

Program Endorsement Brief: 0504.00/Banking and Finance Finance Certificate; Finance Skills Certificate; Finance Management Associate of Science Orange County Center of Excellence, April 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 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 Although Credit Counselor (13-2071) jobs typically require a bachelor's degree, it is considered a middle-skill occupation 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 these middle-skill finance occupations in the region. However, the entry-level wages for four of these five occupations are below the California Family Needs Calculator hourly wage (living wage) for one adult in Orange County. **Therefore, the COE cautiously endorses this proposed program.** Reasons include:

Demand:

- Over the next five years, there is projected to be **2,362 jobs available annually** in the region due to retirements and workers leaving the field, **which is more than the 52 awards conferred annually** by educational institutions in the region.
- The national-level educational attainment data indicates between **34.6% and 49.8% of workers in the field have completed some college or an associate degree.**
- **Entry-level hourly wages** for these middle-skill finance occupations throughout the region are between **\$15.97 and \$20.31², which is higher than the living hourly wage for one adult in Los Angeles County (\$15.04)³.**

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 Entry-level wage is defined as the twenty-fifth percentile hourly wage. Wages for experienced workers are defined as the seventy-fifth percentile hourly wage.

³ Living wage data was pulled from California Family Needs Calculator on 3/2/20. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

- However, **all of the occupations in this report, except Credit Counselors**, have hourly wages that are **lower than the living wage** for one adult **in Orange County** (\$17.36).⁴
- **Experienced middle-skill finance workers** can expect to earn between \$22.43 and \$29.75 in hourly wages, which **exceeds the California Family Needs Calculator hourly wage** estimate for both counties.

Supply:

- There are **8 educational institutions** in the region, all of which are community colleges, that offer finance programs specific to the occupations in this brief, conferring an average of **52 awards annually** between 2016 and 2019.

Occupational Demand

Exhibit 1 shows the five-year occupational demand projections for these middle-skill finance occupations. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to decrease by 1% through 2023. However, there will be nearly 2,400 job openings per year through 2023 due to retirements and workers leaving the field.

Exhibit 1: Occupational demand in Los Angeles and Orange Counties⁵

Geography	2018 Jobs	2023 Jobs	2018-2023 Change	2018-2023 % Change	Annual Openings
Los Angeles	14,697	14,292	(405)	(3%)	1,430
Orange	8,920	9,055	135	2%	931
Total	23,617	23,347	(270)	(1%)	2,362

Wages—Typical entry-level hourly wages for these middle-skill finance occupations throughout the region are between \$15.97 and \$20.31.⁶ Entry-level wages for all five of these middle-skill finance occupations are higher than the California Family Needs Calculator hourly wage (living wage) for one adult in Los Angeles County (\$15.04). However, entry-level wages for all of these occupations, except Credit Counselors, are lower than the living wage for one adult in Orange County (\$17.36). Experienced workers can expect to earn between \$22.43 and \$29.75, which is higher than the living wage estimates for both counties. Regional average wages are below the average statewide wage of \$22.04 for these occupations. Wage information, by county, is included in Appendix A.

Job Postings—There were 5,397 online job postings related to middle-skill finance occupations listed in the past 12 months. The highest number of job postings were for loan processor, collections specialist, collector, mortgage processor, and collections representative. The top skills were: customer service, customer billing, loan processing, mortgage lending and mortgage

⁴ Living wage data was pulled from California Family Needs Calculator on 3/2/20. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

⁵ Five-year change represents new job additions to the workforce. Annual openings include new jobs and replacement jobs that result from retirements and separations.

⁶ Entry-level wage is defined as the twenty-fifth percentile hourly wage. Wages for experienced workers are defined as the seventy-fifth percentile hourly wage.

underwriting. The top three employers, by number of job postings, in the region were: Union Bank, University of California, and Don Roberto Jewelers. Of the 5,397 online job postings, 41% list a minimum education requirement.

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 or equivalent as the typical entry-level education for bill and account collectors; credit authorizers, checkers, and clerks; loan interviewers and clerks; and new accounts clerks. The national-level educational attainment data indicates between 34.6% and 49.8% of workers in the field have completed some college or an associate degree. Of the 41% of middle-skill finance job postings listing a minimum education requirement in Los Angeles/Orange County, 89% (1,973) requested a high school diploma and 11% (246) requested an associate degree.

Supply

Community College Supply—Exhibit 2 shows the three-year average number of awards conferred by community colleges in the related TOP code: Banking and Finance (0504.00). The college with the most completions in the region is LA Valley. Over the past 12 months, there were three other related program recommendation requests from regional community colleges.

Currently, there are no other educational institutions in the region that train students for middle-skill finance occupations.

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 Southwest	-	-	1	0
		LA Pierce	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 4. Los Angeles County

Occupation (SOC)	2018 Jobs	2023 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)	1,058	1,077	19	2%	90	\$20.78	\$24.68	\$30.30
Bill and Account Collectors (43-3011)	6,738	6,544	(194)	(3%)	689	\$15.85	\$20.32	\$24.61
Credit Authorizers, Checkers, and Clerks (43-4041)	653	622	(31)	(5%)	63	\$16.69	\$18.84	\$24.02
Loan Interviewers and Clerks (43-4131)	5,610	5,487	(123)	(2%)	525	\$16.40	\$21.37	\$27.17
New Accounts Clerks (43-4141)	638	563	(75)	(12%)	63	\$17.93	\$20.29	\$22.82
Total	14,697	14,292	(405)	(3%)	1,430			

Exhibit 5. Orange County

Occupation (SOC)	2018 Jobs	2023 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)	467	484	17	4%	42	\$19.46	\$23.12	\$28.40
Bill and Account Collectors (43-3011)	3,284	3,312	28	1%	353	\$16.24	\$20.80	\$25.18
Credit Authorizers, Checkers, and Clerks (43-4041)	347	345	(2)	(1%)	35	\$16.77	\$18.93	\$24.15
Loan Interviewers and Clerks (43-4131)	4,475	4,591	116	3%	467	\$15.91	\$20.72	\$26.32
New Accounts Clerks (43-4141)	347	322	(25)	(7%)	35	\$17.11	\$19.36	\$21.77
Total	8,920	9,055	135	2%	931			

Exhibit 6. Los Angeles and Orange Counties

Occupation (SOC)	2018 Jobs	2023 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)	1,525	1,561	36	2%	132	\$20.31	\$24.22	\$29.75
Bill and Account Collectors (43-3011)	10,021	9,856	(165)	(2%)	1,042	\$15.97	\$20.47	\$24.80
Credit Authorizers, Checkers, and Clerks (43-4041)	1,000	966	(34)	(3%)	98	\$16.72	\$18.87	\$24.05
Loan Interviewers and Clerks (43-4131)	10,085	10,078	(7)	(0%)	992	\$16.18	\$21.08	\$26.79
New Accounts Clerks (43-4141)	985	885	(100)	(10%)	98	\$17.61	\$19.96	\$22.43
Total	23,617	23,347	(270)	(1%)	2,362			

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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