

RETAIL, HOSPITALITY, & TOURISM



Orange County Sector Analysis Project

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Prepared by:
Orange County Center of Excellence
for Labor Market Research

POWERED BY



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Community
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SECTOR OVERVIEW

This Sector Profile highlights key points from the entire Retail, Hospitality, and Tourism sector in Orange County as well as from the Orange County (OC) Sector Analysis Project – a research report conducted by the OC Center of Excellence for Labor Market Research. According to the World Atlas, Orange County is the 4th most visited place in the United States, and the most visited in California; the county attracted 48.2 million visitors in 2016, a year-over-year increase of 2.0 percent. Visitor spending in Orange County has also increased, reaching a new high of \$11.6 billion in 2016. Retail, Hospitality, and Tourism entry-level jobs can prepare job seekers for careers within the same sector or across industries. Skills developed by working in the Retail, Hospitality, and Tourism sector include problem-solving, communication and customer service and 45% of Tourism employers reported that their organization frequently promotes from within. In 2016, 71% of people who completed or exited a Retail, Hospitality, and Tourism community college program in the Orange County region were employed within six months after exit.

Data Points



364,990

people employed in OC



5% (17,159)

5-year projected job change



16,323

businesses in OC



9.6%

of the sector's employment in California is from OC



\$33,890

average earnings per job



8.5%

of the sector's businesses in California are from OC

The Retail, Hospitality, and Tourism sector accounts for 364,990 jobs in the Orange County region and 9.6% of all Retail, Hospitality, and Tourism jobs in California. There are approximately 16,323 individual business in the region which makes up 8.5% of all the businesses for the sector in California. This sector is projected to grow by 5% (or 17,159 jobs) in the next five years in Orange County. The average earnings per Retail, Hospitality, and Tourism job are \$33,890.



Local Employers

Hornblower Cruises

The Resort at Pelican Hill

Monarch Beach Resort

Newport Beach Country Club

Meadowlark Golf Club

Allied Universal Corporation



TOP MIDDLE-SKILL JOBS

Middle-skill jobs are occupations that community college students would be best prepared for after obtaining a certificate or degree. The top middle-skill jobs for the Retail, Hospitality, and Tourism sector are included below, along with corresponding entry-level and median hourly wages.

Middle-Skill Jobs Attainable with a Community College Education, Orange County (2018-2023)

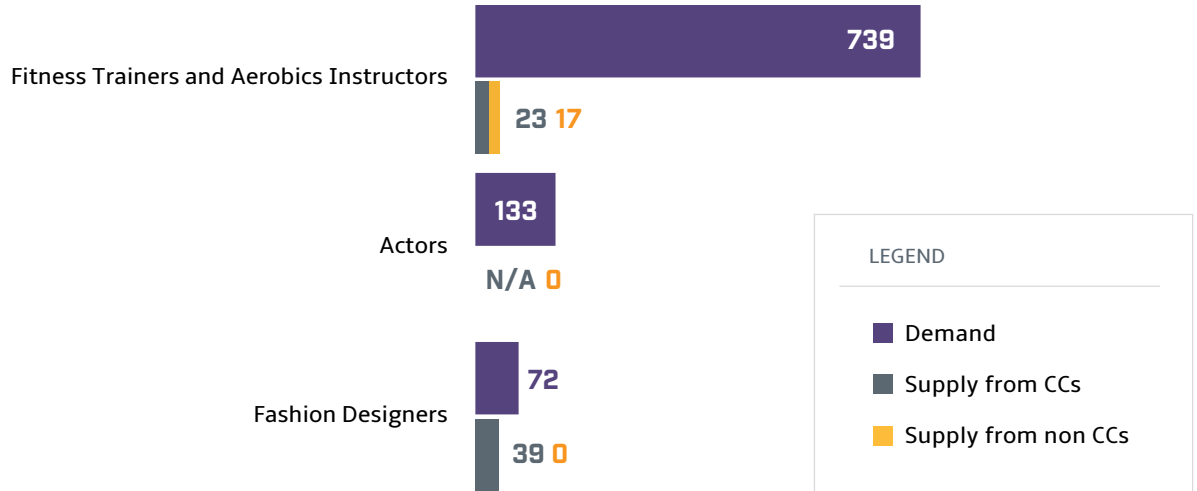
SOC Code	SOC Occupational Title	Demand Annual Openings	Entry-Level Wage 25th Percentile	Median Wage
39-9031	Fitness Trainers and Aerobics Instructors	739	\$17.45	\$20.97
27-2011	Actors	133	\$20.91	\$22.94
27-1022	Fashion Designers	72	\$22.61	\$29.41



LABOR MARKET DEMAND, PROGRAM SUPPLY, & SUPPLY GAPS

Top middle-skill jobs are defined as occupations with the most labor market demand, stable employment growth, and entry-level wages at or above the living wage, as determined by the California Family Needs Calculator,¹ currently at \$17.39. Comparing labor market demand with program supply suggests that the top middle-skill jobs in this sector have supply gaps in the Orange County region. Labor market demand is defined as the number of average annual job openings per year that employers expect to fill for a particular occupation. Program supply is the number of awards (e.g., degrees, certificates) from community colleges and other training providers.

