

Program Endorsement Brief: 0506.50/Retail Store Operations and Management
Retail Management Advanced Certificate; Retail Management Essentials Certificate
 Orange County Center of Excellence, March 2021

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, 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 checked="" 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 for five occupations related to retail management. Retail occupations vary in typical entry-level education requirements, from no formal education to requiring a bachelor's degree. To illuminate which occupations are immediately accessible to community college graduates, the retail management occupations in this report have been divided into below middle-skill, middle-skill and above middle-skill occupation groups. Middle-skill occupations typically accommodate community college graduates, while below middle-skill occupations typically require a high school diploma or less education and no work experience and above middle-skill occupations typically require a four-year degree and/or prior work experience.

The occupations included in the **middle-skill** retail management occupation group are: *buyers and purchasing agents* (13-1028), *first-line supervisors of retail sales workers* (41-1011), and *online merchants* (13-1199.06), an emerging occupation. The occupation in this report that is considered **below middle-skill** is *retail salespersons* (41-2031), and the occupation in this report that is considered **above middle-skill** is *general and operations managers* (11-1021). While supply and demand data is included for all five retail management occupations, *this program endorsement is solely based upon the three middle-skill retail management occupations.*

Based on the available data, there appears to be a supply gap for the three middle-skill retail management occupations in the region. Furthermore, the majority of annual openings have entry-level wages that exceed the living wage in both Los Angeles and Orange counties, and many current workers in the field have completed some college or an associate degree. **Therefore, due to all 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 **16,038 middle-skill retail management jobs available annually** in the region due to new job growth

and replacements, **which is more than the 408 awards conferred annually** by educational institutions in the region.

- However, two of the middle-skill SOC codes are aggregated and include data for multiple related occupations, not solely retail management. Therefore, ***the number of annual job openings is likely overstated for middle-skill retail management occupations.***
- Over the past 12 months, there were **24,981 online job postings related to the middle-skill retail management occupations in this report.** The titles most often mentioned in job postings were sales associates, assistant store managers, store managers, operations managers, and general managers.
- ***Living Wage Criteria*** – Within Orange County, **the majority (64%) of annual job openings** for the middle-skill retail management occupations in this report have **entry-level wages above the county's living wage** (\$17.36/hour).¹
- ***Educational Criteria*** – Within the LA/OC region, **62% of the annual job openings** for middle-skill occupations related to retail management ***typically require a bachelor's degree.***
 - However, the national-level educational attainment data indicates **between 34.9% and 38.4% of buyers and purchasing agents and first-line supervisors of retail sales workers** in the field have **completed some college or an associate degree.**

Supply:

- There are **23 community colleges** in the LA/OC region that issue awards related to retail management, conferring an average of **404 awards annually** between 2016 and 2019.
- Between 2014 and 2017, there was an average of **4 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 the group of middle-skill retail management occupations. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to increase by 1% through 2024. There will be more than 16,000 job openings per year through 2024 due to job growth and replacements. It is important to note that the demand stated in Exhibit 1 may be overstated for the following reasons:

- *Buyers and purchasing agents* (13-1028) is an aggregate SOC code that combines data for three similar occupations: *buyers and purchasing agents, farm products* (13-1021); *wholesale and retail buyers, except farm products* (13-1022); and *purchasing agents, except wholesale, retail, and farm products* (13-1023). Since this aggregate SOC code does not solely represent retail buyers and/or purchasing agents, the data in Exhibit 1 is likely overstated.

¹ Living wage data was pulled from California Family Needs Calculator on 3/16/2021. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/2018-family-needs-calculator/>.

- *Project management specialists and business operations specialists, all other (13-1198)* is another aggregate SOC code that combines data for *project management specialists*, as well as emerging business operations occupations, such as *online merchants*. Since this aggregate SOC code includes data for occupations across many different industries and not solely retail, the data in Exhibit 1 is overstated for retail management occupations, including *online merchants*.

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: Middle-skill occupational demand in Los Angeles and Orange Counties²

Geography	2019 Jobs	2024 Jobs	2019-2024 Change	2019-2024 % Change	Annual Openings
Los Angeles	110,937	111,306	369	0%	11,674
Orange	41,437	41,833	396	1%	4,365
Total	152,373	153,139	765	1%	16,038

Exhibit 2 shows the five-year occupational demand projections for *retail salespersons*, the below middle-skill retail occupation in this report. In Los Angeles/Orange County, the number of jobs related to this occupation is projected to decrease by 1% through 2024. However, there will be nearly 23,000 job openings per year through 2024 due to workers leaving the field.

