



State of the Call Center Industry Report: 3rd Quarter 2011 Data

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Executive Summary

The third quarter of 2011 was marked by a huge increase in the number of jobs gained suggesting a rebound in the market place within the contact center industry. Vertical markets benefiting from this spike in job growth included Medical Services and Third Party Outsourcing. All verticals showed gains in jobs although the "Other" category and the Government vertical showed the smallest gains.

States benefiting from employment increases during the second quarter include Florida, Kentucky and Texas. California and Washington State showed the most net jobs losses leading the five states in the negative category for the quarter.

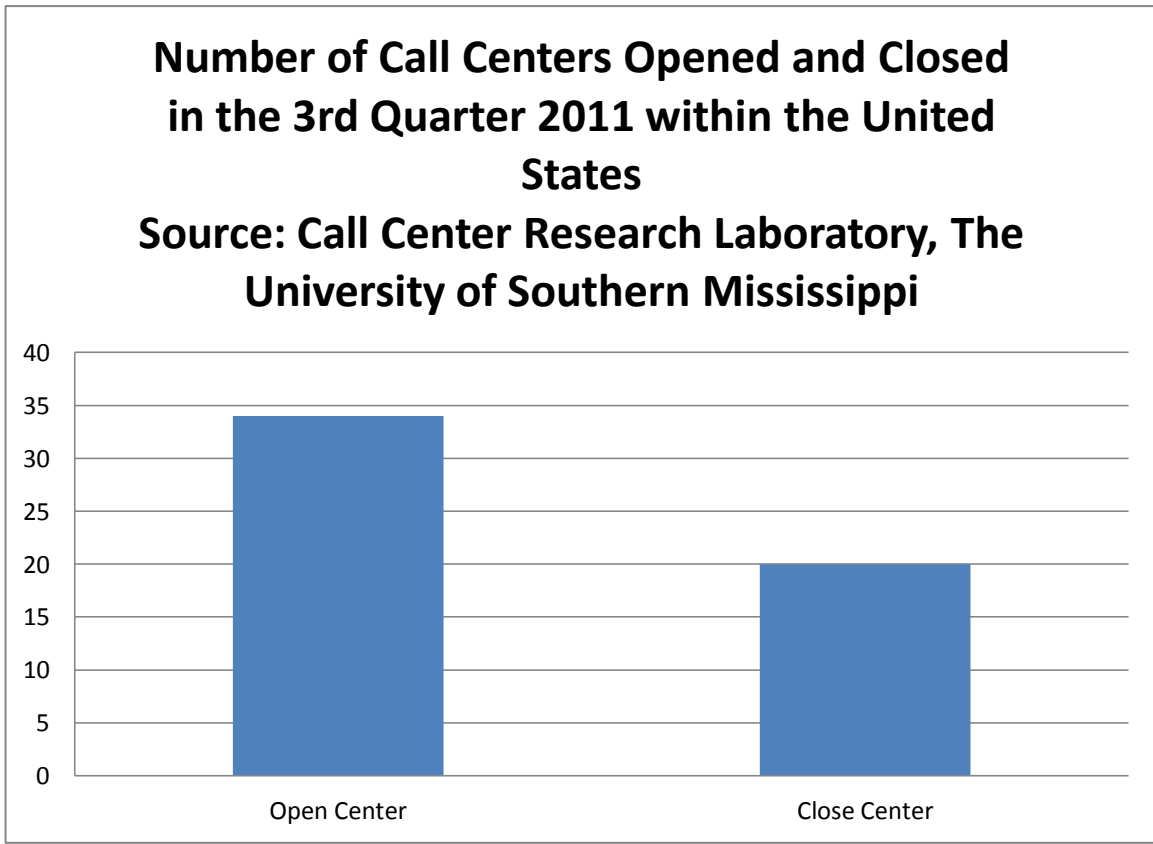
Methodology

The data for this report is compiled by the Call Center Research Laboratory at The University of Southern Mississippi. Starting in 2004, the Call Center Lab has tracked macro industry data such as call center industry