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Diversity in the Collections Industry

Examining the Demographics of
Bill & Account Collectors

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The debt collection industry is not only indispensable to a healthy credit economy – returning roughly $90 billion in total net debt to creditors in 2018[1] – but it's also an important source of employment for women and people of color.

In fact, the majority of bill and account collectors are female and more likely to be people of color than their peers in other industries. Bill collectors work with consumers to recover overdue payments[2] and make up roughly 73% of total ARM industry employment.[3] The following charts highlight the gender and racial inclusion of the debt collection industry compared to the general workforce as well as those in similar occupations.

Women in Collections

Women make up a high percentage of collection agents when compared to the workforce as a whole, as shown by *Figure 1* and *Figure 2*. According to 2020 data provided by BLS's Current Population Survey, which studies trends in the labor force, 66% of bill and account collectors identified as female. In contrast, women made up just 47% of total workers. Out of 98,000 total bill collectors, as estimated by BLS, roughly 64,000 were women. Given a median wage of $37,000 dollars annually, women earned an estimated aggregate of nearly $2.4 billion in 2020 working as bill collectors.[4]
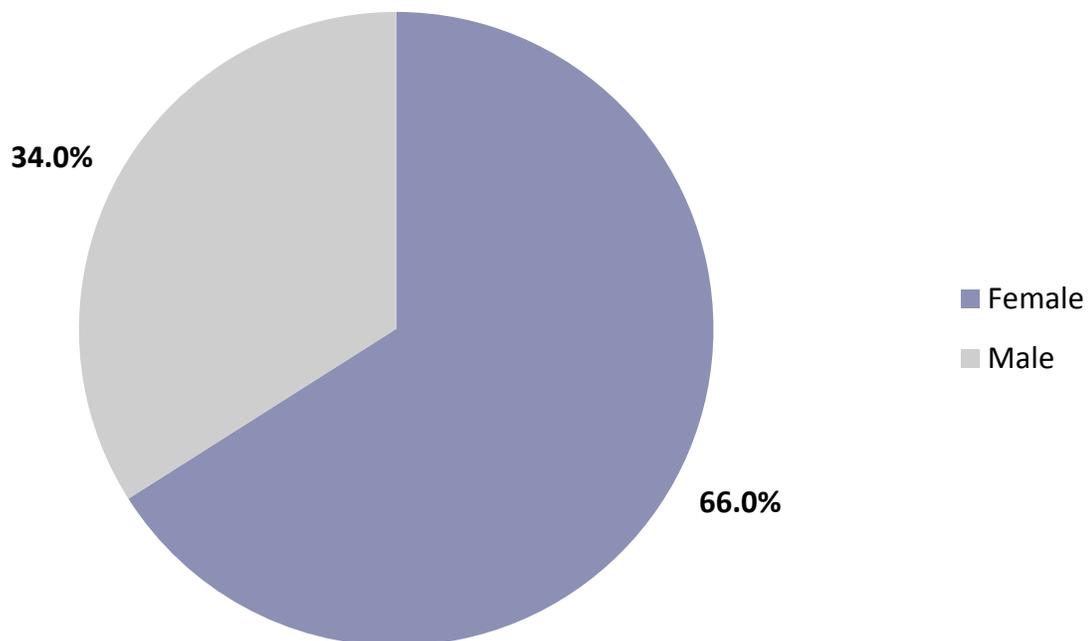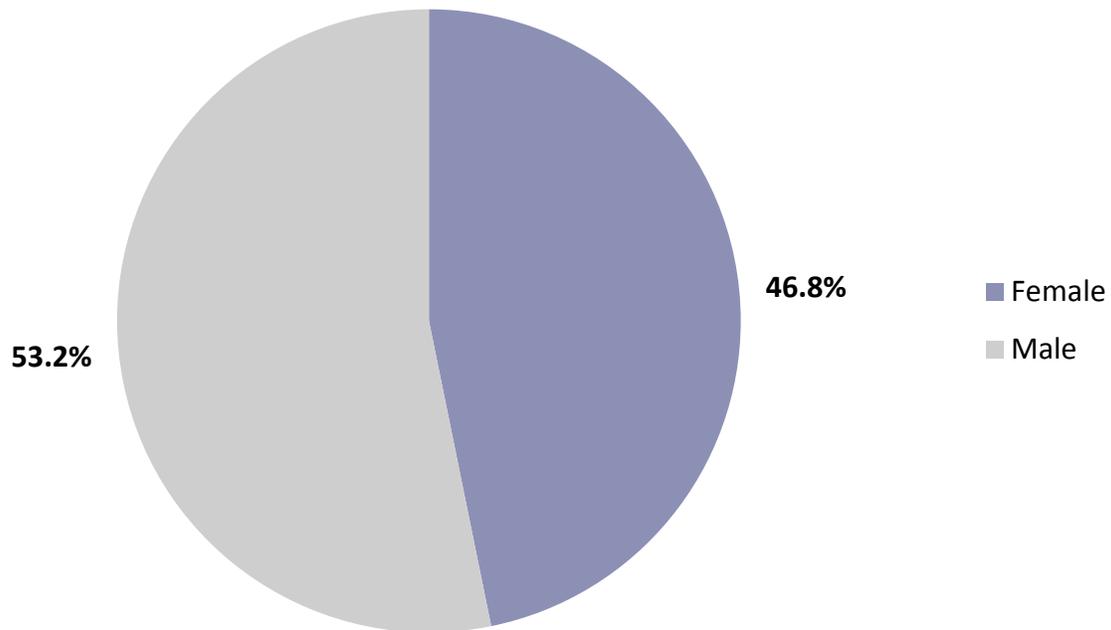
Figure 1. Sex of Bill & Account Collectors in 2020[4]