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 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 2: Below middle-skill occupational demand in Los Angeles and Orange Counties³

Geography	2019 Jobs	2024 Jobs	2019-2024 Change	2019-2024 % Change	Annual Openings
Los Angeles	116,041	114,703	(1,339)	(1%)	16,860
Orange	42,104	41,725	(379)	(1%)	6,128
Total	158,145	156,428	(1,717)	(1%)	22,988

Exhibit 3 shows the five-year occupational demand projections for *general and operations managers*, the above middle-skill retail management occupation in this report. In Los Angeles/Orange County, the number of jobs related to this occupation is projected to increase by 4% through 2024. There will be more than 9,200 job openings per year through 2024 due to job growth and replacements.

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 3: Above middle-skill occupational demand in Los Angeles and Orange Counties⁴

Geography	2019 Jobs	2024 Jobs	2019-2024 Change	2019-2024 % Change	Annual Openings
Los Angeles	69,570	72,069	2,498	4%	6,607
Orange	27,421	28,488	1,066	4%	2,622
Total	96,992	100,557	3,565	4%	9,229

Wages

The labor market endorsement in this report considers the entry-level hourly wages for the group of middle-skill retail management 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— The majority (64%) of annual openings for the group of middle-skill retail management occupations in this report 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 \$14.11 and \$25.18. *First-line supervisors of retail sales workers* have typical entry-level wages below the county's living wage, while the other two middle-skill occupations have entry-level

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

wages above the living wage. Experienced workers in these middle-skill occupations can expect to earn wages between \$24.51 and \$48.45, which are higher than the living wage estimate. Orange County's average wages for these middle-skill retail management occupations are below the average statewide wage of \$33.06 for these occupations.

Orange County entry-level wages for the retail occupations below and above middle-skill levels vary dramatically. Retail salespersons, the below middle-skill retail occupation in this report, has typical entry-level and median wages of \$12.60 and \$14.26, respectively, which are below Orange County's living wage (\$17.36). Experienced workers can expect to earn \$17.38, which barely exceeds the county's living wage. General and operations managers, the above middle-skill retail management occupation in this report, has typical entry-level wages of \$35.16, which exceeds the county's living wage.

Los Angeles County— The majority (61%) of annual openings for the group of middle-skill retail management occupations in this report have entry-level wages above the living wage for one adult (\$15.04 in Los Angeles County). Typical entry-level hourly wages are in a range between \$14.56 and \$25.47. *First-line supervisors of retail sales workers* have typical entry-level wages below the county's living wage, while the other two occupations have entry-level wages above the living wage. Experienced workers in these middle-skill retail management occupations can expect to earn wages between \$25.58 and \$49.69, which are higher than the living wage estimate. Los Angeles County's average wages are below the average statewide wage of \$33.06 for these occupations.

Los Angeles County entry-level wages for the retail occupations below and above middle-skill levels vary dramatically. Retail salespersons, the below middle-skill retail occupation in this report, has typical entry-level and median wages of \$12.62 and \$14.44, respectively, which are below Los Angeles County's living wage (\$15.04). Experienced workers can expect to earn \$17.89, which exceeds the county's living wage. General and operations managers, the above middle-skill retail management occupation in this report, has typical entry-level wages of \$35.21, which exceeds the county's living wage.

