

Program Endorsement Brief: 1307.00/Hospitality

Hospitality Management

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, 25th)	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 two middle-skill occupations: *food service managers* (11-9051), and *lodging managers* (11-9081). Middle-skill occupations typically require some postsecondary education, but less than a bachelor’s degree.¹ 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 these hospitality management occupations in the region and about one-third of workers in the field have completed some college or an associate degree. However, the majority of annual openings for these occupations 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 **2,802 jobs available annually** in the region due to new job growth and replacements, **which is more than the 1,203 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 (92%) of annual job openings* for these hospitality management occupations have **entry-level wages below the county's living wage** (\$17.36/hour).²
- **Educational Criteria** –The Bureau of Labor Statistics (BLS) lists a **high school diploma as the typical entry-level education for both food service managers and lodging managers**.
 - However, the national-level educational attainment data indicates **between 32.8% and 36.5% of workers in the field have completed some college or an associate degree**.

Supply:

- There are **22 community colleges** in the LA/OC region that issue awards related to hospitality and/or management, conferring an average of **735 awards annually** between 2016 and 2019.
- Between 2014 and 2017, there was an average of **468 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 hospitality management occupations. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to increase by 4% through 2024. There will be more than 2,800 job openings per year through 2024 due to job growth and replacements.

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	16,573	17,247	674	4%	2,080
Orange	5,766	6,013	246	4%	723
Total	22,339	23,260	920	4%	2,802

² Living wage data was pulled from California Family Needs Calculator on 2/16/2021. 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 hospitality management 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 (92%) of annual openings for hospitality management occupations have entry-level wages below the living wage for one adult (\$17.36 in Orange County). Typical entry-level hourly wages for *food service managers* are below the living wage, while typical entry-level wages for *lodging managers* exceed the living wage (\$15.86 and \$18.59, respectively). Experienced workers can expect to earn wages between \$31.96 and \$35.60, which are higher than the living wage estimate. Orange County's average wages are below the average statewide wage of \$27.72 for these occupations.

Los Angeles County— All of the annual openings for hospitality management 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 \$16.00 and \$17.93. Experienced workers can expect to earn wages between \$33.76 and \$37.75, which are higher than the living wage estimate. Los Angeles County's average wages are below the average statewide wage of \$27.72 for these occupations.

Job Postings

There were 8,637 online job postings related to hospitality management listed in the past 12 months. Of these hospitality management job postings, 91% (7,886) were for *food service managers* and 9% (751) were for *lodging managers*. The highest number of job postings were for general managers, assistant managers, restaurant managers, assistant general managers, shift managers. The top skills were: restaurant management, scheduling, cost control, budgeting, and guest services. The top three employers, by number of job postings, in the region were: Pizza Hut, Marriott International, and El Super.

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 of these hospitality management occupations. However, the national-level educational attainment data indicates between 32.8% and 36.5% of workers in the field have completed some college or an associate degree. Of the 40% of hospitality management job postings listing a minimum education requirement in Los Angeles/Orange County, 90% (3,062) requested a high school diploma and 10% (355) requested an associate degree.

Educational Supply

Community College Supply—Exhibit 2 shows the three-year average number of awards conferred by community colleges in the related TOP codes: Management Development and Supervision (0506.30), Dietetic Services and Management (1306.20), Hospitality (1307.00),

Restaurant and Food Services and Management (1307.10), and Lodging Management (1307.20). While the Resort and Club Management (1307.30) TOP code also historically trains students for the hospitality management occupations in this report, no awards were recently conferred by colleges in the LA/OC region. The colleges with the most completions in the region are: Coastline, Cypress, and Mt. San Antonio. Over the past 12 months, there were two other related program recommendation requests from regional community colleges.

