

Program Endorsement Brief: 0504.00/Banking and Finance

Finance Certificate of Achievement

Los Angeles/Orange County Center of Excellence, March 2021

Summary Analysis

Program Endorsement:	Endorsed: All Criteria Met <input checked="" type="checkbox"/>	Endorsed: Some Criteria Met <input type="checkbox"/>	Not Endorsed <input type="checkbox"/>
Program Endorsement Criteria			
Supply Gap:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
Living Wage: (Entry-Level, 25th)	Yes <input checked="" type="checkbox"/>	No <input 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 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 five middle-skill occupations: *credit counselors* (13-2071), *bill and account collectors* (43-3011), *credit authorizers, checkers, and clerks* (43-4041), *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 these middle-skill financial planning occupations in the region. Furthermore, entry-level wages exceed the living wage in Los Angeles County. **Therefore, due to all 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 **2,215 jobs available annually** in the region due to new job growth and replacements, **which is more than the 52 awards conferred annually** by educational institutions in the region.
- **Living Wage Criteria** – Within Los Angeles County, **all of the annual job openings** for these middle-skill financial planning occupations have entry-level wages above the county’s living wage (\$15.04/hour).²

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 3/11/2021. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

- **Educational Criteria** –Within the LA/OC region, **the majority (95%) of the annual job openings** for middle-skill occupations related to financial planning **typically require a high school diploma**.
 - However, the national-level educational attainment data indicates **between 34.7% and 48.5% of workers in the field have completed some college or an associate degree**.

Supply:

- There are **8 community colleges** in the LA/OC region that issue awards related to banking and finance, conferring an average of **52 awards annually** between 2016 and 2019.
- There are currently no non-community college programs or awards associated with these occupations in the Los Angeles/Orange County region.

Occupational Demand

Exhibit 1 shows the five-year occupational demand projections for middle-skill financial planning occupations. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to decrease by 1% through 2024. However, there will be more than 2,200 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	12,716	12,504	(212)	(2%)	1,391
Orange	7,443	7,442	(1)	(0%)	824
Total	20,158	19,946	(212)	(1%)	2,215

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.

Wages

The labor market endorsement in this report considers the entry-level hourly wages for these middle-skill financial planning occupations in Los Angeles County as they relate to the county's living wage. Orange 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.

Los Angeles County—All of the annual openings for these middle-skill financial planning occupations have entry-level wages above the living wage for one adult (\$15.04 in Los Angeles County).⁴ Typical entry-level hourly wages are in a range between \$16.48 and \$24.81. Experienced workers can expect to earn wages between \$22.98 and \$31.67, which are higher than the living wage estimate. Los Angeles County's average wages are above the average statewide wage of \$22.61 for these occupations.

Orange County—The majority (90%) of annual openings for these middle-skill financial planning occupations have entry-level wages below the living wage for one adult (\$17.36 in Orange County).⁵ Typical entry-level hourly wages are in a range between \$16.20 and \$24.53. Three of the occupations have wages below the living wage: *loan interviewers and clerks* (\$16.20), *credit authorizers, checkers, and clerks* (\$16.93), and *bill and account collectors* (\$17.03). Experienced workers can expect to earn wages between \$23.21 and \$29.82, which are higher than the living wage estimate. Orange County's average wages are above the average statewide wage of \$22.61 for these occupations.

Job Postings

There were 7,657 online job postings related to middle-skill financial planning listed in the past 12 months. The highest number of job postings were for loan processors, mortgage loan processors, collections specialists, collectors, and senior loan processors. The top skills were loan processing, mortgage lending, customer service, mortgage underwriting, and customer billing. The top three employers, by number of job postings, in the region were City National Bank, Valet Living, and Union Bank.

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 bachelor's degree as the typical entry-level education for *credit counselors*, and a high school diploma for *bill and account collectors, credit authorizers, checkers, and clerks, loan interviewers and clerks, and new accounts clerks*. In the LA/OC region, the majority of annual job openings (95%) typically require a high school diploma. Furthermore, the national-level educational attainment data indicates between 34.7% and 48.5% of workers in the field have completed some college or an associate degree. Of the 47% of middle-skill financial planning job postings listing a minimum education requirement in Los Angeles/Orange

⁴ Living wage data was pulled from California Family Needs Calculator on 3/11/2021. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

⁵ Ibid.

County, 61% (2,202) requested a high school diploma, 32% (1,160) requested a bachelor's degree and 7% (245) requested an associate degree.

Educational 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: Banking and Finance (0504.00). The colleges with the most completions in the region are LA Valley, LA City, Citrus, and Pasadena. Currently, there are no completions associated with Banking and Finance programs in Orange County. Over the past 12 months, there were seven other related program recommendation requests from regional community colleges.

Currently, there are no non-community college programs or awards associated with these occupations in the Los Angeles/Orange County region.

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
		LA Valley	35	26	34	32
		Pasadena	3	8	5	5
		LA Subtotal	49	48	60	52
Supply Total/Average			49	48	60	52

Appendix A: Occupational demand and wage data by county

Exhibit 3. 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)
Credit Counselors (13-2071)	841	861	20	2%	75	\$21.72	\$25.58	\$31.67
Bill and Account Collectors (43-3011)	5,798	5,594	(204)	(4%)	684	\$16.54	\$20.52	\$25.98
Credit Authorizers, Checkers, and Clerks (43-4041)	575	561	(14)	(2%)	57	\$16.77	\$18.59	\$22.98
Loan Interviewers and Clerks (43-4131)	4,789	4,805	16	0%	494	\$16.48	\$21.47	\$27.35
New Accounts Clerks (43-4141)	713	683	(30)	(4%)	81	\$24.81	\$26.88	\$29.48
Total	12,716	12,504	(212)	(2%)	1,391			

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)
Credit Counselors (13-2071)	380	398	18	5%	36	\$20.45	\$24.09	\$29.82
Bill and Account Collectors (43-3011)	2,790	2,690	(100)	(4%)	326	\$17.03	\$21.10	\$26.66
Credit Authorizers, Checkers, and Clerks (43-4041)	295	289	(6)	(2%)	29	\$16.93	\$18.77	\$23.21
Loan Interviewers and Clerks (43-4131)	3,593	3,670	77	2%	385	\$16.20	\$21.09	\$26.85
New Accounts Clerks (43-4141)	384	394	10	3%	47	\$24.53	\$26.58	\$29.16
Total	7,443	7,442	(1)	(0%)	824			

Exhibit 5. Los Angeles and Orange Counties

Occupation (SOC)	2019 Jobs	2024 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Typical Entry-Level Education
Credit Counselors (13-2071)	1,222	1,259	37	3%	112	Bachelor's degree
Bill and Account Collectors (43-3011)	8,587	8,284	(303)	(4%)	1,010	HS Diploma or equivalent
Credit Authorizers, Checkers, and Clerks (43-4041)	871	851	(20)	(2%)	86	Bachelor's degree
Loan Interviewers and Clerks (43-4131)	8,382	8,475	93	1%	879	HS Diploma or equivalent
New Accounts Clerks (43-4141)	1,097	1,077	(20)	(2%)	129	HS Diploma or equivalent
Total	20,158	19,946	(212)	(1%)	2,215	

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)

For more information, please contact:

Luke Meyer, Director
 Los Angeles/Orange County Center of Excellence
lmeyer7@mtsac.edu

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