



C·O·E

CENTERS OF EXCELLENCE
FOR LABOR MARKET RESEARCH

PROGRAM ENDORSEMENT BRIEF

TAX STUDIES IN THE GREATER SACRAMENTO REGION

North/Far North
Center of Excellence

NOVEMBER 2021

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SUMMARY

The North/Far North Center of Excellence for Labor Market Research prepared this report to provide a labor market analysis of educational supply and occupational demand for middle-skilled career pathways in the Greater Sacramento subregion. This report aims to determine if demand in the local labor market is unmet by the supply from existing community college programs and other postsecondary training providers.

This report primarily focuses on training that leads to jobs in middle-skilled occupations - that is, occupations that typically require education beyond a high school diploma but less than a Bachelor's degree - but may include higher-skilled occupations for training pathways that lead to a bachelor's degree. Lowered skilled occupations are rarely considered in this type of analysis due to the lessened barriers for entry-level work, such as no formal education requirements and no requirements for on-the-job training.

Key findings include:

- The Greater Sacramento subregion held 612 tax studies jobs in 2020. Tax studies related jobs are projected to increase by 4% over the next five years, adding 25 new jobs to the subregion by 2025.
- Over the next five years, tax studies occupations are projected to have 83 annual openings in the Greater Sacramento subregion.
- Wage data shows that tax studies occupations earn approximately \$2 to \$26, above the subregion's living wage of \$13.18 per hour.
- Awards data analysis shows that Greater Sacramento training providers conferred an average of 5 awards (certificates and associate degrees) in tax studies training programs annually over the last three academic years.

Recommendations include:

- Based on a three-year average of annual awards in Greater Sacramento region tax studies training programs and projected yearly openings, the supply gap analysis shows that the region seems to have room for additional training.
- While there appears to be demand for additional tax preparation professionals, the industry is experiencing slow growth. Furthermore, many available jobs also appear to be seasonal or part-time in nature. This may be a positive characteristic for some potential workers since it may offer job flexibility and be remote friendly.

INTRODUCTION

The North/Far North Center of Excellence (COE) was asked to provide labor market information for a proposed program at a regional community college. This report focuses on the following Standard Occupational Classification (SOC) occupations and codes:

- One middle-skill occupation requires more education and training beyond a high school diploma but less than a four-year degree:
 - Tax Preparers (13-2082)

A review of related programs revealed the following Taxonomy of Programs (TOP) title(s) and code(s) are appropriate for inclusion in this report:

- Tax Studies (0502.10)

The corresponding Classification of Instructional Program (CIP) title(s) and code(s) are:

- Taxation (52.1601)

OCCUPATIONAL DEMAND

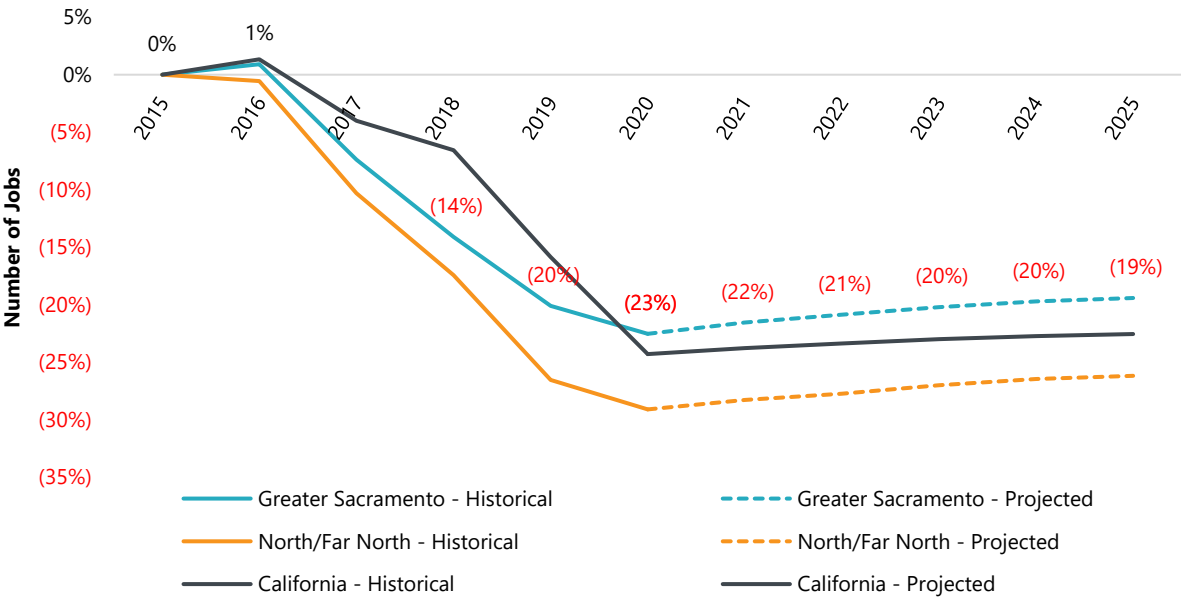
Exhibit 1 summarizes the five-year projected job growth for middle-skill and high-skill occupations in the Greater Sacramento selected occupations, North/Far North, and California.

