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Labor Market Analysis

Small Business



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Prepared by the Central Valley/Mother Lode Center of Excellence

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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.

If for any reason this document is not accessible or if you have specific needs for readability, please contact us and we will do our utmost to accommodate you with a modified version. To make a request, contact Nora Seronello by phone at (209) 575-6894 or by email seronellon@mjc.edu.

Summary

Please note the COVID-19 statement on page 2 when considering this report's findings.

This study conducted by the Central Valley/Mother Lode Center of Excellence examines labor market demand, wages, skills, and postsecondary supply for Small Business. Two occupations related to Small Business were identified for Reedley College:

- 11-3011, Administrative Services and Facilities Managers
- 13-1198, Project Management Specialists and Business Operations Specialists, All Other

Key findings:

- **Occupational demand** — Nearly 11,490 workers were employed in jobs related to Small Business in 2021 in the South Central Valley/Southern Mother Lode (SCV/SML) subregion. The largest occupation is project management specialists and business operations specialists, all other with 9,862 workers, a projected growth rate of 5% over the next five years, and 824 annual openings.
- **Wages** — Administrative services and facilities managers earn the highest entry-level wage, \$33.95/hour in the subregion.
- **Employers** — Employers with the most job postings in the subregion are Anthem Blue Cross, Target, and Mammoth Mountain Ski Area.
- **Occupational titles** — The most common occupational title in job postings in the subregion is Administrative Services Managers. The most common job title is Business Office Manager.
- **Skills and certifications** — The top baseline skill is communication skills, the top specialized skill is budgeting, and the top software skill is Microsoft Excel. The most in-demand certification is a driver's license.
- **Education** — A bachelor's degree is typically required for the two occupations.
- **Supply** — Analysis of postsecondary completions shows that on average 13 awards were conferred in the Central Valley/Mother Lode region each year.

Based on a comparison of occupational demand and supply, there is an undersupply of 976 trained workers in the subregion and 1,399 workers in the region. The Center of Excellence recommends that Reedley College work with the regional directors, the college's advisory board, and local industry in the development of programs to address the shortage of Small Business workers in the region.

Introduction

The Central Valley/Mother Lode Center of Excellence was asked by Reedley College to provide labor market information for Small Business. The geographical focus for this report is the South Central Valley/Southern Mother Lode (SCV/SML) subregion, but regional demand and supply data has been included for broader applicability and use. The average living wage for a single adult in the SCV/SML subregion is \$11.91/hour.¹ Analysis of the program and occupational data related to Small Business resulted in the identification of applicable occupations. The Standard Occupational Classification (SOC) System codes and titles used in this report are:

- 11-3011, Administrative Services and Facilities Managers
- 13-1198, Project Management Specialists and Business Operations Specialists, All Other

The occupational titles, job descriptions, sample job titles, and knowledge and skills from the Bureau of Labor Statistics and O*NET OnLine are shown below. There was no O*NET data available for Administrative Services and Facilities Managers and Project Management Specialists and Business Operations Specialists, All Other.

Occupational Demand

The SCV/SML subregion employed 11,482 workers in Small Business occupations in 2021 (Exhibit 1). The largest occupation is project management specialists and business operations specialists, all other with 9,862 workers. This occupation is projected to grow by 5% over the next five years and has the greatest number of projected annual openings, 824.

Exhibit 1. Small Business employment and occupational projections in the SCV/SML subregion

Occupation	2021 Jobs	2026 Jobs	5-Year Change	5-Year % Change	Annual Openings
Project Management Specialists and Business Operations Specialists, All Other	9,862	10,349	487	5%	824
Administrative Services and Facilities Managers	1,620	1,712	92	6%	154
TOTAL	11,482	12,061	579	5%	978

