

Program Endorsement Brief: 0504.00/Banking and Finance *Financial Services Certificate*

Orange County Center of Excellence, April 2020

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 three middle-skill occupations: Tellers (43-3071), Loan Interviewers and Clerks (43-4131), and New Accounts Clerks (43-4141). 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 middle-skill finance occupations in the region. However, all three occupations in this report have entry-level hourly wages that are below the California Family Needs Calculator hourly wage (living wage) in Orange County, and Tellers (43-3071) have entry-level hourly wages that are below the living wage in Los Angeles County as well. **Therefore, due to low entry-level wages, the COE cautiously endorses this proposed program.** Reasons include:

Demand:

- Over the next five years, there is projected to be **2,975 jobs available annually** in the region due to retirements and workers leaving the field, **which is more than the 52 awards conferred annually** by educational institutions in the region.
- The national-level educational attainment data indicates **between 43.8% and 49.8% of workers in the field have completed some college or an associate degree.**
- Wages for the three occupations vary for *Los Angeles and Orange Counties*.
 - **In Los Angeles County, entry-level wages for Loan Interviewers and Clerks, and New Account Clerks are higher than the county's living wage**, which is \$15.04 per hour.²
 - However, **Tellers in Los Angeles County earn typical entry-level wages that are lower than the living wage.**
 - **In Orange County, entry-level wages for all three occupations are lower than the county's living wage** (\$17.36).

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.

² Living wage data was pulled from California Family Needs Calculator on 4/22/20. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

- **Experienced Loan Interviewers and Clerks, and New Accounts Clerks can expect to earn between \$22.43 and \$26.78**, which is **higher than the living wage** estimates for both counties.
- **Experienced Tellers can expect to earn \$17.26 per hour**, which is higher than Los Angeles County’s living wage, but **lower than Orange County’s living wage**.

Supply:

- There are **8 community colleges** in Los Angeles County that have banking and finance programs, conferring an average of **52 awards annually** between 2016 and 2019.
- There are **0 banking and finance programs** currently offered at community colleges in **Orange County**.
- Between 2014 and 2017, there was an average of **less than 1 award 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 finance occupations. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to decrease by 4% through 2024. However, there will be nearly 3,000 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	16,366	15,241	(1,125)	(7%)	1,806
Orange	10,041	9,990	(51)	(1%)	1,169
Total	26,407	25,232	(1,175)	(4%)	2,975

Wages—Typical entry-level hourly wages for middle-skill finance occupations throughout the region are between \$12.98 and \$17.61. In Los Angeles County, entry-level wages for Loan Interviewers and Clerks, and New Account Clerks are higher than the county’s California Family Needs Calculator hourly wage (living wage), which is \$15.04 per hour. However, Tellers in Los

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.

Angeles County earn typical entry-level wages that are lower than the living wage. In Orange County, entry-level wages for all three occupations are lower than the county’s California Family Needs Calculator hourly wage (living wage) (\$17.36). Experienced Loan Interviewers and Clerks, and New Accounts Clerks workers can expect to earn between \$22.43 and \$26.78, which is higher than the living wage estimates for both counties; however, experienced Tellers can expect to earn \$17.26 per hour, which is higher than Los Angeles County’s living wage, but lower than Orange County’s living wage. Regional average wages are above the average statewide wage of \$17.88 for these occupations. Wage information, by county, is included in Appendix A.

Job Postings—There were 5,144 online job postings related to middle-skill finance occupations listed in the past 12 months. The highest number of job postings were for teller, loan processor, mortgage processor, loan officer, and operations specialist. The top skills were: customer service, cash handling, loan processing, customer contact, and benefits administration/management. The top three employers, by number of job postings, in the region were: Wells Fargo, Citi, and CIT Group. Of the 5,144 online job postings, 39% list a minimum education requirement.

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 these middle-skill finance occupations. The national-level educational attainment data indicates between 43.8% and 49.8% of workers in the field have completed some college or an associate degree. Of the 39% of middle-skill finance job postings listing a minimum education requirement in Los Angeles/Orange County, 96% (1,933) requested a high school diploma and 4% (90) requested an associate degree.

Supply

Community College Supply—Exhibit 2 shows the three-year average number of awards conferred by community colleges in the related TOP code: Banking and Finance (0504.00). The college with the most completions in the region is LA Valley, and there are no current program offerings in Orange County. Over the past 12 months, there were six 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
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

TOP Code	Program	College	2016-2017 Awards	2017-2018 Awards	2018-2019 Awards	3-Year Award Average
		LA Valley	35	26	34	32
		Pasadena	3	8	5	5
		LA Subtotal	49	48	60	52
Supply Total/Average			49	48	60	52

Non-Community College Supply—It is important to consider the supply from four-year institutions in the region that provide training programs for these occupations. Exhibit 3 shows the annual and three-year average number of awards conferred by one institution in the related Classification of Instructional Programs (CIP) Code: Finance, General (52.0801). 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 less than one award 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
52.0801	Finance, General	University of Phoenix-California	-	-	1	0
Supply Total/Average			-	-	1	0

Appendix A: Occupational demand and wage data by county

Exhibit 4. 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)
Tellers (43-3070)	10,121	9,138	(983)	(10%)	1,173	\$13.21	\$14.97	\$17.54
Loan Interviewers and Clerks (43-4130)	5,605	5,505	(100)	(2%)	561	\$16.37	\$21.35	\$27.17
New Accounts Clerks (43-4140)	640	598	(42)	(7%)	72	\$17.93	\$20.29	\$22.82
Total	16,366	15,241	(1,125)	(7%)	1,806			

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)
Tellers (43-3070)	5,437	5,187	(250)	(5%)	646	\$12.62	\$14.30	\$16.75
Loan Interviewers and Clerks (43-4130)	4,265	4,469	204	5%	484	\$15.89	\$20.70	\$26.32
New Accounts Clerks (43-4140)	340	334	(6)	(2%)	39	\$17.11	\$19.36	\$21.77
Total	10,041	9,990	(51)	(1%)	1,169			

Exhibit 6. Los Angeles and Orange Counties

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)
Tellers (43-3070)	15,558	14,326	(1,232)	(8%)	1,819	\$12.98	\$14.74	\$17.26
Loan Interviewers and Clerks (43-4130)	9,869	9,974	105	1%	1,045	\$16.15	\$21.06	\$26.78
New Accounts Clerks (43-4140)	980	932	(48)	(5%)	111	\$17.61	\$19.96	\$22.43
Total	26,407	25,232	(1,175)	(4%)	2,975			

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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