openings, closings, expansions, contractions, jobs gained and lost by state. This raw data is supplied to the National Association of Call Centers (NACC) whereby it is turned into charts, figures and tables within reports, and analysis is offered on the trend data. These reports are sent to members of the National Association of Call Centers so that they can remain informed on industry trends in a timely manner thus enabling them to make the best decision possible within their organization. Decision-making based upon solid data improves the call center industry and helps the National Association of Call Centers meet its mission to help advance the call center industry by offering high value-added information, research, and products to its members for effective decision making.

United States Data

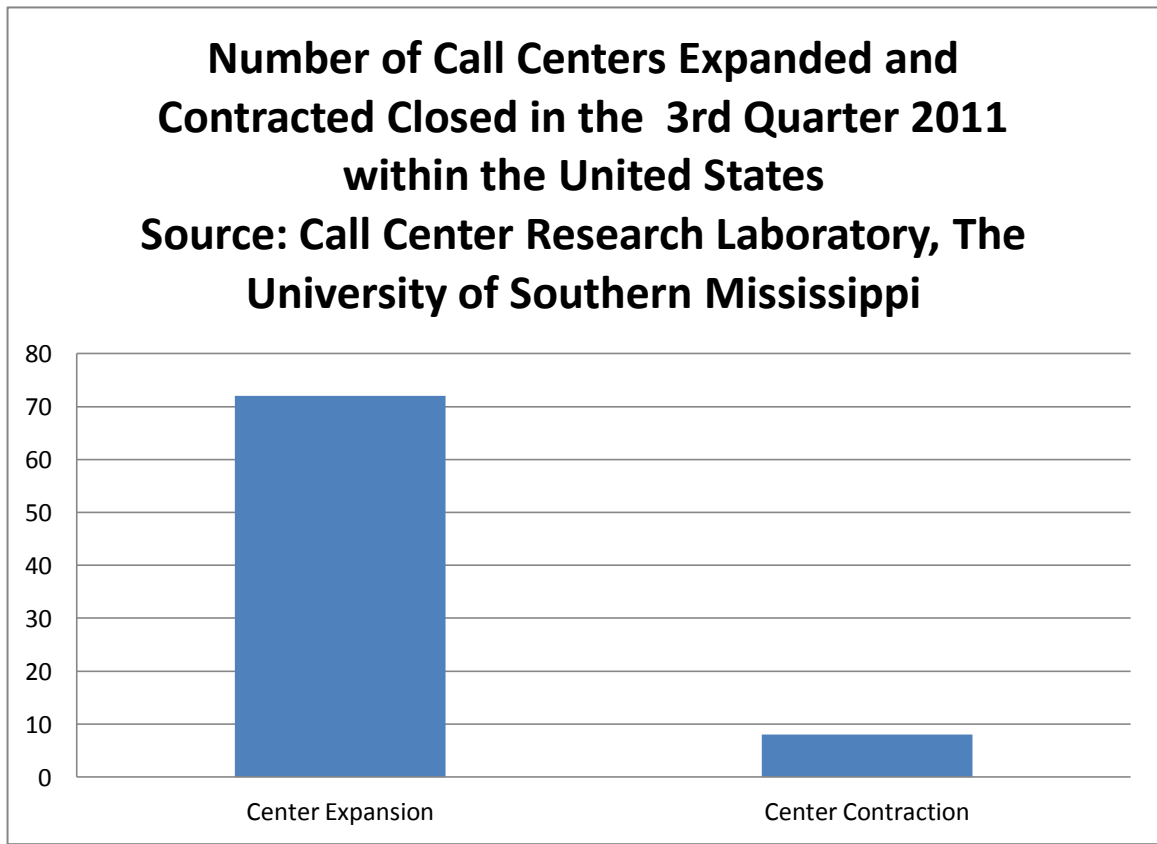
Figure 1 below shows the number of call centers opened (left) and closed (right) for the 3rd quarter 2011 within the United States. The number of openings was 34 while the number of closings was 20, a ratio of 1 opening for every .58 closings.

