

Program Endorsement Brief: 0504.00/Banking and Finance

Finance Specialization

Orange County Center of Excellence, January 2022

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 checked="" type="checkbox"/>	No <input 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 three middle-skill occupations: *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.

Additionally, this report includes the following above middle-skill occupations: *personal financial advisors* (13-2052) and *financial and investment analysts, financial risk specialists, and financial specialists, all other* (13-2098). These occupations are included in this report because the middle-skill occupations in this report are pathways to these occupations. Additionally, this proposed program is designed to train both new workers and incumbent workers in skills related to banking and financial services. 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 middle-skill finance occupations in the region. Furthermore, while the majority of annual openings for the middle-skill occupations in this report typically require a high school diploma or equivalent, between 40.4% and 48.1% of workers in the field have completed some college or an associate degree as their highest level of education. However, the majority of annual middle-skill job openings in both Los Angeles and Orange Counties have entry-level wages that are below the living wage. **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 **896 middle-skill jobs available annually** in the region due to retirements and workers leaving the field, **which is more than the 61 awards conferred annually** by educational institutions in the region.

- **Living Wage Criteria** –Within Orange County, the majority (90%) of annual job openings for middle-skill finance occupations have **entry-level wages below the county's living wage** (\$20.63/hour).¹
- **Educational Criteria** –Within the LA/OC region, **all annual job openings** for middle-skill occupations related to finance **typically require a high school diploma or equivalent**.
 - However, the national-level educational attainment data indicates **between 40.4% and 48.1% of workers in the field have completed some college or an associate degree** as their highest level of education.

Supply:

- There are **nine community colleges** in the LA/OC region that issue awards related to finance, conferring an average of **58 awards annually** between 2017 and 2020.
 - Currently, there are no community colleges in Orange County that confer banking and finance awards. However, Fullerton, Saddleback, and Santa Ana, and Santiago Canyon colleges received approval for new Banking and Finance programs in the last year, which may contribute to future supply.
- Between 2016 and 2019, there was an average of **3 awards conferred annually** in related training programs by non-community college institutions, all of which were generated by **one individual non-community college institution** in the region.

Occupational Demand

Exhibit 1 shows the five-year occupational demand projections for the middle-skill group of finance occupations. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to decrease by 5% through 2025. However, there will be nearly 900 job openings per year through 2025 due to retirements and 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.

Exhibit 1: Middle-skill occupational demand in Los Angeles and Orange Counties²

Geography	2020 Jobs	2025 Jobs	2020-2025 Change	2020-2025 % Change	Annual Openings
Los Angeles	5,876	5,406	(470)	(8%)	507
Orange	4,386	4,296	(90)	(2%)	388

¹ Living wage data was pulled from California Family Needs Calculator on 1/10/22. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/family-needs-calculator/>.

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.

Geography	2020 Jobs	2025 Jobs	2020-2025 Change	2020-2025 % Change	Annual Openings
Total	10,263	9,703	(560)	(5%)	896

Exhibit 2 shows the five-year occupational demand projections for the above middle-skill group of occupations. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to increase by 1% through 2025. There will be more than 2,900 job openings per year through 2025 due to job growth and replacements.

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

Geography	2020 Jobs	2025 Jobs	2020-2025 Change	2020-2025 % Change	Annual Openings
Los Angeles	25,190	25,297	107	0%	1,914
Orange	11,965	12,404	438	4%	987
Total	37,155	37,700	545	1%	2,901

Wages

The labor market endorsement in this report considers the entry-level hourly wages for the middle-skill group of finance 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 (90%) of annual openings for the middle-skill group of finance occupations have entry-level wages below the living wage for one adult (\$20.63 in Orange County). Typical entry-level hourly wages are in a range between \$16.49 and \$38.14. While *new accounts clerks* have high entry-level wages, they make up only 10% of annual middle-skill finance job openings in Orange County. Experienced workers can expect to earn wages between \$22.21 and \$44.01, which are higher than the living wage estimate. Orange County's average wages are above the average statewide wage of \$23.86 for these occupations.

