Postmodern Thinking Exists in Student Account Collection Recoveries

Generational Differences
Overview

- Postmodern – defining the change
- Generations of Students - communication
- Risk Mitigation - Compliance
  - School
  - Collection Agency
- Partnership
Postmodern is a word that is used to describe changes in the way people think. More so the way they view truth and reality.

Pre-modern
In this era religion was the primary source for truth and reality. God’s existence and revelation were widely accepted in a pre-modern culture.
**Modern**

Science became the predominate source for truth and reality. Religion and the morality based on religion were demoted to a subjective realm.

**Postmodern**

There’s not a single defining source for truth and reality beyond individual preference.
A shift back to the value of faith and our spiritual being as vital to humankind. The loss of “Truth” however has people seeking faith with no definition or boundaries. People want to know God but on their own terms.

Broad Skepticism....

**Pseudo-modernism**
Pseudo-modernism suggests that whatever one does or makes is what is reality. In postmodernism, one read, watched, listened, as before.

In pseudo-modernism one phones, clicks, presses, surfs, chooses, moves, downloads.

There is a generation gap here, roughly separating people born before and after 1980. –Alan Kirby
“Truth and Reality”

Generational Differences
What are your student’s thoughts about debt that is owed to the school?
### Chart 1: An overview of the working generations

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<tbody>
<tr>
<td>Formative experiences</td>
<td>Second World War</td>
<td>Cold War</td>
<td>End of Cold War</td>
<td>BFIT terrorist attacks</td>
<td>Economic downturn</td>
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<td>Rationing</td>
<td>Post-War boom</td>
<td>Fall of Berlin Wall</td>
<td>PlayStation</td>
<td>Global warming</td>
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<td></td>
<td>Fixed-gender roles</td>
<td>“Swinging Sixties”</td>
<td>Reagan / Carter</td>
<td>Social media</td>
<td>Web 2.0</td>
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<td>Rock ‘n’ Roll</td>
<td>Apollo Moon landings</td>
<td>Thatcher</td>
<td>Invasion of Iraq</td>
<td>Mobile devices</td>
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<td></td>
<td>Nuclear families</td>
<td>Youth culture</td>
<td>9/11</td>
<td>Reality TV</td>
<td>Energy crisis</td>
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<td></td>
<td>Defined gender roles</td>
<td>Woodward</td>
<td>LSE Aid</td>
<td>Google Earth</td>
<td>Arab Spring</td>
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<td></td>
<td>— particularly for women</td>
<td>Rise of the teenager</td>
<td>Introduction of first PC</td>
<td>Cloustonbury</td>
<td>Produce own media</td>
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<tr>
<td>Percentage in U.K. workforce*</td>
<td>3%</td>
<td>33%</td>
<td>35%</td>
<td>29%</td>
<td>Currently employed</td>
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<td>in either part-time</td>
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<td>jobs or new</td>
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<td>apprenticeships</td>
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<td>Aspiration</td>
<td>Home ownership</td>
<td>Job security</td>
<td>Work-life balance</td>
<td>Freedom and flexibility</td>
<td>Security and stability</td>
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<td>Attitude toward technology</td>
<td>Largely disengaged</td>
<td>Early information</td>
<td>Digital Immigrants</td>
<td>Digital Natives</td>
<td>“Technologies” - entirely</td>
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<td></td>
<td></td>
<td>technology (IT) adopters</td>
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<td>dependent on IT: limited</td>
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<td>grasp of alternatives</td>
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<tr>
<td>Attitude toward career</td>
<td>Jobs are for life</td>
<td>Organisational — careers are defined by employers</td>
<td>Early “portfolio” careers — loyal to profession, not necessarily to employer</td>
<td>Digital entrepreneurs — work “with” organisations not “for”</td>
<td>Career multi-taskers — will move seamlessly between organisations and “pass-a-lot” businesses</td>
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<tr>
<td>Signature product</td>
<td>Automobile</td>
<td>Television</td>
<td>Personal Computer</td>
<td>Tablet/Smart Phone</td>
<td>Google glass, graphene,</td>
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<td>nano-computing, 3-D printing,</td>
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<td></td>
<td></td>
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<td>driverless cars</td>
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<tr>
<td>Communication media</td>
<td>Formal letter</td>
<td>Telephone</td>
<td>E-mail and SMS</td>
<td>Text or social media</td>
<td>Hand-held (or integrated into</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>clothing) communication</td>
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<td>Communication preference</td>
<td>Face-to-face</td>
<td>Face-to-face ideally, but telephone or email if required</td>
<td>Text messaging or e-mail</td>
<td>Online and mobile communication</td>
<td>Facetime</td>
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27 years old trying to make it on their own
Reality to a Millennial
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<tbody>
<tr>
<td>Core Values</td>
<td>Respect for Authority, Conformers, Discipline</td>
<td>Optimism, Involvement</td>
<td>Skepticism, Fun, Informality</td>
<td>Realism, Confidence, Extreme fun, Social</td>
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<tr>
<td>Family</td>
<td>Traditional, Nuclear</td>
<td>Disintegrating</td>
<td>Latch-key kids</td>
<td>Merged families</td>
</tr>
<tr>
<td>Education</td>
<td>A dream</td>
<td>A birthright</td>
<td>A way to get there</td>
<td>An incredible expense</td>
</tr>
<tr>
<td>Communication Media</td>
<td>Rotary phones, One-on-one, Call me anytime</td>
<td>Touch-tone phones, Call me only at work</td>
<td>Cell Phones, Call me only at work</td>
<td>Internet, Picture Phones, E-mail</td>
</tr>
<tr>
<td>Dealing With Money</td>
<td>Put it away, Pay Cash</td>
<td>Buy now, pay later</td>
<td>Cautious, Conservative, Save, Save</td>
<td>Earn to spend</td>
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<td>Generational Differences Chart</td>
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<tr>
<td><strong>Birth Years</strong></td>
<td><strong>Traditionalists</strong></td>
<td><strong>Baby Boomers</strong></td>
<td><strong>Generation X</strong></td>
<td><strong>Millennials</strong></td>
</tr>
<tr>
<td><strong>Current Age</strong></td>
<td>63-86</td>
<td>44-62</td>
<td>28-43</td>
<td>8-27</td>
</tr>
<tr>
<td><strong>Famous People</strong></td>
<td>Bob Dole, Elizabeth Taylor</td>
<td>Bill Clinton, Meryl Streep</td>
<td>Barak Obama, Jennifer Lopez</td>
<td>Ashton Kutcher, Serena Williams</td>
</tr>
<tr>
<td><strong>#</strong></td>
<td>80 Million</td>
<td>51 Million</td>
<td>75 Million</td>
<td>24/7's</td>
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<tr>
<td><strong>Influencers</strong></td>
<td>WWII, Korean War, Great Depression, New Deal, Rise on Corporations, Space Age</td>
<td>Civil Rights, Vietnam War, Sexual Revolution, Cold War/Russia, Space Travel</td>
<td>Watergate, Energy Crisis. Dual income families and single parents, First Generation of Latchkey Kids, Y2K. Energy Crisis, Activism Corp. Downsizing, End of Cold War, Mom’s work, Increase divorce rate.</td>
<td>Digital Media, child focused world, school shootings, terrorist attacks, AIDS, 9/11 terrorist attacks</td>
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<td></td>
<td>Raised by parents that just survived the Great Depression. Experenced hard times while growing up which were followed by times of prosperity.</td>
<td>Highest divorce rate and 2nd marriages in history. Post War Babies who grew up to be radicals of the 70’s and yuppies of the 80’s.</td>
<td>Their perceptions are shaped by growing up having to take care of themselves early and watching their politicians lie and their parents get laid off.</td>
<td>Typically grew up as children of divorce. They hope to be the next great generation &amp; to turn around all the “wrong” they see in the world today. They grew up more sheltered than any other generation as parents strived to protect them from the evils of the world.</td>
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<td>Came of age when USA was losing its status as the most powerful and prosperous nation in the world.</td>
<td>Came of age in a period of economic expansion. Kept busy as kids</td>
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<td>The first generation that will NOT do as well financially as their parents did.</td>
<td>First generation of children with schedules</td>
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</tbody>
</table>
Millennials

