

# BUSINESS AND ENTREPRENEURSHIP: ACCOUNTING & TAX

*LA REGIONAL PROGRAM ADVISORY*

APRIL 23, 2024  
11:00 AM – 1:00 PM

POWERED BY



**Business and Entrepreneurship: Accounting & Tax**  
REGIONAL PROGRAM ADVISORY

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Jermaine Hampton  
Vice President of Workforce Development and Special Projects  
LAEDC

Jose Pelayo  
Director, Workforce Development  
LAEDC

Alicia Nyein  
Asst. Program Manager, Workforce Development  
LAEDC



**The LA-19 is leading industry-education partnerships to collaboratively strengthen our region's talent development ecosystem**

1. Data-driven research on the supply and demand for talent
2. Industry Councils and Regional Program Advisories
3. Developing work-based learning and employment opportunities

For more information, visit: <https://losangelesrc.org>



**Dr. Narineh Makijan**  
Chair/Assistant Vice President  
Los Angeles Regional Consortium

# **Jermaine Hampton**

Vice President of Workforce  
Development and Special Projects  
LAEDC



# Business and Entrepreneurship: Accounting & Tax

## REGIONAL PROGRAM ADVISORY

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### OUR VISION

- A reimagined Los Angeles regional economy – growing, equitable, sustainable, and resilient – that provides a healthy and high standard of living for all.

### OUR MISSION

- Reinventing our economy to collaboratively advance growth and prosperity for all.



**LAEDC'S 5 PILLAR STRATEGY FOR  
ECONOMIC DEVELOPMENT**



Advance connections, programs and policies to increase business growth and hiring in the region.

**Industry Clusters**

Business attraction, retention and expansion for the entire region.

**Business Assistance**

Attracts investment into the region from foreign companies.

**Foreign Direct Investment**

Aligns education with evolving industry trends.

**Workforce Development**

Objective economic research and analysis.

**Economic Research**



# Matthew Skyberg

GIS Research Analyst,  
Institute for Applied Economics  
LAEDC



For Business  
Entrepreneurship  
(Accounting),  
employment is  
measured using 4  
distinct NAICS codes

- **5412: Accounting, Tax Preparation, Bookkeeping, and Payroll Services**
  - 541211: Offices of Certified Public Accountants
  - 541213: Tax Preparation Services
  - 541214: Payroll Services
  - 541219: Other Accounting Services

Accounting, Tax Preparation, Bookkeeping, and  
Payroll Services Employment  
Los Angeles County 2012-2022

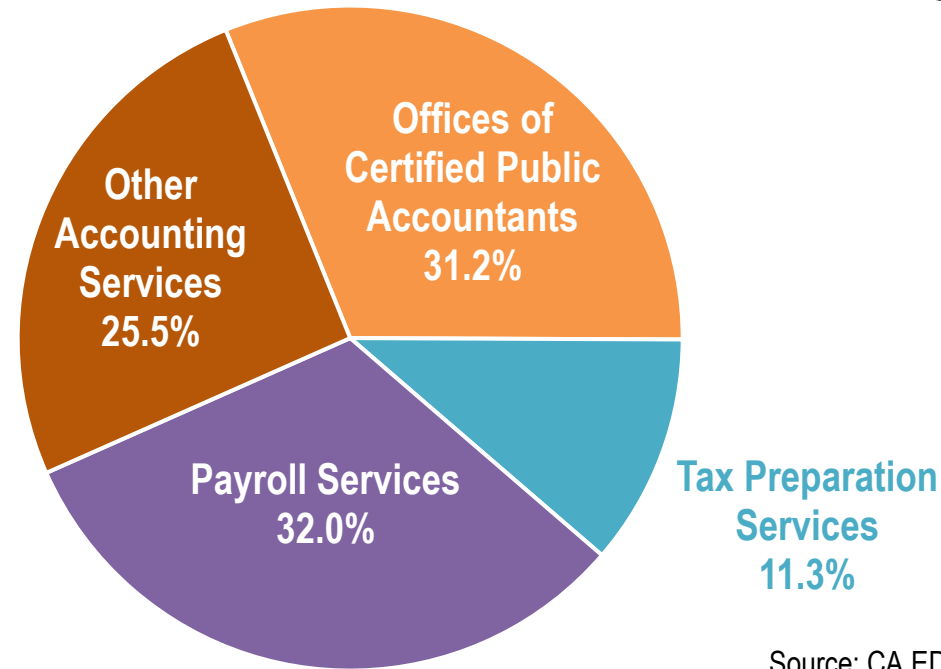


Source: CA EDD, Lightcast

- Industry has employed over 50,000 people in the time period of 2012 to 2022.
- Payroll employment was highest in 2013, exceeding 57,000 jobs.
- Payroll employment fell to its lowest point in 2020, dropping to just over 50,500 jobs.
- Since this low point, employment grew at 8.8 percent between 2020 and 2022, adding 4,440 net new jobs in this two-year period.

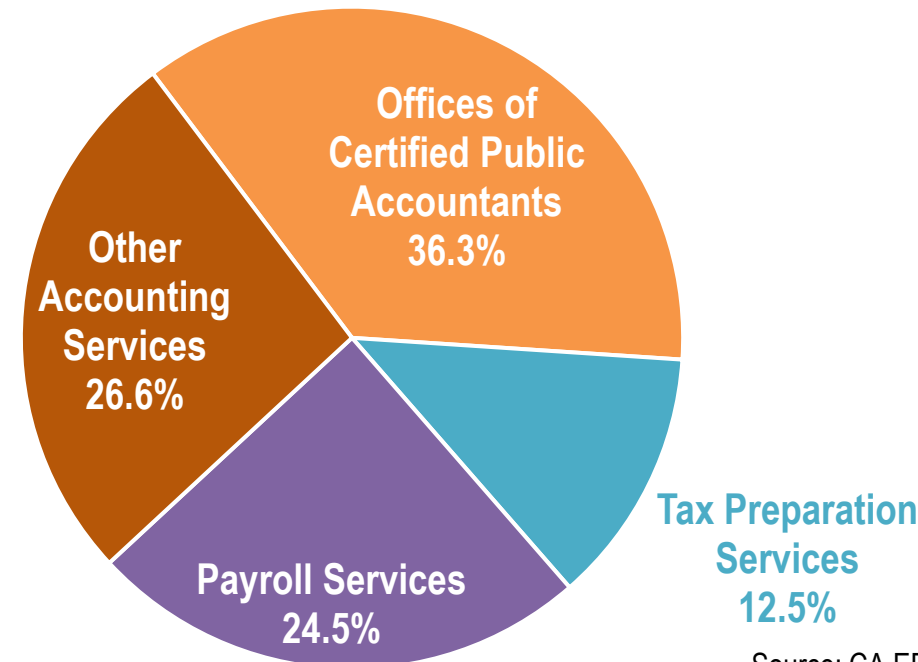
### Change in Accounting, Tax Preparation, Bookkeeping, and Payroll Services Employment, Los Angeles County, 2012 - 2022

Los Angeles County, 2012



Source: CA EDD, Lightcast

Los Angeles County, 2022

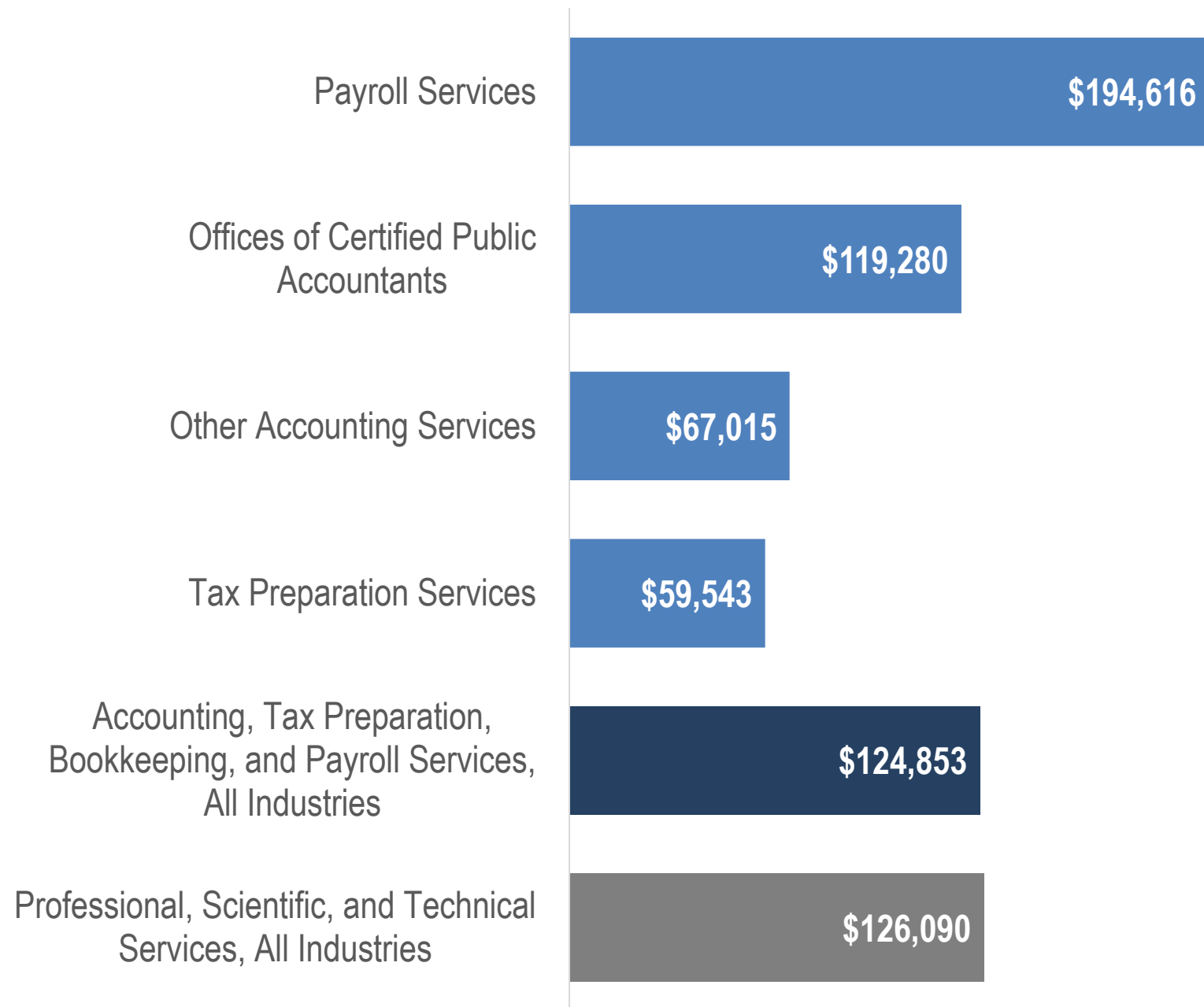


Source: CA EDD, Lightcast

- Offices of CPAs has maintained the largest industry by employment share since 2012, and its share grew 5.1 percentage points between 2012 and 2022.
- Other Accounting Services has grown 1.1 percentage points to be the second largest industry, while Payroll Services has shrunk its employment share by 7.5 percentage points to become the third largest industry, accounting for 26.6% and 24.5% of all payroll workers in the industry in 2022, respectively.
- The employment share of Tax Preparation Services has grown modestly from 11.3% to 12.5% and remains the lowest share of employment.
- Payroll Services was the only industry subsector to decrease its share of industry employment.

### Average Annual Pay in Accounting, Tax Preparation, Bookkeeping, and Payroll Services Industries

Los Angeles County, 2022



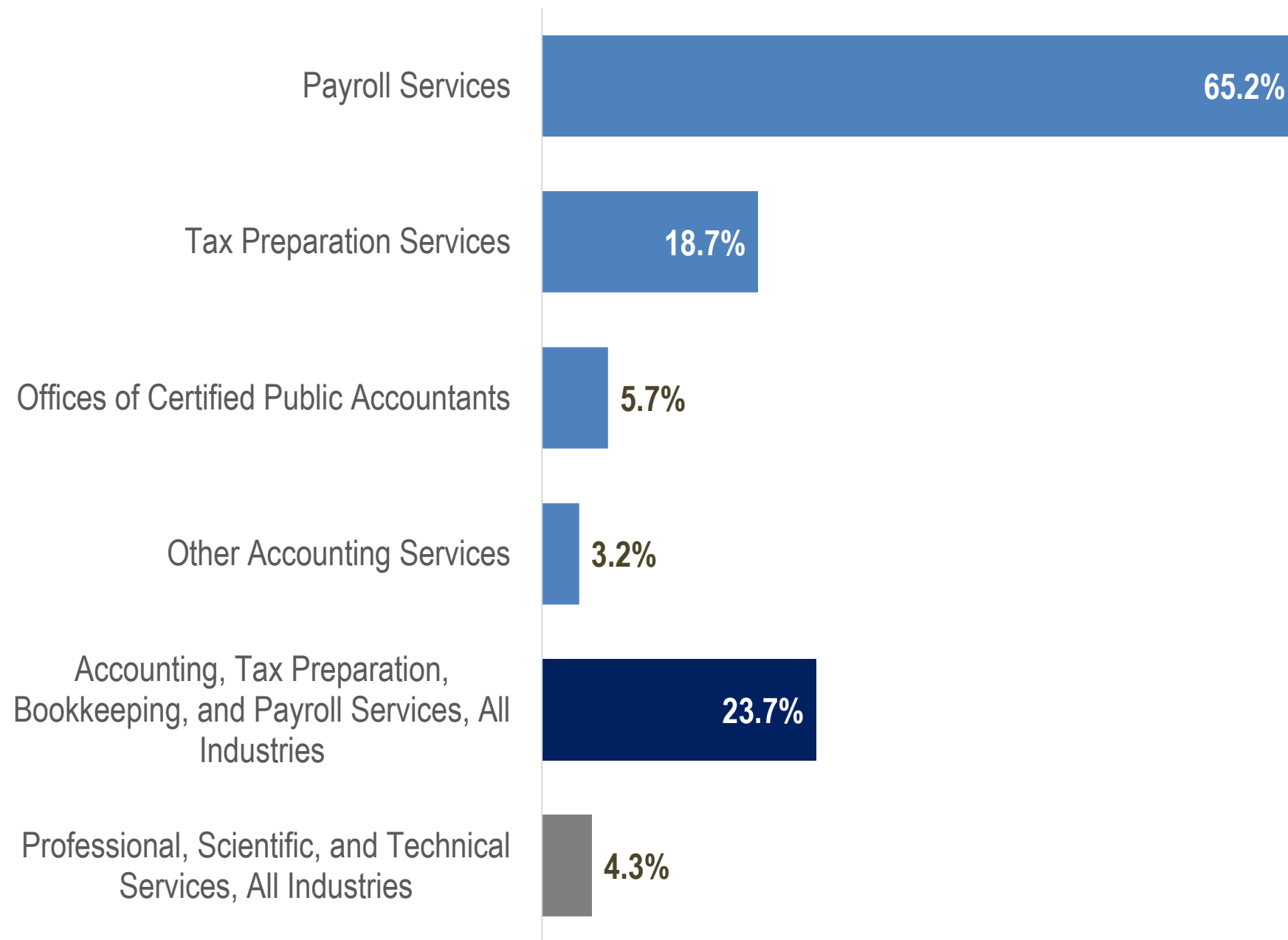
- Each subsector in Accounting, Tax Preparation, Bookkeeping, and Payroll Services had average annual earnings exceeding the MIT living wage of \$44,138 in Los Angeles County (single person) in 2022
- Payroll Services is highest at over \$194,000, over 4-times the living wage threshold
- In 2022, the average annual wage in:
  - Los Angeles County, \$84,000 per year
  - Accounting, Tax Preparation, Bookkeeping, and Payroll Services Industry, \$124,850 per year
  - Professional, Scientific, and Technical Services sector, \$126,090 per year

