

Program Endorsement Brief: 0502.10/Tax Studies
IRS Enrolled Agent Certificate of Achievement
Orange County Center of Excellence, November 2020

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 type="checkbox"/>	No <input checked="" type="checkbox"/> (See comments below)	
Living Wage: (Entry-Level, 25 th)	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: *tax examiners and collectors, and revenue agents (13-2081)*, and *tax preparers (13-2082)*. 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.

While based on the available data, there does not appear to be a supply gap for these middle-skill tax occupations in the region, the COE recognizes that the supply data is overstated when considering only the two middle-skill tax occupations related to this proposed program. However, it is not feasible to extrapolate singular occupations from the award totals for a specific TOP code. Furthermore, the majority of annual openings in Orange County have typical entry-level wages below the living wage and the majority of annual openings for the occupations in this report typically require a high school diploma. **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 **815 jobs available annually** in the region due to new job growth and replacement, **which is less than the 2,512 awards conferred annually** by educational institutions in the region.
 - However, **supply for the two middle-skill occupations in this report is overstated** because the Accounting (0502.00) TOP Code trains for three

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.

additional middle-skill occupations that are not included in this report. These occupations account for more than 10,200 annual openings in the LA/OC region.

- **Living Wage Criteria** –Within Orange County, the majority (88%) of annual job openings for these middle-skill tax 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 middle-skill tax occupations.
 - However, 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:

- All **28 community colleges** in the LA/OC region that issue awards related to accounting and tax studies conferring an average of **1,593 awards annually** between 2016 and 2019.
 - However, the Accounting (0502.00) TOP Code trains for three additional middle-skill occupations not included in this report and it is not feasible to extrapolate singular occupations from the award totals for a specific TOP code. Therefore, **supply is overstated when considering only the two middle-skill tax occupations.**
- Between 2014 and 2017, there was an average of **919 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 middle-skill tax 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 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.

² Living wage data was pulled from California Family Needs Calculator on 10/27/2020. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

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	5,321	5,490	169	3%	611
Orange	1,693	1,770	77	5%	204
Total	7,013	7,260	247	4%	815

Wages

The labor market endorsement in this report considers the entry-level hourly wages for these middle-skill tax 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 (88%) of annual openings for middle-skill tax occupations have entry-level wages below the living wage for one adult (\$17.36 in Orange County).⁴ Typical entry-level hourly wages are in a range between \$15.61 and \$31.39. *Tax preparers* earn entry-level hourly wages below the living wage (\$15.61), while *tax examiners and collectors, and revenue agents* earn entry-level hourly that exceed the living wage (\$31.39). Experienced workers can expect to earn wages between \$36.95 and \$50.43, which are higher than the living wage estimate. Orange County’s average wages are above the average statewide wage of \$32.95 for these occupations.

Los Angeles County— All of the annual openings for middle-skill tax occupations have entry-level wages above the living wage for one adult (\$15.04 in Los Angeles County).⁵ Typical entry-level hourly wages are in a range between \$16.69 and \$33.72. Experienced workers can expect to earn wages between \$40.41 and \$54.17, which are higher than the living wage estimate. Los Angeles County’s average wages are above the average statewide wage of \$32.95 for these occupations.

Job Postings

There were 1,630 online job postings related to middle-skill tax occupations listed in the past 12 months. The highest number of job postings were for tax professionals, tax preparers, credentials tax advisors, tax agents, and payroll tax analysts. The top skills were: tax returns, tax preparation, customer retention, customer service, and accounting. The top three employers, by number of job postings, in the region were: H&R Block, Intuit, and Jackson Hewitt Tax Service.

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.

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.

⁴ Living wage data was pulled from California Family Needs Calculator on 10/27/2020. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

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Educational Attainment

The Bureau of Labor Statistics (BLS) lists a bachelor’s degree as the typical entry-level education for *tax examiners and collectors, and revenue agents*, and a high school diploma for *tax preparers*. In the LA/OC region, the majority of annual job openings (84%) typically require a high school diploma. However, 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 37% of middle-skill tax job postings listing a minimum education requirement in Los Angeles/Orange County, 92% (549) requested a high school diploma and 8% (50) 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: Accounting (0502.00), and Tax Studies (0502.10). The colleges with the most completions in the region are: East LA, Irvine, and Mt. San Antonio. Over the past 12 months, there were 13 other related program recommendation requests from regional community colleges.