Top Middle-Skill Jobs in Orange County: Labor Market Demand vs. Program Supply



* Indicates that the occupation has an oversupply of labor, and N/A indicates that no community college program reported awards for this occupation or no community college program is available for this occupation.

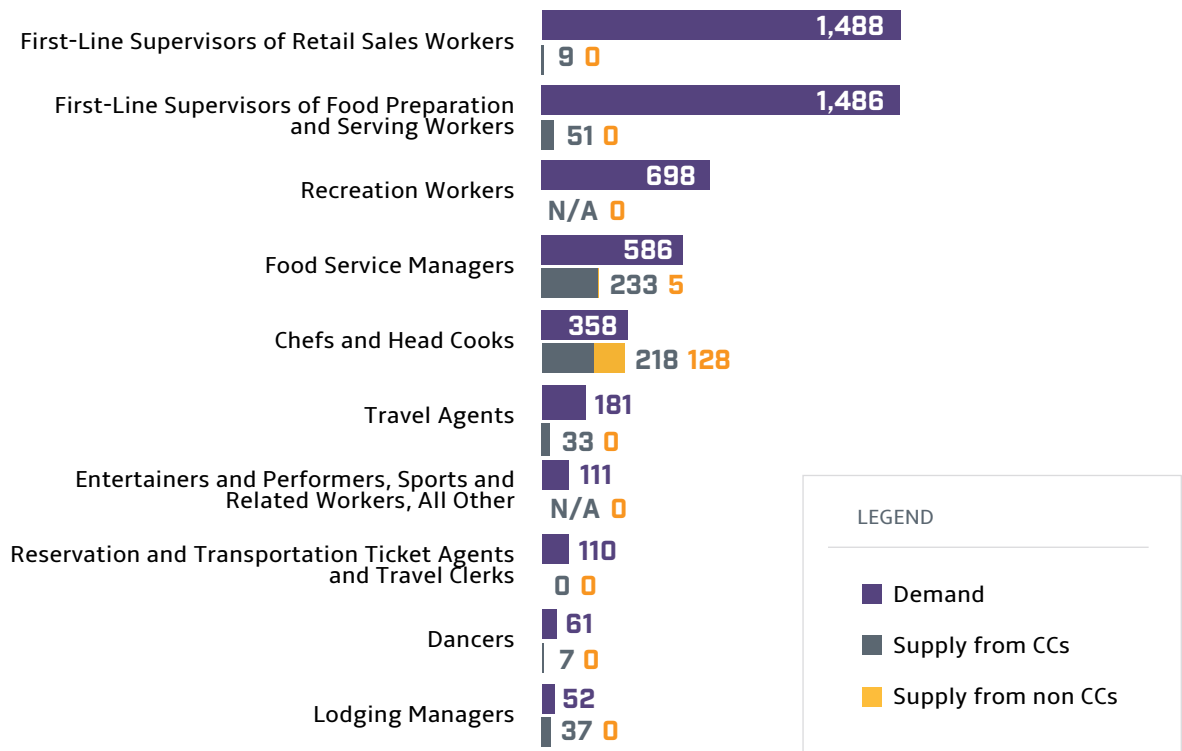
¹ The living wage as determined by the California Family Need Calculator is the hourly wage that a single adult needs to earn to meet basic needs in Orange County. insightcced.org/2018-family-needs-calculator/



MIDDLE-SKILL JOBS WITH ENTRY-LEVEL WAGES BELOW THE REGIONAL LIVING WAGE

While it is important to understand which top middle-skill jobs have opportunities for increased program supply, it is also important to consider middle-skill occupations that have entry-level wages below the regional living wage, currently at \$17.39, but median wages near or above it. Since wages generally increase from entry-level to median earnings with additional experience and training, students could potentially earn self-sustaining wages with additional apprenticeship or work-based learning opportunities.

Middle-Skill Jobs in Orange County with Entry-Level Wages Below the Regional Living Wage



Entry-Level and Median Wages for Middle-Skill Jobs in Orange County with Entry-Level Wages Below the Regional Living Wage

SOC Code	SOC Occupational Title	Demand Annual Openings	Entry-Level Wage 25th Percentile	Median Wage Above the Living Wage
41-1011	First-Line Supervisors of Retail Sales Workers	1,488	\$13.15	\$16.63
35-1012	First-Line Supervisors of Food Preparation and Serving Workers	1,486	\$12.60	\$15.01
39-9032	Recreation Workers	698	\$11.17	\$12.35
11-9051	Food Service Managers	586	\$13.24	\$20.71
	Loan Interviewers and Clerks	734	\$14.54	\$20.22
35-1011	Chefs and Head Cooks	358	\$15.96	\$21.55
41-3041	Travel Agents	181	\$16.43	\$20.30
27-2099	Entertainers and Performers, Sports and Related Workers, All Other	111	\$14.48	\$19.58
43-4181	Reservation and Transportation Ticket Agents and Travel Clerks	110	\$13.71	\$17.09
27-2031	Dancers	61	\$16.93	\$19.70
11-9081	Lodging Managers	52	\$15.88	\$25.38

