

Program Endorsement Brief: 0508.00/International Business and Trade Global Business Certificate

Orange County Center of Excellence, November 2020

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Summary	/ Anal	VSIS

Program Endorsement:	Endorsed: X	Endorsed: Some Criteria Met	□ Not Endorsed					
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Supply Gap:	Yes 🗹	No ∐						
Living Wage: (Entry-Level, 25 th)	Yes 🗹		No 🗆					
Education:	Yes ☑		No 🗆					
Emerging Occupation(s)								
Yes			No 🗹					

The Los Angeles/Orange County Center of Excellence for Labor Market Research (COE) prepared this report to provide Orange County regional labor market supply and demand data related to five middle-skill occupations: buyers and purchasing agents (13-1028), sales representatives, wholesale and manufacturing, except technical and scientific products (41-4012), procurement clerks (43-3061), cargo and freight agents (43-5011), and production, planning, and expediting clerks (43-5061). Middle-skill occupations typically require some postsecondary education, but less than a bachelor's 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 the relevant occupations.

Based on the available data, there appears to be a supply gap for occupations related to global business in the region and many workers in the region have completed some college or an associate degree. Furthermore, the majority of annual openings offer typical entry-level wages that exceed the living wage in both Los Angeles and Orange counties. Therefore, due to all 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 12,780 jobs available annually in the region due to retirements and workers leaving the field, which is more than the 806 awards conferred annually by educational institutions in the region.

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.

- However, SOC codes do not distinguish between global and domestic business occupations and they include all types of trade; therefore, the number of annual job openings is likely overstated.
- Over the past 12 months, there were 15,923 online job postings related to global business occupations. The highest number of job postings were for sales representatives, account executives, account managers, outside sales representatives, and inside sales representatives.
- Living Wage Criteria Within Orange County, the majority (95%) of annual job openings for these occupations have entry-level wages above the county's living wage (\$17.36/hour).²
- Educational Criteria Within the LA/OC region, 84% of the annual job openings for occupations related to global business typically require a high school diploma.
 - However, the national-level educational attainment data indicates between 31.3% and 56.2% of workers in the field have completed some college or an associate degree.

Supply:

- There are 14 community colleges in the LA/OC region that issue awards related to global business and logistics, conferring an average of 551 awards annually between 2016 and 2019.
- Between 2014 and 2017, there was an average of 255 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 occupations related to global business. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to decrease by 3% through 2024. However, there will be nearly 12,800 job openings per year through 2024 due to retirements and workers leaving the field. It is important to note that SOC codes do not decipher between global and domestic business occupations and include all types of trade; therefore, the demand data is likely overstated for global business occupations.

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 11/18/2020. 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	91,126	88,864	(2,262)	(2%)	9,482
Orange	32,000	31,071	(929)	(3%)	3,298
Total	123,126	119,935	(3,191)	(3%)	12,780

Wages

The labor market endorsement in this report considers the entry-level hourly wages for these occupations related to global business 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 (95%) of annual openings for occupations related to global business have entry-level wages above the living wage for one adult (\$17.36 in Orange County). Typical entry-level hourly wages are in a range between \$16.75 and \$25.16. Two occupations in this report have entry-level wages below the county's living wage: procurement clerks (\$16.75) and cargo and freight agents (\$17.23). Experienced workers can expect to earn wages between \$25.39 and \$47.42, which are higher than the living wage estimate. Orange County's average wages are above the average statewide wage of \$32.84 for these occupations.

Los Angeles County—All of the annual openings for occupations related to global business have entry-level wages above the living wage for one adult (\$15.04 in Los Angeles County). Typical entry-level hourly wages are in a range between \$16.57 and \$24.61. Experienced workers can expect to earn wages between \$25.11 and \$43.56, which are higher than the living wage estimate. Los Angeles County's average wages are below the average statewide wage of \$32.84 for these occupations.

Job Postings

There were 15,923 online job postings related to global business listed in the past 12 months. The highest number of job postings were for sales representatives, account executives, account managers, outside sales representatives, and inside sales representatives. The top skills were: sales, customer service, scheduling, outside sales, and customer contract. The top three employers, by number of job postings, in the region were: Spectrum, Best Version Media, and Global Guard Insurance.

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.