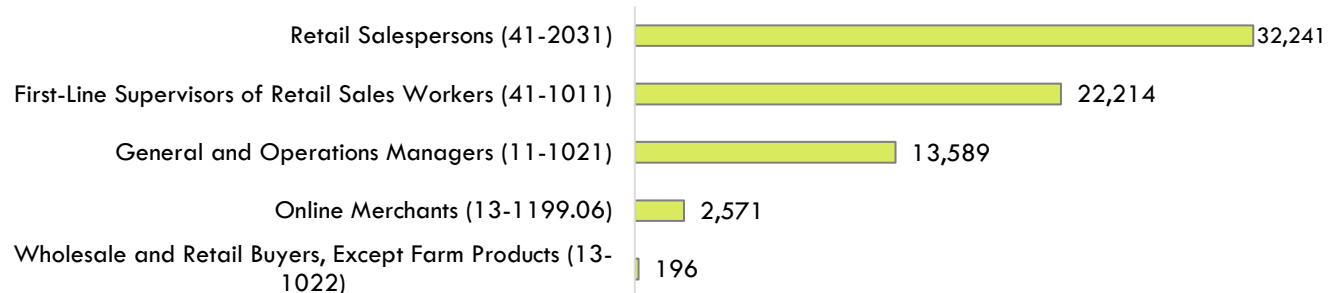
Job Postings

There were 70,811 online job postings related to all the retail management occupations in this report listed in the past 12 months, and 35% of these job postings (24,981) were for the three middle-skill occupations. Exhibit 4 displays the job postings by occupation. The majority of job postings (46%) were for *retail salespersons*, followed by *first-line supervisors of retail sales workers* (31%) and *general and operations managers* (19%). Together, *online merchants* and *wholesale and retail buyers, except farm products* job postings accounted for only 4% of retail management job postings in the region. The titles most often mentioned in job postings were sales associates, assistant store managers, store managers, operations managers, and general managers. The top skills were: sales, retail industry knowledge, customer service, merchandising, and store management. The top three employers, by number of job postings, in the region were: Lowe's Companies, CVS Health, and Dollar Tree.

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.

Exhibit 4: Job postings by occupation (last 12 months)



Educational Attainment

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

- No formal education: *retail salespersons*
- High school diploma: *first-line supervisors of retail sales workers*
- Bachelor's degree: *general and operations managers; buyers and purchasing agents; project management specialists and business operations specialists, all other*

In the LA/OC region, the majority of annual job openings for middle-skill retail management occupations (62%) typically require a bachelor's degree. However, the national-level educational attainment data indicates between 34.9% and 38.4% of *buyers and purchasing agents* and *first-line supervisors of retail sales workers* in the field have completed some college or an associate degree.⁵ Of the 49% of retail management job postings listing a minimum education requirement in Los Angeles/Orange County, 60% (21,121) requested a high school diploma, 36% (12,446) requested a bachelor's degree and 4% (1,344) requested an associate degree.

Educational Supply

Community College Supply—Exhibit 5 shows the three-year average number of awards conferred by community colleges in the related TOP codes: Small Business and Entrepreneurship (0506.40), Retail Store Operations and Management (0506.50), Purchasing (0509.20), Sales and Salesmanship (0509.40), and E-Commerce (business emphasis) (0509.70). The colleges with the most completions in the region are: Cerritos, Irvine, and Mt. San Antonio. Over the past 12 months, there were 23 other related program recommendation requests from regional community colleges. While there are five TOP codes that train for aspects of retail management, there were no awards conferred between 2016 and 2019 under the Purchasing (0509.20) or E-Commerce (business emphasis) (0509.70) TOP codes.

⁵ *Online merchants* (13-1199.06), while considered an emerging middle-skill occupation in this report, is grouped by the BLS under the *project management specialists and business operations specialists, all other* (13-1198) SOC code. Due to the fact that many emerging occupations are combined within this data set, we cannot decipher the educational attainment of *online merchants* currently working in the field.

Exhibit 5: 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
0506.40	Small Business and Entrepreneurship	Cerritos	15	21	34	23
		Citrus	-	1	2	1
		Glendale	1	2	-	1
		LA City	8	3	7	6
		LA Pierce	-	-	4	1
		LA Trade-Tech	8	7	6	7
		Mt San Antonio	26	18	32	25
		Pasadena	2	5	3	3
		Rio Hondo	6	15	7	9
		Santa Monica	7	10	9	9
		West LA	3	3	5	4
		LA Subtotal	76	85	109	90
		Coastline	6	10	5	7
		Cypress	5	2	4	4
		Fullerton	1	3	4	3
		Golden West	-	3	2	2
		Irvine	29	18	48	32
		Saddleback	4	10	8	7
		Santa Ana	4	4	7	5
		Santiago Canyon	2	4	-	2
		OC Subtotal	51	54	78	61
Supply Subtotal/Average			127	139	187	151