KEY FINDINGS & RECOMMENDATIONS

Between July and August 2019, focus groups comprised of stakeholders from the community colleges and industry experts met to review the labor market demand and program supply for middle-skill jobs in Orange County's Priority and Emerging Sectors. The objectives of the focus groups were to identify labor market supply gaps in middle-skill jobs and provide intelligence as to how Orange County community colleges are working to close supply gaps, as well as the challenges they encounter in their programs. The following summarizes the findings and recommendations for the Retail, Hospitality, and Tourism sector.



6,075

annual job openings
(labor market demand)



800

average annual program awards
(labor market supply)



5,275

supply gap
(awards needed to close the gap)



Key Finding



Recommendation

1

Completion numbers are low, but some colleges have found solutions to increase completion: In the 2016-17 academic year, 5,632 students took at least one Retail, Hospitality, and Tourism course in Orange County, but only 279 students earned a degree or certificate. There tends to be high turnover of workers in this sector, so it is relatively easy for students to find a job before completing. However, upfront counseling to help students understand the importance and value of completing has helped increase persistence rates at some colleges.

To increase completion rates of students in Retail, Hospitality, and Tourism programs colleges could focus on counseling efforts early in a student's course progression to help them understand the value of a degree or certificate. Colleges could also add a work experience component, such as an internship or work-based learning opportunity, towards the end of their programs to incentivize students to complete their degree or certificate.

2

Several Retail, Hospitality, and Tourism occupations are in high demand, but pay low wages: Even though there is a significant need for occupations such as First-Line Supervisors of Retail Workers and First-Line Supervisors of Food Preparation and Serving Workers, entry-level wages for these occupations are below the living-wage for one adult in Orange County.

To help students move into occupations with higher wages, colleges could consider creating noncredit programs for high-demand, low wage occupations and create a noncredit-to-credit pipeline so students have a pathway to obtain additional education and experience that will help them earn better wages and advance their careers.



Key Finding

3

Wages for Chefs and Head Cooks could be misleading: Entry-level wages for Chefs and Head Cooks are below the regional living wage, which is currently \$17.36. However, this occupation includes several roles and titles, ranging from line cook to executive chef. While standardized occupational titles are useful for classifying, collecting, and disseminating data in general, they do not always provide a complete picture of the demand and wages for specific job titles. Proliferous positions that are typically considered entry-level and require less experience, like line cooks, have low wages and bring the entry-level and median wages down for this occupation.

4

Knowledge, Skills, and Abilities (KSAs) for the sector have not been validated by employers: The OC Sector Analysis Project brief examines job gaps but does not explore the specific KSAs taught at the colleges and compare them to the labor market's demand for Retail, Hospitality, and Tourism KSAs. Orange County community colleges offer several courses that are designed to provide students with additional skills, rather than train them for a specific occupation.



Recommendation

To help students better understand wage expectations and career progression, the Regional Director for Employer Engagement could work with faculty members and administrators to define common career paths and job titles within occupations. This information can then be shared with counselors so that students can learn about their career options and how their earnings potential changes with additional education and experience.

To determine if the region's community colleges are training for the right KSAs, the Retail, Hospitality, and Tourism Regional Director for Employer Engagement should convene employers in a "regional advisory group" where employers can review program KSAs, provide feedback, and validate the KSAs' current relevance and demand in the labor market.



MORE ABOUT THE CENTERS OF EXCELLENCE

The Centers of Excellence (COE) for Labor Market Research deliver regional workforce research and technical expertise to California Community Colleges for program decision-making and resource-development. This information has proven valuable to colleges in beginning, revising, or updating economic development and Career Education (CE) programs, strengthening grant applications, assisting in the accreditation process, and in supporting strategic planning efforts.

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Sources

Demand data is pulled from Emsi, a software program that consolidates data from the California Employment Development Department (EDD), U.S. Bureau of Labor Statistics (BLS), and other government agencies.

Program supply data is drawn from two systems: Taxonomy of Programs (TOP) and Classification of Instructional Programs (CIP).

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 such as those from the Orange County Center of Excellence for Labor Market Research and Cal-PASS Plus LaunchBoard. This study examines the most recent data available at the time of the analysis; however, data sets are updated regularly and may not be consistent with previous reports. Efforts have been made to qualify and validate the accuracy of the data and the report findings; however, neither the Centers of Excellence for Labor Market Research (COE), COE host college/district, nor California Community Colleges Chancellor's Office are responsible for the applications or decisions made by individuals and/or organizations based on this study or its recommendations.

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