

## Labor Market Analysis: 0502.10/Tax Studies

**Taxation Certificate** - Certificate requiring 6 to <18 semester units

Los Angeles Center of Excellence, January 2024

### Summary

<b>Program Endorsement:</b>	<b>Endorsed:</b> All Criteria Met <input type="checkbox"/>	<b>Endorsed:</b> Some Criteria Met <input checked="" type="checkbox"/>	<b>Not</b> Endorsed <input type="checkbox"/>
<b>Program Endorsement Criteria</b>			
<b>Supply Gap:</b>	Yes <input checked="" type="checkbox"/> (See comments below)		No <input type="checkbox"/>
<b>Living Wage:</b> (Entry-Level, 25 <sup>th</sup> )	Yes <input type="checkbox"/>		No <input checked="" type="checkbox"/>
<b>Education:</b>	Yes <input checked="" type="checkbox"/>		No <input type="checkbox"/>
<b>Emerging Occupation(s)</b>			
Yes <input type="checkbox"/>		No <input checked="" type="checkbox"/>	

The Los Angeles Center of Excellence for Labor Market Research (LA COE) prepared this report to provide regional labor market supply and demand data related to two middle-skill occupations:

- **Tax Examiners and Collectors, and Revenue Agents (13-2081)** Determine tax liability or collect taxes from individuals or business firms according to prescribed laws and regulations.<sup>1</sup>
- **Tax Preparers (13-2082)** Prepare tax returns for individuals or small businesses.<sup>2</sup>

Middle-skill occupations typically require some postsecondary education, but less than a bachelor's degree.<sup>3</sup> Although the occupation, *tax examiners and collectors, and revenue agents* typically requires a bachelor's degree, it is considered middle-skill because approximately one-third of workers in the field have completed some college or an associate 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.

While there does not initially 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. When comparing only these tax occupations with tax-specific programs in the region, a supply gap emerges. The majority of annual openings in the region have entry-level wages that are lower than the self-sufficiency standard wage in both Los Angeles and Orange counties; however, one-third of current workers

<sup>1</sup> [Tax Examiners and Collectors, and Revenue Agents: U.S. Bureau of Labor Statistics \(bls.gov\)](#)

<sup>2</sup> [Tax Preparers \(bls.gov\)](#)

<sup>3</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.

in the field have completed some college or an associate degree. **Therefore, due to some of the criteria being met, the LA COE endorses this proposed program.** Detailed reasons include:

#### **Demand:**

- **Supply Gap Criteria** – Over the next five years, **953 jobs are projected to be available annually** in the region due to new job growth and replacements, **which is less than the three-year average of 2,775 awards conferred** 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 additional middle-skill accounting occupations that are not included in this report. These occupations account for nearly 10,000 annual openings in the LA/OC region, which creates a significant supply gap when taken into account.
  - When these middle-skill tax occupations are compared solely with tax-specific programs, there is **potential supply gap of 872** (953 annual openings minus 81 tax-related awards).
- **Living Wage Criteria** – Within Los Angeles County, the majority (87%) of annual job openings for these middle-skill tax occupations have **entry-level wages below the self-sufficiency standard hourly wage** (\$18.10/hour).<sup>4</sup>
- **Educational Criteria** – Within the greater LA/OC region, **88% of the annual job openings** for these middle-skill tax occupations **typically require a high school diploma or equivalent**.
  - However, the national-level educational attainment data indicates **32% of workers in the field have completed some college or an associate degree**.

#### **Supply:**

- There are **28 community colleges** in the greater LA/OC region that issue awards related to accounting and/or tax studies, conferring an average of **2,024 awards annually** between 2019 and 2022.
- Between 2019 and 2021, there was an average of **751 awards conferred annually** in related training programs by non-community college institutions throughout the greater LA/OC region.

### **Occupational Demand**

Exhibit 1 shows the five-year occupational demand projections for these middle-skill tax occupations. In the greater Los Angeles/Orange County region, the number of jobs related to these occupations is projected to increase by 5% through 2027. There will be nearly 1,000 job openings per year through 2027 due to job growth and replacements. The majority of jobs in 2022 for these middle-skill tax occupations (75%) were located in Los Angeles County.

