

Program Endorsement Brief: 0502.10/Tax Studies

Enrolled Agent

Orange County Center of Excellence, October 2019

Summary Analysis

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 tax preparation occupations: Tax Preparers (SOC code 13-2082) and Tax Examiners and Collectors, and Revenue Agents (SOC code 13-2081). Middle-skill occupations typically require some postsecondary education, but less than a bachelor's degree.¹ While Tax Examiners and Collectors, and Revenue Agents typically require a bachelor's degree, it is considered middle-skill because, according to the Bureau of Labor Statistics (BLS), approximately one-third of workers in the field nationally 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 relevant occupations.

Based on the available data there appears to be a supply gap for these tax preparation occupations in the region. **Therefore, the COE endorses this proposed program for the following reasons:**

Demand:

- Over the next five years, there is projected to be **870 jobs available annually** in the region due to new job growth and replacements, **which is more than the 56 awards conferred annually** by educational institutions in the region.
- Over the past 12 months, there were **1,713 online job postings related to these tax preparation occupations.**
- The national-level educational attainment data indicates **between 30.4% and 31% of workers in the field have completed some college or an associate degree.**

Supply:

- **There are 5 community colleges in the region** that have a tax studies program. Four of which conferred an average of **39 awards annually** between 2015 and 2018.
- Between 2013 and 2016, there was an average of **17 awards conferred annually** in related training programs by non-community college institutions, all of which were generated by **2 individual private colleges** throughout the region.

Occupational Demand

Exhibit 1 shows the five-year occupational demand projections for these tax preparation occupations. In Los Angeles/Orange County, the number of jobs related to tax preparation is

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.

projected to increase by 3% through 2023. There will be 870 job openings per year through 2023 due to job growth and replacements.

Exhibit 1: Occupational demand in Los Angeles and Orange Counties²

Geography	2018 Jobs	2023 Jobs	2018-2023 Change	2018-2023 % Change	Annual Openings
Los Angeles	6,300	6,472	172	3%	652
Orange	2,018	2,089	71	4%	218
Total	8,318	8,561	243	3%	870

Wages— Typical entry-level hourly wages for these tax preparation occupations throughout the region are between \$14.91 and \$32.12. Entry-level wages for Tax Preparers are lower than the California Family Needs Calculator hourly wage for one adult in the region (\$15.04 in Los Angeles County and \$17.36 in Orange County).³ Experienced workers can expect to earn between \$37.59 and \$52.20. Regional average wages are above the average statewide wage of \$31.26 for these occupations. Wage information, by county, is included in Appendix A.

Job Postings— There were 1,713 online job postings related to these occupations listed in the region over the past 12 months. The highest number of job postings were for tax professional, tax preparer, and tax specialist. The top specialized skills were: tax returns, tax preparation, tax planning, and customer retention. The top three employers, by number of job postings, in the region were: H&R Block, Jackson Hewitt Tax Service, and Intuit. Of the 1,713 online job postings, 30% listed a minimum education requirement.

Educational Attainment—The Bureau of Labor Statistics (BLS) lists a high school diploma or equivalent as the typical entry-level education for Tax Prepares, and a bachelor’s degree for Tax Examiners and Collectors, and Revenue Agents. The national-level educational attainment data indicates between 30.4% and 31% of workers in the field have completed some college or an associate degree. Of the 60% of job postings listing a minimum education requirement in Los Angeles/Orange County, 97% (1,007) requested a high school diploma or vocational training and 3% (29) requested an associate degree.

Supply

Community College Supply—Exhibit 2, on the following page, shows the three-year average number of awards conferred by community colleges in the related TOP code: Tax Studies (0502.10). Cumulatively, four community colleges in the region with tax studies programs have conferred an average of 39 awards annually over the past three years. The college with the most completions was LA Pierce. One additional college in Los Angeles County, Mt. San Antonio, recently began a tax studies program, however they began conferring awards outside of the range of years being examined in this report. Over the past 12 months, there were five other related program recommendation requests from regional community colleges.

² Five-year change represents new job additions to the workforce. Annual openings include new jobs and replacement jobs that result from retirements and separations.

³ Living wage data was pulled from California Family Needs Calculator on 10/21/19. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

Exhibit 2: Regional community college awards (certificates and degrees), 2015-2018

TOP Code	Program	College	2015-2016 Awards	2016-2017 Awards	2017-2018 Awards	3-Year Award Average
0502.10	Tax Studies	Glendale	3	-	-	1
		LA Pierce	13	32	16	20
		LA Total	16	32	16	21
		Irvine	13	16	9	13
		Saddleback	6	5	3	5
		OC Total	19	21	12	18
		Supply Total/Average	35	53	28	39

Non-Community College Supply—It is important to consider the supply from other higher education institutions in the region that provide training programs for middle-skill tax preparation occupations. Exhibit 3 shows the annual and three year average number of awards conferred by non-community college institutions, which in this case are all private colleges, in the related Classification of Instructional Programs (CIP) Codes: Accounting Technology/Technician and Bookkeeping (52.0302). Due to different data collection periods, the most recent three-year period of available data is 2013 to 2016. Between 2013 and 2016, four year colleges conferred an average of 17 awards annually in related training programs. There were zero non-community college institutions that conferred awards in Los Angeles County.

Exhibit 3: Regional non-community college awards, 2013-2016

CIP Code	Program	College	2013-2014 Awards	2014-2015 Awards	2015-2016 Awards	3-Year Award Average
52.0302	Accounting Technology/Technician and Bookkeeping	InterCoast Colleges-Anaheim	6	12	4	7
		Southern California Institute of Technology	15	13	0	9
		OC Total	21	25	4	17
		Supply Total/Average	21	25	4	17

Appendix A: Occupational demand and wage data by county

Exhibit 3. Los Angeles County

Occupation (SOC)	2018 Jobs	2023 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Entry-Level Hourly Earnings (25th Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75th Percentile)
Tax Examiners and Collectors, and Revenue Agents (13-2081)	1,282	1,296	14	1%	92	\$32.50	\$41.54	\$52.81
Tax Preparers (13-2082)	5,019	5,176	157	3%	561	\$15.54	\$25.95	\$38.56
Total	6,300	6,472	172	3%	652			

Exhibit 4. Orange County

Occupation (SOC)	2018 Jobs	2023 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Entry-Level Hourly Earnings (25th Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75th Percentile)
Tax Examiners and Collectors, and Revenue Agents (13-2081)	272	278	6	2%	20	\$30.48	\$38.95	\$49.52
Tax Preparers (13-2082)	1,745	1,811	66	4%	198	\$14.09	\$23.49	\$34.80
Total	2,018	2,089	71	4%	218			

Exhibit 5. Los Angeles and Orange Counties

Occupation (SOC)	2018 Jobs	2023 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Entry-Level Hourly Earnings (25th Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75th Percentile)
Tax Examiners and Collectors, and Revenue Agents (13-2081)	1,554	1,574	20	1%	112	\$32.12	\$41.08	\$52.20
Tax Preparers (13-2082)	6,764	6,987	223	3%	759	\$14.91	\$25.25	\$37.59
Total	8,318	8,561	243	3%	870			

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
- Employment Development Department, Unemployment Insurance Dataset
- Living Insight Center for Community Economic Development
- 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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