

Program Endorsement Brief: 0505.00/Business Administration

Business Administration Associate in Arts – Online

Orange County Center of Excellence, May 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 four middle-skill occupations: Administrative Services Managers (11-3011), First-Line Supervisors of Retail Sales Workers (41-1011), First-Line Supervisors of Non-Retail Sales Workers (41-1012), and Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products. 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 business administration occupations in the region. **Therefore, the COE endorses this proposed program.** Reasons include:

Demand:

- Over the next five years, there is projected to be **16,374 jobs available annually** in the region due to retirements and workers leaving the field, **which is more than the 6,510 awards conferred annually** by educational institutions in the region.
- The national-level educational attainment data indicates **between 30.7% and 38.7% of workers in the field have completed some college or an associate degree.**
 - However, of the 33% of middle-skill business administration job postings listing a minimum education requirement in Los Angeles/Orange County, **88% (19,023) requested a high school diploma.**
- Typical regional entry-level hourly wages vary by occupation for these middle-skill business administration occupations and are between \$13.66 and \$38.02.
 - **Regional entry-level wages for two of these occupations** (Administrative Services Managers and Sales Representatives [\$38.03], and Wholesale and Manufacturing, Except Technical and Scientific Products [\$17.96]) **are higher than the California Family Needs Calculator hourly wage (living wage)** for one adult in the region (\$15.04 in Los Angeles County and \$17.36 in Orange County).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 5/4/2020. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

- **Typical regional entry-level wages for First-Line Supervisors of Retail Sales Workers (\$13.66) are below the living wage in both counties.**
- **Typical regional entry-level wages for First-Line Supervisors of Non-Retail Sales Workers (\$16.82) are below the living wage in Orange County (\$17.36).**
- **Experienced middle-skill business administration workers can expect to earn regional wages between \$24.95 and \$65.35, which is higher than the living wage estimate for both counties.**

Supply:

- There are **27 community colleges** in the region that offer business administration, sales and/or display programs, conferring an average of **6,422 awards annually** between 2016 and 2019.
- Between 2014 and 2017, there were an average of **88 awards conferred annually** in related training programs **by non-community college institutions colleges** throughout the region.

Occupational Demand

Exhibit 1 shows the five-year occupational demand projections for these middle-skill business administration occupations. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to decrease by 2% through 2024. However, there will be nearly 16,400 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	115,815	112,776	(3,039)	(3%)	11,988
Orange	42,066	41,546	(520)	(1%)	4,386
Total	157,881	154,322	(3,559)	(2%)	16,374

Wages—Typical regional entry-level hourly wages for middle-skill business administration occupations are between \$13.66 and \$38.02. Regional entry-level wages for two of these occupations (Administrative Services Mangers [\$38.02], and Sales Representatives, Wholesale

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.

and Manufacturing, Except Technical and Scientific Products [\$17.96]) are higher than the California Family Needs Calculator hourly wage (living wage) for one adult in the region (\$15.04 in Los Angeles County and \$17.36 in Orange County). Regional entry-level wages for First-Line Supervisors of Non-Retail Sales Workers are \$16.82, which is below the living wage in Orange County, but above the living wage in Los Angeles County. Regional entry-level wages for First-Line Supervisors of Retail Sales Workers are below the living wage in both counties; however, the typical regional median wages for this occupation are \$18.09, which is above the regional living wage. Experienced workers can expect to earn regional wages between \$24.95 and \$65.35, which is higher than the living wage estimates for both counties. Regional average wages are slightly above the average statewide wage of \$31.87 for these occupations. Wage information, by county, is included in Appendix A.

Job Postings—There were 66,138 online job postings related to middle-skill business administration occupations listed in the past 12 months. The highest number of job postings were for sales representative, account manager, store manager, assistant store manager, and outside sales representative. The top skills were: sales, customer service, retail industry knowledge, sales goals, and scheduling. The top three employers, by number of job postings, in the region were: SENTEXT Solutions, Sprint Corporation, and Spectrum. Of the 66,138 online job postings, 33% 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 bachelor's degree as the typical entry-level education for Administrative Services Managers, and a high school diploma as the typical entry-level education for First-Line Supervisors of Retail Sales Workers, First-Line Supervisors of Non-Retail Sales Workers, and Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products. The national-level educational attainment data indicates between 30.7% and 38.7% of workers in the field have completed some college or an associate degree. Of the 33% of middle-skill business administration job postings listing a minimum education requirement in Los Angeles/Orange County, 88% (19,023) requested a high school diploma and 12% (2,555) requested an associate degree.