All annual openings for the above middle-skill group of finance occupations have entry-level wages above the living wage for one adult (\$20.63 in Orange County). Typical entry-level hourly wages are in a range between \$24.98 and \$28.77. Experienced workers can expect to earn wages between \$52.32 and \$60.31, which are higher than the living wage estimate. Orange County's average wages are below the average statewide wage of \$54.66 for these occupations.

Los Angeles County: The majority (87%) of annual openings for the middle-skill group of finance occupations have entry-level wages below the living wage for one adult (\$18.10 in Los Angeles County). Typical entry-level hourly wages are in a range between \$16.27 and \$38.25. While *new accounts clerks* have high entry-level wages, they make up only 13% of annual middle-skill finance job openings in Los Angeles County. Experienced workers can expect to earn wages

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.

between \$30.87 and \$45.08, which are higher than the living wage estimate. Los Angeles County's average wages are above the average statewide wage of \$23.86 for these occupations.

All annual openings for the above middle-skill group of finance occupations have entry-level wages above the living wage for one adult (\$18.10 in Los Angeles County). Typical entry-level hourly wages are in a range between \$29.19 and \$30.35. Experienced workers can expect to earn wages between \$51.33 and \$71.48, which are higher than the living wage estimate. Los Angeles County's average wages are below the average statewide wage of \$54.66 for these occupations.

Job Postings

There were 3,072 online job postings related to the middle-skill group of finance occupations listed in the past 12 months. The highest number of job postings were for loan processors, mortgage loan processors, and loan officer assistants. The top skills were loan processing, mortgage lending, mortgage underwriting, and customer service. The top three employers, by number of job postings, in the region were City National Bank, Union Bank, and Certified Mobile Notary Service.

There were 13,277 online job postings related to the above middle-skill group of finance occupations listed in the past 12 months. The highest number of job postings were for financial analysts, senior financial analysts, entry-level financial advisors, consumer investments financial solutions advisors, and financial advisors. The top skills were financial analysis, accounting, budgeting, financial reporting, and economics. The top three employers, by number of job postings, in the region were Bank of America. Mutual of Omaha Company, and Deloitte.

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 the following typical entry-level education for these occupations:

- High school diploma or equivalent
 - Credit Authorizers, Checkers, and Clerks
 - Loan Interviewers and Clerks
 - New Accounts Clerks
- Bachelor's Degree
 - Personal Financial Advisors
 - Financial and Investment Analysts, Financial Risk Specialists, and Financial Specialists, All Other

In the LA/OC region, all annual job openings for the middle-skill group of finance occupations typically require a high school diploma or equivalent. However, the national-level educational attainment data indicates between 40.4% and 48.1% of workers in the field have completed

some college or an associate degree as their highest level of education. Of the 55% of middle-skill finance job postings listing a minimum education requirement in Los Angeles/Orange County, 64.3% (1,077) requested high school or vocational training, 5% (83) requested an associate degree, and 30.7% (514) requested a bachelor's degree.

In the LA/OC region, all annual job openings for the above middle-skill group of finance occupations typically require a bachelor's degree. Furthermore, the national-level educational attainment data indicates between 11.7% and 13.6% of workers in the field have completed some college or an associate degree as their highest level of education. Of the 75% of above middle-skill job postings listing a minimum education requirement in Los Angeles/Orange County, 3.8% (375) requested high school or vocational training, 0.5% (45) requested an associate degree, and 91.5% (9,141) requested a bachelor's degree.

Educational 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 colleges with the most completions in the region are: LA Valley and LA City. Currently, no Orange County community colleges confer Banking and Finance awards. However, four OC colleges, Fullerton, Saddleback, Santa Ana, and Santiago Canyon received approval for Banking and Finance programs in the last year. Over the past 12 months, there were three other related program recommendation requests from regional community colleges.

Exhibit 3: Regional community college awards (certificates and degrees), 2017-2020

Exhibit C: Regional community college awards (scholarships and degrees) 2017-2020						
TOP Code	Program	College	2017-2018 Awards	2018-2019 Awards	2019-2020 Awards	3-Year Award Average
0504.00	Banking and Finance	Citrus	6	8	-	5
		Glendale	2	1	3	2
		LA City	5	9	21	12
		LA Mission	1	-	-	0
		LA Pierce	-	1	5	2
		LA Southwest	-	2	2	1
		LA Valley	26	34	34	31
		Long Beach	-	-	1	0
		Pasadena	8	5	1	5
		LA Subtotal	48	60	67	58
Supply Subtotal/Average			48	60	67	58
Supply Total/Average			48	60	67	58

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 finance occupations. Exhibit 3 shows the annual and three-year average number of awards conferred by this institution in the related Classification of Instructional Programs (CIP) Code: Banking and Financial Support Services (52.0803). Due to different data collection

periods, the most recent three-year period of available data is from 2016 to 2019. Between 2016 and 2019, a single non-community college institution in the region conferred an average of 3 awards annually in related training programs.