TOP Code	Program	College	2016- 2017 Awards	2017- 2018 Awards	2018- 2019 Awards	3-Year Award Average
0506.50	Retail Store Operations and Management	Cerritos	233	190	218	214
		Compton	-	-	1	0
		El Camino	-	-	3	1
		LA Pierce	-	1	1	1
		LA Trade	4	1	4	3
		LA Valley	-	1	4	2
		Mt San Antonio	2	2	2	2
		Pasadena	-	2	-	1
		Rio Hondo	1	4	2	2
		LA Subtotal	240	201	235	225
		Coastline	1	2	2	2
		Golden West	-	-	2	1
		Orange Coast	-	2	2	1
		Santa Ana	2	1	2	2
		OC Subtotal	3	5	8	5
Supply Subtotal/Average			243	206	243	231
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		12	3	5
Supply Subtotal/Average			24	28	16	23
Supply Total/Average			394	373	446	404

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 retail management occupations. Exhibit 6 shows the annual and three-year average number of awards conferred by these institutions in the related Classification of Instructional Programs (CIP) Codes: E-Commerce/Electronic Commerce (52.0208), and Small Business Administration/Management (52.0703). 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 4 awards annually in related training programs.

Exhibit 6: Regional non-community college awards, 2014-2017

CIP Code	Program	College	2014-2015 Awards	2015-2016 Awards	2016-2017 Awards	3-Year Award Average
52.0208	E-Commerce/ Electronic Commerce	University of La Verne	5	3	-	3
		University of Phoenix-CA	1	1	-	1
52.0703	Small Business Administration/ Management	Pitzer College	-	1	-	0
Supply Total/Average			6	5	-	4

Appendix A: Occupational demand and wage data by county

Exhibit 7. 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
Below Middle-Skill Subtotal	42,104	41,725	(379)	(1%)	6,128			
Buyers and Purchasing Agents (13-1028)	5,688	5,517	(171)	(3%)	584	\$25.18	\$33.34	\$43.04
Project Management Specialists and Business Operations Specialists, All Other (13-1198)	21,380	22,067	687	3%	2,207	\$24.85	\$34.35	\$48.45
First-Line Supervisors of Retail Sales Workers (41-1011)	14,369	14,249	(120)	(1%)	1,574	\$14.11	\$17.96	\$24.51
Middle-Skill Total	41,437	41,833	396	1%	4,365			
General and Operations Managers (11-1021)	27,421	28,488	1,066	4%	2,622	\$35.16	\$53.49	\$87.27
Above Middle-Skill Total	27,421	28,488	1,066	4%	2,622			
Total	110,962	112,046	1,084	1%	13,115			

Exhibit 8. Los Angeles County

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)
Retail Salespersons (41-2031)	116,041	114,703	(1,339)	(1%)	16,860	\$12.62	\$14.44	\$17.89
Below Middle-Skill Subtotal	116,041	114,703	(1,339)	(1%)	16,860			
Buyers and Purchasing Agents (13-1028)	13,971	13,365	(606)	(4%)	1,425	\$24.60	\$32.71	\$42.32
Project Management Specialists and Business Operations Specialists, All Other (13-1198)	55,264	57,023	1,759	3%	5,705	\$25.47	\$35.22	\$49.69
First-Line Supervisors of Retail Sales Workers (41-1011)	41,702	40,918	(784)	(2%)	4,544	\$14.56	\$18.73	\$25.58
Middle-Skill Total	110,937	111,306	369	0%	11,674			
General and Operations Managers (11-1021)	69,570	72,069	2,498	4%	6,607	\$35.21	\$53.62	\$87.53
Above Middle-Skill Total	69,570	72,069	2,498	4%	6,607			
Total	296,549	298,078	1,529	1%	35,141			

Exhibit 9. 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
Below Middle-Skill Total	158,145	156,428	(1,717)	(1%)	22,988
Buyers and Purchasing Agents (13-1028)	19,658	18,882	(777)	(4%)	2,008
Project Management Specialists and Business Operations Specialists, All Other (13-1198)	76,644	79,090	2,446	3%	7,913
First-Line Supervisors of Retail Sales Workers (41-1011)	56,071	55,167	(904)	(2%)	6,117
Middle-Skill Total	152,373	153,139	765	1%	16,038
General and Operations Managers (11-1021)	96,992	100,557	3,565	4%	9,229
Above Middle-Skill Total	96,992	100,557	3,565	4%	9,229
Total	407,511	410,124	2,613	1%	48,256

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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