

## **Program Endorsement Brief: 0502.00/Accounting**

### **Payroll Accounting**

### **Small Business Accounting**

Los Angeles/Orange County Center of Excellence, March 2020

---

#### **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 for two middle-skill occupations related to accounting: bookkeeping, accounting, and auditing clerks (43-3031) and payroll and timekeeping clerks (43-3051). Middle-skill occupations typically require some postsecondary education, but less than a bachelor's degree.<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 the relevant occupations.

Based on the available data, there appears to be a supply gap for these middle-skill accounting occupations in the region. **Therefore, the COE endorses this proposed program.** Reasons include:

#### **Demand:**

- Over the next five years, there is projected to be **10,486 middle-skill jobs available annually** in the region due to replacements, **which is more than the 1,661 awards conferred annually** by educational institutions in the region.
- The national-level educational attainment data indicates that nearly half of incumbent workers have completed some college or an associate degree.
- Typical **median-level hourly wages** for middle-skill accounting occupations throughout the region are between \$22.21 and \$24.03, **which is higher 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).<sup>2</sup>

#### **Supply:**

- All **28 community colleges** in the region have accounting programs, conferring an average of **1,547 awards annually** between 2016 and 2019.
- Between 2013 and 2016, there were an average of **114 awards conferred annually** in related training programs by 11 non-community college institution the region.

---

<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> Living wage data was pulled from California Family Needs Calculator on 2/26/20. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

## Occupational Demand

Exhibit 1 shows the five-year occupational demand projections for two accounting occupations. In Los Angeles/Orange County, the number of new jobs related to these occupations is projected to decrease 1% through 2023. Despite this, there will be nearly 10,500 job openings per year through 2023, due to replacements.

**Exhibit 1: Occupational demand in Los Angeles and Orange Counties<sup>3</sup>**

Geography	2018 Jobs	2023 Jobs	2018-2023 Change	2018-2023 % Change	Annual Openings
Los Angeles	64,477	63,908	(569)	(1%)	7,530
Orange	25,009	25,095	86	0%	2,955
<b>Total</b>	<b>89,487</b>	<b>89,003</b>	<b>(484)</b>	<b>(1%)</b>	<b>10,486</b>

**Wages** — Typical entry-level hourly wages for middle-skill accounting occupations throughout the region are between \$17.12 and \$18.66.<sup>4</sup> These wages surpass the California Family Needs Calculator hourly wage for one adult in Los Angeles County (\$15.04) and only the entry-level wage for payroll and timekeeping clerks exceeds the Orange County hourly wage (\$17.36).<sup>5</sup> The median wages for these accounting occupations are between \$22.21 and \$24.03, 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 30,039 online job postings related to middle-skill accounting occupations listed in the past 12 months. The highest number of job postings were for bookkeeper, accounting clerk, accounts payable clerk, and payroll specialist. The top skills were: data entry, bookkeeping, payroll processing, and QuickBooks. The top three employers, by number of job postings, in the region were: Marriot International, Inc., University of California, Los Angeles, and Vaco. Of the 30,039 online job postings, 56% list 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 payroll and timekeeping clerks; bookkeeping, accounting, and auditing clerks typically require some college, no degree. The national-level educational attainment data indicates that between 47.1% and 49.4% of workers in the field have completed some college or an associate degree. Of the 56% of middle-skill job postings listing a minimum education requirement in Los Angeles/Orange County, 31% (5,187) requested high school or vocational training, 16% (2,678) requested an associate degree, and 53% (9,070) requested a bachelor's degree.

---

<sup>3</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.

<sup>4</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.

<sup>5</sup> Living wage data was pulled from California Family Needs Calculator on 2/26/20. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

## Supply

**Community College Supply** — Exhibit 2 shows the annual and three-year average number of awards conferred by community colleges in the related TOP code: Accounting (0502.00). The colleges with the most completions in the region are East LA, Irvine, and Mt. San Antonio, conferring nearly half of all regional awards. During the last twelve months, there were four 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		
0502.00	Accounting	Cerritos	25	26	29	27		
		Citrus	16	20	18	18		
		Compton	4	-	1	2		
		East LA	346	397	635	459		
		El Camino	15	8	16	13		
		Glendale	55	52	63	57		
		LA City	17	16	5	13		
		LA Harbor	8	4	8	7		
		LA Mission	10	8	8	9		
		LA Pierce	12	5	29	15		
		LA Southwest	2	-	1	1		
		LA Trade	25	26	21	24		
		LA Valley	80	45	34	53		
		Long Beach	27	36	42	35		
		Mt San Antonio	103	114	174	130		
		Pasadena	20	30	23	24		
		Rio Hondo	11	17	14	14		
		Santa Monica	52	169	78	100		
		West LA	17	7	15	13		
		<b>LA Subtotal</b>	<b>845</b>	<b>980</b>	<b>1,214</b>	<b>1,013</b>		
		Coastline	63	43	49	52		
		Cypress	4	5	8	6		
		Fullerton	14	18	17	16		
		Golden West	17	19	36	24		
		Irvine	169	142	201	171		
		Orange Coast	22	112	104	79		
		Saddleback	42	32	38	37		
		Santa Ana	95	86	198	126		
		Santiago Canyon	6	55	7	23		
		<b>OC Subtotal</b>	<b>432</b>	<b>512</b>	<b>658</b>	<b>534</b>		
		<b>Supply Total/Average</b>			<b>1,277</b>	<b>1,492</b>	<b>1,872</b>	<b>1,547</b>