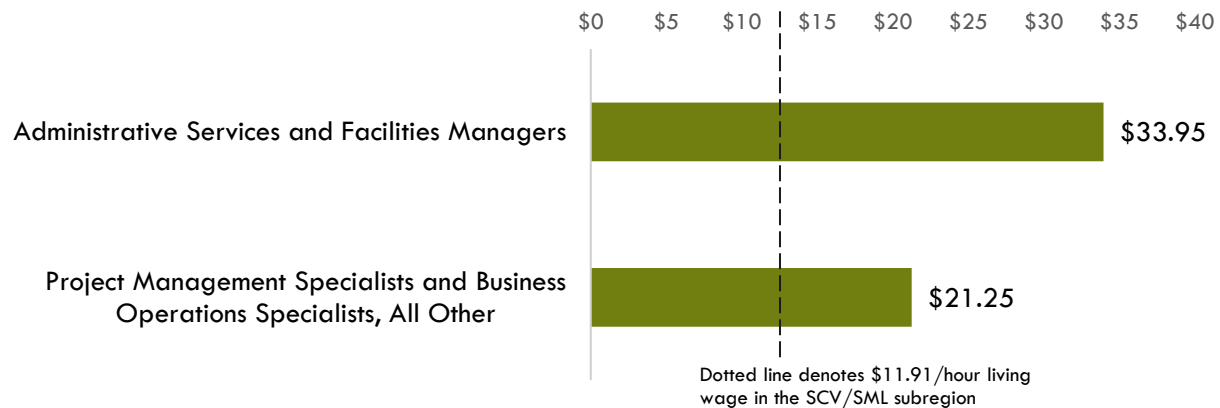
Wages

Exhibit 2 shows the entry-level hourly wages of the Small Business occupations. Administrative services and facilities managers earn the highest entry-level wage, \$33.95/hour in the subregion².

¹ The term "living wage" in Center of Excellence reports is calculated by averaging the self-sufficiency wages from the Insight Center's California Family Needs Calculator for each county in the subregion: <https://insightcced.org/tools-metrics/self-sufficiency-standard-tool-for-california/>.

² Entry-level wages are derived from the 25th percentile.

Exhibit 2. Small Business entry-level wages in the SCV/SML subregion



Job Postings

There were 466 job postings for the two occupations in the SCV/SML subregion from October 2021 to March 2022.³ The employers with the most job postings are listed in Exhibit 3.

Exhibit 3. Top employers of Small Business by number of job postings

Employer	Job Postings	% Job Postings
Anthem Blue Cross	33	8%
Target	22	5%
Mammoth Mountain Ski Area	7	2%
Commander	6	1%
Kern Community College District	6	1%
Kern County	6	1%
California State University	5	1%
T Mobile Usa Incorporated	5	1%
Derrel& X27 S Mini Storage	4	1%
Jt4 Llc	4	1%

Exhibit 4 shows how job postings for the targeted occupations in the SCV/SML subregion are distributed across seven O*NET OnLine occupations. The occupational title Administrative Services Managers is listed in 294 job postings. Note how this occupational title dominates the job posting results. Common job titles in postings include Business Office Manager in 421 job postings, Facilities Manager in 11 job postings, and Facility Manager Team in 10 job postings.

³ Other than occupation titles and job titles, the categories below can be counted one or multiple times per job posting, and across several areas in a single posting. For example, a skill can be counted in two different skill types, and an employer can indicate more than one education level.

Exhibit 4. Top occupational titles in job postings for Small Business

Occupational Title	Job Postings	% of Job Postings
Administrative Services Managers	294	63%
Security Management Specialists	46	10%
Business Continuity Planners	42	9%
Business Operations Specialists, All Other	34	7%
Energy Auditors	18	4%
Online Merchants	17	4%
Sustainability Specialists	15	3%

Salaries

Exhibit 5 shows the “Market Salaries” for Small Business occupations. These are calculated by Burning Glass using a machine learning model built off of millions of job postings every year. This accounts for adjustments based on locations, industry, skills, experience, education requirements, among other variables.

Exhibit 5. Salaries for Small Business occupations

Market Salary Percentile	Salary Amount
10th Percentile	\$30,079
25th Percentile	\$39,177
50th Percentile	\$54,484
75th Percentile	\$73,093
90th Percentile	\$91,163

Education

Of the 466 job postings, 325 listed an education level preferred for the positions being filled. Among those, 70% requested a bachelor’s degree, 31% requested a high school or vocational training, and 15% requested an associate degree (Exhibit 6). A job posting can indicate more than one education level. Hence, the percentages shown in the chart below may total more than 100%.