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<sup>4</sup> Self-Sufficiency Standard wage data was pulled from The Self-Sufficiency Standard Tool for California. For more information, visit: <http://selfsufficiencystandard.org/california>.

**Exhibit 1: Occupational demand in Los Angeles and Orange counties<sup>5</sup>**

Geography	2022 Jobs	2027 Jobs	2022-2027 Change	2022-2027 % Change	Annual Openings
Los Angeles	6,141	6,409	268	4%	707
Orange	2,045	2,157	113	6%	246
<b>Total</b>	<b>8,186</b>	<b>8,566</b>	<b>380</b>	<b>5%</b>	<b>953</b>

**Wages**

The labor market endorsement in this report considers the entry-level hourly wages for these middle-skill tax occupations in Los Angeles County as they relate to the county’s self-sufficiency standard wage. Orange County wages are included below in order to provide a complete analysis of the greater LA/OC region. Detailed wage information, by county, is included in Appendix A.

**Los Angeles County**

The majority (87%) of annual openings for these middle-skill tax occupations have entry-level wages below the self-sufficiency standard wage for one adult (\$18.10 in Los Angeles County). Typical entry-level hourly wages are in a range between \$17.04 and \$35.31. One occupation has entry-level wages above the county’s self-sufficiency standard wage: *Tax examiners and collectors, and revenue agents* (\$35.31). Experienced workers can expect to earn wages between \$40.85 and \$56.20, which are higher than the self-sufficiency standard.

**Exhibit 2: Earnings for Occupations in LA County**

Occupation	Entry-Level Hourly Earnings (25 <sup>th</sup> Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75 <sup>th</sup> Percentile)	Median Annual Earnings*
Tax Examiners and Collectors, and Revenue Agents (13-2081)	\$35.31	\$44.48	\$56.20	\$92,500
Tax Preparers (13-2082)	\$17.04	\$25.17	\$40.85	\$52,400

\*Rounded to the nearest \$100

**Orange County**

The majority (91%) of annual openings for middle-skill tax occupations have entry-level wages below the self-sufficiency standard wage for one adult (\$20.63 in Orange County). Typical entry-level hourly wages are in a range between \$15.39 and \$33.29. One occupation has entry-level wages above the county’s self-sufficiency standard wage: *Tax examiners and collectors, and revenue agents* (\$33.29). Experienced workers can expect to earn wages between \$37.35 and \$52.98, which are higher than the self-sufficiency standard.

<sup>5</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.

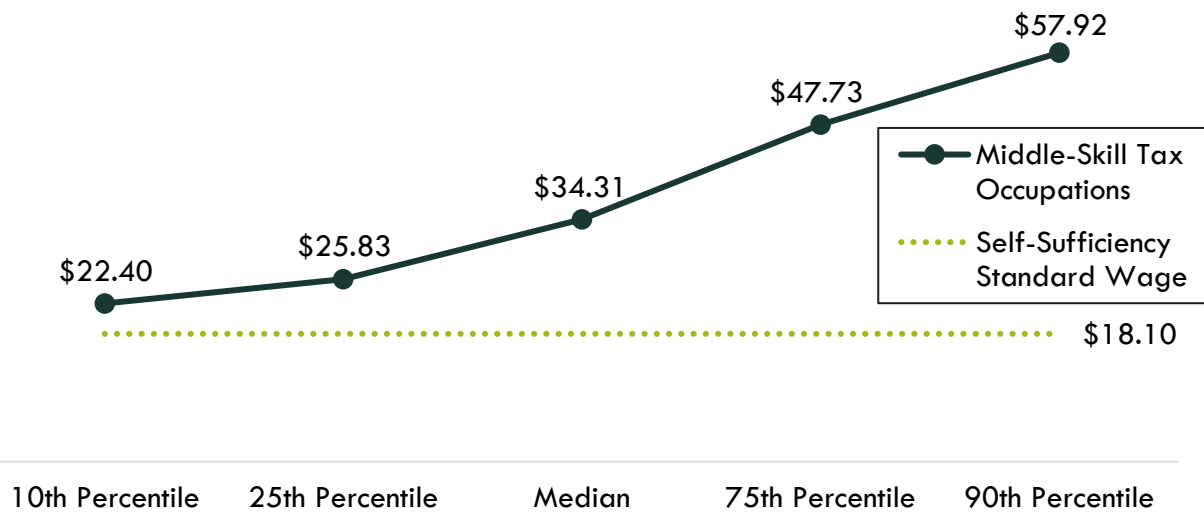
**Exhibit 3: Earnings for Occupations in Orange County**

