

Call center to hire 500 in Sacramento this year

dkasler@sacbee.com

Published Tuesday, Jun. 26, 2012

In a weak economy, even jobs that start at around \$9 an hour represent progress – and Sacramento is about to get hundreds of them.

A Pennsylvania call-center operator said Monday it will open a major facility in the North Highlands area next month. Advanced Call Center Technologies LLC expects to hire 500 workers by year's end, and as many as 2,000 over the next several years.

Advanced could provide a positive jolt to the economy in a region where recovery has come slowly and the unemployment rate is 10.4 percent. If all goes according to plan, Advanced will be responsible for one of the largest hiring binges Sacramento has seen in years.

"Those are pretty significant numbers," said economist Jeff Michael of the University of the Pacific.

Advanced chose Sacramento over four other cities, lured by tax credits and an existing relationship with the region. The company, which performs call-center functions for financial-services companies and other clients, runs a 200-employee center in Carmichael.

"We really liked the area a lot, we like the employee base there," said Jimmy Griffiths, chief financial officer.

The new facility will operate out of a former Price Club warehouse on Watt Avenue near the McClellan Park business campus.

Griffiths said Advanced will pay trainees \$9 to \$9.50 an hour, and "it will go up from there." The company also will hire managers, information-technology staff and others.

Despite the relatively modest pay, "I wouldn't pooh-pooh it," said Michael Bernick, a workforce consultant and former director of the state Employment Development Department. "It is very good news."

It also marks a comeback of sorts for the call-center industry, which was a major employer in Sacramento in the 1990s. The business withered in recent years, as big regional employers like Provident Financial and WorldCom faltered. At the same time, lots of U.S. companies moved their call-center work offshore to take advantage of lower costs.

Now the trend seems to be reversing itself.

"We're seeing these jobs 're-shore' back to America because of rising costs overseas and quality issues," said John Boyd, a New Jersey corporate site consultant who's familiar with the region.

Companies such as Microsoft Corp. have begun moving call-center jobs back to the United States, Boyd said. And Sacramento's soft economy has depressed wages and office leasing rates, making

the region more competitive for call centers than it has been in years, he said.

"It's a great time to hire staff in Northern California," he said.

Still, it took financial incentives to make the deal happen. Advanced will be eligible for tax credits as it hires because the North Highlands site is in an enterprise zone, said Shari Little, vice president of business development at the Sacramento Area Commerce and Trade Organization.

"That was really a game-changer for them," Little said. "Other states were offering them cash and land and buildings."

Advanced had been talking to four other cities – Kansas City, Kan.; Tallahassee, Fla.; Fond du Lac, Wis.; and Weldon Spring, Mo. – but approached Sacramento officials about incentives because of the success of the earlier call center in Carmichael.

"It was my favorite all along," Griffiths said.

He said hiring is scheduled to begin sometime in July. While Advanced expects to reach 500 jobs by December, he said hitting the goal of 2,000 jobs will require "a multiyear time frame."

Griffiths said Advanced employs 4,800 workers at seven facilities.

The privately held company tends to keep a low profile. Its Carmichael center opened two years ago without any publicity.

"They like to fly under the radar," Little said.

The 16-year-old company took some lumps over a well-publicized incident in Texas two years ago. A jury awarded \$1.5 million to a man who said he received profane and racist voice mail messages from an Advanced debt collector.

A lawyer for Advanced, Dean Siotos, said Monday the case was settled a month later for between \$200,000 to \$300,000. Siotos said the \$1.5 million award violated Texas limits on damages and wouldn't have survived an appeal.

© Copyright The Sacramento Bee. All rights reserved.

Call The Bee's Dale Kasler, (916) 321-1066. Follow him on Twitter @dakasler.

- Read more articles by Dale Kasler