

**Program Endorsement Brief: 0502.00/Accounting
Payroll Accounting**

Los Angeles/Orange County Center of Excellence, November 2020

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 two middle-skill occupations: *bookkeeping, accounting, and auditing clerks* (43-3031) and *payroll and timekeeping clerks* (43-3051). 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 payroll accounting occupations in the LA/OC region. **Therefore, the COE endorses this proposed program.** Detailed reasons include:

Demand:

- **Supply Gap Criteria** - Over the next five years, there are projected to be **10,018 jobs available annually** in the LA/OC region due to replacements, **which is more than the 2,462 awards conferred annually** by educational institutions in the region.
- **Living Wage Criteria** - Within Los Angeles County, **all of the annual job openings** for these payroll accounting occupations have **entry-level wages above the county’s living wage** (\$15.04/hour).²
- **Education Criteria** - Within the LA/OC region, **91% of the annual job openings** for occupations related to payroll accounting **typically require some college, but no degree.**

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 11/02/2020. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

- Furthermore, national-level educational attainment data indicates **between 48.5% and 48.9% of workers in the field have completed some college or an associate degree.**

Supply:

- There are **28 community colleges** in the LA/OC region that issue awards related to accounting, conferring an average of **1,547 awards annually** between 2016 and 2019.
- Between 2014 and 2017, there was an average of **915 awards conferred annually** in related training programs by non-community college institutions throughout the LA/OC region.

Occupational Demand

Exhibit 1 displays the five-year occupational demand projections for payroll accounting occupations. In Los Angeles/Orange County, the number of new jobs related to these occupations is projected to decrease by 1% through 2024. However, there will be more than 10,000 job openings per year through 2024 due to job replacements in the LA/OC region.

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	62,033	61,217	(816)	(1%)	7,228
Orange	23,951	23,749	(202)	(1%)	2,790
Total	85,984	84,966	(1,018)	(1%)	10,018

Wages—The labor market endorsement in this report considers the entry-level hourly wages for these payroll accounting 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.

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.

Los Angeles County—All of the annual openings for these 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 \$17.46 and \$20.55. Experienced workers can expect to earn wages between \$28.05 and \$30.72, which are higher than the living wage estimate. Los Angeles County's average wages are slightly below the average statewide wage of \$23.92 for these occupations.

Orange County—All of the annual openings for these occupations 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 \$17.55 and \$20.08. Experienced workers can expect to earn hourly wages between \$28.12 and \$29.99, which are higher than the living wage in Orange County. Orange County's average wages are slightly below the average statewide wage of \$23.92 for these occupations.

Job Postings—Over the last twelve months, there were 8,683 job postings for the payroll accounting occupations in the region. The job titles with the most postings were bookkeeper, accounting clerk, accounts payable clerk, accounts payable specialist, and accounting assistant. The top skills were: accounting, accounts payable/accounts receivable, bookkeeping, data entry, and QuickBooks. The top employers, by the number of job postings, in the region were: Anthem, Inc., Marriott International, Sprouts Farmers Markets, Orange County, and El Super.

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 high school diploma as the typical entry-level education for *payroll and timekeeping clerks* and some college, but no degree as the typical entry-level education for *bookkeeping, accounting, and auditing clerks*. The national-level educational attainment data indicates between 48.5% and 48.9% of workers in the field have completed some college or an associate degree. Of the 50% of payroll accounting job postings listing a minimum education requirement in Los Angeles/Orange County, 75% (3,220) requested a high school diploma and 25% (1,096) requested an associate degree.

Educational Supply

Community College Supply—Exhibit 2 displays the annual and three-year average number of awards conferred by LA/OC regional community colleges in the related TOP code: Accounting (0502.00). The colleges with the most completions in the region are East LA, Irvine, and Mt. San Antonio. Over the past 12 months, there were five other related program recommendation requests from LA/OC regional community colleges.

