

Program Endorsement Brief: 0512.00 – Insurance
Insurance Professional – AS Degree & Certificate of Achievement
 Los Angeles/Orange County Center of Excellence, September 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, 25th)	Yes <input checked="" type="checkbox"/>	No <input 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 Los Angeles/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:

- *Claims adjusters, examiners, and investigators* (13-1031);
- *Insurance appraisers, auto damage* (13-1032); and
- *Insurance sales agents* (41-3021).

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 the three insurance-related occupations in the region. In addition to the three occupations paying entry-level wages exceeding the self-sufficiency standard wage in Los Angeles County, national data shows that at least one-third of 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 nearly **3,250 jobs available annually** in the region due to retirements and workers leaving the field, **which is more than the 27 awards conferred annually** by institutions in the region.

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.

- **Living Wage Criteria** – In Los Angeles County, **all three insurance-related occupations have entry-level wages above the county’s living wage** (\$18.10 in Los Angeles County).²
- **Educational Criteria** – Within the LA/OC region, **98.5% of the annual job openings** for the three occupations of interest **typically require a high school diploma or equivalent**.
 - National-level educational attainment data indicates **between 34.7% and 36.1% of workers in the field have completed some college or an associate degree**.

Supply:

- Between 2017 and 2020, **five community colleges** in the region issued awards in sales and salesmanship and insurance programs, conferring an average of **27 awards**.
- Currently, there are no non-community college institutions in the region that provide training programs for the insurance occupations studied in this report.

Occupational Demand

Exhibit 1 shows the five-year occupational demand projections for the three insurance-related occupations. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to decrease by 2% through 2025. However, there will be nearly 3,250 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: Occupational demand in Los Angeles and Orange Counties³

Geography	2020 Jobs	2025 Jobs	2020-2025 Change	2020-2025 % Change	Annual Openings
Los Angeles	25,808	25,625	(183)	(1%)	2,142
Orange	13,375	12,847	(528)	(4%)	1,094
Total	39,182	38,472	(710)	(2%)	3,237

² Self-Sufficiency Standard wage data was pulled from The Self-Sufficiency Standard Tool for California on 9/10/2021. For more information, visit: <http://selfsufficiencystandard.org/california>.

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.

Wages

The labor market endorsement in this report considers the entry-level hourly wages for the three insurance-related occupations in Los Angeles County, as they relate to the county's self-sufficiency standard wage. Orange 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.

Los Angeles County — All three insurance-related occupations have entry-level hourly wages **above** the self-sufficiency standard wage for one adult (\$18.10 in Los Angeles County). Typical entry-level hourly wages are in a range between \$18.18 and \$28.91. Experienced workers can expect to earn wages between \$39.15 and \$47.95, which are higher than the self-sufficiency standard wage estimate.

Orange County — The majority (76%) of annual openings for the three insurance-related occupations have entry-level wages **below** the self-sufficiency standard wage for one adult (\$20.63 in Orange County). Typical entry-level hourly wages are in a range between \$18.31 and \$28.28. The two insurance occupations in this report with entry-level wages **above** the self-sufficiency standard wage are *claims adjusters, examiners, and investigators* (\$28.28) and *insurance appraisers, auto damage* (\$26.25). Experienced workers can expect to earn wages between \$38.95 and \$46.87, which are higher than the self-sufficiency standard wage estimate.

Job Postings

Over the past 12 months, there have been 12,140 online job postings for the three insurance-related occupations. The highest number of job postings were for licensed health insurance agents, licensed Medicare insurance agents, insurance agents, insurance sales agents, and life insurance agents. The top skills were insurance sales, customer service, appointment setting, claims adjustments/knowledge, and knowledge of the Health Insurance Portability and Accountability Act (HIPPA). The top employers, by number of job postings, in the region were Assurance Agency, State Farm Insurance Companies, Allstate, Anthem Blue Cross, and Aflac.

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 a high school diploma or equivalent as the typical entry-level education for *claims adjusters, examiners, and investigators* (13-1031) and *insurance sales agents* (41-3021); and a postsecondary non-degree award for *insurance appraisers, auto damage* (13-1032). In the LA/OC region, the majority of annual job openings (98.5%) typically require a high school diploma or equivalent. However, national-level educational attainment data indicates between 34.7% and 36.1% of workers in the field have completed some college or an associate degree. Of the 31% of job postings listing a minimum education requirement in Los Angeles/Orange County, 50% (1,846) requested a high school or vocational training, 6% (213) requested an associate degree, and 44% (1,648) requested a bachelor's degree.

Educational Supply

Community College Supply — Exhibit 2 shows the annual and three-year average number of awards conferred by community colleges in Sales and Salesmanship (0509.40) and Insurance (0512.00). The college with the most completions in the region is Santa Monica. Over the past 12 months, there were no other related program recommendation requests from regional community colleges.

Exhibit 2: Regional community college awards (certificates and degrees), 2017-2020

TOP	Program	Community College	2017-18 Awards	2018-19 Awards	2019-20 Awards	3-Year Average
0509.40	Sales and Salesmanship	Santa Monica	16	13	19	16
		LA Subtotal	16	13	19	16
		Orange Coast	11	3	5	6
		Santa Ana	1	-	-	0
		OC Subtotal	12	3	5	7
Supply Subtotal/Average			28	16	24	23
0512.00	Insurance	Glendale	-	3	4	2
		LA Pierce	-	1	4	2
		Santa Monica	-	1	1	1
		LA Subtotal	-	5	9	5
Supply Subtotal/Average			-	5	9	5
Supply Total/Average			28	21	33	27

Non-Community College Supply – Currently, there are no non-community college institutions in the region that provide training programs for the insurance occupations studied in this report.

Appendix A: Occupational demand and wage data by county

Exhibit 3. Los Angeles County

Occupation (SOC)	2020 Jobs	2025 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)
Claims Adjusters, Examiners, and Investigators (13-1031)	7,501	7,062	(439)	(6%)	531	\$28.91	\$38.56	\$47.95
Insurance Appraisers, Auto Damage (13-1032)	420	369	(51)	(12%)	29	\$26.59	\$33.01	\$41.07
Insurance Sales Agents (41-3021)	17,886	18,194	308	2%	1,582	\$18.18	\$24.61	\$39.15
Total	25,808	25,625	(183)	(1%)	2,142			

Exhibit 4. Orange County

Occupation (SOC)	2020 Jobs	2025 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)
Claims Adjusters, Examiners, and Investigators (13-1031)	3,572	3,105	(467)	(13%)	242	\$28.28	\$37.69	\$46.87
Insurance Appraisers, Auto Damage (13-1032)	263	219	(44)	(17%)	17	\$26.25	\$32.49	\$40.34
Insurance Sales Agents (41-3021)	9,539	9,523	(16)	0%	835	\$18.31	\$24.66	\$38.95
Total	13,375	12,847	(528)	(4%)	1,094			

Exhibit 5. Los Angeles and Orange Counties

Occupation (SOC)	2020 Jobs	2025 Jobs	5-Yr Change	5-Yr % Change	Annual Openings	Typical Entry-Level Education
Claims Adjusters, Examiners, and Investigators (13-1031)	11,074	10,167	(907)	(8%)	773	HS diploma or equivalent
Insurance Appraisers, Auto Damage (13-1032)	684	588	(96)	(14%)	46	Postsecondary non-degree award
Insurance Sales Agents (41-3021)	27,425	27,717	292	1%	2,418	HS diploma or equivalent
Total	39,182	38,472	(710)	(2%)	3,237	

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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