Figure 1



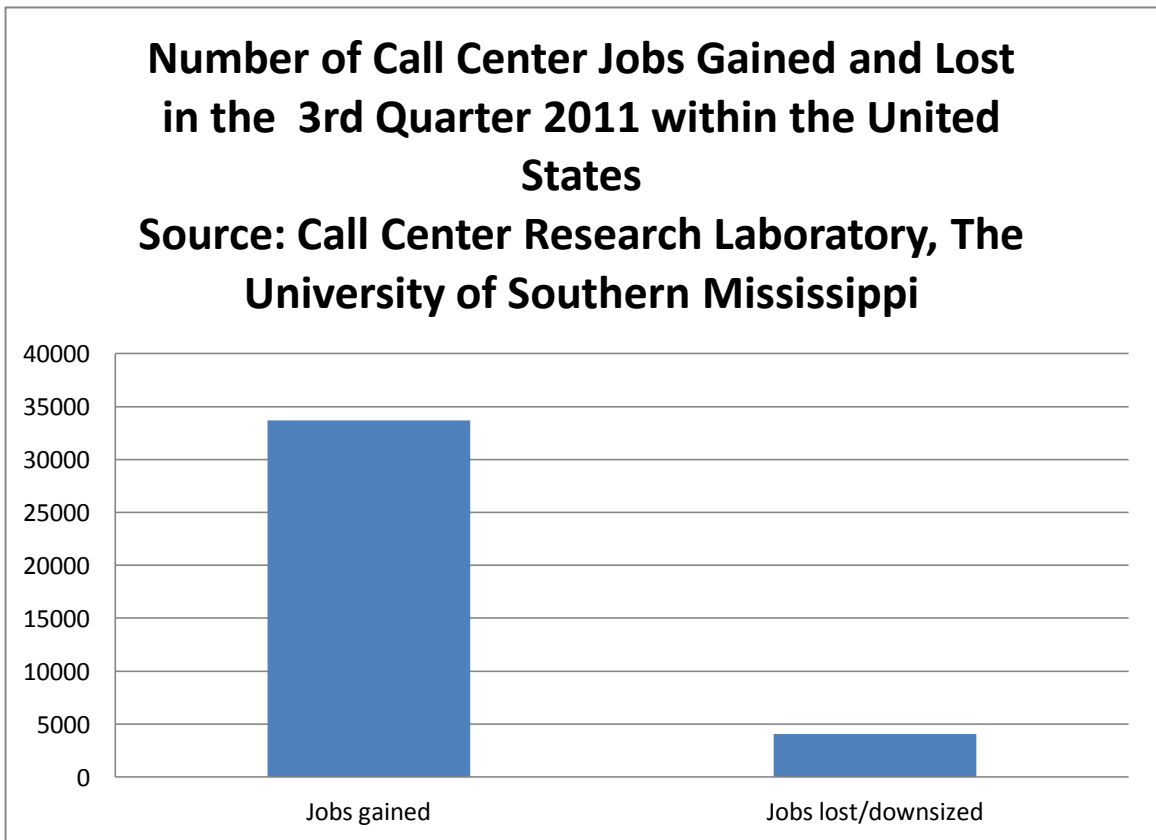
The number of call center expansions; i.e., adding more jobs to existing call centers (left) was more than that of contractions, i.e. removing jobs from existing call centers (right) during the 3rd quarter 2011 within the United States as illustrated in Figure 2 below. The number of expansions was 72 while the number of contractions was 8.

Figure 2



Openings, closings, expansions and contractions are surrogate measures for job growth or decline in the call center industry. In Figure 3 below, the number of call center jobs gained was 33,711 while the number of jobs lost during the same period was 4076, a ratio of 1 job gained for .12 jobs lost in the call center industry.