Supply

Community College Supply—Exhibit 2, on the following page, shows the three-year average number of awards conferred by community colleges in the related TOP codes: Business Administration (0505.00), Sales and Salesmanship (0509.40), and Display (0509.60). The colleges with the most completions in the region are: Pasadena, Coastline, Citrus, and Orange Coast. Over the past 12 months, there were no 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		
0505.00	Business Administration	Cerritos	197	181	206	195		
		Citrus	393	434	349	392		
		Compton	0	44	49	31		
		East LA	26	159	227	137		
		El Camino	282	310	295	296		
		Glendale	193	246	216	218		
		LA City	51	85	84	73		
		LA Harbor	66	90	83	80		
		LA Mission	52	60	51	54		
		LA Pierce	180	181	211	191		
		LA Southwest	32	22	35	30		
		LA Valley	23	99	131	84		
		Long Beach	243	273	375	297		
		Mt San Antonio	9	135	248	131		
		Pasadena	702	847	909	819		
		Rio Hondo	206	216	241	221		
		Santa Monica	306	335	297	313		
		West LA	96	135	120	117		
		LA Subtotal		3,057	3,852	4,127	3,679	
		Coastline	817	681	763	754		
		Cypress	202	213	228	214		
		Fullerton	210	358	374	314		
		Golden West	176	126	187	163		
		Irvine	218	233	306	252		
		Orange Coast	382	393	381	385		
		Saddleback	217	278	297	264		
		Santa Ana	211	216	217	215		
		Santiago Canyon	164	152	159	158		
		OC Subtotal		2,597	2,650	2,912	2,720	
		Supply Subtotal/Average			5,654	6,502	7,039	6,398

TOP Code	Program	College	2016-2017 Awards	2017-2018 Awards	2018-2019 Awards	3-Year Award Average
0509.40	Sales and Salesmanship	Cerritos	10	0	0	3
		Santa Monica	14	16	13	14
		LA Subtotal	24	16	13	18
		Orange Coast	0	11	3	5
		Santa Ana	0	1	0	0
		OC Subtotal	0	12	3	5
Supply Subtotal/Average			24	28	16	23
0509.60	Display	Orange Coast	0	0	2	1
		OC Subtotal	0	0	2	1
		Supply Subtotal/Average	0	0	2	1
Supply Total/Average			5,678	6,530	7,057	6,422

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 business administration 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: Business Administration and Management (52.0201). 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 88 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
52.0201	Business Administration and Management	Advanced College	2	-	1	1
		East San Gabriel Valley Regional Occupational Program	20	5	-	8
		Learnet Academy Inc	1	4	4	3
		Los Angeles ORT College-Los Angeles Campus	13	9	32	18
		Los Angeles ORT College-Van Nuys Campus	2	4	16	7
		Mount Saint Mary's University	13	13	12	13

CIP Code	Program	College	2014-2015 Awards	2015-2016 Awards	2016-2017 Awards	3-Year Award Average
		Platt College-Los Angeles	-	1	9	3
		University of Phoenix-California	1	3	57	20
		University of the People	-	14	27	14
Supply Total/Average			52	53	158	88

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)
Administrative Services Managers (11-3011)	11,518	11,931	413	4%	1,056	\$38.29	\$51.88	\$65.79
First-Line Supervisors of Retail Sales Workers (41-1011)	42,950	42,284	(666)	(2%)	4,723	\$13.82	\$18.35	\$25.29
First-Line Supervisors of Non-Retail Sales Workers (41-1012)	12,751	12,354	(397)	(3%)	1,208	\$16.56	\$28.43	\$41.87
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products (41-4012)	48,596	46,208	(2,388)	(5%)	5,002	\$17.54	\$27.06	\$41.20
Total	115,815	112,776	(3,039)	(3%)	11,988			

Exhibit 5. 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 (75th Percentile)
Administrative Services Managers (11-3011)	4,228	4,417	189	4%	397	\$37.32	\$50.55	\$64.11
First-Line Supervisors of Retail Sales Workers (41-1011)	14,632	14,487	(145)	(1%)	1,612	\$13.18	\$17.36	\$23.85
First-Line Supervisors of Non-Retail Sales Workers (41-1012)	4,766	4,676	(90)	(2%)	456	\$17.55	\$29.88	\$43.31
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products (41-4012)	18,441	17,966	(475)	(3%)	1,920	\$19.13	\$29.53	\$44.90
Total	42,066	41,546	(520)	(1%)	4,386			

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 (25th Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75th Percentile)
Administrative Services Managers (11-3011)	15,745	16,347	602	4%	1,452	\$38.02	\$51.51	\$65.35
First-Line Supervisors of Retail Sales Workers (41-1011)	57,582	56,771	(811)	(1%)	6,335	\$13.66	\$18.09	\$24.95
First-Line Supervisors of Non-Retail Sales Workers (41-1012)	17,517	17,030	(487)	(3%)	1,664	\$16.82	\$28.79	\$42.28
Sales Representatives, Wholesale and Manufacturing, Except Technical and	67,036	64,173	(2,863)	(4%)	6,922	\$17.96	\$27.72	\$42.22

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)
Scientific Products (41-4012)	157,881	154,322	(3,559)	(2%)	16,374			

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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