**Non-Community College Supply** — It is important to consider the supply from non-community college institutions in the region that provide training programs for middle-skill accounting 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) Code: 53.0301 – Accounting and 52.0302 – Accounting Technology/Technician and Bookkeeping. Due to different data collection periods, the most recent three-year period of available data is from 2013 to 2016. Between 2013 and 2016, non-community college institutions conferred an average of 114 awards.

**Exhibit 3: Regional Non-Community College awards, 2013-2016**

CIP Code	Program	College	2013-14 Awards	2014-15 Awards	2015-16 Awards	3-Year Award Average
52.0301	Accounting	Advanced College	14	2	3	6
		Charter College-Canyon Country	18	26	4	16
		DeVry University-California	-	7	9	5
		Los Angeles ORT College-Los Angeles Campus	17	17	6	13
		Los Angeles ORT College-Van Nuys Campus	23	15	14	17
		Pomona Unified School District Adult and Career Education	1	4	3	3
<b>Subtotal/Average</b>			<b>73</b>	<b>71</b>	<b>39</b>	<b>61</b>
52.0302	Accounting Technology/Technician and Bookkeeping	DeVry University-California	11	-	-	4
		Hacienda La Puente Adult Education	25	28	26	26
		InterCoast Colleges-Anaheim	6	12	4	7
		Premiere Career College	2	8	8	6
		Southern California Institute of Technology	15	13	-	9
<b>Subtotal/Average</b>			<b>59</b>	<b>61</b>	<b>38</b>	<b>53</b>
<b>Total/Average</b>			<b>132</b>	<b>132</b>	<b>77</b>	<b>114</b>

Appendix A: Occupational demand and wage data by county

Exhibit 4. Los Angeles County

Occupation (SOC)	2018 Jobs	2023 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Entry-Level Hourly Earnings (25 <sup>th</sup> Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75 <sup>th</sup> Percentile)
Bookkeeping, Accounting, and Auditing Clerks (43-3031)	58,598	58,056	(542)	(1%)	6,879	\$17.14	\$22.23	\$27.67
Payroll and Timekeeping Clerks (43-3051)	5,879	5,852	(27)	(0%)	651	\$18.78	\$24.18	\$29.34
<b>Total</b>	<b>64,477</b>	<b>63,908</b>	<b>(569)</b>	<b>(1%)</b>	<b>7,530</b>			

Exhibit 5. Orange County

Occupation (SOC)	2018 Jobs	2023 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Entry-Level Hourly Earnings (25 <sup>th</sup> Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75 <sup>th</sup> Percentile)
Bookkeeping, Accounting, and Auditing Clerks (43-3031)	22,789	22,849	60	0%	2,704	\$17.08	\$22.14	\$27.53
Payroll and Timekeeping Clerks (43-3051)	2,220	2,246	26	1%	252	\$18.37	\$23.65	\$28.69
<b>Total</b>	<b>25,009</b>	<b>25,095</b>	<b>86</b>	<b>0%</b>	<b>2,955</b>			

### Exhibit 6. Los Angeles and Orange Counties

Occupation (SOC)	2018 Jobs	2023 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Entry-Level Hourly Earnings (25 <sup>th</sup> Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75 <sup>th</sup> Percentile)
Bookkeeping, Accounting, and Auditing Clerks (43-3031)	81,387	80,905	(482)	(1%)	9,583	\$17.12	\$22.21	\$27.63
Payroll and Timekeeping Clerks (43-3051)	8,099	8,099	0	0%	903	\$18.66	\$24.03	\$29.16
<b>Total</b>	<b>89,487</b>	<b>89,003</b>	<b>(484)</b>	<b>(1%)</b>	<b>10,486</b>			

#### 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)

For more information, please contact:

Juan Madrigal, Assistant Director  
 Los Angeles/Orange County Center of Excellence  
 jmadrigal@mtsac.edu  
 March 2020