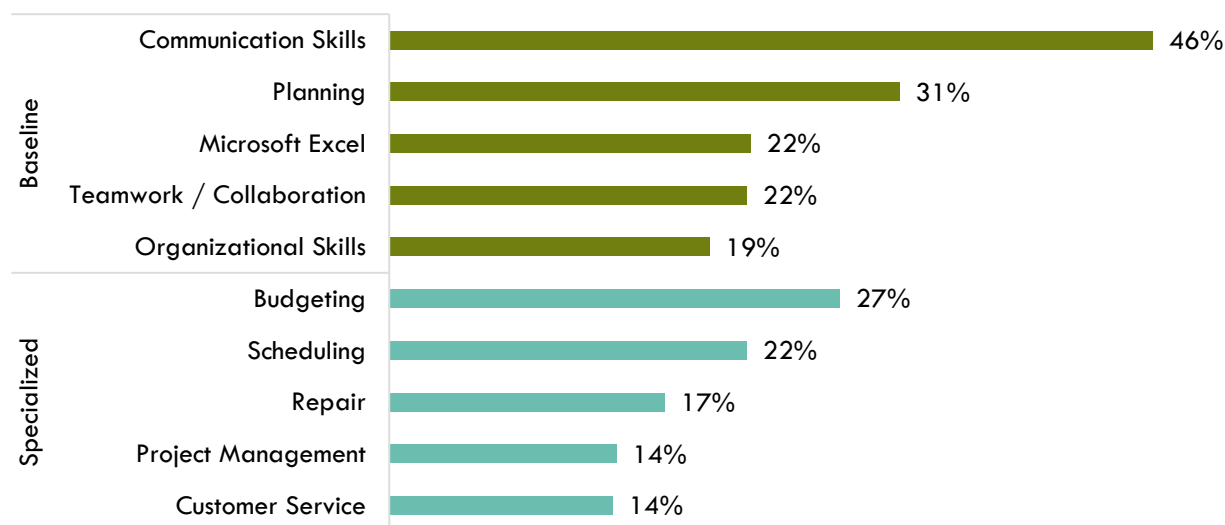
Exhibit 6. Education levels requested in job postings for Small Business

Education Level	Job Postings	% of Job Postings
Bachelor's degree	228	70%
High school or vocational training	101	31%
Master's degree	49	15%
Associate's degree	40	12%
Doctoral degree	10	3%

Baseline and Specialized Skills

Exhibit 7 depicts the top baseline and specialized skills for the targeted occupations. The three most important baseline skills are communication skills, 46% of job postings, planning, 31%, and Microsoft Excel, 22%. The top three specialized skills are budgeting, 27% of job postings, scheduling, 61%, and repair, 17%.

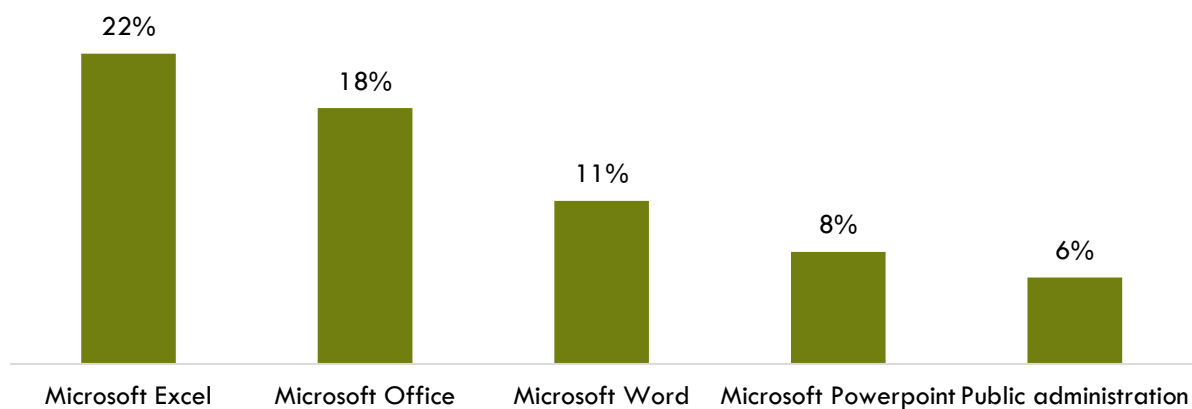
Exhibit 7. In-demand Small Business baseline and specialized skills



Software Skills

Analysis also included the software skills most in demand by employers. Microsoft Excel and Office were the top two software skills identified in job postings (Exhibit 8).