Source: QCEW



## Real Wage Growth in Accounting, Tax Preparation, Bookkeeping, and Payroll Services Industries

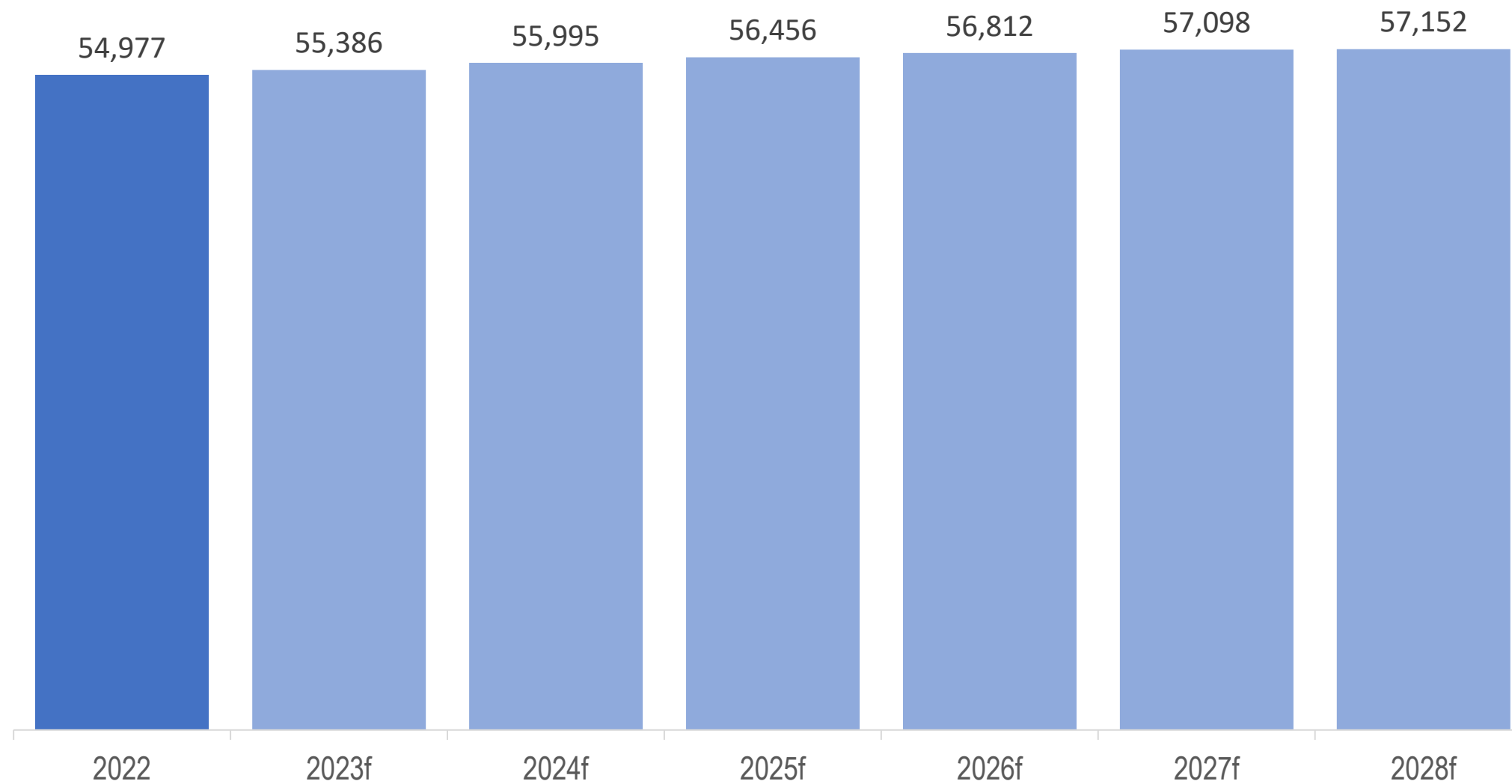
Los Angeles County, 2012 to 2022



- The largest increase occurred in the Payroll Services industry; real wages grew more than 65% since 2012
- Tax Preparations Services, Offices of Certified Public Accountants, and Other Accounting Services experienced slower growth at 18.7%, 5.7%, and 3.2% growth, respectively.
- Overall, real wages in the Accounting, Tax Preparation, Bookkeeping, and Payroll Services subsector grew by 23.7%, outpacing the Professional, Scientific, and Technical Services sector as a whole by over 19 percentage points.

Source: QCEW

Accounting, Tax Preparation, Bookkeeping, and Payroll  
Services Forecasted Employment  
Los Angeles County, 2023-2028



Source: CA EDD, Lightcast

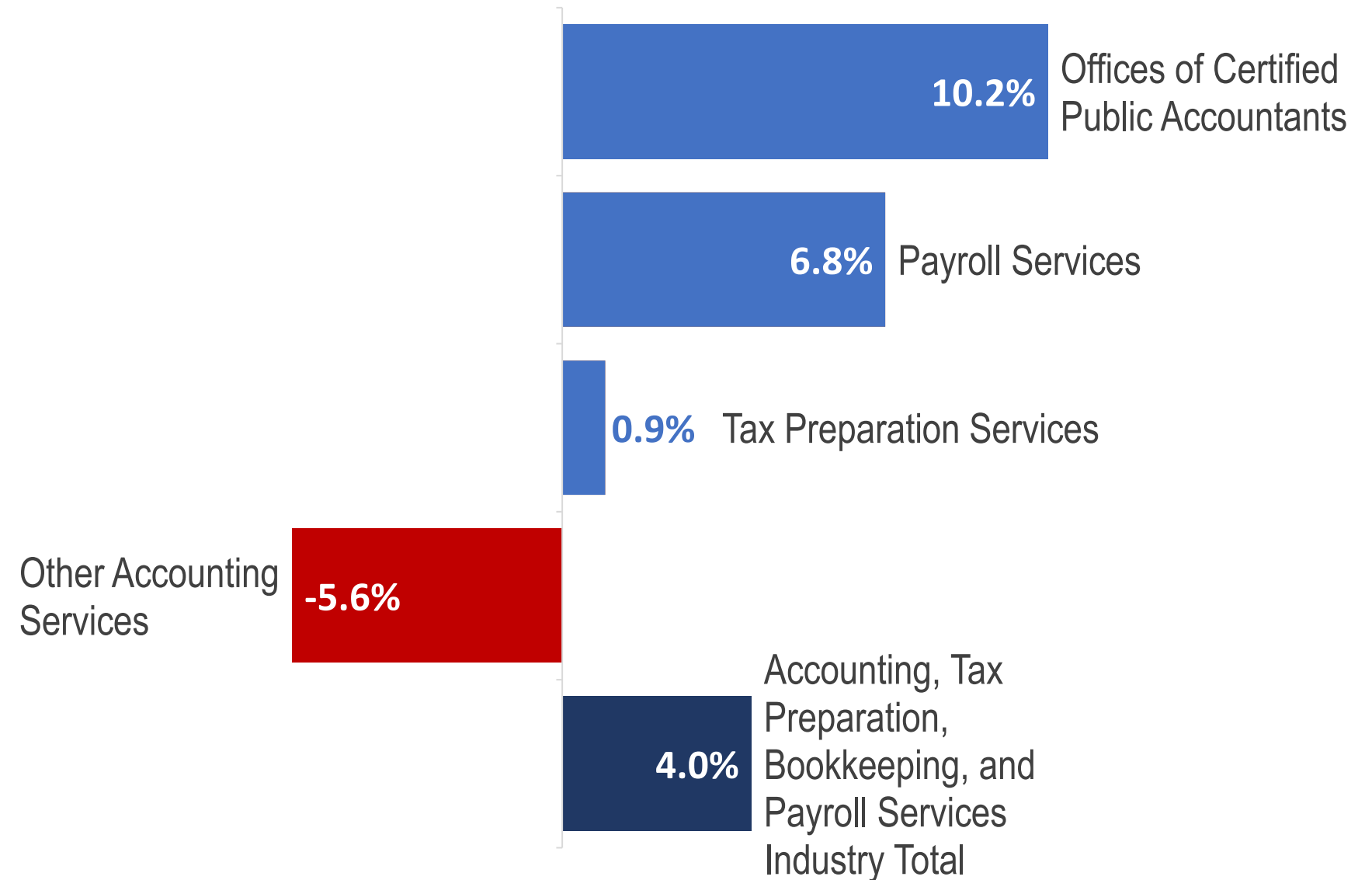
- From 2022 to 2028, payroll employment in the Accounting, Tax Preparation, Bookkeeping, and Payroll Services subsector overall is forecasted to grow by 4%
- Adding 2,175 net new jobs over the next 6 years at a rate of more than 360 new jobs per year

## Business and Entrepreneurship: Accounting & Tax REGIONAL PROGRAM ADVISORY

- Within the subsector, the industries have varying growth projections
- Overall, Accounting, Tax Preparation, Bookkeeping, and Payroll Services industries are expected to grow 4% through 2028.
- The Offices of Certified Public Accountants industry is forecasted to have the highest rate of job growth, increasing by 10.2%.
- Payroll Services is expected to have the second highest rate of growth at 6.8%.
- Tax Preparation Services is forecasted to have modest growth at less than 1%, while Other Accounting Services is forecasted to decline by 5.6%.

## Looking Forward

### Forecasted Employment Growth in Accounting, Tax Preparation, Bookkeeping, and Payroll Services Industries, Los Angeles County, 2022 to 2028

