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Collection agencies report more work, fewer workers

Debts may be increasing during the recession, but even the debt collection industry is suffering.

Collection agencies surveyed by Kaulkin Ginsberg of Rockville said that while most had more accounts for collection in the fourth quarter of 2008, more than one-third reported laying off workers.

"The sheer volume of accounts currently delinquent or in default would lead many to assume this to be a boon time for debt collection agencies," said report author Dimitri Michaud of Kaulkin Ginsberg, which advises the debt collection and accounts receivable management industry.

"However, collection agencies reported staff reductions at the end of 2008 — an illustration of the strains the deteriorating economy" is having on collections industry, Michaud said.