

ACA INTERNATIONAL WHITE PAPER

Diversity in the Collections Industry:

An Overview of the Collections Workforce

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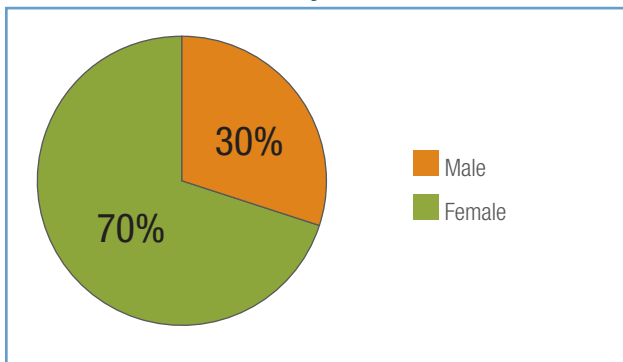
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Diversity in the Collections Industry: An Overview of the Collections Workforce

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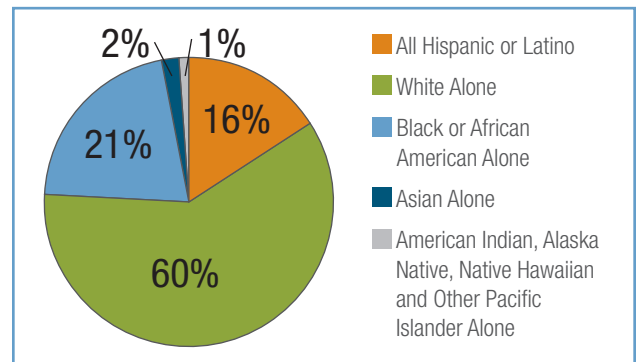
The collections industry is a growing field and represents one of the more diverse industries in the United States. While common perceptions of the collections industry sometimes seem frozen in the past and dominated by negative caricatures, recent data suggests these perceptions are reasonably unfounded and often untrue. Despite stereotypes to the contrary, women play a significant and important role in the collections industry. While women constitute roughly 47% of the overall US workforce^[1], the collections industry is overwhelmingly female, with women making-up 70% of the total workforce (see Figure 1).

Figure 1: Sex of Employees in the Collections Industry ^[2]



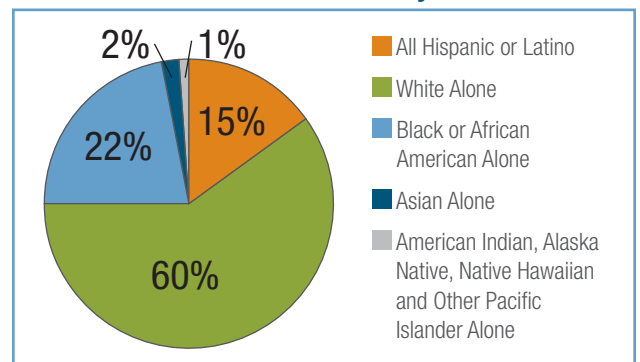
As a further testament to the diversity of the industry, racial and ethnic minority groups account for 40% of the total collections workforce. Figure 2 shows the distribution of employees across racial and ethnic categories.

Figure 2: Overall Race and Ethnicity in the Collections Industry ^[2]



Similarly, among women, racial and ethnic minorities also account for 40% of the total workforce population. Figure 3 shows the distribution of racial and ethnic groups among women in the collections industry.

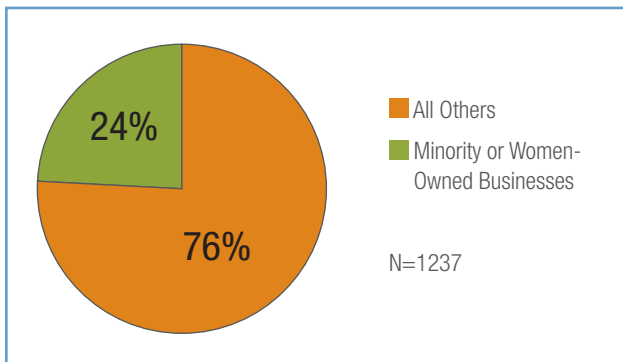
Figure 3: Race and Ethnicity of Women in the Collections Industry ^[2]



To gain greater insight into the composition of the collections industry, in the fall of 2015 ACA International surveyed its members as part of its membership renewal process. Member firms were asked to indicate whether they were a minority

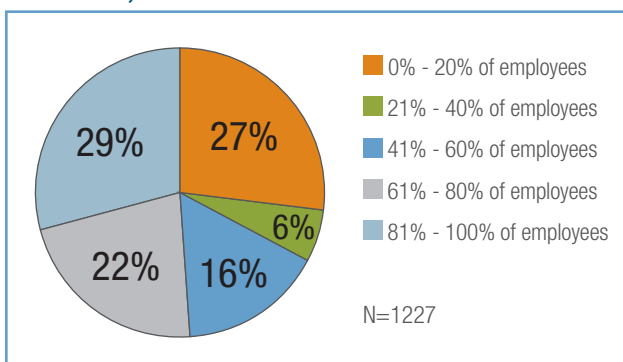
or women-owned business and the percentage of employees that are part of underrepresented demographic groups. Figure 4 shows the percentage of minority and women-owned businesses within the ACA membership. Figure 5 shows the percentage of a firm's employees across a range of underrepresented demographic categories.

Figure 4: Percentage of Minority or Women-Owned Businesses



Of the 1,237 firms that responded, 24% reported being a minority or women-owned business. The National Women's Business Council found that, as of 2012, 89.4% of women-owned businesses "have no employees other than the owner."^[3] However, of the firms responding to ACA's survey, only 5% of minority or women-owned businesses reported having a single employee. The remaining 95% of minority or women-owned businesses employed an average of 22 employees.

Figure 5. Percentage of Employees that are Veterans or Military Spouses, Disabled Persons, Minorities, or Women



The ACA survey also asked respondents about the overall demographic composition of their firm's workforce. Consistent with the census data reflecting a broadly diverse workforce, just over half (51%) of the firms surveyed reported that greater than 60% of their employees were veterans or military spouses, disabled persons, members of underrepresented minorities, or women. This diverse population plays a significant and important role at collection agencies nationwide and continues to make an immeasurable contribution to the strength of the industry.

As an industry that works with consumers from all socioeconomic, social, racial, and ethnic groups, it is important to have a workforce that reflects and represents those groups. The current trends in the industry speak to a level of responsiveness to the evolving consumer environment and an adaptability to meet those needs.

Sources:

- [1] Bureau of Labor Statistics, 2014, Labor Force Statistics from the Current Population Survey; Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity.
- [2] Detailed Census Occupation by Sex and Race/Ethnicity for Residence Geography Universe: Civilian labor force 16 years and over; EEO Tabulation 2006-2010 (5-year ACS data).
- [3] National Women's Business Council, 2016, Fact Sheet: Women-Owned Businesses NWBC Analysis of 2012 Survey of Business Owners.

ACA International (ACA), the association of credit and collection professionals, is the largest membership trade organization in the credit and collection industry. Founded in 1939, ACA advances third-party collection agencies, law firms, asset buying companies, creditors and vendor affiliates, representing tens of thousands of industry professionals. ACA produces a wide variety of products, services and publications, including educational and compliance-related information; and articulates the value of the credit and collection industry to businesses, policymakers and consumers. www.acainternational.org.