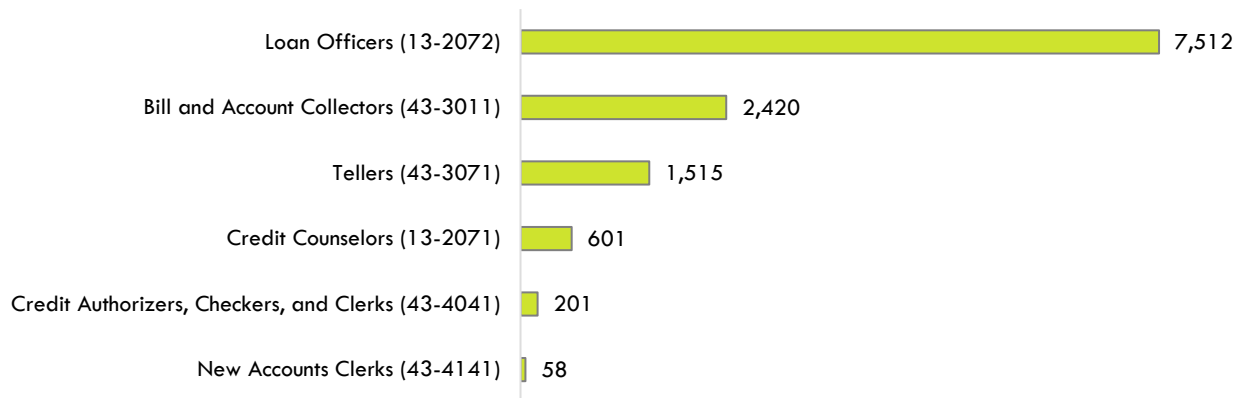
Los Angeles County— The majority (60%) of annual openings for these middle-skill banking and finance occupations have entry-level wages above the living wage for one adult (\$15.04 in Los Angeles County). Typical entry-level hourly wages are in a range between \$13.81 and \$24.81. All of the occupations have typical entry-level hourly wages above the living wage, except *tellers*. Experienced workers can expect to earn wages between \$18.29 and \$44.61, which are higher than the living wage estimate. Los Angeles County's average wages are below the average statewide wage of \$25.19 for these occupations.

Job Postings

There were 12,307 online job postings related to middle-skill banking and finance occupations listed in the past 12 months. Exhibit 2 displays the job postings by occupation. The majority of job postings (61%) were for *loan officers*, followed by *bill and account collectors*, and *tellers*. Together, *credit counselors, credit authorizers, checkers, and clerks, and new accounts clerks* job postings account for only 7% of middle-skill banking and finance job postings in the region. The highest number of job postings were for mortgage loan officers, collections specialists, mortgage underwriters, tellers, and loan officers. The top skills were: mortgage lending, mortgage underwriting, customer service, Nationwide Mortgage Licensing System (NMLS), and insurance underwriting. The top three employers, by number of job postings, in the region were: Wells Fargo, Citi, and Caliber Home Loans.

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.

Exhibit 2: Job postings by occupation (last 12 months)



Educational Attainment

The Bureau of Labor Statistics (BLS) lists the following typical entry-level education for these middle-skill banking and finance occupations:

- **Bachelor's degree:** *credit counselors; loan officers*
- **High school diploma or equivalent:** *bill and account collectors; tellers; credit authorizers, checkers, and clerks; new account clerks*

In the LA/OC region, the majority of annual job openings (67%) typically require a high school diploma. However, the national-level educational attainment data indicates between 32% and 47.3% of workers in the field have completed some college or an associate degree. Of the 49% of middle-skill banking and finance job postings listing a minimum education requirement in Los Angeles/Orange County, 60% (3,620) requested a high school diploma, 35% (2,084) requested a bachelor's degree and 5% (286) requested an associate degree.

Educational Supply

Community College Supply—Exhibit 3 shows the three-year average number of awards conferred by community colleges in the related TOP codes: Banking and Finance (0504.00), and Escrow (0511.10). The colleges with the most completions in the region are LA Valley and LA City. Over the past 12 months, there were seven other related program recommendation requests from regional community colleges.