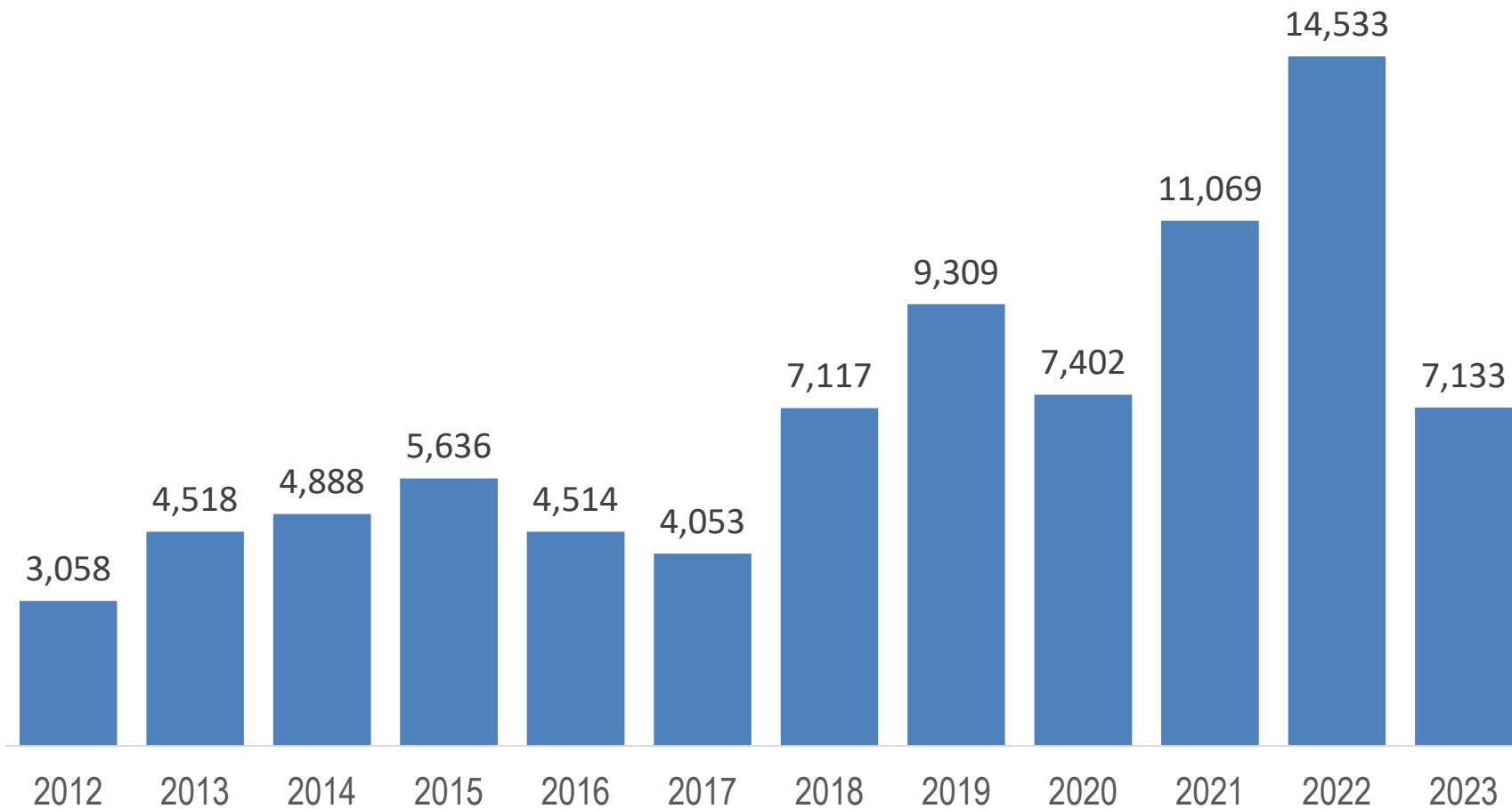


Source: Lightcast



# Business and Entrepreneurship: Accounting & Tax REGIONAL PROGRAM ADVISORY

## Total Accounting, Tax Preparation, Bookkeeping, and Payroll Services Job Postings, Los Angeles County, 2012 to 2022

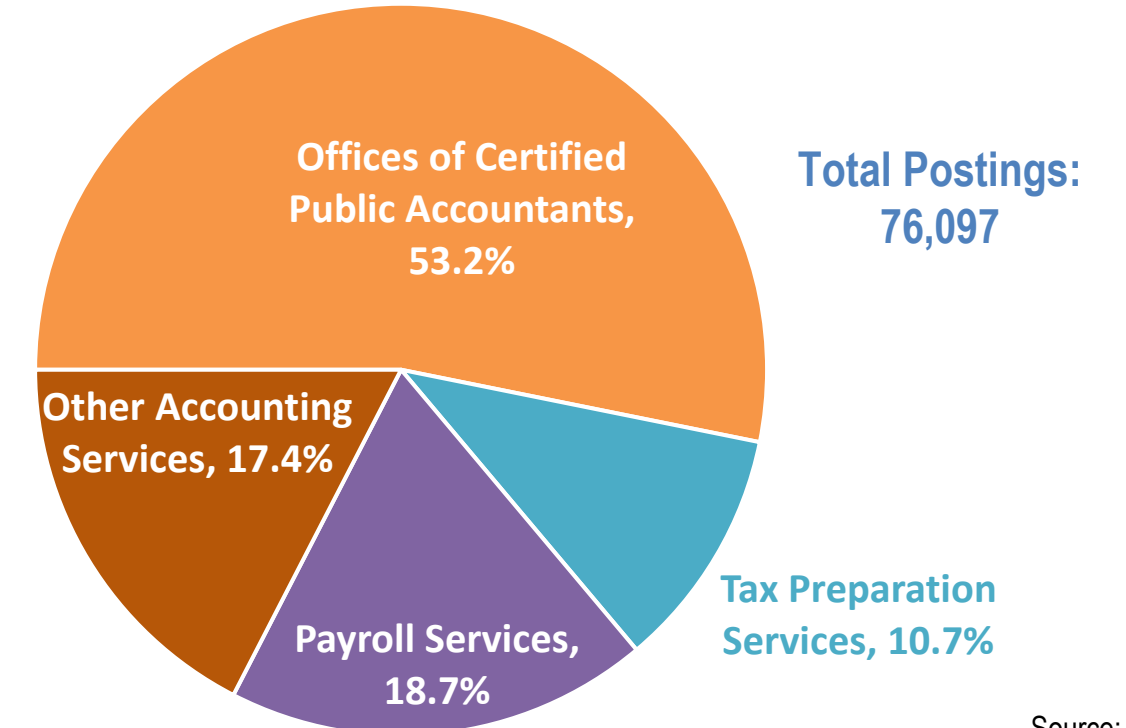


Source: Lightcast

- Job postings peaked in 2022, with just over 14,530 job postings compared to nearly 3,060 job postings in the subsector in 2012.

# Employer Job Postings

## Distribution of Job Postings, Los Angeles County 2012 to 2022

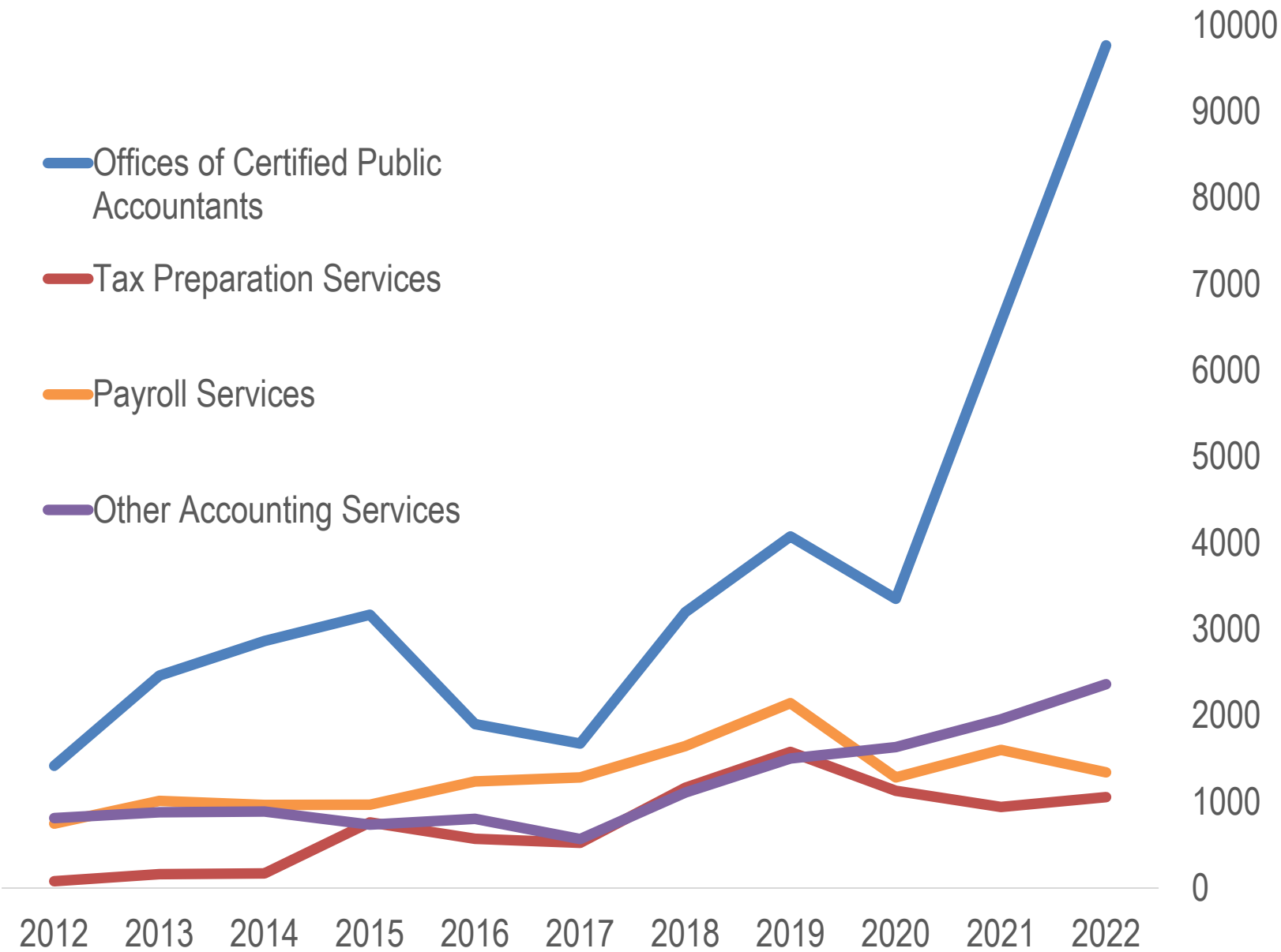


Source: CA EDD, Lightcast

- The Offices of Certified Public Accountants industry represents the largest share of job postings over the last decade (2012 to 2022), accounting for over 53% of total job postings.
- The Payroll Services and Other Accounting Services industries followed, accounting for 18.7% and 17.4%, respectively, of all job postings over the period.



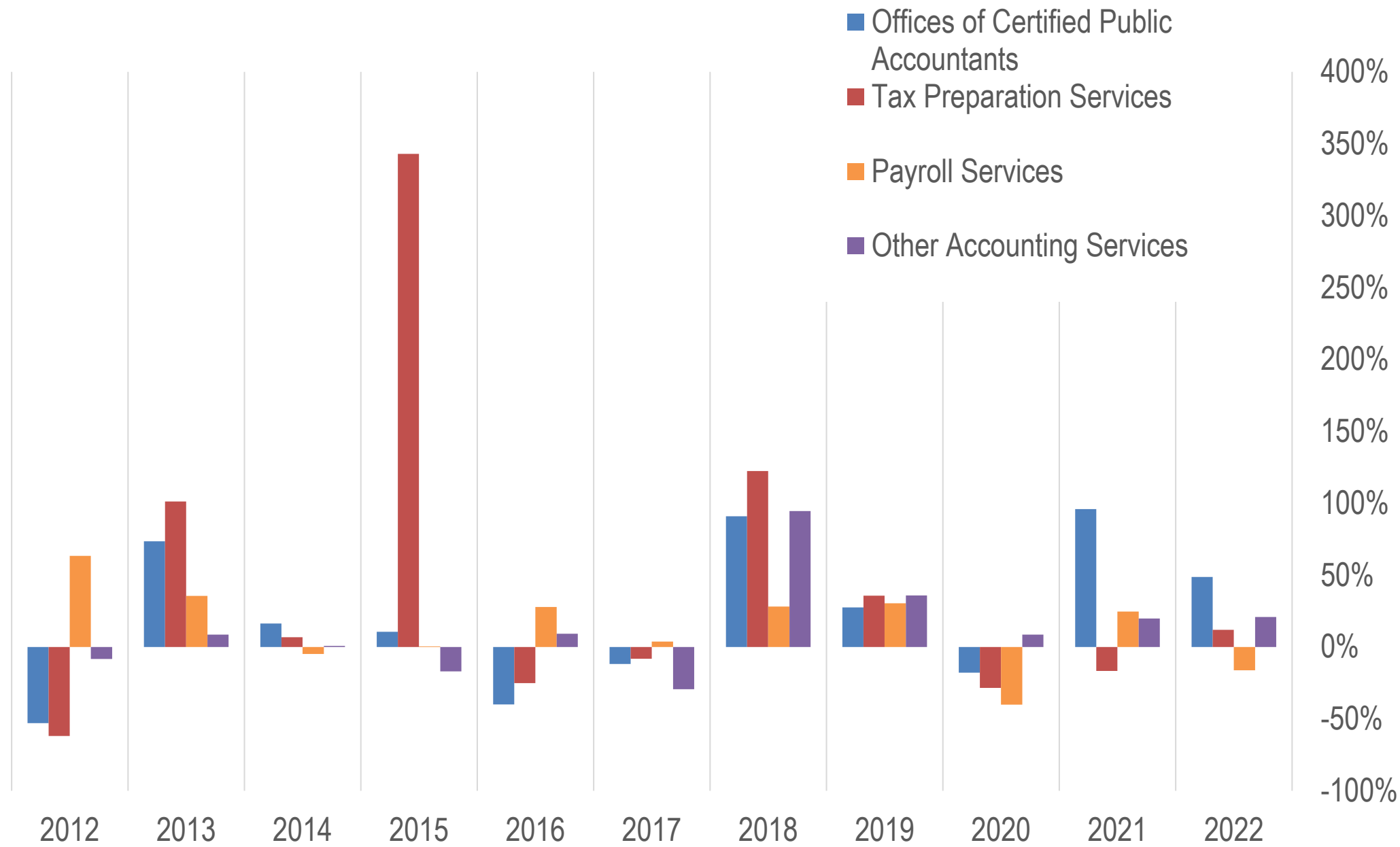
Job Postings by Subindustry  
Los Angeles County, 2012-2022



Source: Lightcast

- Offices of Certified Public Accountants has been the subsector with the most job postings between 2012 and 2022, peaking in 2022 to nearly 9,800.
- Other Accounting Services was the second highest subsector in 2012 and 2022 but was the lowest subsector in 2018 and 2019.
- Tax Preparation Services subsector had the fewest job postings, but did surpass Other Accounting Services in 2015, 2018, and 2019.
- Payroll Services peaked in 2019, but has experienced a downward trend since then, having the second fewest job postings in 2022.
- Offices of Certified Public Accountants and Other Accounting Services have been trending up since 2017, while Tax Preparation Services and Payroll Services have been trending down since 2019.

