

**Program Endorsement Brief: 1301.00/Family and Consumer Sciences, General
Non-Credit Customer Service for Retail Industry**
Orange County Center of Excellence, January 2021

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 type="checkbox"/>	No <input checked="" type="checkbox"/>	
Education:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Emerging Occupation(s)			
Yes <input type="checkbox"/>		No <input checked="" type="checkbox"/>	

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 one middle-skill occupation: *customer service representatives* (43-4051), and one below middle-skill occupation: *retail salespersons* (41-2031). 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 retail industry customer service occupations in the region. Furthermore, the majority of annual openings for these occupations have entry-level wages below the living wage in both Los Angeles and Orange counties. While the majority of annual openings for occupations in this report typically require no formal education, more than one-third of current workforce has completed some college or holds an associate degree. **Therefore, due to some of the criteria being met, the COE endorses this proposed program.** Detailed reasons include:

Demand:

- **Supply Gap Criteria** – Over the next five years, there is projected to be **33,910 jobs available annually** in the region due to workers leaving the field, **which is more than the 679 awards conferred annually** by educational institutions in the region.
 - However, the *customer service representatives* (43-4051) SOC code includes this occupation across all industries, not solely retail. Therefore, ***the number of annual***

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.

job openings for customer service representatives in the retail industry is overstated.

- Over the past 12 months, there were **25,103 online job postings related to these occupations within the retail industry**. The highest number of job postings were for sales associates, retail sales associates, retail store associates, customer service associates, and customer service representatives.
- ***Living Wage Criteria*** –Within Orange County, ***all of annual job openings for these retail industry customer service occupations have entry-level wages below the county's living wage (\$17.36/hour).***²
- ***Educational Criteria*** – Within the LA/OC region, ***68% of the annual job openings*** for retail industry customer service occupations ***typically require no formal education***.
 - However, the national-level educational attainment data indicates ***between 38 and 42.1% of workers in the field have completed some college or an associate degree.***

Supply:

- There are **7 community colleges** in the LA/OC region that issue awards related to sales, customer service and/or consumer sciences, conferring an average of **47 awards annually** between 2016 and 2019.
- Between 2014 and 2017, there was an average of **632 awards conferred annually** in related training programs by non-community college institutions throughout the region.

Occupational Demand

Exhibit 1 shows the five-year occupational demand projections for these retail industry customer service occupations. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to slightly decrease by less than 1% through 2024. However, there will be nearly 34,000 job openings per year through 2024 due to retirements and workers leaving the field. It is important to note that the *customer service representatives* SOC code includes customer service representatives across all industries, not solely retail. Therefore, the data in Exhibit 1 is overstated for customer service representatives in the retail industry.

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.

² Living wage data was pulled from California Family Needs Calculator on 1/6/2021. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

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	172,963	171,981	(981)	(1%)	24,552
Orange	65,829	65,681	(148)	(0%)	9,358
Total	238,792	237,663	(1,129)	(0%)	33,910

Wages

The labor market endorsement in this report considers the entry-level hourly wages for retail industry customer service occupations in Orange County as they relate to the county's living wage. Los Angeles 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.

Orange County— All of the annual openings for retail industry customer service occupations have entry-level wages below the living wage for one adult (\$17.36 in Los Angeles County). Typical entry-level hourly wages are in a range between \$12.60 and \$14.89, which is lower than the living wage. Entry-level wages for *retail salespersons* are \$12.60, which is below the living wage as well as lower than California's current minimum wage for employers with 26 or more employees (\$13.00/hour).⁴ Experienced workers can expect to earn wages between \$17.38 and \$23.66, which are higher than the living wage estimate. Orange County's average wages are below the average statewide wage of \$18.12 for these occupations.

Los Angeles County— All of the annual openings for retail industry customer service occupations have entry-level wages below the living wage for one adult (\$15.04 in Los Angeles County). Typical entry-level hourly wages are in a range between \$12.62 and \$14.78. Entry-level wages for *retail salespersons* are \$12.62, which is below the living wage as well as lower than California's current minimum wage for employers with 26 or more employees (\$13.00/hour).⁵ Experienced workers can expect to earn wages between \$17.89 and \$23.52, which are higher than the living wage estimate. Los Angeles County's average wages are below the average statewide wage of \$18.12 for these occupations.