34.0%

66.0%

■ Female

■ Male

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Figure 2. Gender of Total U.S. Workforce in 2020[4]

53.2%   46.8%

■ Female
■ Male

Race and Ethnicity in Collections

The debt collection industry is quite diverse in terms of racial demographics as well. Overall, racial and ethnic minorities make up around 42% of total bill collectors. By comparison, those minorities comprise 36% of the total workforce. *Figure 3* and *Figure 4* capture the distribution of workers by race/ethnicity for both categories.

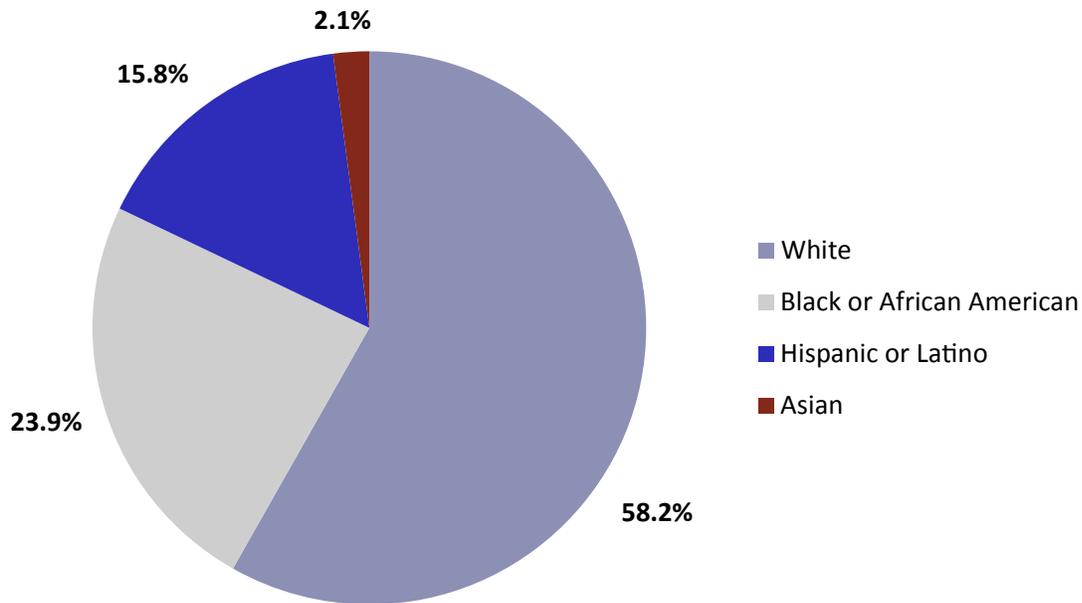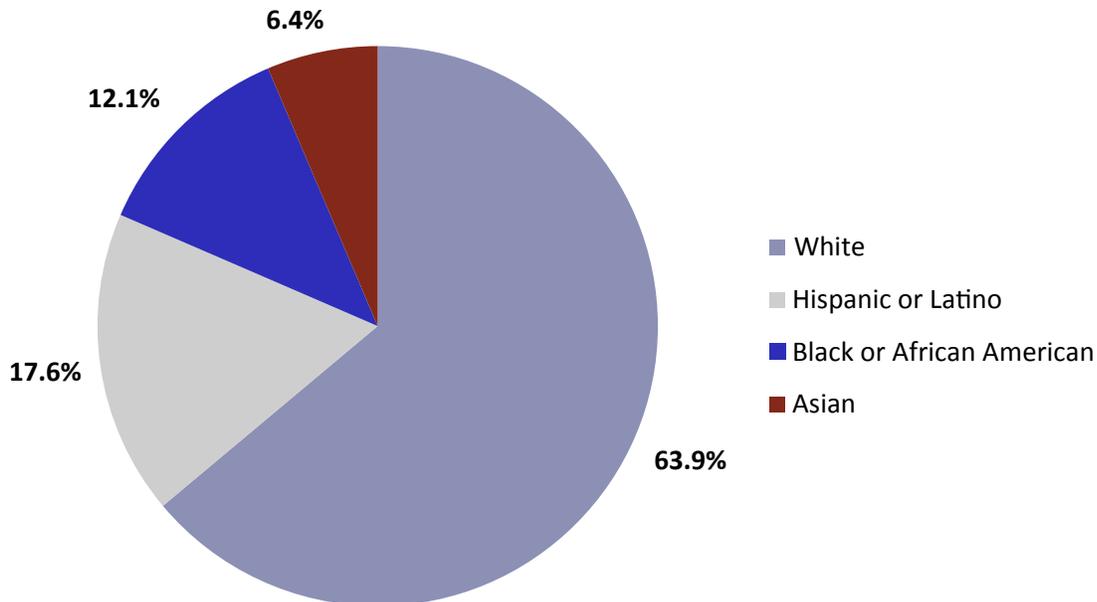## Figure 3. Race and Ethnicity of Bill & Account Collectors in 2020[4]

- White — 58.2%
- Black or African American — 23.9%
- Hispanic or Latino — 15.8%
- Asian — 2.1%

Figure 4. Race and Ethnicity of Entire U.S. Workforce in 2020[4]

- White — 63.9%
- Hispanic or Latino — 17.6%
- Black or African American — 12.1%
- Asian — 6.4%

Black and Hispanic workers enjoy much higher rates of representation at collection agencies than they do in the general workforce, making up 24% and 16% of total bill collectors in 2019, respectively. On aggregate, Black collectors – numbering around 24,000 in total – earned roughly $867 million in 2020, while nearly 15 thousand Hispanic collectors in total earned $573 million.[4] Asian workers, on the other hand, are relatively less represented, making up a little more than 2% of bill collectors. As such, the collections industry still has room for improvement, even if it is already highly diverse.

Conclusion

Diversity in the workplace is a strong social good that benefits all parties involved. Research demonstrates that working with people of varied cultural and ethnic backgrounds leads to higher productivity and lower levels of conflict compared to working with those with whom one shares the same background.[5] In addition, a commitment to workplace diversity provides valuable employment opportunities for women and historically disadvantaged minorities. Despite its image in the popular consciousness as a profession dominated by white men, debt collection is multicultural and highly female. This diversity will be one of the pillars that supports the industry's growth into the future.

Works Cited

[1] "2020 State of The Industry Report." Kaulkin Ginsberg & ACA International, 2020. https://www.acainternational.org/kaulkin-ginsberg

[2] "Occupational Outlook Handbook – Bill and Account Collectors." Bureau of Labor Statistics, 1 Sept. 2020. https://www.bls.gov/ooh/office-and-administrative-support/bill-and-account-collectors.htm#tab-2

[3] Figure calculated by comparing the latest Census Bureau estimate of total debt collection industry employment to the Bureau of Labor Statistic's estimate for the total number of bill collectors.