Figure 3



The number of call center openings was higher than call center closings in the United States during the 3rd quarter of 2011. There are some distinct winners and losers when examined at the individual state level. As indicated by Table 1 below, Texas, Florida and Kentucky performed well this quarter with a net positive 5 or more call centers opening or expanding in each state. Washington State, New Mexico, and Indiana on the other hand, were the states that had the lowest net performance with a loss or contraction of 1 call center. The remaining states had mixed growth or broke even.

Table 1

State	Open/Expansion	Close/Contraction	Net
Alabama	1	0	1
Arizona	2	1	1
Arkansas	1	0	1
California	2	1	1
Colorado	5	0	5
Delaware	2	0	2
Florida	10	5	5
Georgia	4	0	4
Idaho	3	0	3
Illinois	2	1	1
Indiana	2	3	-1
Iowa	3	1	2
Kansas	4	0	4
Kentucky	8	1	7
Maine	2	0	2
Michigan	4	0	4
Minnesota	2	0	2
Missouri	3	1	2
Montana	1	0	1
Nebraska	1	0	1
Nevada	2	0	2
New Jersey	2	0	2
New Mexico	0	1	-1
New York	3	1	2
North Carolina	3	1	2
Ohio	5	2	3
Oklahoma	4	0	4
Oregon	2	1	1
Pennsylvania	2	0	2
South Dakota	2	0	2
Tennessee	1	0	1
Texas	10	2	8
Utah	3	0	3
Vermont	2	2	0
Virginia	1	1	0
Washington	1	2	-1
West Virginia	1	1	0

Call center jobs gained and lost were mixed within the states as indicated by Table 2. The highest net gainer of jobs was Florida with 13,294 jobs. Kentucky and Texas also had net positive job gains at 2200 or over. The state with the highest net loss of call center jobs was California with a loss of 232 jobs. The remaining states experienced various losses and gains.

Table 2

State	Jobs Gained	Jobs Lost	Net
Alabama	130	0	130
Arizona	670	130	540
Arkansas	40	0	40
California	11	243	-232
Colorado	915	0	915
Delaware	50	0	50
Florida	15261	1867	13394
Georgia	1846	0	1846
Idaho	465	0	465
Illinois	82	21	61
Indiana	290	237	53
Iowa	625	0	625
Kansas	510	0	510
Kentucky	2453	157	2296
Maine	350	0	350
Michigan	900	0	900
Minnesota	624	0	624
Missouri	335	0	335
Montana	0	0	0
Nebraska	280	0	280
Nevada	410	0	410
New Jersey	175	0	175
New Mexico	0	45	-45
New York	324	200	124
North Carolina	340	76	264
Ohio	710	80	630
Oklahoma	765	0	765
Oregon	300	90	210
Pennsylvania	322	0	322
South Dakota	50	0	50

Tennessee	300	0	300
Texas	2738	455	2283
Utah	1240	0	1240
Vermont	0	0	0
Virginia	0	80	-80
Washington	200	380	-180
West Virginia	0	15	-15