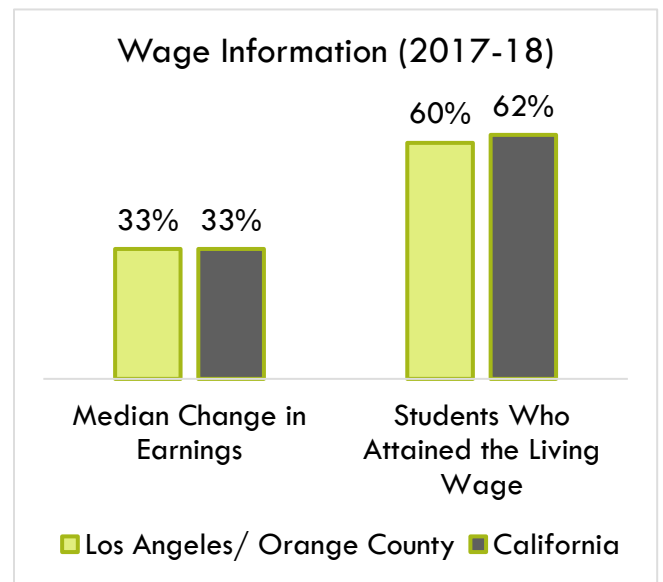
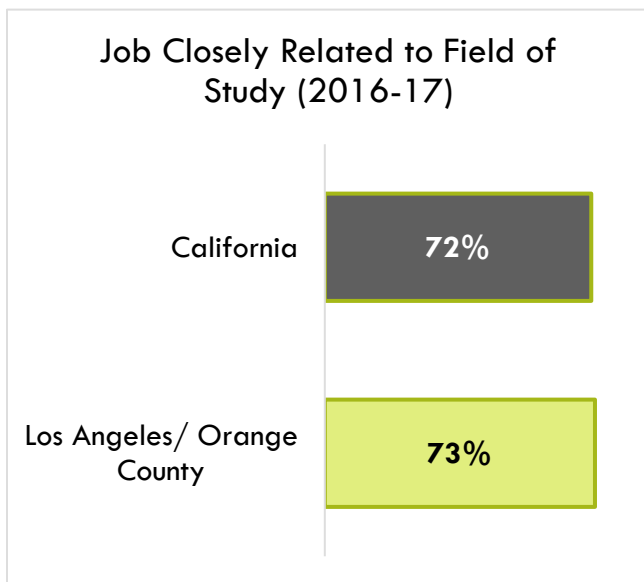
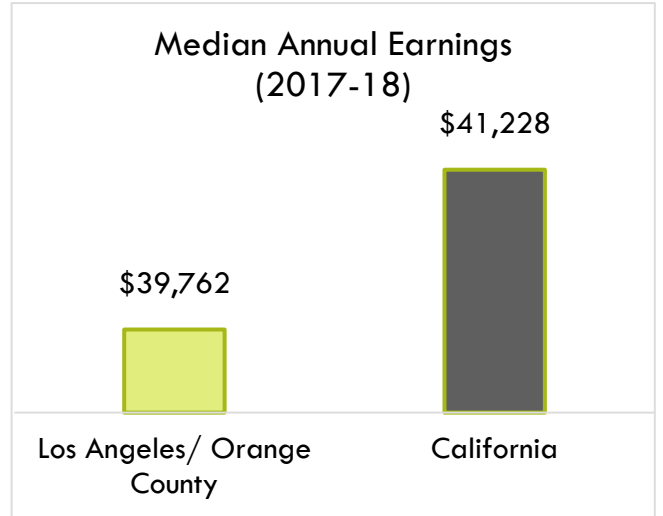
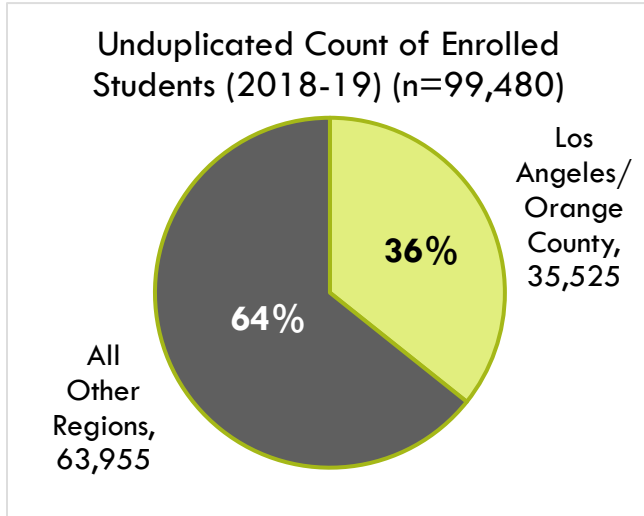
⁴ Living wage data was pulled from California Family Needs Calculator on 11/02/2020. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

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 Swest	2	-	1	1		
		LA Trade	25	26	21	24		
		LA Valley	80	45	34	53		
		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 Total/Average			1,277	1,492	1,872	1,547

The following section displays strong workforce program outcome metrics for the accounting programs in the LA/OC region and California.

Exhibits 3-6: Workforce Program Metrics



Non-Community College Supply—There are other institutions in the region that provide training programs related to accounting occupations. Exhibit 7 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, non-community colleges in the region conferred an average of 915 awards annually in related training programs.

Exhibit 7: 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
		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

CIP Code	Program	College	2014-2015 Awards	2015-2016 Awards	2016-2017 Awards	3-Year Award Average
52.0302	Accounting Technology/ Technician and Bookkeeping	Woodbury University	22	27	17	22
		Hacienda La Puente Adult Education	28	26	28	27
		InterCoast Colleges-Anaheim	12	4	4	7
		Premiere Career College	8	8	2	6
		Southern California Institute of Technology	13	-	-	4
		University of Phoenix-California	-	-	1	0
Total/Average			879	905	960	915

Appendix A: Occupational demand and wage data by county

Exhibit 8. 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)
Bookkeeping, Accounting, and Auditing Clerks (43-3031)	56,241	55,509	(732)	(1%)	6,591	\$17.46	\$22.60	\$28.05
Payroll and Timekeeping Clerks (43-3051)	5,792	5,708	(84)	(1%)	637	\$20.55	\$26.11	\$30.72
Total	62,033	61,217	(816)	(1%)	7,228			

Exhibit 9. 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)
Bookkeeping, Accounting, and Auditing Clerks (43-3031)	21,752	21,575	(177)	(1%)	2,548	\$17.55	\$22.67	\$28.12

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)
Payroll and Timekeeping Clerks (43-3051)	2,199	2,174	(25)	(1%)	242	\$20.08	\$25.50	\$29.99
Total	23,951	23,749	(202)	(1%)	2,790			

Exhibit 10. Los Angeles and Orange counties

Occupation (SOC)	2019 Jobs	2024 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Typical Entry-Level Education	On-The-Job Training & Work Experience
Bookkeeping, Accounting, and Auditing Clerks (43-3031)	77,993	77,083	(910)	(1%)	9,139	Some college, no degree	1-12 months & None
Payroll and Timekeeping Clerks (43-3051)	7,991	7,882	(109)	(1%)	879	HS diploma or equivalent	1-12 months & None
Total	85,984	84,966	(1,018)	(1%)	10,018		

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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