Exhibit 1. Employment and projected demand, 2020-2025

Occupation	2020 Jobs	2025 Jobs	2020-2025 Jobs Change	2020-2025 Jobs % Change	2020-2025 Annual Openings
Tax Preparers	612	636	25	4%	83
Greater Sacramento	612	636	25	4%	83
Tax Preparers	1,096	777	809	32	4%
North/Far North	1,096	777	809	32	4%
Tax Preparers	15,764	11,934	12,209	275	2%
California	15,764	11,934	12,209	275	2%

Exhibit 2 compares the percent change in jobs between 2015 through 2020 and the projected changes through 2025. The rate of change is indexed to the total number of jobs in 2015.

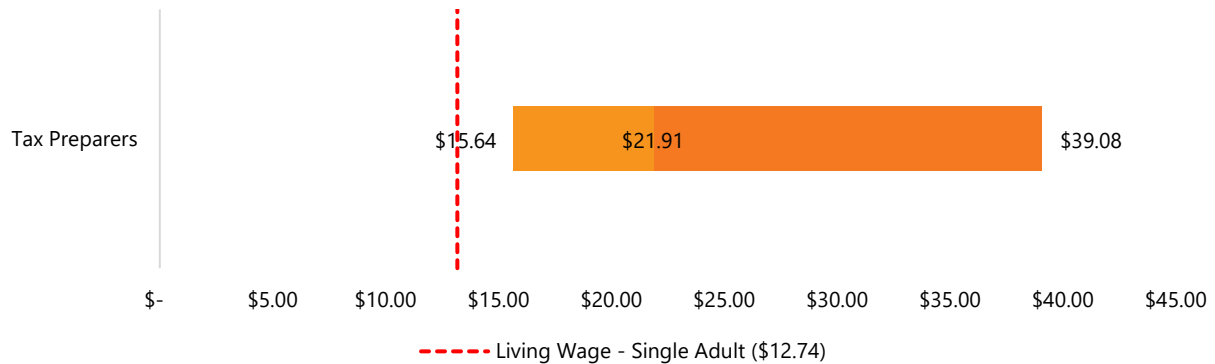
Exhibit 2. Changes in employment, 2015-2025



WAGES

Exhibit 3 compares the entry-level, median, and experienced wages for the selected occupations to the Greater Sacramento living wage for a single adult - \$12.74 per hour.¹

Exhibit 3. Comparison of wages by occupation, 2020



JOB POSTINGS

This section of the report analyzes recent data from online job postings (real-time LMI). Online job postings may provide additional insight into recent changes in the labor market that are not captured by historical trends.