Exhibit 3: 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
0504.00	Banking and Finance	Citrus	1	6	8	5
		Glendale	4	2	1	2
		LA City	3	5	9	6
		LA Mission	1	1	-	1
		LA Pierce	-	-	1	0
		LA Southwest	2	-	2	1
		LA Valley	35	26	34	32
		Pasadena	3	8	5	5
		LA Subtotal	49	48	60	52
Supply Subtotal/Average			49	48	60	52
0511.10	Escrow	Saddleback	5	5	4	5
		OC Subtotal	5	5	4	5
		Supply Subtotal/Average			5	5
Supply Total/Average			54	53	64	57

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 banking and finance occupations. Exhibit 4 shows the annual and three-year average number of awards conferred by these institutions in the related Classification of Instructional Programs (CIP) Code: Real Estate (52.1501). 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 22 awards annually in related training programs.

Exhibit 4: Regional non-community college awards, 2014-2017

CIP Code	Program	College	2014-2015 Awards	2015-2016 Awards	2016-2017 Awards	3-Year Award Average
52.1501	Real Estate	Learnet Academy	4	7	7	6
		Univ. of Southern California	9	21	17	16
Supply Total/Average			13	28	24	22

Appendix A: Occupational demand and wage data by county

Exhibit 5. Orange County

Occupation (SOC)	2019 Jobs	2024 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Entry-Level Hourly Earnings (25 th Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75 th Percentile)
Credit Counselors (13-2071)	380	398	18	5%	36	\$20.45	\$24.09	\$29.82
Loan Officers (13-2072)	6,262	6,394	132	2%	564	\$18.42	\$28.34	\$44.14
Bill and Account Collectors (43-3011)	2,790	2,690	(100)	(4%)	325	\$17.03	\$21.10	\$26.66
Tellers (43-3071)	5,023	5,022	(1)	(0%)	616	\$13.73	\$15.76	\$18.18
Credit Authorizers, Checkers, and Clerks (43-4041)	295	289	(6)	(2%)	29	\$16.93	\$18.77	\$23.21
New Accounts Clerks (43-4141)	384	394	10	3%	47	\$24.53	\$26.58	\$29.16
Total	15,134	15,188	53	0%	1,618			

Exhibit 6. Los Angeles County

Occupation (SOC)	2019 Jobs	2024 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Entry-Level Hourly Earnings (25 th Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75 th Percentile)
Credit Counselors (13-2071)	841	861	20	2%	75	\$21.72	\$25.58	\$31.67
Loan Officers (13-2072)	8,715	8,671	(44)	(0%)	738	\$18.58	\$28.62	\$44.61
Bill and Account Collectors (43-3011)	5,798	5,594	(204)	(4%)	681	\$16.54	\$20.52	\$25.98
Tellers (43-3071)	9,254	8,628	(625)	(7%)	1,081	\$13.81	\$15.85	\$18.29
Credit Authorizers, Checkers, and Clerks (43-4041)	575	561	(14)	(2%)	57	\$16.77	\$18.59	\$22.98
New Accounts Clerks (43-4141)	713	683	(30)	(4%)	81	\$24.81	\$26.88	\$29.48
Total	25,895	24,999	(897)	(3%)	2,713			

Exhibit 7. Los Angeles and Orange Counties

Occupation (SOC)	2019 Jobs	2024 Jobs	5-Yr Change	5-Yr % Change	Annual Openings
Credit Counselors (13-2071)	1,222	1,259	38	3%	111
Loan Officers (13-2072)	14,976	15,065	88	1%	1,302
Bill and Account Collectors (43-3011)	8,587	8,284	(303)	(4%)	1,006
Tellers (43-3071)	14,277	13,650	(626)	(4%)	1,697
Credit Authorizers, Checkers, and Clerks (43-4041)	871	851	(20)	(2%)	86
New Accounts Clerks (43-4141)	1,097	1,077	(20)	(2%)	128
Total	41,030	40,186	(843)	(2%)	4,331

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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February 2021

