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Busy bill collectors deal with the blues

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The Atlanta Journal-Constitution

Published on: 10/28/07

The cubicles are cramped and the workers focused with solemn intensity. Their job is to make call after call — perhaps 300 a day — to people who want nothing to do with them, who feign ignorance, who yell at them or, worst of all, don't answer the phone. On a good day, they might talk to a dozen targets.

A computerized sign on the wall implores them to "Always be collecting." Later it urges them to "Smile while you dial." They wear Mardi Gras beads to lighten things up and applaud when one gets a commitment from a debtor to pay.

They are the employees, about 35 strong, for National Asset Recovery, a collection agency that focuses on past-due medical bills. On the other side of an office partition, some 70 collection agents working for a sister company collect unpaid credit card debt.

They are members of a growth industry — chasing accounts past due from a debtor nation. Business is good and getting busier as the economy darkens. It's so profitable locally that there are at least 195 collection agencies within 15 miles of downtown Atlanta, according to the Better Business Bureau.

"People are more bent on living beyond their means. It's a buy-now, pay-later mentality in the culture," said Chris Cooke, NAR's recruiter and training manager as he walked the floor last week.

But while a faltering economy means there is more unpaid debt, people who are jobless, struggling with rising adjustable mortgages or increased medical bills are more recalcitrant when it comes to paying up.

"Consumers are more combative, more defensive," he said. "They're struggling. It can become more adversarial."

Americans owe nearly \$2.5 trillion of consumer debt, according to the Federal Reserve, almost twice as much as 10 years ago.

"You're talking about folks borrowing at rates we've never seen before," said Michael Klozotsky from Kaulkin Ginsberg, a Bethesda, Md.-based company that analyzes the debt-collection industry. "It outpaces gains in wages. People just can't keep up with that."

So that leaves bill collectors with a series of challenges. There's more business because more people are falling behind. But they are less willing to pay. And, bill collectors say, they must behave professionally because their trade is under the watchful eye of government and consumer groups.

Playing 'numbers game'

A bill collector's career is usually what Thomas Hobbes once said of life: "nasty, brutish, and short."

Collectors face many obstacles — voicemail, caller ID, disconnected phones, hang-ups, wrong numbers, people who answer the phone feigning ignorance. The frustration of making hundreds of calls without a hit can be too much.

"It's a numbers game. These guys have to crank it out — 250, 275, 300 calls a day," said Joe Thompson, the floor leader at NAR. "It's tough. Our turnover is very high."

The company has two training classes a month with 10 recruits in each class. "We hope to get three to stay," Thompson said.

Some can't handle dealing with other people's problems and quickly leave, he said.

Aaron Flemister, 23, has made it for six months, grinding it call after unanswered call, until he finally reaches an angry or evasive person. His customer service background tells him to not take it personally. In fact, it's almost better if you expect antagonism.

"If you don't walk in expecting 10 or 15 [people yelling or hanging up], you're walking into the wrong place," he said, laughing.

Flemister's focus is unpaid medical bills, among the most difficult to collect. People who buy a TV or run up a credit card made decisions to do so and know they owe the money.

But people who owe for medical treatment "didn't mean to get sick," he said, so many don't feel they are liable for the bills. Still, he reasons with them that he's there to help clear their path.

He credits his success to coffee, focus and viewing his mission almost as a sporting event.

"I treat it like a football game. Come in, get a coffee. There's the morning break and then it's second quarter. There's lunch, which is halftime. I get my legs going and then come back," he said.

Most working the phones at NAR are in their 20s or 30s. Someone with five years in the business is an old-timer. Rookie collectors make \$9 an hour, plus bonuses. Once they hit their stride, they can make between \$30,000 and \$65,000, Cooke said.

Almost every bill collector interviewed was initially wary of speaking, saying they are routinely maligned for being Mafia-like thugs and telephone harassers, even though the industry has worked hard to project a professional image.

"Bill collectors got a bad name years ago from Guido who broke your arm," said Kevin Barbee, director of operations of First Global International Services, a small collection firm based in East Point.

But the past is not necessarily the past, several consumer advocates said this month at a workshop held by the Federal Trade Commission to discuss problems facing consumer debt collection. Instead of declining, complaints against debt collectors have steadily increased, topping 70,000 last year.

"Abuses are rampant," Lauren Saunders, managing attorney of the National Consumer Law Center, told the workshop. "It's the norm, unfortunately, not the exception. You don't see a situation where it is just a few bad actors. I fear it's simply inherent in the nature of debt collection."

Bill collectors — or "collection professionals" as some call themselves — contend they are a vital occupation that helps keep businesses' costs lower.

The Association of Credit and Collection Professionals says American businesses wrote off \$180 billion in bad

debt in 2005. Third-party collectors (those who chase down loans owed to other businesses) then retrieved \$51 billion of that money, keeping \$12 billion or 22 percent, according to a PricewaterhouseCoopers study.

Collectors get a larger fee for older and harder-to-trace debts.

Collectors as salespeople

Barbee and Cooke, with nearly 50 years in the business between them, say the industry is different from the one they entered in the 1980s. The Fair Debt Collection Practices Act of 1977 limited the hours when collectors can call debtors and forbade various underhanded tactics. Since then, and especially in recent years, they say, the industry has professionalized. Businesses that hire collection agencies don't want bill collectors abusing their customers, even those behind in their payments.

Barbee said successful agents must be part mediator, part psychologist, part sleuth.

"We have to be more understanding," he said. "You have to know something of what's going on in their lives — if they'll let you. You have to listen to what they're not saying."

Are you married? Rent or own? How much do you pay for your vehicle each month? That information lets collectors estimate what debtors are able to pay and offer counter-arguments to excuses of why they cannot pay.

Barbee said things have changed in the past 10 years.

"You get more weasels than payers," he said. Later, however, he softened to say: "I think there's not as many deadbeats. It's more people who just don't know what to do."

Ultimately, Cooke said, collectors are salespeople.

"We're selling, we're trying to motivate someone to fulfill a legal obligation," he said. "There are three main motivators in people: pride, honor and anxiety. We try to motivate them with one of the three."

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