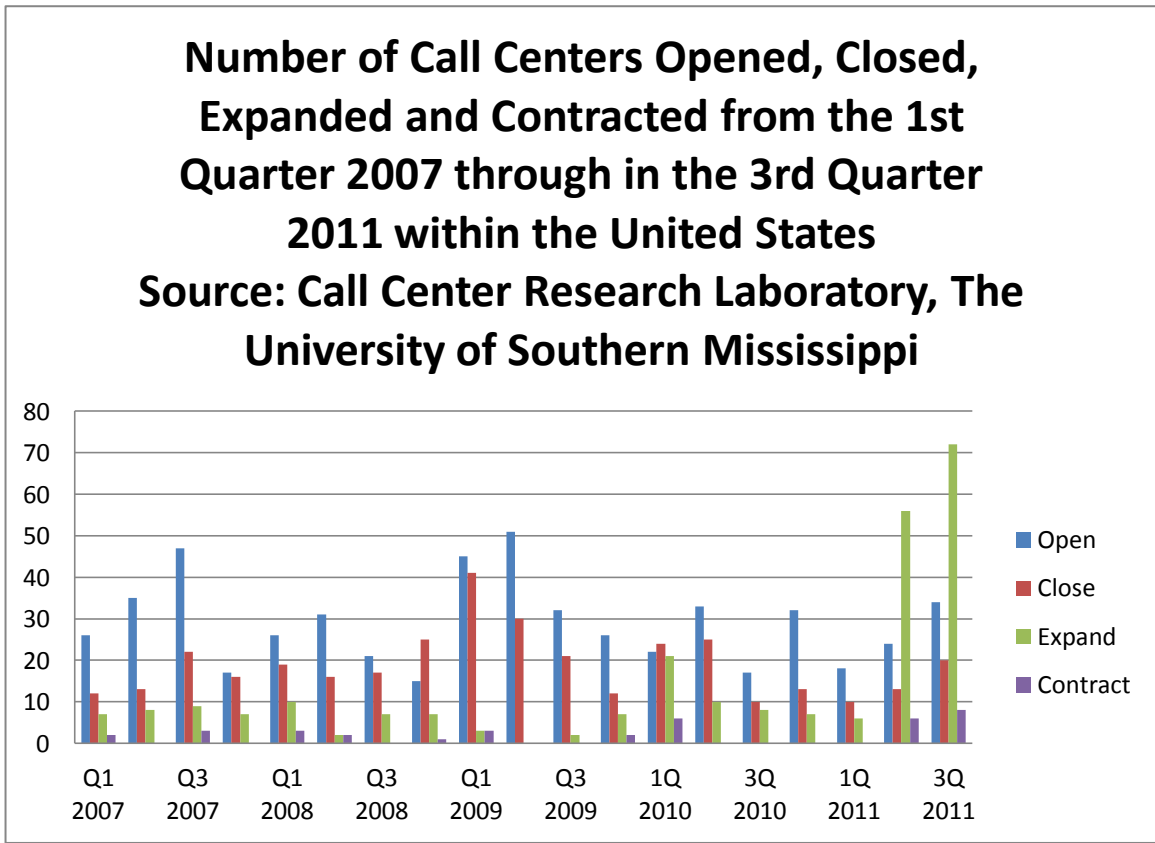
The NACC tracks the call center industry at a macro level as well as at the sector level. Not all sectors fared equally in this quarter as indicated by Table 3. Many sectors had net growth over 1000 jobs. The single largest gain was in Medical Services with a whopping 12,649 jobs gained. Two industries had zero job growth, Directory Services/Job Placement and Customer Service. The remaining vertical sectors had a mix of gains.

Table 3

Industry Classification Number	Open/Expansion	Close/Contraction	Net Jobs
Financial Services/Banking/Insurance	3	1	1585
Telemarketing/Collections	2	3	2699
Third Party Outsourcing	7	5	8228
Telecommunications	1	1	768
Government	9	5	390
Customer Service	2	1	0
Fulfillment/Distribution/Reservations	2	2	1192
IT Services/Data Bank	2	1	2111
Directory Services/Job Placement	0	0	0
Other	1	0	13
Medical Services	5	1	12649