Occupation	Entry-Level Hourly Earnings (25 <sup>th</sup> Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75 <sup>th</sup> Percentile)	Median Annual Earnings*
Tax Examiners and Collectors, and Revenue Agents (13-2081)	\$33.29	\$41.93	\$52.98	\$87,200
Tax Preparers (13-2082)	\$15.39	\$23.07	\$37.35	\$48,000

\*Rounded to the nearest \$100

On average, the entry-level earnings for the occupations in this report are \$25.83; this is above the living wage for one single adult in Los Angeles County (\$18.10). Exhibit 4 shows the average wage for the occupations in this report, from entry-level to experienced workers.

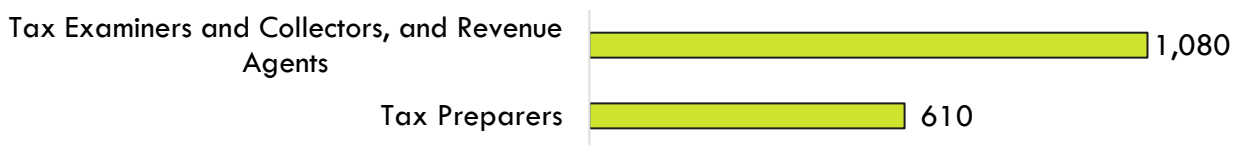
**Exhibit 4: Average Hourly Earnings for Middle-Skill Tax Occupations in LA/OC**



**Job Postings**

There were 1,690 online job postings for middle-skill tax occupations listed in the past 12 months. Exhibit 5 displays the number of job postings by occupation. The majority of job postings (64%) were for *tax examiners and collectors, and revenue agents*, followed by *tax preparers* (36%). The highest number of job postings were for tax preparers, tax associates, tax professionals, lead tax preparers, and revenue specialists. The top skills were accounting, preparation, tax returns, auditing, and finance. The top three employers, by number of job postings, in the region were H&R Block, KPMG, and Jackson Hewitt.

**Exhibit 5: Job postings by occupation (last 12 months)**



## Educational Attainment

The Bureau of Labor Statistics (BLS) lists the following typical entry-level education levels for the occupations in this report:

- **Bachelor's degree:** *Tax examiners and collectors, and revenue agents*
- **High school diploma or equivalent:** *Tax preparers*

In the greater LA/OC region, the majority of annual job openings (88%) typically require a high school diploma or equivalent. However, the national-level educational attainment data indicates 32% of workers in the field have completed some college or an associate degree. Of the 67% of middle-skill tax job postings listing a minimum education requirement in the greater Los Angeles/Orange County region, 22% (254) requested high school or vocational training, 4% (47) requested an associate degree, and 73% (831) requested a bachelor's degree.

## Educational Supply

### Community College Supply

Exhibit 6 shows the annual and three-year average number of awards conferred by community colleges in the related TOP codes: Accounting (0504.00), and Tax Studies (0504.10). The colleges with the most completions in the region are East LA, Irvine, and Santa Monica.

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 job openings for these three occupations in the LA/OC region is nearly 10,000. Since the Accounting (0502.00) TOP code trains for more occupations than the two middle-skill tax-related occupations in this report the supply data in Exhibit 6 is overstated when considering only middle-skill tax occupations.

