

**Program Endorsement Brief: 0511.00/Real Estate
Real Estate Salesperson**
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, 25th)	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 one middle-skill occupation: *real estate sales agents* (41-9022). 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 *real estate sales agents* in the region. While this occupation typically requires a high school diploma or equivalent, more than one-third of workers in the field have completed some college or an associate degree as their highest level of education. However, entry-level wages are below the living wage in both Los Angeles and Orange counties. **Therefore, due to some of 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 **2,124 jobs available annually** in the region due to new job growth and replacements **which is more than the 536 awards conferred annually** by educational institutions in the region.
- **Living Wage Criteria** –Within Orange County, **typical entry-level hourly wages** for real estate sales agents are **\$16.72, which is lower than the** living wage for one adult in the region (\$20.63 in Orange County).²

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.

² Living wage data was pulled from California Family Needs Calculator on 1/10/2022. For more information, visit the California Family Needs Calculator website: <https://insightcced.org/family-needs-calculator/>.

- However, over 80% of real estate agents in the LA/OC region are self-employed. Since self-employed individuals typically report lower wages, the **average entry-level wages for all workers in the LA/OC region appear low.**
- Additionally, **median hourly wages** for this occupation **exceed the living wage**, suggesting that workers can attain the living wage with additional work experience.
- **Educational Criteria** – The Bureau of Labor Statistics (BLS) lists **a high school diploma or equivalent** as the typical entry-level education for *real estate sales agents*.
 - However, the national-level educational attainment data indicates **35.8% of workers in the field have completed some college or an associate degree** as their highest level of education.

Supply:

- There are **21 community colleges** in the LA/OC region that issue awards related to *real estate sales agents*, conferring an average of **489 awards annually** between 2017 and 2020.
- Between 2016 and 2019, there was an average of **48 awards conferred annually** in related training programs by non-community college institutions, all of which were generated by **five individual four-year colleges throughout** the region.

Occupational Demand

Exhibit 1 shows the five-year occupational demand projections for *real estate sales agents*. In Los Angeles/Orange County, the number of jobs related to these occupations is projected to increase by 3% through 2025. There will be more than 2,000 job openings per year through 2025 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 1: Occupational demand in Los Angeles and Orange Counties³

Geography	2020 Jobs	2025 Jobs	2020-2025 Change	2020-2025 % Change	Annual Openings
Los Angeles	16,371	16,932	561	3%	1,543
Orange	6,453	6,548	95	1%	581
Total	22,824	23,480	656	3%	2,124

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 *real estate sales agents* 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.

It is important to note that over 80% of *real estate sales agents* in the region are considered self-employed. Self-employed workers have different earnings dynamics than wage and salaried workers, making direct comparisons difficult. Examples include deciphering what is a return to labor versus a return to capital, as well as showing possible negative earnings if expenses or investments exceed gross receipts.⁴ For these reasons, wage data appears low throughout the region.

Orange County: The typical entry-level hourly wages for *real estate sales agents* are \$16.72, which is below the living wage for one adult (\$20.63 in Orange County). Experienced workers can expect to earn wages of \$48.71, which is higher than the living wage estimate. Orange County's average wages are below the average statewide wage of \$45.19 for this occupation.

Los Angeles County: The typical entry-level hourly wages for *real estate sales agents* are \$15.78, which is below the living wage for one adult (\$18.10 in Los Angeles County). Experienced workers can expect to earn wages of \$48.73, which is higher than the living wage estimate. Los Angeles County's average wages are below the average statewide wage of \$45.19 for this occupation.

Job Postings

There were 8,535 online job postings related to *real estate sales agents* listed in the past 12 months. The highest number of job postings were for leasing consultants and real estate agents. The top skills were sales, leasing, real estate experience, and property management. The top three employers, by number of job postings, in the region were Greystar, Keller Williams Realty Inc., and Berkshire Hathaway Home Services- California Properties.

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 real estate sales agents. However, the national-level educational attainment data indicates 35.8% of workers in the field have completed some college or an associate degree as their highest level of education. Of the 36% of *real estate sales agent* job postings listing a minimum education requirement in Los Angeles/Orange County, 56.6% (1,734) requested high school or vocational training, 2.3% (69) requested an associate degree, and 38.8% (1,189) requested a bachelor's degree.

⁴ https://www.brookings.edu/wp-content/uploads/2019/11/201911_Brookings-Metro_low-wage-workforce_Ross-Bateman.pdf

Educational Supply

Community College Supply—Exhibit 2 shows the three-year average number of awards conferred by community colleges in the related TOP codes: Real Estate (0511.00) and Escrow (0511.10). The colleges with the most completions in the region are: Mt San Antonio, Saddleback, East LA, Glendale, and Irvine. Over the past 12 months, there were two other related program recommendation requests from regional community colleges.

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

TOP Code	Program	College	2017-2018 Awards	2018-2019 Awards	2019-2020 Awards	3-Year Award Average
0511.00	Real Estate	Coastline	7	5	5	6
		Fullerton	2	5	3	3
		Irvine	9	48	85	47
		Orange Coast	26	26	21	24
		Saddleback	17	108	114	80
		Santiago Canyon	23	10	18	17
		OC Subtotal	84	202	246	177
		Cerritos	14	17	12	14
		Citrus	13	17	4	11
		Compton	1	-	-	0
		East LA	56	65	27	49
		El Camino	7	21	22	17
		Glendale	42	63	39	48
		LA City	16	26	39	27
		LA Harbor	3	4	4	4
		LA Southwest	4	-	3	2
		LA Trade	4	5	1	3
		LA Valley	14	14	23	17
		Long Beach	1	4	28	11
		Mt San Antonio	61	107	87	85
		Rio Hondo	-	5	-	2
West LA	16	19	14	16		
		LA Subtotal	252	367	303	307
Supply Subtotal/Average			336	569	549	485
0511.10	Escrow	Saddleback	5	4	3	4
		OC Subtotal	5	4	3	4
Supply Subtotal/Average			5	4	3	4
Supply Total/Average			341	573	552	489

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 *real estate sales agents*. 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: Real Estate (52.1501). Due to different data collection periods, the most recent three-year period of available data is from 2016 to 2019. Between 2016 and 2019, non-community college institutions in the region conferred an average of 48 awards annually in related training programs.

Exhibit 3: Regional non-community college awards, 2016-2019

CIP Code	Program	College	2016-2017 Awards	2017-2018 Awards	2018-2019 Awards	3-Year Award Average
52.1501	Real Estate	Abraham Lincoln University	-	-	-	-
		California State University-Los Angeles	-	2	-	1
		Learnet Academy Inc	7	13	-	7
		Pepperdine University	-	-	21	7
		University of Southern California	17	37	46	33
Supply Total/Average			24	52	67	48

Appendix A: Occupational demand and wage data by county

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)
Real Estate Sales Agents (41-9022)	6,453	6,548	95	1%	581	\$16.72	\$28.76	\$48.71

Exhibit 5. 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)
Real Estate Sales Agents (41-9022)	16,371	16,932	561	3%	1,543	\$15.78	\$27.73	\$48.36

Exhibit 6. Los Angeles and Orange Counties

Occupation (SOC)	2020 Jobs	2025 Jobs	5-Yr Change	5-Yr % Change	Annual Openings
Real Estate Sales Agents (41-9022)	22,824	23,480	656	3%	2,124

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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