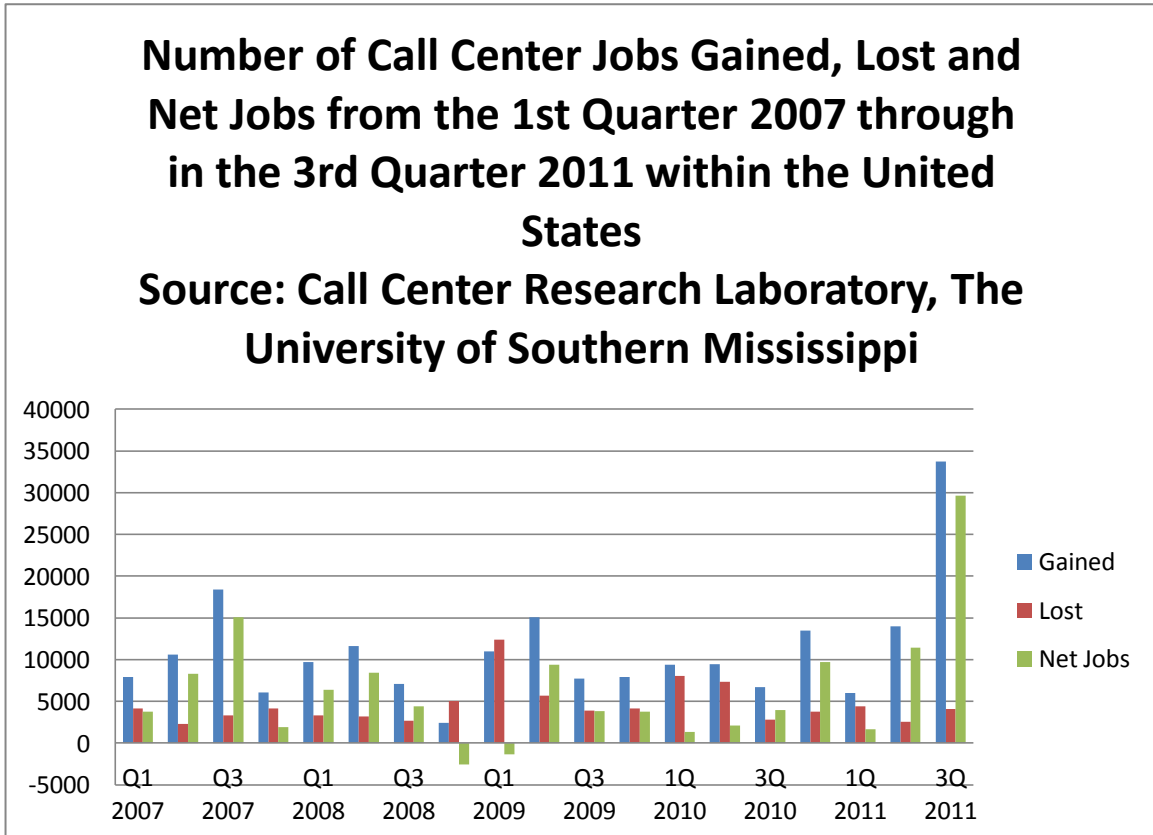
Looking back four plus years to the 1st quarter of 2007 in Figure 4, the number of call center openings within the United States by quarter was positive through all of 2007 and all of 2008 until the 4th quarter of 2008. Starting in the 1st quarter of 2009 and continuing through the fourth quarter of 2009, there was positive net gain in openings. This quarter, the numbers are once again on the positive side with solid growth in the number of contact center expansions.

Figure 4



Looking back four years to the 1st quarter of 2007 in Figure 5, the number of call center jobs gained and lost within the United States by quarter was positive through the 4th quarter of 2008. Starting in the 2nd quarter of 2009 and continuing through the period covered in this report, there has been a positive net gain in call center jobs. This quarter the net gain in jobs rebounded strongly with the most solid performance in net job growth since we began tracking the data.

Figure 5



Analysis

The call center industry has recovered from the recession of 2008-2009 and continues to show robust growth. Industry growth is not even across geographies. Some states are doing better than others. Florida led the group this quarter with a gain in call center jobs topping 13,000 mostly in the medical services sector. This is a strong showing. A fewer number of states had job losses, led by California and Washington State indicating a West Coast loss this quarter.

Not surprisingly, Medical Services and Third Party Outsourcing led growth of jobs during the quarter. Also indicative of a return to normalcy is the strong positive employment gain in all but two of the vertical sectors.

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