Exhibit 4: Regional non-community college awards, 2016-2019

CIP Code	Program	College	2016-2017 Awards	2017-2018 Awards	2018-2019 Awards	3-Year Award Average
52.0803	Banking and Financial Support Services	California Intercontinental University	3	4	2	3
Supply Total/Average			3	4	2	3

Appendix A: Occupational demand and wage data by county

Exhibit 6. Orange County

Occupation (SOC)	2020 Jobs	2025 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Entry-Level Hourly Earnings (25th Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75th Percentile)
Credit Authorizers, Checkers, and Clerks (43-4041)	277	266	(10)	(4%)	26	\$16.49	\$18.58	\$22.21
Loan Interviewers and Clerks (43-4131)	3,697	3,631	(66)	(2%)	323	\$16.56	\$21.39	\$27.67
New Accounts Clerks (43-4141)	413	399	(14)	(3%)	39	\$38.13	\$40.60	\$44.01
Middle-Skill Total	4,386	4,296	(90)	(2%)	388			
Personal Financial Advisors (13-2052)	4,708	5,008	300	6%	410	\$24.98	\$35.39	\$60.31
Financial and Investment Analysts, Financial Risk Specialists, and Financial Specialists, All Other (13-2098)	7,257	7,396	138	2%	578	\$28.77	\$39.12	\$52.32
Above Middle-Skill Total	11,965	12,404	438	4%	987			
Total	16,352	16,700	348	2%	1,375			

Exhibit 7. Los Angeles County

Occupation (SOC)	2020 Jobs	2025 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Entry-Level Hourly Earnings (25th Percentile)	Median Hourly Earnings	Experienced Hourly Earnings (75th Percentile)
Credit Authorizers, Checkers, and Clerks (43-4041)	511	477	(34)	(7%)	48	\$16.27	\$18.34	\$21.93
Loan Interviewers and Clerks (43-4131)	4,639	4,281	(358)	(8%)	394	\$16.49	\$21.31	\$27.58
New Accounts Clerks (43-4141)	727	649	(77)	(11%)	65	\$38.25	\$40.73	\$44.15
Middle-Skill Total	5,876	5,406	(470)	(8%)	507			
Personal Financial Advisors (13-2052)	9,417	9,565	148	2%	713	\$29.19	\$41.38	\$71.48
Financial and Investment Analysts, Financial Risk Specialists, and Financial Specialists, All Other (13-2098)	15,773	15,731	(41)	(0%)	1,201	\$30.35	\$41.33	\$55.33
Above Middle-Skill Total	25,190	25,297	107	0%	1,914			
Total	31,066	30,703	(363)	(1%)	2,421			

Exhibit 8. Los Angeles and Orange Counties

Occupation (SOC)	2020 Jobs	2025 Jobs	5-Yr Change	5-Yr % Change	Annual Openings
Credit Authorizers, Checkers, and Clerks (43-4041)	787	743	(44)	(6%)	75
Loan Interviewers and Clerks (43-4131)	8,336	7,911	(425)	(5%)	717
New Accounts Clerks (43-4141)	1,140	1,048	(91)	(8%)	104

Occupation (SOC)	2020 Jobs	2025 Jobs	5-Yr Change	5-Yr % Change	Annual Openings
Middle-Skill Total	10,263	9,703	(560)	(5%)	896
Personal Financial Advisors (13-2052)	14,125	14,573	449	3%	1,123
Financial and Investment Analysts, Financial Risk Specialists, and Financial Specialists, All Other (13-2098)	23,030	23,127	97	0%	1,778
Above Middle-Skill Total	37,155	37,700	545	1%	2,901
Total	47,417	47,403	(15)	(0%)	3,797

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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