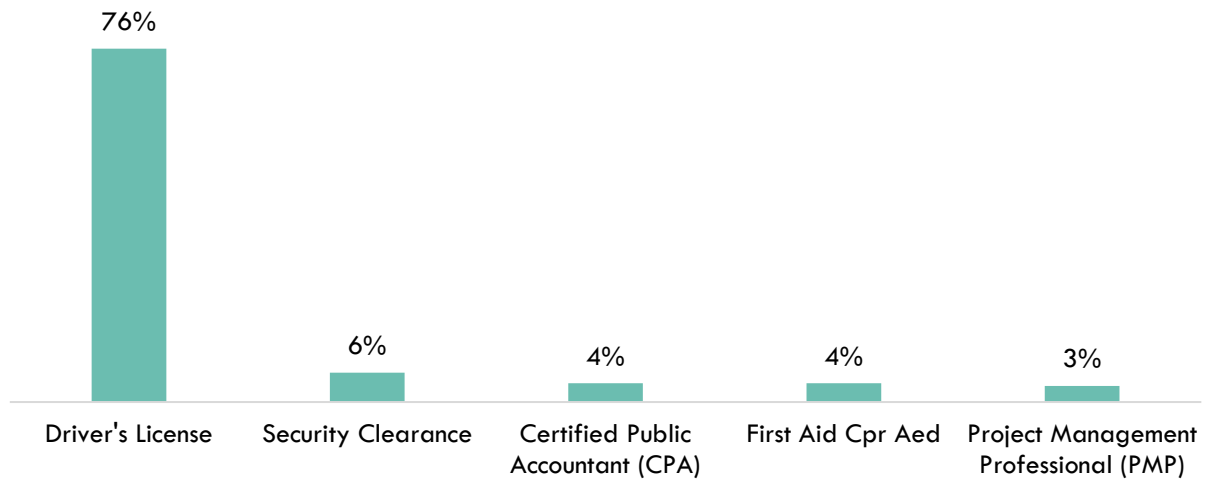
Exhibit 8. In-demand Small Business software skills



Certifications

Of the 466 job postings, 173 contained certification data. Among those, 76% indicated a need for a driver's license. The next top certifications are security clearance and certified public accountant (CPA) (Exhibit 9).

Exhibit 9. Top Small Business certifications requested in job postings



Education, Work Experience & Training

A bachelor's degree is typically required for the two occupations (Exhibit 10).

Exhibit 10. Education, work experience, training, and Current Population Survey results for Small Business occupations⁴

Occupation	Typical Entry-level Education	Work Experience Required	Typical On-The-Job Training	CPS
Administrative Services and Facilities Managers	Bachelor's degree	Less than 5 years	None	34.8%
Project Management Specialists and Business Operations Specialists, All Other	Bachelor's degree	None	None	22.2%

⁴ "Labor Force Statistics from the Current Population Survey," Bureau of Labor Statistics, <https://www.bls.gov/cps/>.

Supply

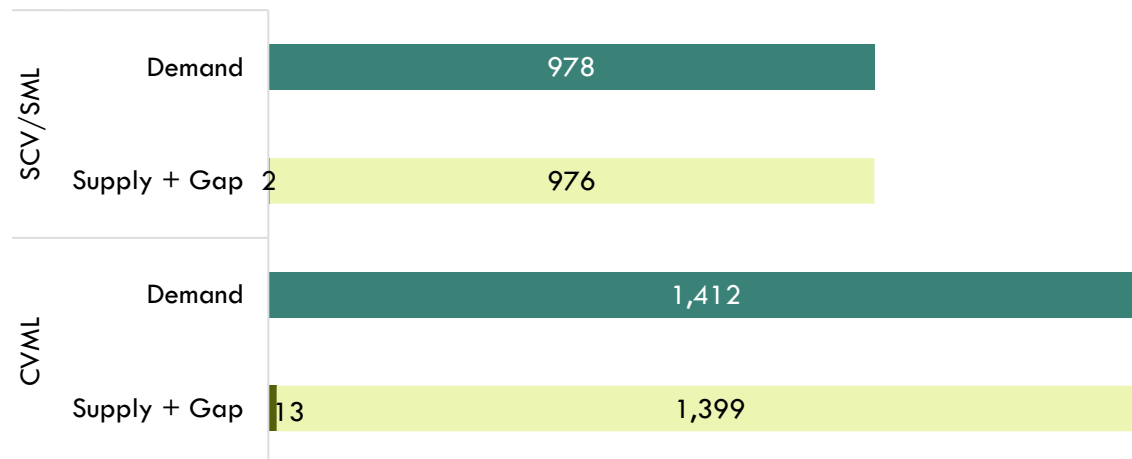
Analysis of program data from the Integrated Postsecondary Education Data System (IPEDS) included the TOP code and title: 050640 - Small Business and Entrepreneurship. Analysis of the last three years of data shows that, on average, 13 awards were conferred in the Central Valley/Mother Lode region each year (Exhibit 11).