The North/Far North COE identified 257 online job postings for the selected occupations in the Greater Sacramento subregion. Job postings data comes from Burning Glass Labor Insights and represents new listings posted online within the last year, from November 1, 2020, to October 31, 2021.

¹ Living wage is defined as the level of income a single adult with no children must earn to meet basic needs, including food, housing, transportation, healthcare, taxes, and other miscellaneous basic needs. The 25th-percentile and 75th-percentile hourly wages are used as proxy for entry-level and experienced-level wages.

Occupations and Job Titles

Exhibit 4 details the number of online job postings for the selected occupations.

Exhibit 4. Number of job postings by occupation

Occupation	Job Postings	Share of Job Postings
Tax Preparers	257	100%
Total Job Postings	257	100%

Exhibit 5 shows the top 10 job titles with the most job postings and the share of job postings. All job postings included a job title.

Exhibit 5. Top jobs titles

Job Title	Job Postings	Share of Job Postings
Tax Professional & Preparer or Credentialed Tax Expert	75	29%
Tax Preparer	68	26%
Tax Professional	41	16%
Remote Tax Preparer Seasonal	16	6%
Tax Preparer & Bookkeeper	7	3%
Virtual Tax Preparer	7	3%
Entry Level Tax Preparer	6	2%
Income Tax Preparer	4	2%
Tax Accounting Professional	4	2%
Tax Consultant	2	1%

Employers

Exhibit 6 shows the top 10 employers with the most job postings for the selected occupations. Twelve percent (n = 30) of job postings did not include an employer.

Exhibit 6. Employers with the most job postings

Employer	Job Postings	Share of Job Postings
Intuit	110	48%
H&R Block Advisors	53	23%
Jackson Hewitt Tax Service	24	11%
California Accounting	4	2%
Fiesta Auto Insurance	3	1%
Carey Financial & Tax Service	3	1%
Sides & Ferkovich Accountancy Corporation	3	1%
Williams Olds	2	1%
Taxmax Services	2	1%
Maxx Refunds	2	1%

Certifications, Skills, and Experience

Exhibit 7 shows the most relevant certifications requested by employers for the selected occupations. Forty percent (n = 104) of job postings did not include certification information.

Exhibit 7. Most in-demand certifications

Certification	Job Postings	Share of Job Postings
Certified Public Accountant (CPA)	149	90%
Tax Preparation Certificate	12	7%
Call Center Certificate	3	2%
IRS Enrolled Agent	1	1%
Certified Tax Professional	1	1%

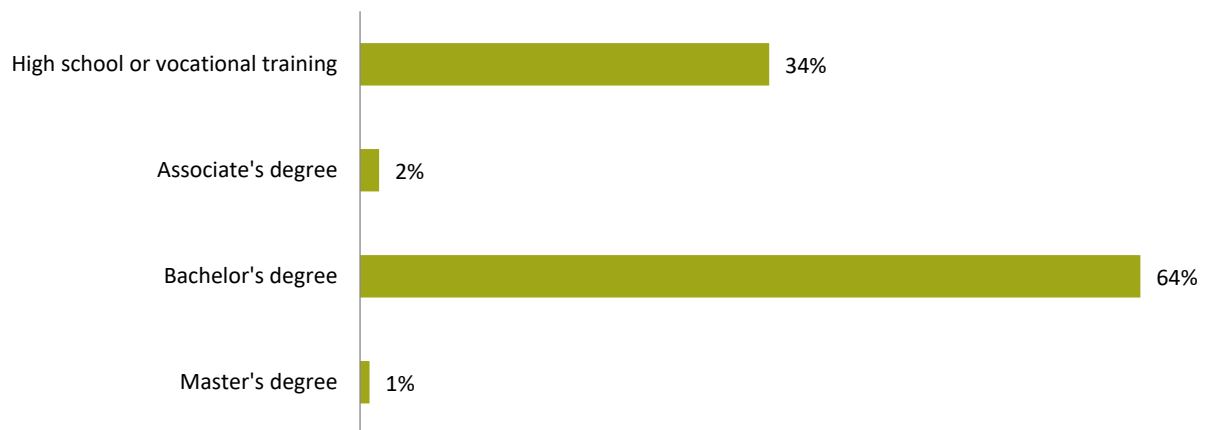
Exhibit 8 shows the specialized skills most requested by employers for the selected occupations. Four percent (n = 11) of job postings did not include certification information.

