



Building a better working world



# Why uniting collections with compassion creates better outcomes

Even before the COVID-19 pandemic, when the US had the longest-running growth economy, there were **33 million** Americans with **\$650 billion** in collections. In addition, the average collections rate was below **20%**. This situation will intensify as the effects of COVID-19 on the global economy continue. Many financial customers are reeling from job loss, mounting debt and future uncertainty. Now, more than ever, the emphasis on collecting in the appropriate way has never been greater.

**1 in 3** households in the US carry credit card debt from month to month<sup>1</sup>

More than one in four Americans



have at least one debt in collections<sup>2</sup>

**15%**

of adults in the US roll over \$2,500 or more in credit card debt from month to month<sup>3</sup>

Medical debt is the leading cause of bankruptcy in the US



of working-age Americans – or 72m people – have medical bill problems or are paying off medical debt<sup>4</sup>

**\$444b**

By the fourth quarter of 2019, \$444b in delinquent debt was classified as “seriously delinquent”<sup>5</sup>

**\$15,000**

The average household in the US has approximately \$15,000 in credit card debt<sup>6</sup>

**\$29,000**

Graduates in the US today graduate with an average of \$29,000 in student loan debt<sup>7</sup>



To help lenders more effectively manage the collections process, EY and Pegasystems are introducing the Compassionate Collections solution. Through the use of modeling and analytics, Compassionate Collections delivers customer segmentation views, treatment strategies and optimized outcomes, which allow collections agents to have personal and meaningful conversations with their customers and respectfully work toward debt resolution.

For more information on the Compassionate Collections solution, watch the webinar [here](#).

EY welcomes the opportunity to discuss Compassionate Collections and other solutions with you.

Contact us at: [PegaSolutions@ey.com](mailto:PegaSolutions@ey.com)

<sup>1</sup>Source: 2019 Consumer Financial Literacy Survey

<sup>2</sup>Source: Consumer Finance Protection Bureau, 2019

<sup>3</sup>Source: 2019 Consumer Financial Literacy Survey

<sup>4</sup>Source: The Commonwealth Fund

<sup>5</sup>Source: Quarterly Report on Household Debt and Credit. Released November 2019, Federal Bank of New York.

<sup>6</sup>Source: Consumer Finance Protection Bureau, 2019

<sup>7</sup>Source: Federal Reserve

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