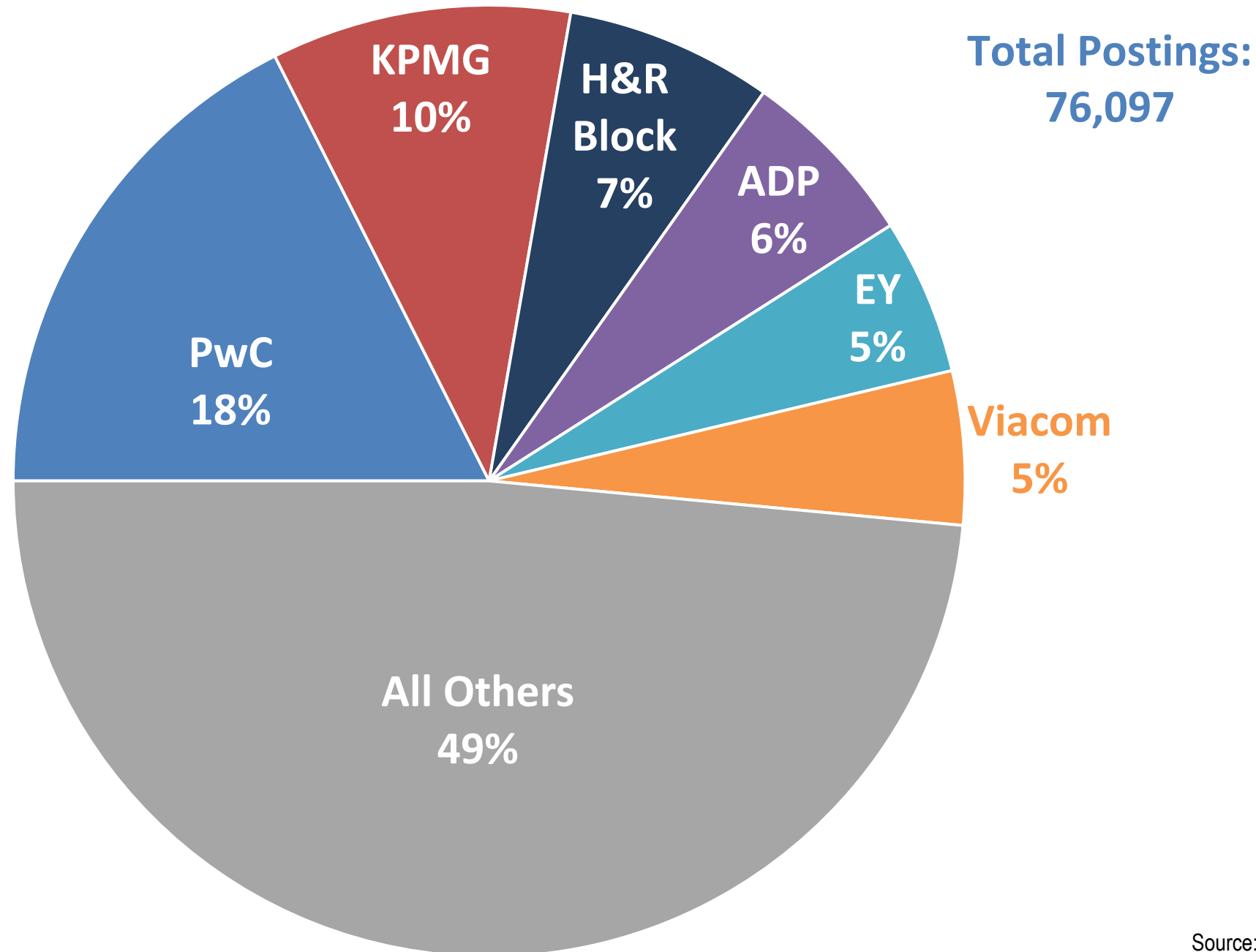
## Growth in Job Postings by Subindustry Los Angeles County, 2012-2022



Source: Lightcast

- Tax Preparation Services has had the most year-to-year variability since 2012, experiencing year-to-year growth of over 340%, and decline exceeding 50% other years.
- Offices of Certified Public Accountants have also experienced significant variability, with years of growth approaching 100%, but also years with decline of over 20%.
- Payroll Services and Other Accounting Services have been the most stable, averaging just over 8% annual growth rate.

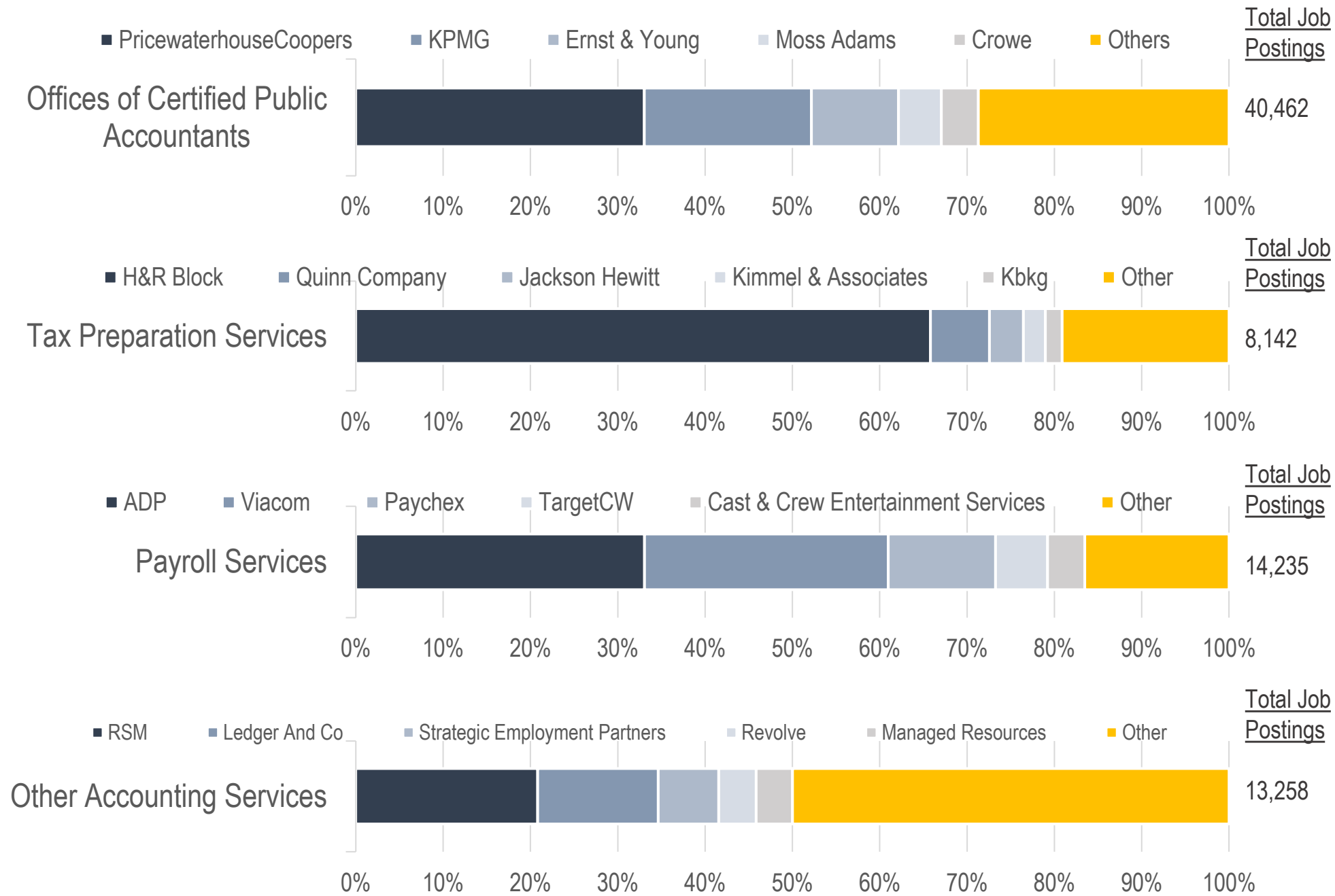
## Top Companies by Job Postings in the Heavy and Civil Engineering Construction Industry, Los Angeles County, 2012 to 2022



- PricewaterhouseCoopers (PwC) has the largest share of job postings, representing 18% of posted opportunities.
- The top 2 companies account for 28% of posted opportunities with KPMG at 10%.
- H&R Block, ADP, Ernst & Young, and Viacom account for a combined 23%
- Postings are highly concentrated in these 6 companies, accounting for 51% of all postings in the industry over the period.

Source: Lightcast

**Concentration of Hiring Among the Top 5 Companies by  
 Job Postings in Heavy and Civil Engineering  
 Construction Industry of Los Angeles County, 2012-2022**

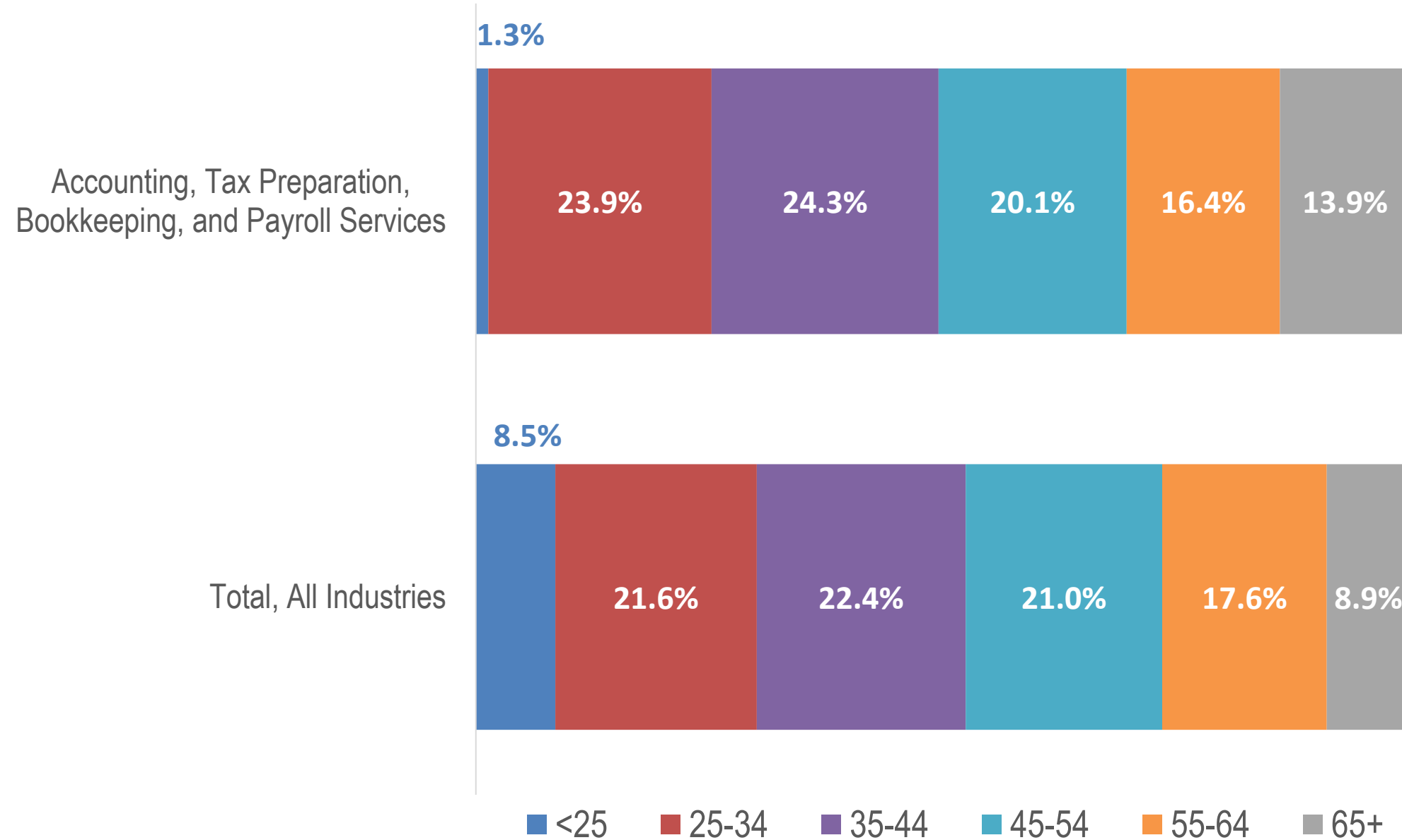


Source: CA EDD, Lightcast

- Most subindustries have a high concentration of their job postings within their top 5 respective companies.
- Payroll Services and Tax Preparation Services are the most concentrated with over 80% of postings coming from the top 5 companies.
- Offices of Certified Public Accountants are also highly concentrated with over 70% of postings in the top 5 companies.
- Other Accounting Services is the only subindustry with the top 5 companies accounting for less than half of job postings.