Educational Attainment

The Bureau of Labor Statistics (BLS) lists a bachelor's degree as the typical entry-level education for buyers and purchasing agents, and a high school diploma for sales representatives, wholesale and manufacturing, except technical and scientific products, procurement clerks, cargo and freight agents, and production, planning, and expediting clerks. In the LA/OC region, the majority of annual job openings (84%) typically require a high school diploma or equivalent. However, the national-level educational attainment data indicates between 31.3% and 56.2% of workers in the field have completed some college or an associate degree. Of the 36% of global business job postings listing a minimum education requirement in Los Angeles/Orange County, 86% (4,919) requested a high school diploma and 14% (802) 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: International Business and Trade (0508.00), and Logistics and Materials Transportation (0510.00). The colleges with the most completions in the region are: Santa Ana, Coastline and East LA. Over the past 12 months, there were three 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
		Cerritos	10	13	26	16
		East LA	-	7	3	3
		Glendale	3	2	-	2
		LA Pierce	3	-	2	2
		Long Beach	6	14	4	8
		Mt San Antonio	38	24	28	30
	International	Pasadena	3	3	4	3
0508.00	Business and	Rio Hondo	3	1	1	2
	Trade	Santa Monica	2	3	-	2
		LA Subtotal	57	121	105	94
		Fullerton	2	-	1	1
		Orange Coast	Orange Coast 12 14 -	-	9	
		Saddleback		4		
		Santa Ana	40	668	89	266
			58	685	95	279
	Supply Subtotal/Average			752	163	347

TOP Code	Program	College	2016- 2017 Awards	2017- 2018 Awards	2018- 2019 Awards	3-Year Award Average
		East LA	46	85	85	72
Logistics and Materials	Rio Hondo	4	24	10	13	
	Santa Monica	7	12	10	10	
0310.00	Transportation	LA Subtotal	57	121	105	94
		Coastline	104	105	121	110
		OC Subtotal	104	105	121	110
Supply Subtotal/Average			161	226	226	204
	Sup	ply Total/Average	287	978	389	551

Non-Community College Supply—It is important to consider the supply from other institutions in the region that provide training programs for occupations related to global business. 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: Logistics, Materials, and Supply Chain Management (52.0203), Traffic, Customs, and Transportation Clerk/Technician (52.0410), and International Business/Trade/Commerce (52.1101). Due to different data collection periods, the most recent three-year period of available data is from 2014 to 2017. Between 2014 and 2017, non-community college institutions in the region conferred an average of 255 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
52.0203	Logistics, Materials,	California State University- Dominguez Hills	-	-	8	3
52.0203	and Supply Chain Management	University of Southern California	68	68	-	45
52.0410	Traffic, Customs, and Transportation Clerk/ Technician	Diversified Vocational College	58	103	116	92
		Azusa Pacific University	12	18	13	14
		California State University- Fullerton	37	58	49	48
	1.1	Mount Saint Mary's University	7	5	8	7
52.1101	International Business/Trade/	Pepperdine University	29	28	28	28
02.1101	Commerce	University of La Verne	12	8	6	9
		University of Southern California	-	-	26	9
		Vanguard University of Southern California	-	-	1	0
		Supply Total/Average	223	288	255	255

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 (25th Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75 th Percentile)
Buyers and Purchasing Agents (13-1028)	5,688	5 , 517	(171)	(3%)	584	\$25.16	\$33.31	\$42.99
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products (41-4012)	18,294	1 <i>7,</i> 595	(699)	(4%)	1,886	\$20.52	\$30.47	\$47.42
Procurement Clerks (43-3061)	863	842	(21)	(2%)	89	\$16.75	\$19.71	\$25.39
Cargo and Freight Agents (43-5011)	842	779	(63)	(8%)	76	\$1 <i>7</i> .23	\$21.80	\$28.33
Production, Planning, and Expediting Clerks (43-5061)	6,313	6,338	25	0%	664	\$17.95	\$23.83	\$30.15
Total	32,000	31,071	(929)	(3%)	3,298			

Exhibit 5. Los Angeles County

Occupation (SOC)	2019 Jobs	2024 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Entry- Level Hourly Earnings (25th Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75th Percentile)
Buyers and Purchasing Agents (13-1028)	13,971	13,365	(606)	(4%)	1,425	\$24.61	\$32.73	\$42.34
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products (41-4012)	48,272	46,022	(2,250)	(5%)	4,958	\$18.79	\$27.94	\$43.56
Procurement Clerks (43-3061)	2,309	2,240	(69)	(3%)	239	\$16.57	\$19.49	\$25.11
Cargo and Freight Agents (43-5011)	7,648	8,160	512	7%	839	\$17.05	\$21.57	\$28.02
Production, Planning, and Expediting Clerks (43-5061)	18,927	19,077	150	1%	2,020	\$17.73	\$23.59	\$29.92
Total	91,126	88,864	(2,262)	(2%)	9,482			

Exhibit 6. Los Angeles and Orange Counties

Occupation (SOC)	2019 Jobs	2024 Jobs	5-Yr Change	5-Yr % Change	Annual Openings
Buyers and Purchasing Agents (13-1028)	19,658	18,882	(777)	(4%)	2,008
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products (41-4012)	66,566	63,617	(2,949)	(4%)	6,844
Procurement Clerks (43-3061)	3,172	3,082	(89)	(3%)	327
Cargo and Freight Agents (43-5011)	8,490	8,939	449	5%	915
Production, Planning, and Expediting Clerks (43-5061)	25,240	25,415	175	1%	2,684
Total	123,126	119,935	(3,191)	(3%)	12,780

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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