**Exhibit 6: Regional community college awards (certificates and degrees), 2019-2022**

TOP	Program	College	2019-20 Awards	2020-21 Awards	2021-22 Awards	3-Year Average
0502.00	Accounting	Cerritos	49	22	37	36
		Citrus	18	22	16	19
		East LA	577	335	215	376
		El Camino	13	15	20	16
		Glendale	63	79	86	76
		LA City	7	16	19	14
		LA Harbor	15	33	27	25
		LA Mission	26	33	24	28
		LA Pierce	39	35	26	33
		LA Southwest	-	2	1	1
		LA Trade-Tech	12	10	14	12
		LA Valley	46	51	55	51

TOP	Program	College	2019-20 Awards	2020-21 Awards	2021-22 Awards	3-Year Average
		Long Beach	63	49	56	56
		Mt San Antonio	187	186	194	189
		Pasadena	16	23	47	29
		Rio Hondo	18	30	31	26
		Santa Monica	217	195	231	214
		West LA	6	16	18	13
		<b>LA Subtotal</b>	<b>1,372</b>	<b>1,152</b>	<b>1,117</b>	<b>1,214</b>
		Coastline	40	51	48	46
		Cypress	6	3	8	6
		Fullerton	9	25	17	17
		Golden West	17	30	23	23
		Irvine	316	208	486	337
		N. Orange Adult	-	-	8	3
		Orange Coast	124	94	92	103
		Saddleback	36	19	55	37
		Santa Ana	125	104	140	123
		Santiago Canyon	6	46	52	35
		<b>OC Subtotal</b>	<b>679</b>	<b>580</b>	<b>929</b>	<b>729</b>
		<b>Supply Subtotal/Average</b>	<b>2,051</b>	<b>1,732</b>	<b>2,046</b>	<b>1,943</b>
0502.10	Tax Studies	East LA	-	2	2	1
		Glendale	2	2	-	1
		LA City	-	3	6	3
		LA Pierce	17	18	11	15
		Mt San Antonio	9	5	12	9
		Santa Monica	-	3	1	1
		<b>LA Subtotal</b>	<b>28</b>	<b>33</b>	<b>32</b>	<b>31</b>
		Irvine	33	11	42	29
		Orange Coast	9	16	15	13
		Saddleback	12	5	7	8
		<b>OC Subtotal</b>	<b>54</b>	<b>32</b>	<b>64</b>	<b>50</b>
		<b>Supply Subtotal/Average</b>	<b>82</b>	<b>65</b>	<b>96</b>	<b>81</b>
		<b>Supply Total/Average</b>	<b>2,133</b>	<b>1,797</b>	<b>2,142</b>	<b>2,024</b>

### Non-Community College Supply

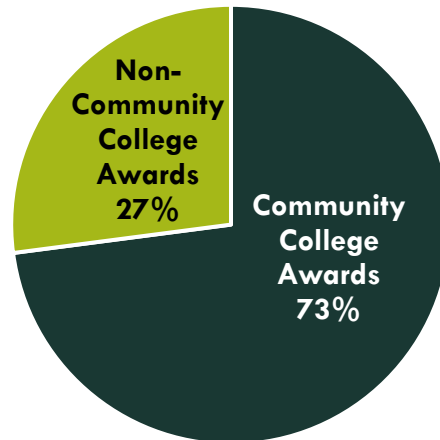
For a comprehensive regional supply analysis, it is important to consider the supply from other institutions in the region that provide training programs for middle-skill tax occupations. Exhibit 7 shows the annual and three-year average number of awards conferred by these institutions in relevant programs. Due to different data collection periods, the most recent three-year period of available data is from 2019 to 2021. Between 2019 and 2021, non-community college institutions in the region conferred an average of 751 bachelor's degrees and sub-baccalaureate awards. Bachelor's awards are included since one of the occupations in this report typically requires a bachelor's degree. Sub-baccalaureate awards include associate degrees, postsecondary awards, and other academic awards. The majority (95%) of the awards in Exhibit 7 are bachelor's degrees (713 awards), followed by sub-baccalaureate awards (38 awards).