**Age Distribution of Accounting, Tax Preparation, Bookkeeping, and Payroll Services Workers, 2022**

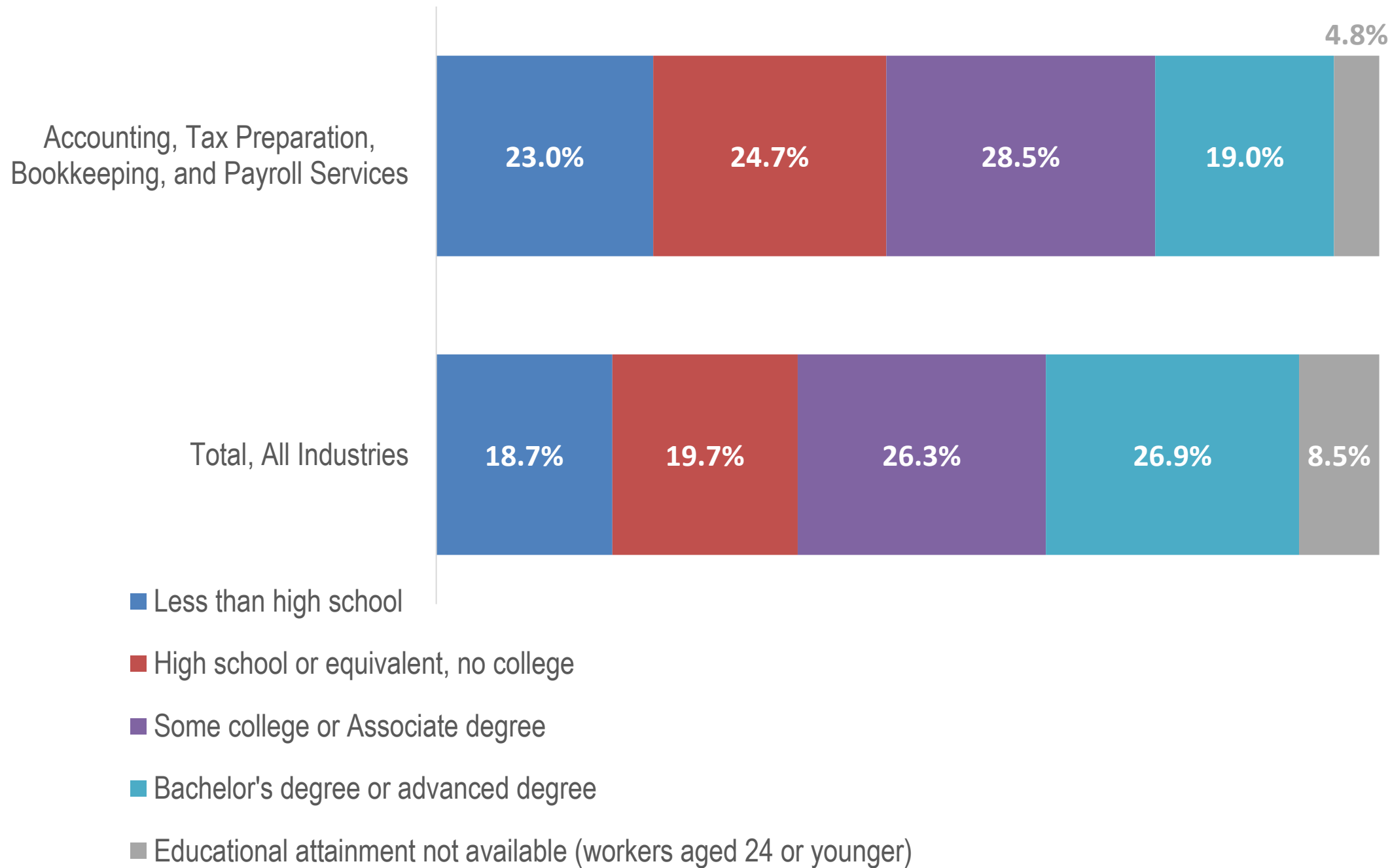


- Over 48% of employees in Accounting, Tax Preparation, Bookkeeping, and Payroll Services industries are between 25 and 44 years old, about 4% more than in other industries in LA County.
- Workers that are 65 years or older are 5 percentage points higher in Accounting, Tax Preparation, Bookkeeping, and Payroll Services industries compared to other industries in LA County.
- Workers between the ages of 45 and 64 are over 2 percentage points higher in Accounting, Tax Preparation, Bookkeeping, and Payroll Services compared to other industries in LA County.

Source: Census QWI, 2022



**Educational Attainment of Accounting, Tax Preparation, Bookkeeping, and Payroll Services Workers, 2022**

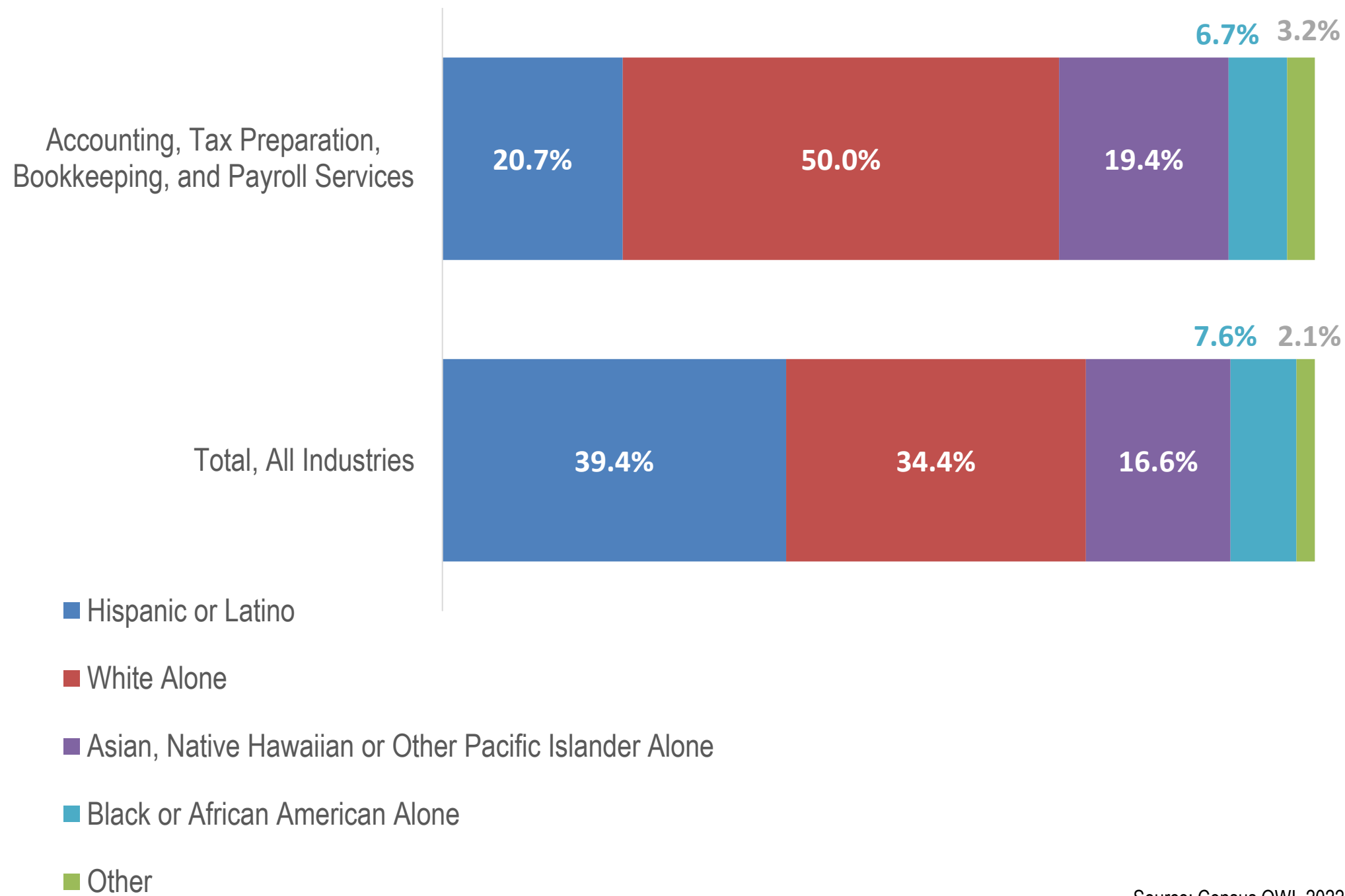


Source: Census QWI, 2022

- About 19% of employees in Accounting, Tax Preparation, Bookkeeping, and Payroll Services industries have a Bachelor's degree
  - Nearly 8% less than in other industries in Los Angeles County
- Compared to other industries, workers have a higher proportion of employees with a high school diploma (or equivalent), some college experience, or associate degree.
  - Over 53% of employees compared to over 46% in all other industries.



**Race / Ethnicity of Accounting, Tax Preparation, Bookkeeping, and Payroll Services Workers, 2022**

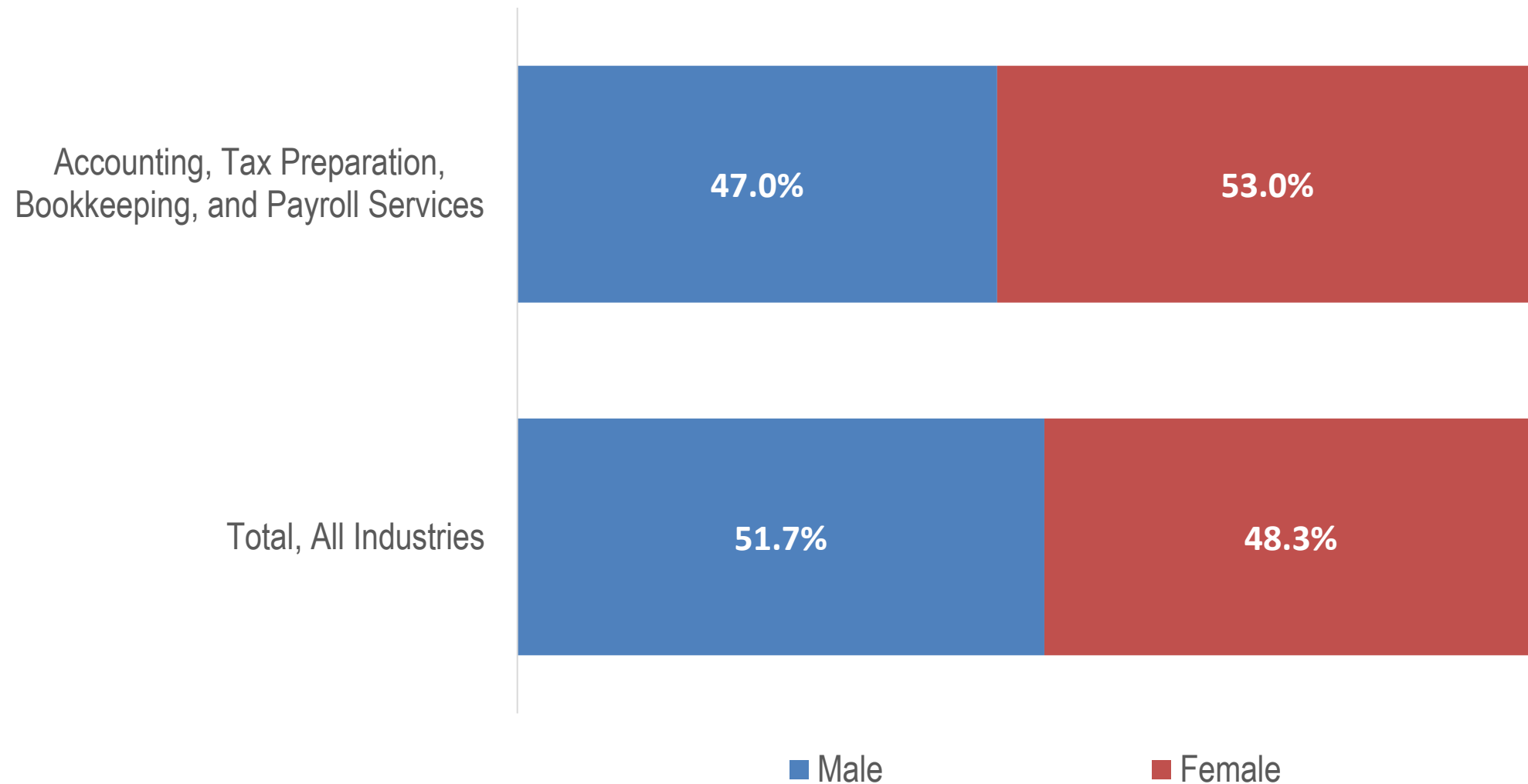


Source: Census QWI, 2022

- Half of workers report their ethnicity as white, over 15 percentage points higher than the all-industry average in LA County.
- Hispanic or Latino workers are underrepresented with only 20.7% of workers compared to over 39% across all industries.
- Asian and Pacific Islander workers are represented at a higher level, nearly 3 percentage points higher compared to all industries.
- Black workers are also slightly underrepresented by nearly one percentage point compared to all industries.



Gender of Accounting, Tax Preparation,  
Bookkeeping, and Payroll Services Workers, 2022



- The gender distribution in the Accounting, Tax Preparation, Bookkeeping, and Payroll Services industries is skewed female, those reporting as female accounting for over 53 percent of the workforce, nearly 5 percent higher than all industries in Los Angeles County.
- Across all industries in Los Angeles County the distribution between genders is more even, skewing slightly male with just under 52 percent of workers reporting as male that's only 3.4 percent points higher.

Source: Census QWI, 2022





# Business and Entrepreneurship: Accounting & Tax REGIONAL PROGRAM ADVISORY

## Occupations Demographics

Metric		Tax Preparers	First-Line Supervisors of Office and Administrative Support Workers	Billing and Posting Clerks	Bookkeeping, Accounting, and Auditing Clerks	Payroll and Timekeeping Clerks	Office Clerks, General
Sex	Male	44.9%	34.8%	12.7%	12.5%	13.3%	17.4%
	Female	55.1%	65.2%	87.3%	87.5%	86.7%	82.6%
Education	Less than HS	3.5%	2.5%	2.5%	3.5%	2.6%	3.5%
	High School	26.6%	21.2%	27.2%	26.6%	23.0%	30.3%
	Some College / Associates	49.0%	40.5%	48.5%	49.0%	48.0%	44.0%
	Bachelor's	17.1%	27.1%	17.7%	17.1%	21.7%	17.7%
	Graduate School	3.8%	8.7%	4.1%	3.8%	4.8%	4.5%
Age	<25	4.4%	3.0%	5.4%	3.8%	3.6%	12.1%
	25-34	15.4%	19.0%	23.0%	14.2%	19.2%	19.2%
	35-44	16.4%	25.6%	25.0%	19.8%	24.0%	18.9%
	45-54	14.6%	25.4%	22.3%	22.9%	23.7%	19.4%
	55-64	18.0%	20.0%	16.3%	23.1%	20.1%	18.4%
	>65	31.1%	7.1%	7.9%	16.1%	9.3%	12.0%
Race	Hispanic	29.5%	39.4%	42.7%	31.6%	36.8%	41.5%
	White	42.9%	37.6%	33.0%	44.9%	40.3%	32.8%
	Asian	15.8%	13.1%	14.4%	15.6%	12.2%	15.5%
	Black	8.7%	7.1%	7.4%	5.1%	7.9%	7.2%
	All Others	3.2%	2.8%	2.5%	2.8%	2.8%	3.0%

- Hispanic workers are most under-represented in the Tax Preparers (29.5%) and Bookkeeping, Accounting, and Auditing Clerks (31.6%) occupations,
  - Compared to over 39% for all industries in LA County
- Tax Preparers have the highest concentration of workers 65 years and older at 31.0%
  - Compared to just under 9% across all industries in LA County.
- Male workers are underrepresented across most of these occupations, accounting for only 12.5% of workers in Bookkeeping, Accounting, and Auditing Clerks, and 12.7% of workers in Billing and Posting Clerks.