Job Postings

There were 25,103 online job postings related to customer service in the retail industry listed in the past 12 months. The highest number of job postings were for sales associates, retail sales associates, retail store associates, customer service associates, and customer service representatives. The top skills were: sales/retail sales, customer service, retail industry knowledge, merchandising, and customer contact. The top three employers, by number of job postings, in the region were: Lowe's Companies, Macy's, and 99 Cents Only Stores.

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

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.

⁴ Wage data is based on data collected over the previous three years. This historical data is a "point-in-time" estimate and does not reflect recent changes in minimum wage laws. https://www.dir.ca.gov/dlse/FAQ_MinimumWage.htm

⁵ Ibid.

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 no formal education as the typical entry-level education for *retail salespersons* and a high school diploma for *customer service representatives*. In the LA/OC region, the majority of annual job openings (68%) typically requires no formal education. However, the national-level educational attainment data indicates between 38 and 42.1% of workers in the field have completed some college or an associate degree. Of the 40% of retail customer service job postings listing a minimum education requirement in Los Angeles/Orange County, 96% (9,699) requested a high school diploma and 4% (393) requested an associate degree.

Educational Supply

Community College Supply—Exhibit 2 shows the three-year average number of awards conferred by community colleges in the related TOP codes: Sales and Salesmanship (0509.40), Customer Service (0518.00), and Family and Consumer Sciences, General (1301.00). The colleges with the most completions in the region are: East LA and Santa Monica. Over the past 12 months, there were three 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
0509.40	Sales and Salesmanship	Cerritos	10	-	-	3
		Santa Monica	14	16	13	14
		LA Subtotal	24	16	13	18
		Orange Coast	-	11	3	5
		Santa Ana	-	1	-	0
		OC Subtotal	0	12	3	5
Supply Subtotal/Average			24	28	16	23
0518.00	Customer Service	East LA	13	30	17	20
		Santa Monica	-	-	3	1
		LA Subtotal	13	30	20	21
		Santiago Canyon	-	6	3	3
		OC Subtotal	0	6	3	3
Supply Subtotal/Average			13	36	23	24
1301.00	Family and Consumer Sciences, General	Long Beach	1	-	-	0
		LA Subtotal	1	0	0	0
		Orange Coast	1	-	-	0
		OC Subtotal	1	0	0	0
Supply Subtotal/Average			2	0	0	1
Supply Total/Average			39	64	39	47

Non-Community College Supply—For a comprehensive regional supply analysis, it is also important to consider the supply from other institutions in the region that provide training programs for consumer sciences. 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: Family and Consumer Sciences/Human Sciences, General (19.0101). 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 632 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
19.0101	Family and Consumer Sciences/Human Sciences, General	California State University-Long Beach	409	399	505	438
		California State University-Los Angeles	1	-	-	0
		California State University-Northridge	190	208	183	194
Supply Total/Average			600	607	688	632

Appendix A: Occupational demand and wage data by county

Exhibit 4. 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)
Retail Salespersons (41-2031)	42,104	41,725	(379)	(1%)	6,128	\$12.60	\$14.26	\$17.38
Customer Service Representatives (43-4051)	23,725	23,956	231	1%	3,229	\$14.89	\$18.44	\$23.66
Total	65,829	65,681	(148)	(0%)	9,358			

Exhibit 5. 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)
Retail Salespersons (41-2031)	116,041	114,703	(1,339)	(1%)	16,860	\$12.62	\$14.44	\$17.89
Customer Service Representatives (43-4051)	56,921	57,279	357	1%	7,692	\$14.78	\$18.32	\$23.52
Total	172,963	171,981	(981)	(1%)	24,552			

Exhibit 6. Los Angeles and Orange Counties

Occupation (SOC)	2019 Jobs	2024 Jobs	5-Yr Change	5-Yr % Change	Annual Openings
Retail Salespersons (41-2031)	158,145	156,428	(1,717)	(1%)	22,988
Customer Service Representatives (43-4051)	80,646	81,234	588	1%	10,921
Total	238,792	237,663	(1,129)	(0%)	33,910

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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