

Program Endorsement Brief: 0502.10/Tax Studies

Income Tax I (Income Tax Assistant)

Income Tax II (Income Tax Preparer)

Los Angeles/Orange County Center of Excellence, October 2020

Summary Analysis

Program Endorsement:	Endorsed: All Criteria Met	<input type="checkbox"/>	Endorsed: Some Criteria Met	<input checked="" 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, 25 th)	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: *tax examiners and collectors, and revenue agents* (13-2081) and *tax preparers* (13-2082). Middle-skill occupations typically require some postsecondary education, but less than a bachelor’s degree.¹ 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.

Based on the available data, there appears to be a supply gap for income tax 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 **802 jobs available annually** in the LA/OC region due to job growth and workers leaving the field, **which is more than the 46 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.

- **Living Wage Criteria** - Within Los Angeles County, **all of the annual job openings** for these income tax occupations have **entry-level wages above the county’s living wage** (\$15.04/hour).²
- **Education Criteria** - Within the LA/OC region, **84% of the annual job openings** for occupations related to income tax **typically require a high school degree or equivalent**.
 - However, national-level educational attainment data indicates **between 32.2% and 33.1% of workers in the field have completed some college or an associate degree**.

Supply:

- There are **4 community colleges** in the LA/OC region that issue awards related to tax studies, conferring an average of **46 awards annually** between 2016 and 2019.

Occupational Demand

Exhibit 1 displays the five-year occupational demand projections for income tax occupations. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to increase by 3% through 2024. There will be more than 800 job openings per year through 2024 due to job growth and workers leaving the field 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	5,323	5,458	135	3%	603
Orange	1,693	1,751	58	3%	200
Total	7,017	7,209	192	3%	802

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

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/>.

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 \$16.69 and \$33.73. Experienced workers can expect to earn wages between \$40.41 and \$54.20, which are higher than the living wage estimate. Los Angeles County's average wages are above the average statewide wage of \$32.95 for these occupations.

Orange County— Approximately 13%, of 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 \$15.61 and \$31.32. Experienced workers can expect to earn hourly wages between \$36.95 and \$50.33, which are higher than the living wage in Orange County. Orange County's average wages are above the average statewide wage of \$32.95 for these occupations.

Job Postings—Over the last twelve months, there were 1,890 job postings for the income tax occupations in the region. The job titles with the most postings were tax professional, tax preparer, and credentialed tax advisor. The top skills were: tax returns, tax preparation, accounting, tax law, and customer retention. The top employers, by the number of job postings, in the region were: H&R Block, Intuit, KPMG, Internal Revenue Service, and Jackson Hewitt Tax Service.

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 *tax preparers* and a bachelor's degree as the typical entry-level education for *tax examiners and collectors, and revenue agents*. The national-level educational attainment data indicates between 32.2% and 33.1% of workers in the field have completed some college or an associate degree. Of the 59% of income tax job postings listing a minimum education requirement in Los Angeles/Orange County, 45% (498) requested a high school diploma, 3% (33) requested an associate degree, and 52% (587) requested a bachelor's degree.

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/>.

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: Tax Studies (0502.10). The college with the most completions in the region is LA Pierce. Over the past 12 months, there was one other related program recommendation request from a regional community college.

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
0502.10	Tax Studies	LA Pierce	32	16	20	23
		Mt. San Antonio	-	-	7	2
		LA Subtotal	32	16	27	25
		Irvine	16	9	26	17
		Saddleback	5	3	3	4
		OC Subtotal	21	12	29	21
Supply Total/Average			53	28	56	46

Exhibit 3 displays strong workforce program outcome metrics for the tax studies programs in the LA/OC region and California.

Exhibit 3: Strong workforce program metrics for tax studies programs

Strong Workforce Program Metrics (2017-18, unless noted otherwise)	Los Angeles/Orange County	California
Unduplicated count of enrolled students (2018-19)	1,141	3,157
Median annual earnings	\$46,228	\$45,100
Median change in earnings	28%	22%
Students who attained the living wage	65%	64%
Job closely related to field of study (2016-17)	80%	71%

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)
Tax Preparers (13-2082)	4,069	4,187	118	3%	494	\$16.69	\$27.75	\$40.41
Tax Examiners and Collectors, and Revenue Agents (13-2081)	1,254	1,272	18	1%	108	\$33.73	\$42.73	\$54.20
Total	5,323	5,458	135	3%	603			

Exhibit 5. 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)
Tax Preparers (13-2082)	1,427	1,479	52	4%	176	\$15.61	\$25.58	\$36.95
Tax Examiners and Collectors, and Revenue Agents (13-2081)	266	272	6	2%	24	\$31.32	\$39.68	\$50.33
Total	1,693	1,751	58	3%	200			

Exhibit 6. 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
Tax Preparers (13-2082)	5,496	5,666	170	3%	670	HS diploma or equivalent	1-12 months & None
Tax Examiners and Collectors, and Revenue Agents (13-2081)	1,520	1,544	24	2%	132	Bachelor's degree	1-12 months & None
Total	7,017	7,209	192	3%	802		

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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