- Employment increased nearly 9% between 2020-2022, adding 4,400 new jobs.
- Real wages have grown over 23% in the Accounting, Tax Preparation, Bookkeeping, and Payroll Services industry between 2012-2022.
- Offices of Certified Public Accountants (CPAs) saw a 5.1 percentage point increase in employment share from 2012 to 2022, becoming the largest industry. Conversely, Payroll Services experienced a 7.5 percentage point decrease in employment share over the same period.
- Overall employment in the industry is projected to grow by 4.0% from 2022 to 2028, adding 2,175 net new jobs. The Offices of Certified Public Accountants industry is expected to see the highest job growth rate at 10.2%.
- Job postings peaked in 2022 with over 14,530 postings, with the Offices of CPAs representing the largest share, accounting for over 53% of total postings over the period.
- Over 48% of employees in the industry are between 25 and 44 years old, with workers aged 65 and older 5 percentage points higher than the all-industry average in Los Angeles County. The workforce is skewed female, with over 53% identifying as female.

# CONTACT INFORMATION

**Matthew Skyberg**

[matthew.skyberg@laedc.org](mailto:matthew.skyberg@laedc.org)

# Luke Meyer

**DIRECTOR**

**Los Angeles Center of Excellence for  
Labor Market Research**

***hosted at MT. SAN ANTONIO COLLEGE***

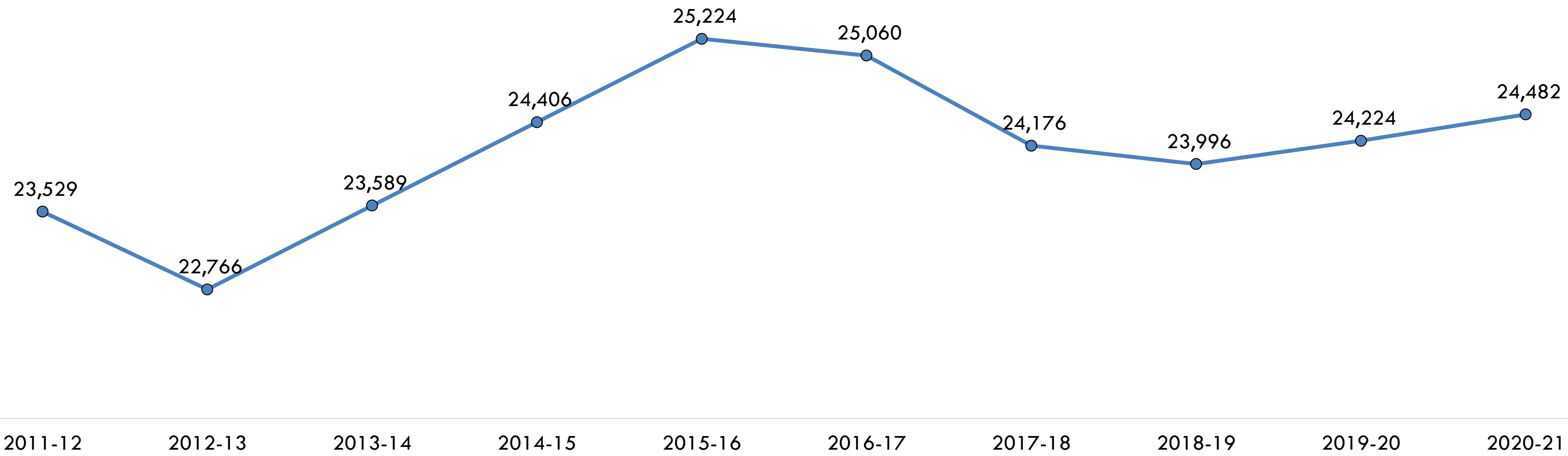
Accounting programs are offered at all 19 LA community colleges. Tax Studies programs are offered by six.

Accounting			Tax Studies
<ul style="list-style-type: none"> <li>• Cerritos</li> <li>• Citrus</li> <li>• Compton</li> <li>• East L.A.</li> <li>• El Camino</li> <li>• Glendale</li> <li>• L.A. City</li> </ul>	<ul style="list-style-type: none"> <li>• L.A. Harbor</li> <li>• L.A. Mission</li> <li>• L.A. Pierce</li> <li>• L.A. Southwest</li> <li>• L.A. Trade-Tech</li> <li>• L.A. Valley</li> </ul>	<ul style="list-style-type: none"> <li>• Long Beach</li> <li>• Mt. San Antonio</li> <li>• Pasadena</li> <li>• Rio Hondo</li> <li>• Santa Monica</li> <li>• West LA</li> </ul>	<ul style="list-style-type: none"> <li>• East L.A.</li> <li>• Glendale</li> <li>• L.A. City</li> <li>• L.A. Pierce</li> <li>• Mt. San Antonio</li> <li>• Santa Monica</li> </ul>

TOP6 - Program Title	2020-21	2021-22	2022-23	Latest 3 Yr Avg
050200 – Accounting	1,152	1,117	922	<b>1,064</b>
050210 – Tax Studies	33	32	55	<b>40</b>
<b>Total</b>	<b>1,185</b>	<b>1,149</b>	<b>977</b>	<b>1,104</b>

Since the 2011-12 academic year, enrollments in accounting courses have grown by 953 students or 4%, to 24,482 students in the 2020-21 academic year.

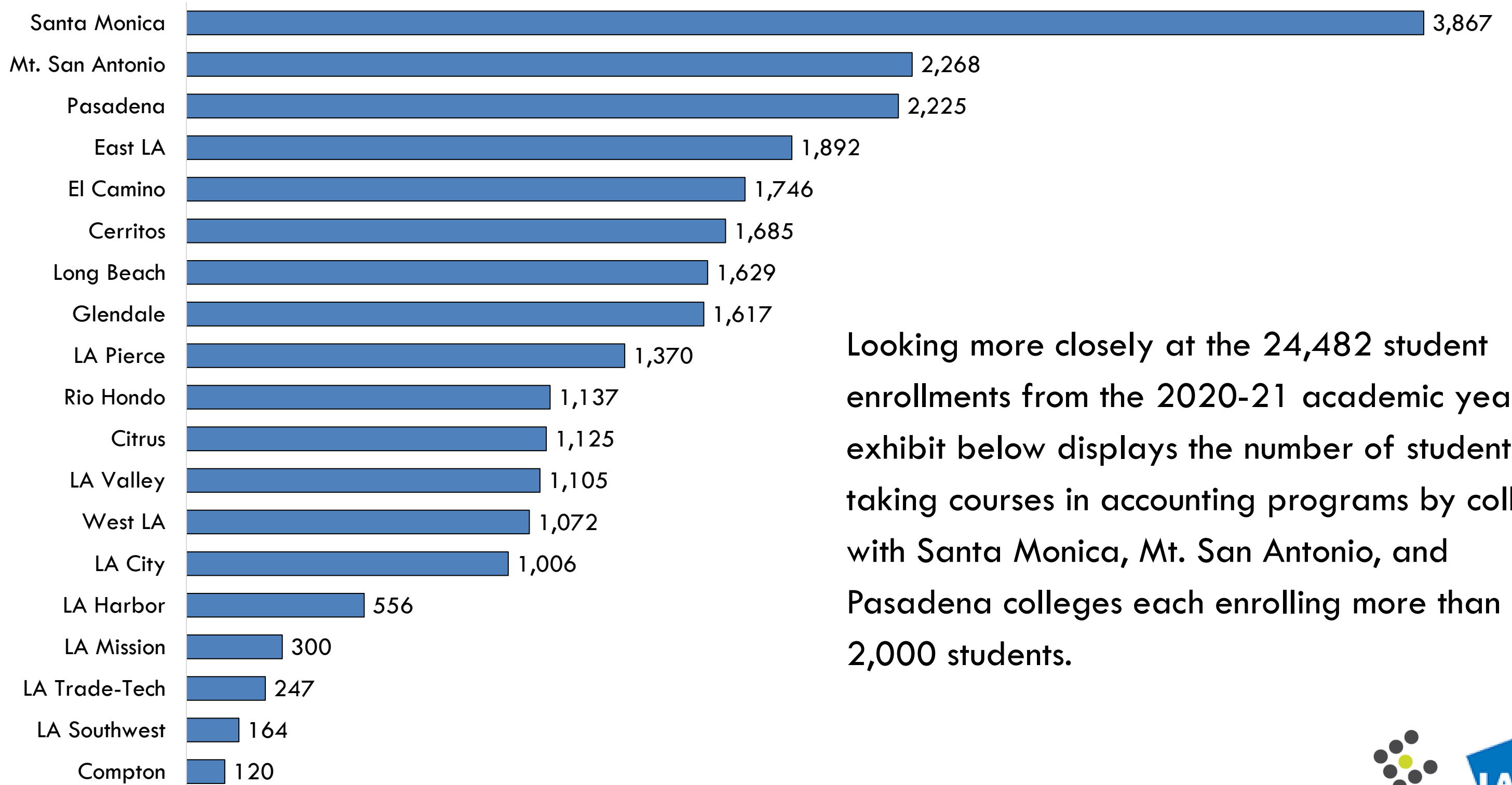
LA Accounting Community College Pipeline Students,  
2011-2021



Source: California Community Colleges LaunchBoard



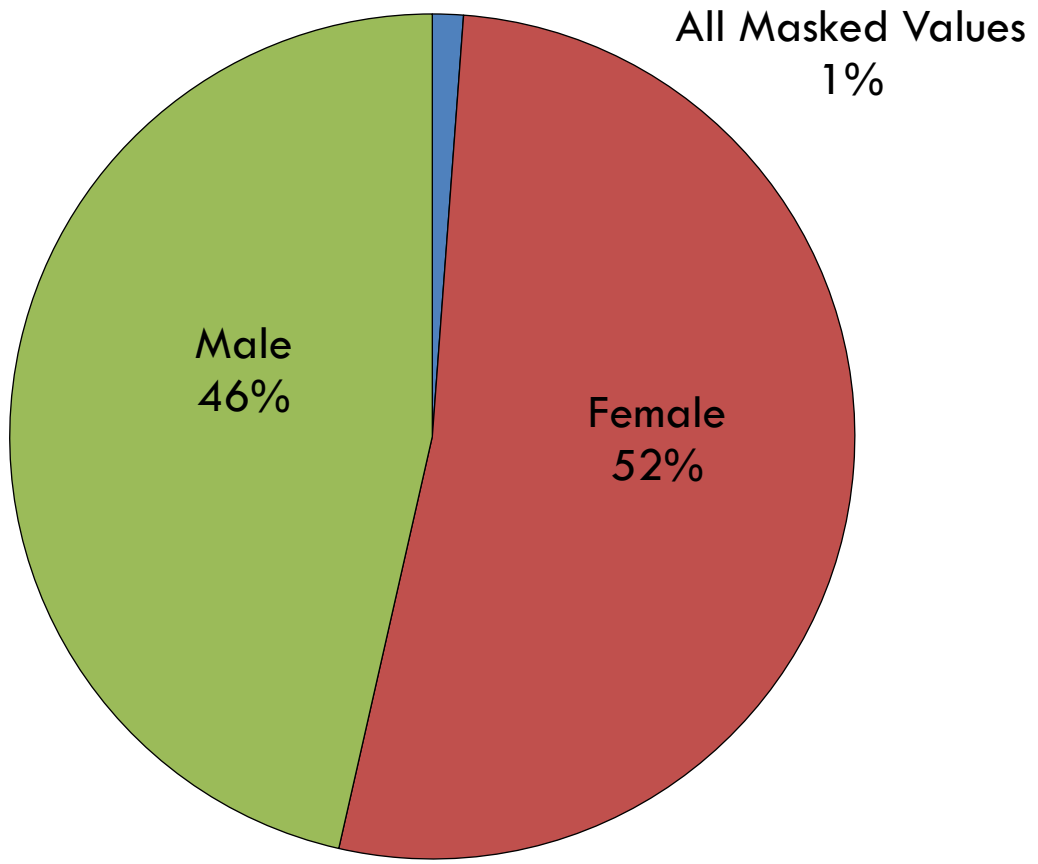
LA Accounting Community College Pipeline Students by College, 2020-2021



Looking more closely at the 24,482 student enrollments from the 2020-21 academic year, the exhibit below displays the number of students taking courses in accounting programs by college, with Santa Monica, Mt. San Antonio, and Pasadena colleges each enrolling more than 2,000 students.