[4] Data retrieved from the Bureau of Labor Statistics' Current Population Survey, last updated on 22 Jan. 2021. The aggregate wage figure was calculated by Kaulkin Ginsberg using that data.

[5] Foma, Elizabeth. "Impact of Workplace Diversity." *Review of Integrative Business and Economics Research*, vol. 3, no. 1, 2014, pp. 402-410.
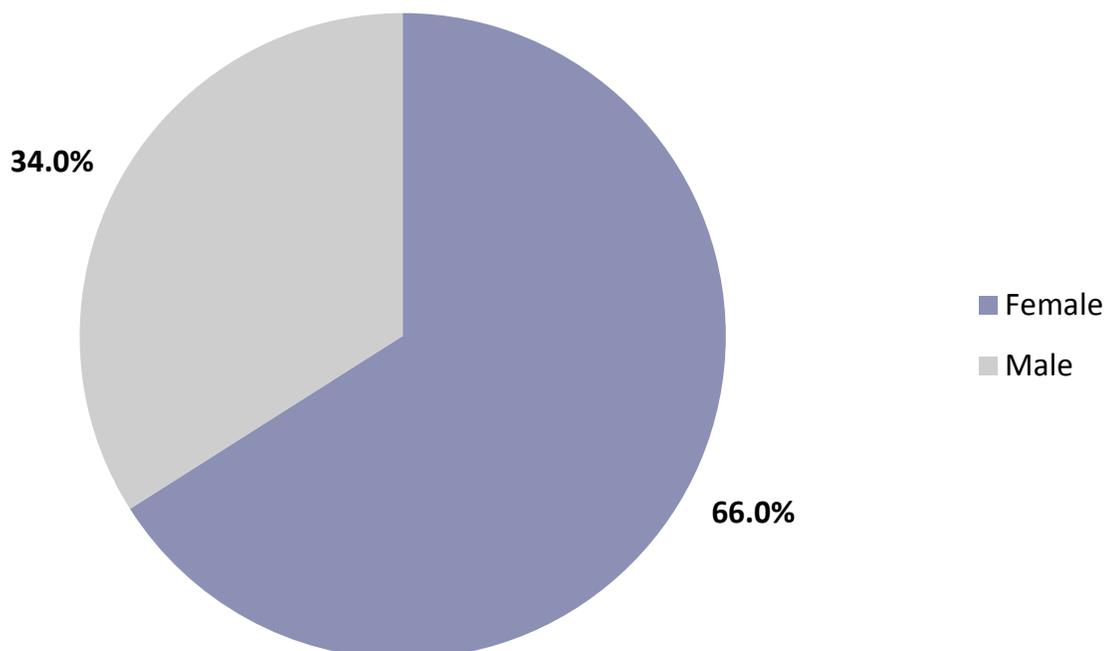
Quick Facts

In 2020:

- 66% of all bill & account collectors identified as women.
- There were approximately 64,680 female collectors in total.
- Women earned an estimated $2.4 billion in wages as debt collectors, on aggregate.
- Racial and ethnic minorities made up 41.8% of total collectors.
- Black collectors constituted 23.9% of the total workforce.
- There were approximately 23,422 Black collectors.
- Black collectors earned an estimated $866.6 million in wages, on aggregate.
- 15.8% of all collectors were Hispanic.
- There were approximately 15,484 Hispanic collectors.
- On aggregate, Hispanic collectors earned an estimated $572.9 million in wages.
- Asian workers made up 2.1% of all collectors.
- There were approximately 2,058 Asian collectors.
- Asian collectors earned an estimated $76.1 million in wages, on aggregate.

Key Graphs:

Gender of Bill & Account Collectors in 2020

34.0%

66.0%

- Female
- Male

Race and Ethnicity of Bill & Account Collectors in 2020

2.1%

15.8%

23.9%

58.2%

- White
- Black or African American
- Hispanic or Latino
- Asian