Exhibit 8. Most in-demand specialized skills

Specialized Skill	Skill Postings	Share of Skill Postings
Tax Preparation	249	13%
Tax Returns	213	11%
Customer Service	131	7%
Tax Law	126	6%
Accounting	116	6%
Customer Contact	112	6%
Calculation	98	5%
Circular 230	90	5%
Public Accounting	86	4%
Audit Experience	78	4%

Exhibit 9 shows the minimum level of education required by employers for job postings for the selected occupations. Fifty percent (n = 129) of job postings did not include a preferred education level.

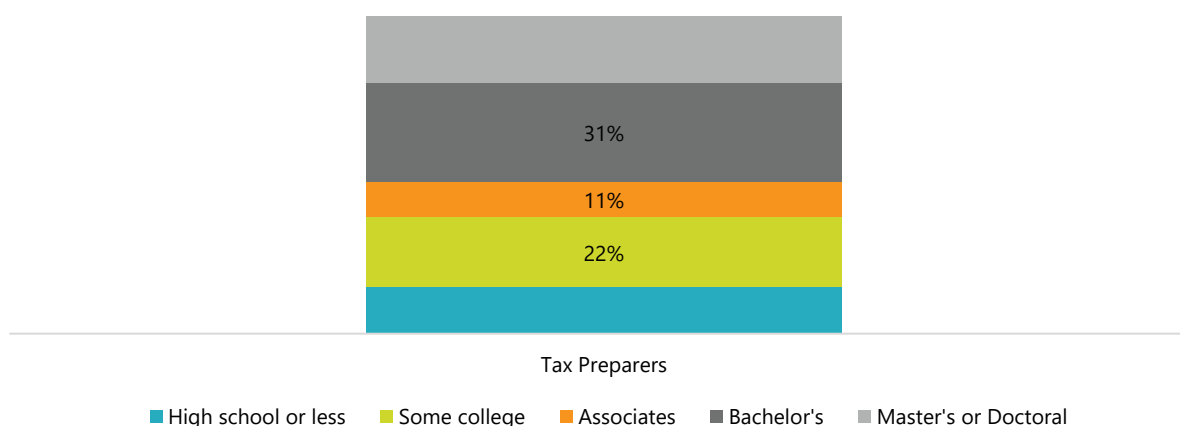
Exhibit 9. Employer-preferred minimum education levels



EDUCATION AND TRAINING

The U.S. Census Bureau and Bureau of Labor Statistics collected data on education achieved by workers employed in occupations. Exhibit 10 shows the national-level educational attainment of the current workforce in the selected occupations.

Exhibit 10. National worker educational attainment for selected occupations, 2019



The Bureau of Labor Statistics (BLS) uses a system to assign categories for entry-level education, work experience in a related occupation, and typical on-the-job training to each occupation for which the BLS publishes projections data. Exhibit 11 shows the skill level and entry-level job requirements for the selected occupations.

Exhibit 11. Typical education, work experience, and on-the-job training requirements

Occupation	Typical Entry-level Education	Work Experience Required	On-the-job Training Required
Tax Preparers	High school diploma or equivalent	None	Moderate-term on-the-job training

EDUCATIONAL SUPPLY

Educational supply for an occupation can be estimated by analyzing the number of awards issued in related Taxonomy of Programs (TOP) or Classification of Instructional Programs (CIP) codes. Exhibit 12 shows the TOP and CIP codes for educational programs related to the selected occupations.