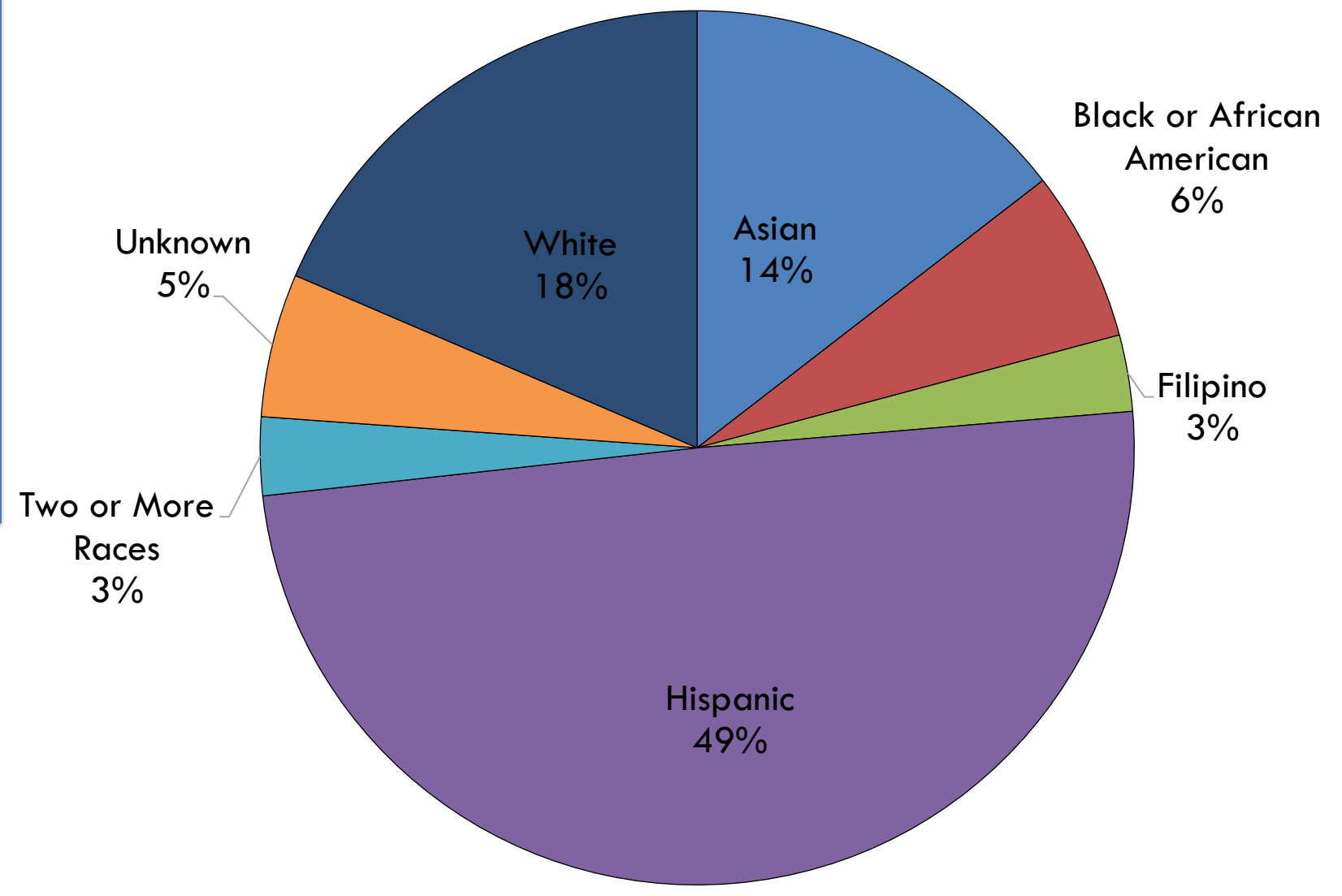
# Student Demographics

**Gender**

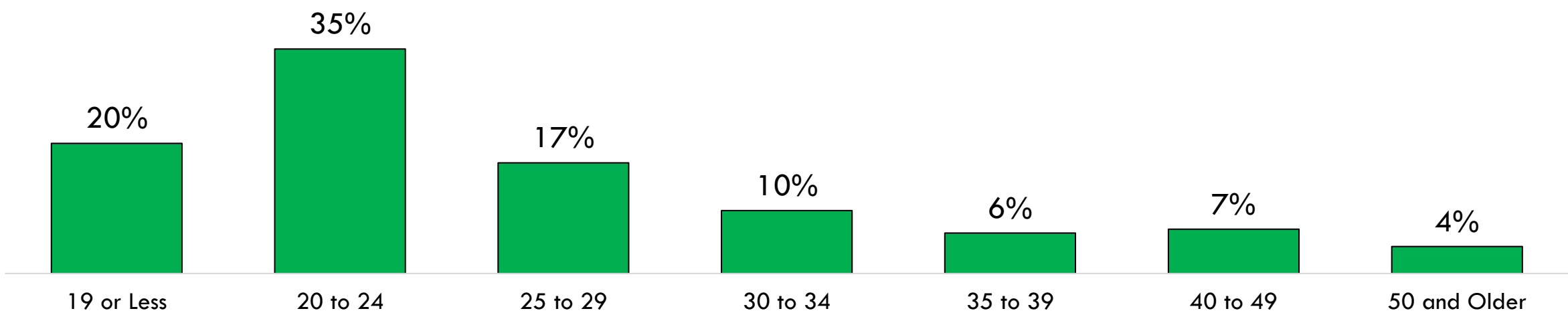


More than half of accounting students at the LA community colleges are female, half identify as Hispanic, and more than half are 29-years-old or younger.

**Race/Ethnicity\***



**Age**



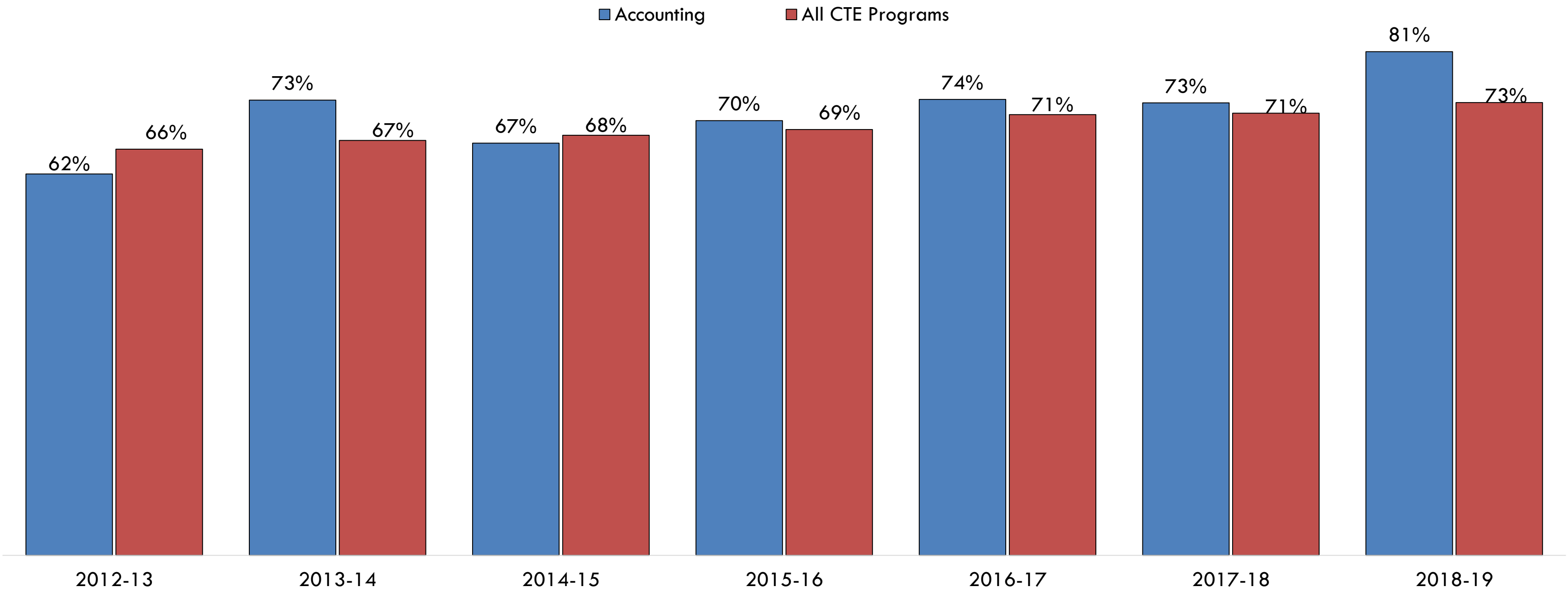
Source: California Community Colleges LaunchBoard

\*Not pictured: American Indian/Alaska Native, Pacific Islander or Hawaiian Native, and Multiple Values Reported, all less than 1%





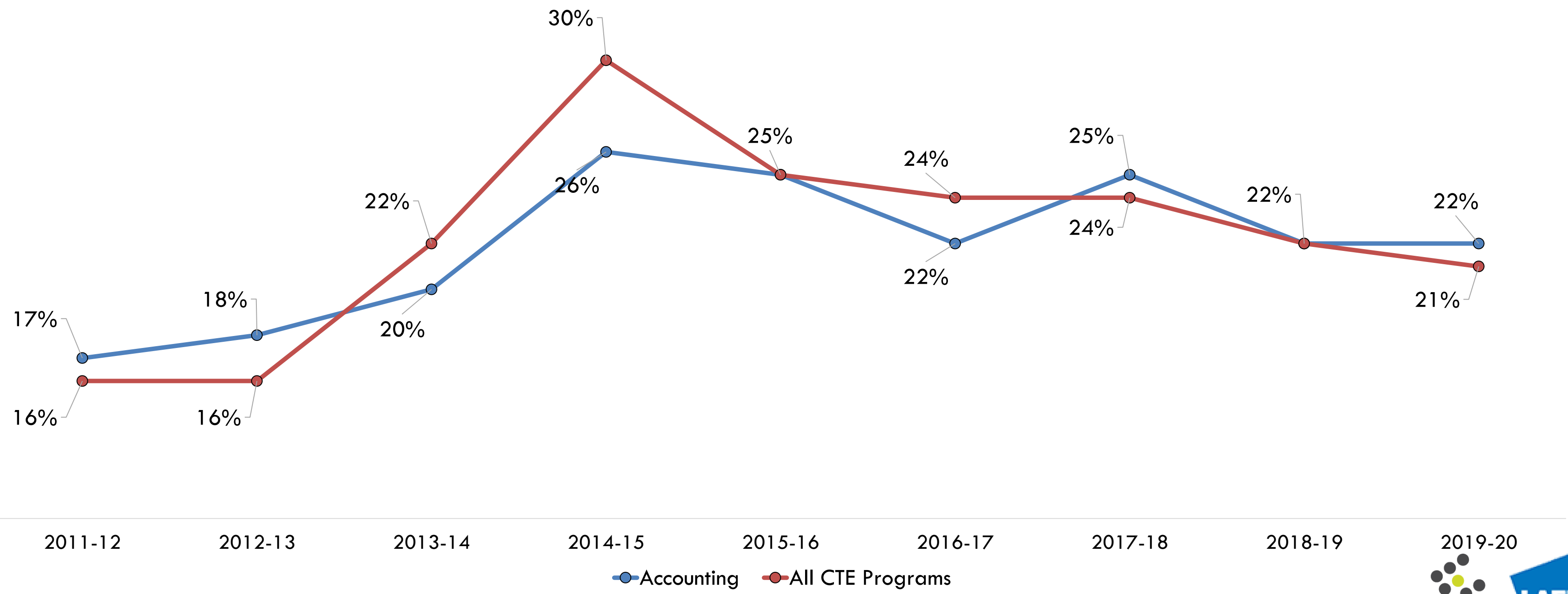
Students with a Job Closely Related to Their Field of Study



Source: California Community Colleges Chancellor's Office LaunchBoard



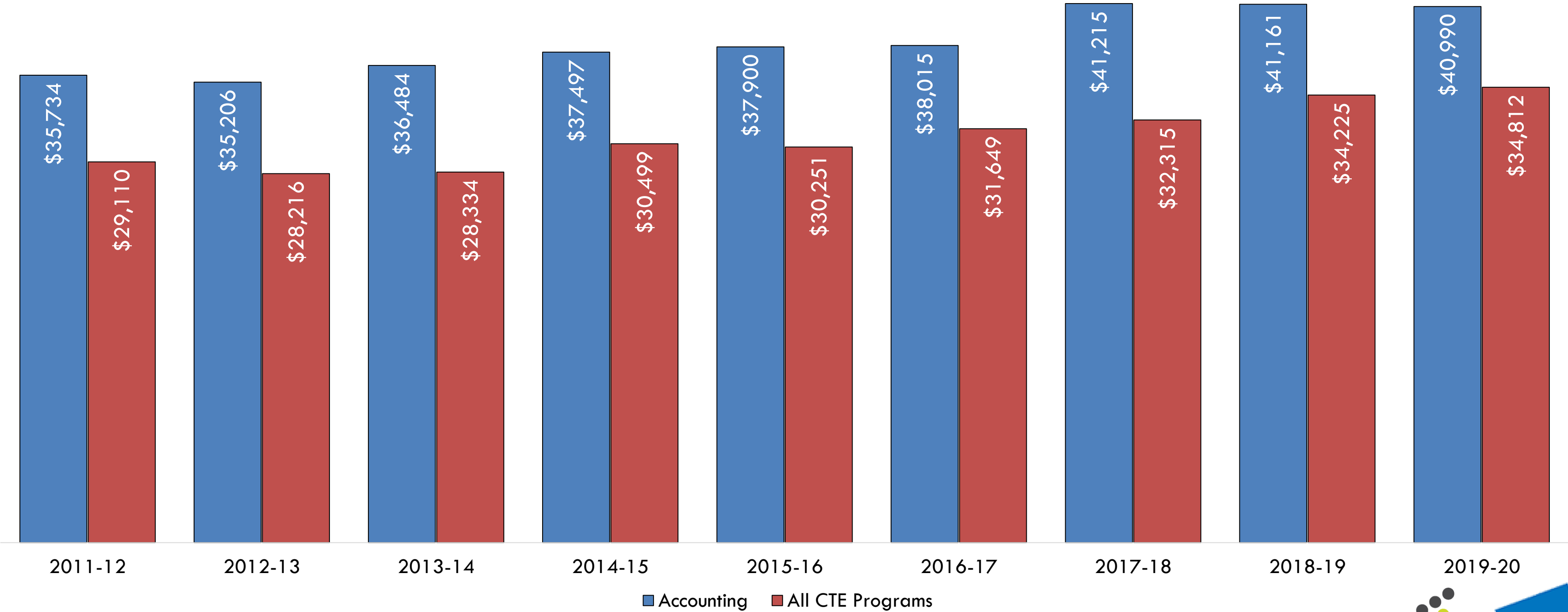
### Median Change in Earning for Exiting Students