It is important to note that the Accounting (0502.00) program trains for three additional middle-skill occupations in addition to the tax occupations included in the demand section of this report: *bookkeeping, accounting, and auditing clerks (43-3031)*, *payroll and timekeeping clerks (43-3051)* and *brokerage clerks (43-4011)*. The combined annual openings for these three occupations in the LA/OC region is more than 10,200. Since the Accounting (0502.00) TOP Code trains for more occupations than the two middle-skill tax-related occupations in this report and it is not feasible to extrapolate singular occupations from the award totals for a specific TOP code, the supply data in Exhibit 2 is overstated for these occupations.

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

TOP Code	Program	College	2016-2017 Awards	2017-2018 Awards	2018-2019 Awards	3-Year Award Average
		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
		LA Subtotal	845	980	1,214	1,013
		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
		OC Subtotal	432	512	658	534
Supply Subtotal/Average			1,277	1,492	1,872	1,547
0502.10	Tax Studies	LA Pierce	32	16	20	23
		Mt San Antonio	-	-	7	2
		LA Subtotal	32	16	27	25
		Irvine	16	9	26	17
		Saddleback	5	3	3	4
		OC Subtotal	21	12	29	21
Supply Subtotal/Average			53	28	56	46
Supply Total/Average			1,330	1,520	1,928	1,593

Non-Community College Supply—It is important to consider the supply from four-year institutions in the region that provide training programs for middle-skill tax 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: Accounting (52.0301), and Accounting Technology/Technician and Bookkeeping (52.0302). 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 919 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
52.0301	Accounting	Advanced College	2	3	2	2
		Azusa Pacific University	29	25	40	31
		Biola University	-	17	29	15
		California State University-Northridge	196	250	285	244
		Chapman University	54	53	55	54
		Claremont McKenna College	25	24	23	24
		DeVry University-California	30	41	36	36
		Los Angeles ORT College-Los Angeles Campus	17	6	23	15
		Los Angeles ORT College-Van Nuys Campus	15	14	21	17
		Loyola Marymount University	60	59	62	60
		Mount Saint Mary's University	16	13	20	16
		Pacific States University	4	5	5	5
		Pepperdine University	19	30	26	25
		Pitzer College	-	-	2	1
		Pomona Unified School District Adult and Career Education	4	3	3	3
		Scripps College	-	2	1	1
		Southern California Institute of Technology	1	-	-	0
		University of La Verne	16	34	41	30
		University of Phoenix-California	42	38	19	33
		University of Southern California	262	222	217	234
Vanguard University of Southern California	8	6	3	6		
Woodbury University	22	27	17	22		
52.0302	Accounting Technology/ Technician and Bookkeeping	Hacienda La Puente Adult Education	28	26	28	27
		InterCoast Colleges-Anaheim	12	4	4	7
		Premiere Career College	8	8	2	6

CIP Code	Program	College	2014-2015 Awards	2015-2016 Awards	2016-2017 Awards	3-Year Award Average
		Southern California Institute of Technology	13	-	-	4
		University of Phoenix-California	-	-	1	0
Supply Total/Average			883	910	965	919

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)
Tax Examiners and Collectors, and Revenue Agents (13-2081)	266	272	6	2%	24	\$31.39	\$39.77	\$50.43
Tax Preparers (13-2082)	1,427	1,498	71	5%	181	\$15.61	\$25.58	\$36.95
Total	1,693	1,770	77	5%	204			

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)
Tax Examiners and Collectors, and Revenue Agents (13-2081)	1,254	1,273	19	2%	109	\$33.72	\$42.72	\$54.17
Tax Preparers (13-2082)	4,067	4,217	150	4%	502	\$16.69	\$27.75	\$40.41
Total	5,321	5,490	169	3%	611			

Exhibit 6. Los Angeles and Orange Counties

Occupation (SOC)	2019 Jobs	2024 Jobs	5-Yr Change	5-Yr % Change	Annual Openings
Tax Examiners and Collectors, and Revenue Agents (13-2081)	1,520	1,546	26	2%	132
Tax Preparers (13-2082)	5,494	5,714	220	4%	683
Total	7,013	7,260	247	4%	815

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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