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
0506.30	Management Development and Supervision	Cerritos	1	8	14	8
		LA Harbor	1	-	-	0
		LA Pierce	3	6	4	4
		LA Southwest	17	16	12	15
		LA Trade	19	18	5	14
		LA Valley	10	18	23	17
		Pasadena	9	7	3	6
		Rio Hondo	21	63	20	35
		Santa Monica	10	17	6	11
		LA Subtotal	91	153	87	110
		Coastline	269	312	355	312
		Irvine	1	-	-	0
		Saddleback	29	23	34	29
		Santa Ana	-	13	4	6
		Santiago Canyon	-	2	-	1
		OC Subtotal	299	350	393	347
Supply Subtotal/Average			390	503	480	458
1306.20	Dietetic Services and Management	Glendale	14	7	14	12
		LA City	10	7	7	8
		Long Beach	20	12	8	13
		LA Subtotal	44	26	29	33
		Orange Coast	11	3	11	8
		OC Subtotal	11	3	11	8
Supply Subtotal/Average			55	29	40	41

TOP Code	Program	College	2016-2017 Awards	2017-2018 Awards	2018-2019 Awards	3-Year Award Average
1307.00	Hospitality	Glendale	15	23	27	22
		Mt San Antonio	20	28	31	26
		Pasadena	2	9	11	7
		West LA	8	13	36	19
		LA Subtotal	45	73	105	74
		Cypress	8	5	2	5
		Orange Coast	2	8	4	5
		OC Subtotal	10	13	6	10
Supply Subtotal/Average			55	86	111	84
1307.10	Restaurant and Food Services and Management	Cerritos	-	2	5	2
		LA Mission	41	34	26	34
		LA Trade	11	8	12	10
		Mt San Antonio	6	19	13	13
		LA Subtotal	58	63	56	59
		Cypress	31	63	59	51
		Orange Coast	5	5	2	4
		OC Subtotal	36	68	61	55
Supply Subtotal/Average			94	131	117	114
1307.20	Lodging Management	Cypress	24	38	34	32
		Orange Coast	6	9	4	6
		OC Subtotal	30	47	38	38
Supply Subtotal/Average			30	47	38	38
Supply Total/Average			624	796	786	735

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 hospitality management 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: Restaurant, Culinary, and Catering Management/Manager (12.0504), Operations Management and Supervision (52.0205), Hospitality Administration/Management, General (52.0901), and Restaurant/Food Services Management (52.0905). 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 468 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
12.0504	Restaurant, Culinary, and Catering Management/Manager	Argosy Univ.-The Art Institute of CA-Hollywood	8	9	8	8
		Argosy Univ.-The Art Institute of CA-Los Angeles	8	11	5	8
		Argosy Univ.-The Art Institute of CA-Orange County	11	16	10	12
52.0205	Operations Management and Supervision	University of Phoenix-CA	4	2	8	5
52.0901	Hospitality Administration/Management, General	California State Polytechnic University-Pomona	253	389	375	339
		CSU-Long Beach	61	57	67	62
52.0905	Restaurant/Food Services Management	University of Southern California	33	35	34	34
Supply Total/Average			378	519	507	468

**Appendix A: Occupational demand and wage data by county
Exhibit 4. 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)
Food Service Managers (11-9051)	5,271	5,506	236	4%	667	\$15.86	\$23.09	\$31.96
Lodging Managers (11-9081)	496	506	11	2%	55	\$18.59	\$25.45	\$35.60
Total	5,766	6,013	246	4%	723			

Exhibit 5. 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)
Food Service Managers (11-9051)	15,515	16,168	653	4%	1,961	\$16.00	\$23.33	\$33.76
Lodging Managers (11-9081)	1,058	1,079	21	2%	119	\$17.93	\$26.16	\$37.75
Total	16,573	17,247	674	4%	2,080			

Exhibit 6. Los Angeles and Orange Counties

Occupation (SOC)	2019 Jobs	2024 Jobs	5-Yr Change	5-Yr % Change	Annual Openings
Food Service Managers (11-9051)	20,786	21,675	889	4%	2,628
Lodging Managers (11-9081)	1,553	1,585	32	2%	174
Total	22,339	23,260	920	4%	2,802

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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