**Exhibit 7: Regional non-community college awards, 2019-2021**

CIP	Program	Institution	2019-20 Awards	2020-21 Awards	2-Year Average
52.0301	Accounting	Abraham Lincoln Univ.	1	-	1
		Azusa Pacific Univ.	32	21	27
		Biola University	17	22	20
		CSU-Northridge	304	287	296
		Chapman University	58	34	46
		Claremont McKenna Coll.	6	11	9
		LA Pacific College	7	2	5
		Loyola Marymount Univ.	43	44	44
		Marymount California Univ.	3	2	3
		Mount Saint Mary's Univ.	18	17	18
		Pepperdine University	16	14	15
		Scripps College	2	-	1
		University of La Verne	38	32	35
		USC	189	175	182
		Vanguard Univ. of Southern California	7	9	8
Woodbury University	13	12	13		
52.0302	Accounting Technology/ Technician and Bookkeeping	ABC Adult School	21	21	21
		Hacienda La Puente Adult Education	10	-	5
		InterCoast Colleges-West Covina	-	1	1
		Los Angeles Pacific College	4	4	4
		Premiere Career College	4	1	3
<b>Supply Total/Average</b>			<b>793</b>	<b>709</b>	<b>751</b>

Exhibit 8 shows the proportion of community college awards conferred in LA/OC compared to the number of non-community college awards for the programs in this report. Nearly three of four awards conferred in these programs are awarded by community colleges in the LA/OC region.

**Exhibit 8: Community College Awards Compared to Non-Community College Awards in LA/OC Region, 3-Year Average**



**Appendix A: Occupational demand and wage data by county**

**Exhibit 9. Los Angeles County**

Occupation (SOC)	2022 Jobs	2027 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)
Tax Examiners and Collectors, and Revenue Agents (13-2081)	1,159	1,199	40	3%	95	\$35.31	\$44.48	\$56.20
Tax Preparers (13-2082)	4,983	5,210	228	5%	612	\$17.04	\$25.17	\$40.85
<b>Total</b>	<b>6,141</b>	<b>6,409</b>	<b>268</b>	<b>4%</b>	<b>707</b>	-	-	-

**Exhibit 10. Orange County**

Occupation (SOC)	2022 Jobs	2027 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Entry-Level Hourly Earnings (25th Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75th Percentile)
Tax Examiners and Collectors, and Revenue Agents (13-2081)	245	258	12	5%	21	\$33.29	\$41.93	\$52.98
Tax Preparers (13-2082)	1,799	1,900	100	6%	225	\$15.39	\$23.07	\$37.35
<b>Total</b>	<b>2,045</b>	<b>2,157</b>	<b>113</b>	<b>6%</b>	<b>246</b>	-	-	-

**Exhibit 11. Los Angeles and Orange Counties**

Occupation (SOC)	2022 Jobs	2027 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	% Age 55 and older*	Typical Entry-Level Education
Tax Examiners and Collectors, and Revenue Agents (13-2081)	1,404	1,457	52	4%	116	37%	Bachelor's degree
Tax Preparers (13-2082)	6,782	7,110	328	5%	837	50%	HS diploma or equivalent
<b>Total</b>	<b>8,186</b>	<b>8,566</b>	<b>380</b>	<b>5%</b>	<b>953</b>	-	-

\*The average percentage of workers age 55 and older across all occupations in the greater LA/OC region is 27%. These occupations have a larger share of older workers, which typically indicates greater replacements needs to offset the amount of impending retirements.

**Appendix B: Sources**

- O\*NET Online
- Lightcast (formerly Emsi)
- Bureau of Labor Statistics (BLS)
- California Employment Development Department, Labor Market Information Division, OES
- California Community Colleges Chancellor's Office Management Information Systems (MIS)
- Self-Sufficiency Standard at the Center for Women's Welfare, University of Washington
- Chancellor's Office Curriculum Inventory (COCI 2.0)

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