Exhibit 12. TOP and CIP codes for training programs related to the selected occupations

TOP Programs and Codes	Aligned CIP Programs and Codes
Tax Studies (0502.10)	Taxation (52-1601)

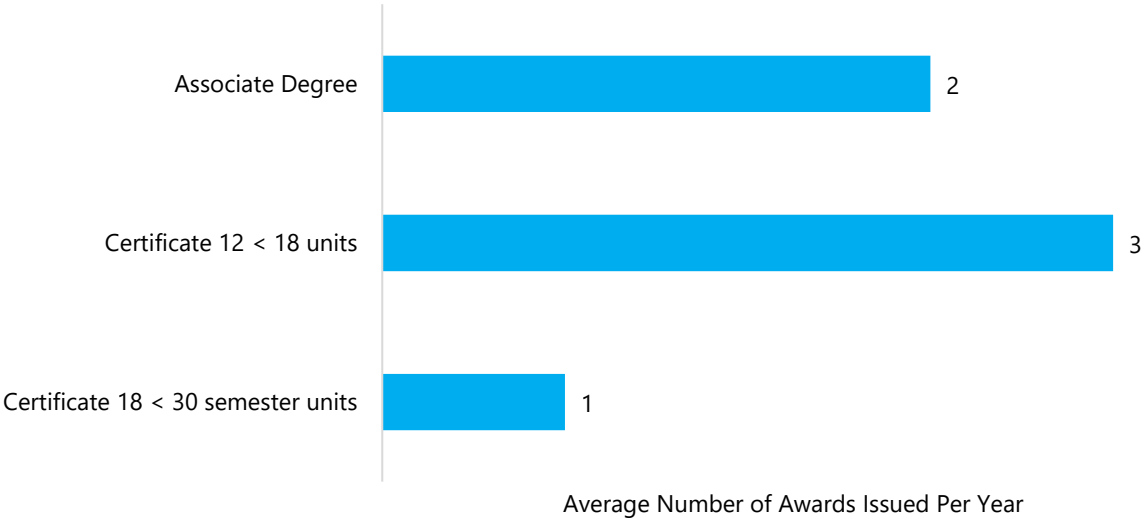
Community College Supply

Exhibits 13 and 14 compare the average number of certificates and degrees conferred in selected community college programs over the last three academic years.

Exhibit 13. Annual average community college awards by program, 2017-18 through 2019-20

Program - TOP Code	College	Annual Awards 2017-18	Annual Awards 2018-19	Annual Awards 2019-20	3-Yr Annual Awards Average
Tax Studies (0502.10)	American River	7	1	0	3
	Cosumnes River	2	0	0	1
	Yuba	1	4	1	2
	Subtotal	10	5	1	5
	Grand Total	10	5	1	5

Exhibit 14. Annual average community college awards by type, 2017-18 through 2019-20



Other Postsecondary Supply

There were no Tax Studies related programs offered at other postsecondary institutions in the Greater Sacramento area during the past three years.

FINDINGS

This report focuses on one occupation with relevant career pathways in tax preparation and specialist services.

- The Greater Sacramento subregion held 9,386 tax studies jobs in 2020.
- Greater Sacramento tax studies jobs are projected to increase by 4% over the next five years, adding 25 new jobs to the subregion by 2025. Jobs for tax studies occupations are projected to grow faster in the North/Far North subregion than California, however overall growth is slow compared to other industry sectors.
- Over the next five years, tax studies occupations are projected to have 83 annual openings in the Greater Sacramento subregion.
- Wage data shows that tax studies occupations earn approximately \$2 to \$26 above the subregion's living wage of \$13.18 per hour. More experienced tax specialists, especially those with professional certifications or CPA designations, have the highest earning potential.
- According to real-time labor market information, there were about 257 online job postings for tax studies occupations between November 1, 2020, and October 31, 2021.