Source: California Community Colleges Chancellor's Office LaunchBoard



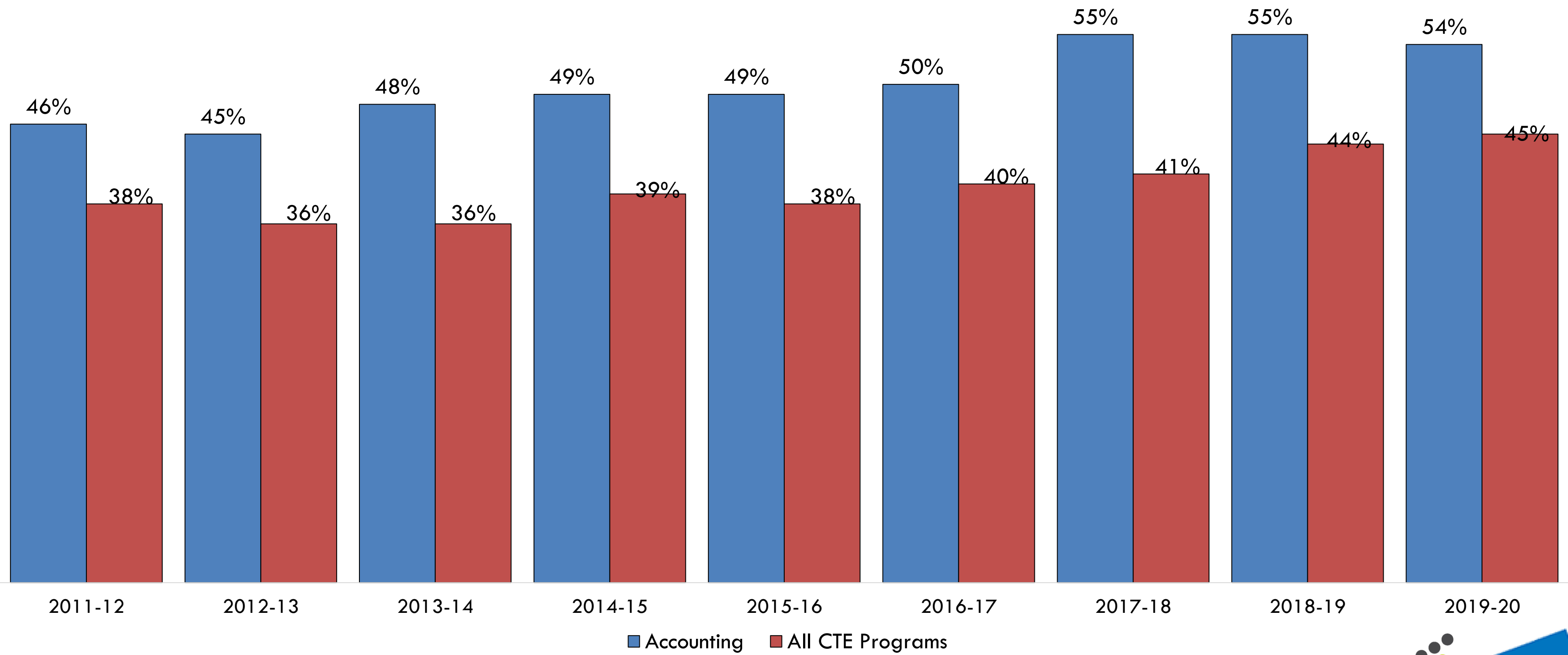
Median Annual Earnings After Exiting



Source: California Community Colleges Chancellor's Office LaunchBoard



## Exiting Students Who Attained the Living Wage



Source: California Community Colleges Chancellor's Office LaunchBoard



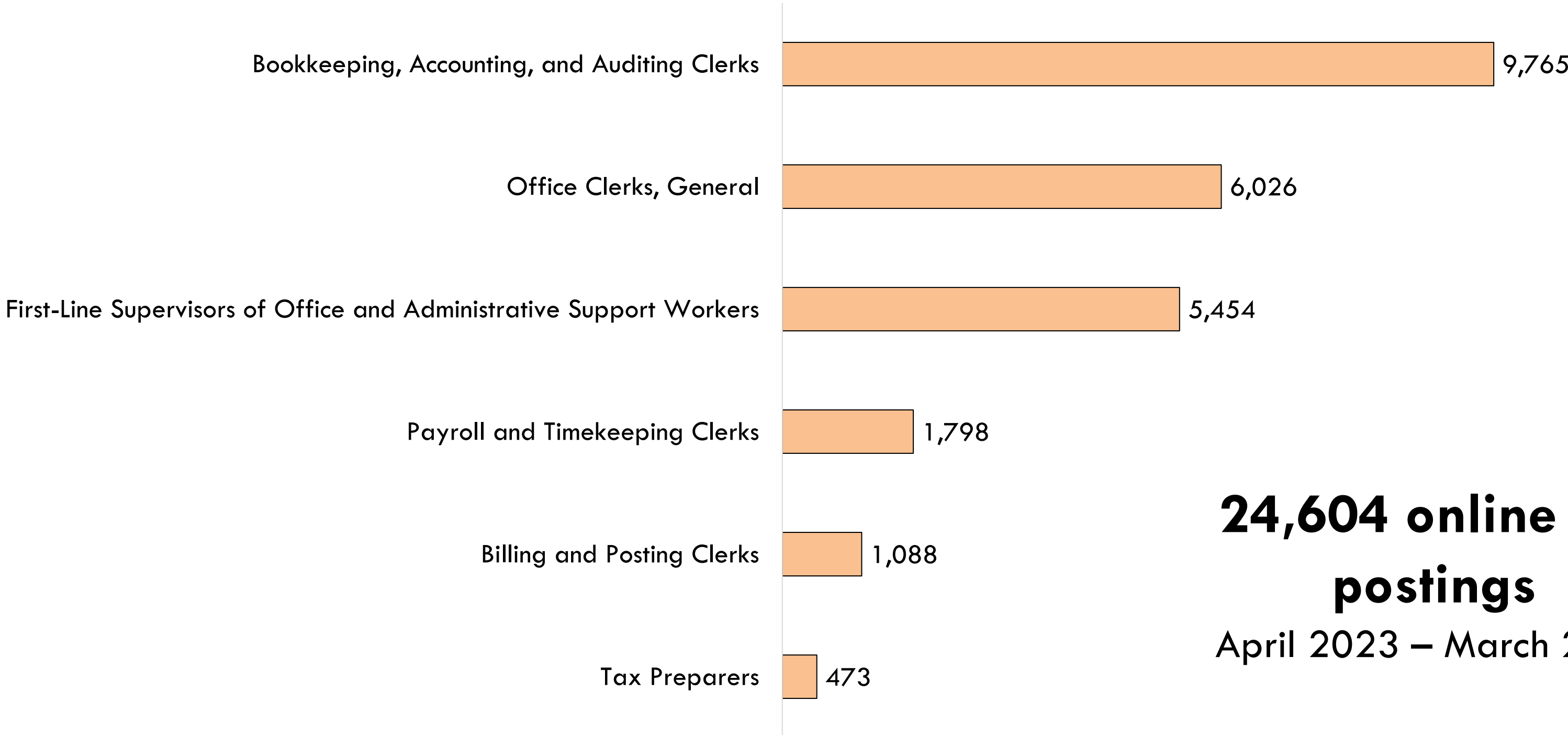
# Target ECU Occupations

Source: Lightcast, datarun 2024.1 \*Rounded to nearest \$100

Occupation	2022 Jobs	2027 Jobs	2022 - 2027 % Change	Avg. Annual Openings	Entry-Level Hourly Earnings (25th Percentile)	Median Hourly Earnings	Median Annual Earnings*
Office Clerks, General	78,715	78,744	0%	9,509	\$16.75	\$19.34	\$40,200
Bookkeeping, Accounting, and Auditing Clerks	52,588	52,103	(1%)	6,090	\$19.17	\$23.88	\$49,700
First-Line Supervisors of Office and Administrative Support Workers	44,972	44,712	(1%)	4,285	\$27.42	\$31.89	\$66,300
Billing and Posting Clerks	15,264	15,425	1%	1,613	\$18.40	\$22.47	\$46,700
Payroll and Timekeeping Clerks	7,067	6,681	(5%)	688	\$22.07	\$26.63	\$55,400
Tax Preparers	5,068	5,259	4%	616	\$17.02	\$25.18	\$52,400

Occupation	2022 Jobs	2027 Jobs	2022 - 2027 % Change	Avg. Annual Openings	Entry-Level Hourly Earnings (25th Percentile)	Median Hourly Earnings	Median Annual Earnings*
Accountants and Auditors	50,165	51,942	4%	4,255	\$31.24	\$39.32	\$81,800
Management Analysts	32,317	34,326	6%	3,053	\$29.77	\$41.39	\$86,100
Financial Managers	27,094	28,820	6%	2,206	\$54.83	\$77.20	\$160,600

Number of Job Postings by Occupation



**24,604 online job postings**

April 2023 – March 2024

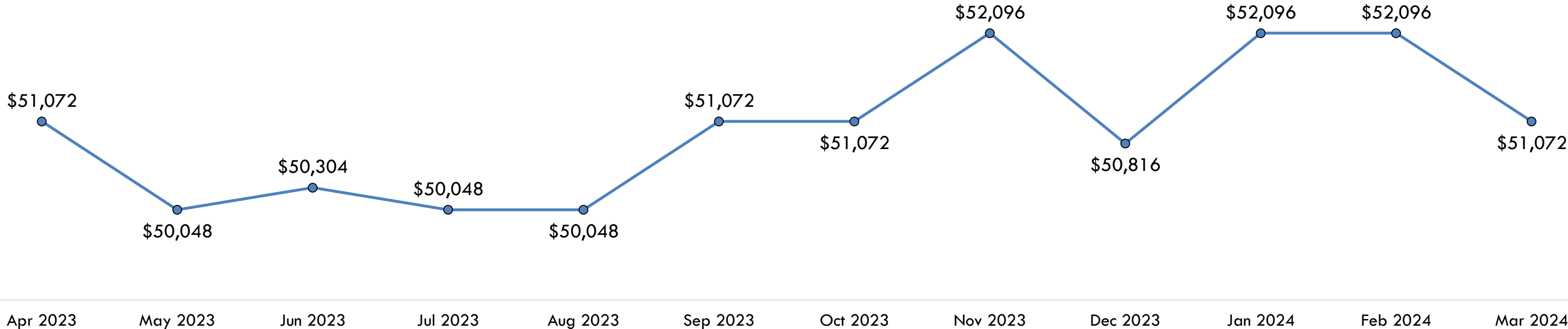
Source: Lightcast Job Postings, datarun 2024.1



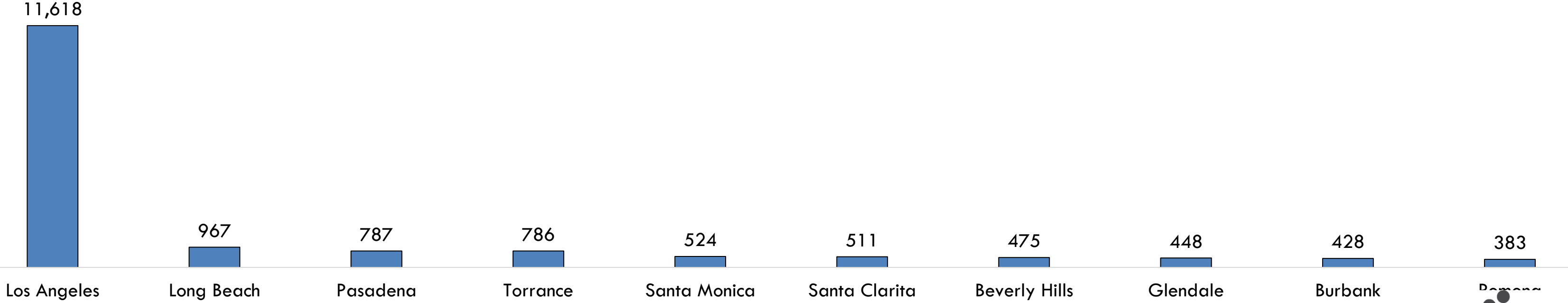
## Employer Job Postings

Job Title	Job Ads	Employer	Job Ads
Office Assistants	1,193	Robert Half*	1,306
Bookkeepers	1,104	AppleOne*	340
Accounts Payable Specialists	952	Aston Carter*	246
Accounting Clerks	927	University of California	218
Accounts Payable Clerks	735	Randstad*	201
Office Managers	730	Vaco*	173
Payroll Specialists	545	Public Storage	155
Office Administrators	489	H&R Block	131
Accounts Receivable Specialists	455	Century Group*	91
Full Charge Bookkeepers	415	California State University	84

Advertised Wage Trend Over Last 12 Months



Number of Job Postings by City



Source: Lightcast Job Postings, datarun 2024.1





# CONTACT INFORMATION

**LUKE MEYER**

**(909) 274-6106**

**[lmeyer7@mtsac.edu](mailto:lmeyer7@mtsac.edu)**

# ROUNDTABLE DISCUSSION

- **Mute yourself throughout discussion**
- **Submit questions through the chat box**
- **15-20 minutes of discussion per topic**
- **Discussion will be followed by Q&A**

# Ara Anoshiravani

Education and Workforce Development Leader  
Purpose and DEI Office  
Deloitte

# Trevor Jones

Senior Manager, State and Local Tax  
RSM US LLP

# Bindiya Khurana

Principal, Advisory  
KPMG

# Miguel A. De La Peña

Director, BPW Office of Accounting  
City of Los Angeles, Department of Public Works

# **FEEDBACK POLL AND NEXT STEPS**

# THANK YOU!

For more information contact:

Jose Pelayo: [jose.pelayo@laedc.org](mailto:jose.pelayo@laedc.org)

Alicia Nyein: [alicia.nyein@laedc.org](mailto:alicia.nyein@laedc.org)