Exhibit 11. Postsecondary supply for Small Business occupations in the region

TOP/CIP Code- Title	College	Associate Degree	Certificate 16 < 30 Semester Units	Certificate 18 < 30 Semester Units	Certificate 30 < 60 Semester Units	Certificate 6 < 18 Semester Units	Certificate 8 < 16 Semester Units	Subtotal
050640 - Small Business and Entrepreneurship	Clovis	0						0
	Columbia	2			1	3	1	7
	Merced	3			2			5
	Reedley College	1	0	1				2
TOTAL		6	0	1	2	3	1	13

There is an undersupply of 976 Small Business workers in the SCV/SML subregion and 1,399 workers in the region (Exhibit 12).

Exhibit 12. Small Business workforce demand (annual job openings), postsecondary supply of students (awards), and additional students needed to fill gap in the SCV/SML subregion and region



Student Outcomes

Exhibit 13 summarizes employment and wage outcomes from the California Community College Chancellor's Cal-PASS Plus LaunchBoard for the TOP code related to Small Business. Of note, 17 students transferred; 64% of students obtained a job closely related to their field of study; 36% had a median change in earnings; and 56% of students attained a living wage.

Exhibit 13. Regional metrics for the TOP code related to Small Business

Metric	Small Business and Entrepreneurship 050640
Students Who Got a Degree or Certificate or Attained Apprenticeship Journey Status	*
Number of Students Who Transferred	17
Job Closely Related to Field of Study	64%
Median Change in Earnings	36%
Attained a Living Wage	56%
* denotes data not available.	

Conclusion

The entry-level wages of the two occupations exceed the SCV/SML subregion's average living wage. There were 466 job postings in the past six months for occupations related to Small Business in the subregion. Analysis of skills and certification requirements in job postings indicates:

- The top baseline skill is communication skills, and the top specialized skill is budgeting.
- The top software skill is Microsoft Excel.
- The top certification is a driver's license.

There is an undersupply of trained workers, a shortage of 976 in the SCV/SML subregion and 1,399 in the region.

Recommendation

Based on these findings, it is recommended that Reedley College work with the regional directors, the college's advisory board, and local industry in the development of programs to address the shortage of Small Business workers in the region.

Appendix A: Methodology & Data Sources

Data Sources

Labor market and educational supply data compiled in this report derive from a variety of sources. Data were drawn from external sources, including the Economic Modeling Specialists, Inc., the California Community Colleges Chancellor's Office Management Information Systems Data Mart and the National Center for Educational Statistics (NCES) Integrated Postsecondary Education Data System (IPEDS). Below is the summary of the data sources found in this study.

Data Type	Source
Labor Market Information/Population Estimates and Projections/Educational Attainment	Economic Modeling Specialists, Intl. (EMSI). 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). Occupational wage estimates also affected by county-level EMSI earnings by industry: economicmodeling.com .
Typical Education Level and On-the-job Training	Bureau of Labor Statistics (BLS) uses a system to assign categories for entry-level education and typical on-the-job training to each occupation for which BLS publishes projections data: https://www.bls.gov/emp/tables/educational-attainment.htm .
Labor Force, Employment and Unemployment Estimates	California Employment Development Department, Labor Market Information Division: labormarketinfo.edd.ca.gov .
Job Posting and Skills Data	Burning Glass: burning-glass.com/ .
Additional Education Requirements/ Employer Preferences	The O*NET Job Zone database includes over 900 occupations as well as information on skills, abilities, knowledge, work activities and interests associated with specific occupations: onetonline.org .

Key Terms and Concepts

Annual Job Openings: Annual openings are calculated by dividing the number of years in the projection period by total job openings.

Education Attainment Level: The highest education attainment level of workers age 25 years or older.

Employment Estimate: The total number of workers currently employed.

Employment Projections: Projections of employment are calculated by a proprietary Economic Modeling Specialists, Intl. (EMSI) formula that includes historical employment and economic indicators along with national, state and local trends.

Living Wage: The cost of living in a specific community or region for one adult and no children. The cost increases with the addition of children.

Occupation: An occupation is a grouping of job titles that have a similar set of activities or tasks that employees perform.

Percent Change: Rate of growth or decline in the occupation for the projected period; this does not factor in replacement openings.

Replacements: Estimate of job openings resulting from workers retiring or otherwise permanently leaving an occupation. Workers entering an occupation often need training. These replacement needs, added to job openings due to growth, may be used to assess the minimum number of workers who will need to be trained for an occupation.

Total Job Openings (New + Replacements): Sum of projected growth (new jobs) and replacement needs. When an occupation is expected to lose jobs, or retain the current employment level, number of openings will equal replacements.

Typical Education Requirement: represents the typical education level most workers need to enter an occupation.

Typical On-The-Job Training: indicates the typical on-the-job training needed to attain competency in the skills needed in the occupation.