

## Program Endorsement Brief: 0502.10/Tax Studies

### Tax Preparer Certificate; California Tax Education Council (CTEC) Certificate

Los Angeles/Orange County Center of Excellence, September 2019

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#### Summary Analysis

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 one middle-skill occupation: tax preparer (13-2082). Middle-skill occupations typically require some postsecondary education.<sup>1</sup> 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, it appears that there is a supply gap for this occupation 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 **743 jobs available annually** in the region due to new job growth and replacements, **which is more than the 39 awards conferred annually** by community colleges in the region.

#### Supply:

- Four community colleges in the region have a tax studies program. These community colleges conferred an average of **39 awards annually** between 2015 and 2018.

#### Occupational Demand

Exhibit 1 shows the five-year occupational demand projections for tax preparers. In Los Angeles/Orange County, the number of jobs related to this occupation is projected to increase by 2% through 2023. There will be nearly 750 job openings per year through 2023 due to job growth and replacements.

**Exhibit 1: Occupational demand in Los Angeles and Orange Counties<sup>2</sup>**

Geography	2018 Jobs	2023 Jobs	2018-2023 Change	2018-2023 % Change	Annual Openings
Los Angeles	5,018	5,102	84	2%	542
Orange	1,733	1,815	82	5%	201
<b>Total</b>	<b>6,751</b>	<b>6,916</b>	<b>165</b>	<b>2%</b>	<b>743</b>

<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.

<sup>2</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.

**Wages**—Typical entry-level and median hourly wages for tax preparers throughout the region are \$14.90 and \$25.26, respectively.<sup>3</sup> 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). Experienced workers can expect to earn \$37.60, which is higher than the California Family Needs Calculator wage estimates for both counties. Wage information, by county, is included in Appendix A.

**Job Postings**—There were 1,136 online job postings related to tax preparation listed in the past 12 months. Nearly half of the job postings were looking for bilingual employees (48%). The top two employers, by number of job postings, in the region were: H&R Block and Jackson Hewitt Tax Service. Of the 1,136 online job postings, 73% listed a minimum education requirement.

**Educational Attainment**—The Bureau of Labor Statistics (BLS) lists a high school diploma as the typical entry-level education for tax preparers. The national-level educational attainment data indicates 30% of workers in the field have completed some college or an associate degree. Of the 73% of tax preparer job postings listing a minimum education requirement in Los Angeles/Orange County, 99% (815) requested a high school diploma and 1% (11) requested an associate degree.

**Supply**

**Community College Supply**—Exhibit 2 shows the annual and three-year average number of awards conferred by community colleges in Tax Studies (0502.10). The colleges with the most completions in the region are: LA Pierce and Irvine Valley. Over the past 12 months, there were four other related program recommendation requests from regional community colleges.

**Exhibit 2: Regional community college awards, 2015-18**

TOP Code	Program	College	2015-16 Awards	2016-17 Awards	2017-18 Awards	3-Year Award Average
0502.10	Tax Studies	Glendale	3	-	-	3
		LA Pierce	13	32	16	20
		<b>LA</b>	<b>16</b>	<b>32</b>	<b>16</b>	<b>21</b>
		Irvine Valley	13	16	9	13
		Saddleback	6	5	3	5
		<b>OC</b>	<b>19</b>	<b>21</b>	<b>12</b>	<b>17</b>
		<b>Total/Average</b>	<b>35</b>	<b>53</b>	<b>28</b>	<b>39</b>

<sup>3</sup> Entry-level wage is defined as the twenty-fifth percentile hourly wage. Wages for experienced workers are defined as the seventy-fifth percentile hourly wage.

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

**Exhibit 3. Los Angeles County**

<b>Occupation (SOC)</b>	<b>2018 Jobs</b>	<b>2023 Jobs</b>	<b>5-Yr Change</b>	<b>5-Yr % Change</b>	<b>Annual Openings</b>	<b>Entry-Level Hourly Earnings (25<sup>th</sup> Percentile)</b>	<b>Median Hourly Earnings</b>	<b>Experienced Hourly Earnings (75<sup>th</sup> Percentile)</b>
Tax Preparers (13-2082)	5,018	5,102	84	2%	542	\$15.54	\$25.95	\$38.55

**Exhibit 4. Orange County**

<b>Occupation (SOC)</b>	<b>2018 Jobs</b>	<b>2023 Jobs</b>	<b>5-Yr Change</b>	<b>5-Yr % Change</b>	<b>Annual Openings</b>	<b>Entry-Level Hourly Earnings (25<sup>th</sup> Percentile)</b>	<b>Median Hourly Earnings</b>	<b>Experienced Hourly Earnings (75<sup>th</sup> Percentile)</b>
Tax Preparers (13-2082)	1,733	1,815	82	5%	201	\$14.09	\$23.50	\$34.82

**Exhibit 5. Los Angeles and Orange Counties**

<b>Occupation (SOC)</b>	<b>2018 Jobs</b>	<b>2023 Jobs</b>	<b>5-Yr Change</b>	<b>5-Yr % Change</b>	<b>Annual Openings</b>	<b>Entry-Level Hourly Earnings (25<sup>th</sup> Percentile)</b>	<b>Median Hourly Earnings</b>	<b>Experienced Hourly Earnings (75<sup>th</sup> Percentile)</b>
Tax Preparers (13-2082)	6,751	6,916	165	2%	743	\$14.90	\$25.26	\$37.60

## 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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