- Many tax studies related job postings were for seasonal tax preparation help or part-time assistance. A large number of posting indicated remote positions.
- More than 60% of job postings sought applicants who had a CPA designation or other Certified Tax Professional accreditation.
- Approximately one-third of incumbent workers in tax studies occupations have education consistent with community college offerings (some college or associate degrees).
- Three Greater Sacramento community colleges offer degrees and certificates in programs related to tax studies and treatment. Together, these programs conferred an average of 5 awards (certificates and associate degrees) annually in tax studies over the last three academic years (2017-18 through 2019-20).

RECOMMENDATIONS

- Based on a three-year average of annual awards in Greater Sacramento region tax studies training programs and projected yearly openings, the supply gap analysis shows that the region seems to have room for additional training.
 - Together, community colleges issued an average of 5 awards annually over the last three years.
 - There are 83 projected annual openings for tax studies occupations.
- While there appears to be demand for additional tax preparation professionals, the industry is experiencing slow growth. Furthermore, many available jobs also appear to be seasonal or part-time in nature. This may be a positive characteristic for some potential workers since it may offer job flexibility and be remote friendly.
- The North/Far North Center of Excellence recommends moving forward with the program.

COE Recommendation		
Move forward with the program	Proceed with caution	Program is not recommended
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

APPENDIX A. METHODOLOGY AND SOURCES

Occupations in this report were identified using the Center of Excellence TOP-to-CIP-to-SOC crosswalk and O*Net OnLine. This report's findings were determined using labor market data from the Bureau of Labor Statistics (BLS), U.S. Census Bureau data from Emsi, and jobs posting data from Burning Glass.

Cal-PASS Plus LaunchBoard. California Community Colleges Chancellor's Office.

<https://www.calpassplus.org/LaunchBoard/Home.aspx>.

Emsi. <https://www.economicmodeling.com/>. EMSI occupational employment data are based on final EMSI industry data and final EMSI staffing patterns. Wage estimates are based on Occupational Employment Statistics (QCEW and Non-QCEW Employees classes of worker) and the American Community Survey (Self-Employed and Extended Proprietors).

Educational Attainment for Workers 25 Years and Older by Detailed Occupation, 2016-2017.

Bureau of Labor Statistics. <https://www.bls.gov/emp/tables/educational-attainment.htm#>.

Integrated Postsecondary Education Data System (IPEDS). National Center for Education Statistics. U.S. Department of Education. <https://nces.ed.gov/ipeds/>.

"Labor Insight Real-Time Labor Market Information Tool." Burning Glass Technologies.

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<https://www.bls.gov/oes/home.htm>.

O*NET OnLine. U.S. Department of Labor/Employment and Training Administration (DOL ETA).

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Self-Sufficiency Standard Tool for California. The University of Washington.

<http://www.selfsufficiencystandard.org/>

"Taxonomy of Programs." California Community Colleges Chancellor's Office. June 2012, 6th Edition. <https://www.cccco.edu/-/media/CCCCO-Website/About-Us/Divisions/Educational-Services-and-Support/Academic-Affairs/What-we-do/Curriculum-and-Instruction-Unit/Files/TOPmanual6200909corrected12513pdf.ashx>

"TOP-CIP-SOC Crosswalk." Centers of Excellence for Labor Market Research. November 2015 Edition. <http://coecc.net/>

COVID-19 Statement: This report includes employment projection data by EMSI. 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 or potential output. To the extent that a recession or labor shock, such as the economic effects of COVID-19, can cause long-term structural change, they 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. Other measures such as unemployment rates and monthly industry employment estimates will reflect the most recent information on employment and jobs in the state and, in combination with input from local employers, may help validate current and future employment needs as depicted here.

Important Disclaimer: All representations included in this report have been produced from primary research and/or secondary review of publicly and/or privately available data and/or research reports. Efforts have been made to qualify and validate the accuracy of the data and the reported findings; however, neither the Centers of Excellence, COE host District, nor California Community Colleges Chancellor's Office are responsible for applications or decisions made by recipient community colleges or their representatives based upon components or recommendations contained in this study.

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