• Grown up seeing Boomers and Gen X’ers stressed and unhappy at work

• Raised by televised tragedy beginning with 9/11

• World is at their fingertips

• Witness meaningless work of their elders and world needs/challenges

• Critical question: “Why”
• Why do we work?

• Why are we here?

• Which of these problems can I help solve?

“They seek education and work that connects to a societal need and gives personal satisfaction.”  - Zach Mercurio
This generation is pursuing success:

“Purpose is the place where your deep gladness and the world’s deep hunger meet.” — Frederich Buechner.

Skeptics because of the world at their fingertips showing reality
Welcome Generation Z or iGens

• Increased media consumption
• Multitasking
• E-communication
• Socializing
• Creativity
• Writing
• Motivation
Welcome Generation Z or iGens

• What does it take to communicate **effectively** with this group?
• Smartphones, the Internet, and everything technological are not "tools" at all—they simply are.

• They expect technology to be there, and they expect it to do whatever they want it to do.

• WWW doesn't stand for World Wide Web; it stands for Whatever, Whenever, Wherever. - Dr. Larry Rosen
Welcome Generation Z or iGens

• Gen Z’s are immersed in technology
• Their tech world is open 24/7
• Take advantage of their love of technology to refocus education
Mitigating Risk for the school

• Compliance

• Compliance

• Compliance

Knowing how to communicate with your various generations of students is only the beginning.....Make your life easier by utilizing some fundamental tools.
Mitigating Risk for the School

1. Policies and procedures
2. Understand the Regulations and Laws
   • FERPA, HIPAA, RED Flags, GLBA, FCRA, TCPA, FDCPA
3. Financial Responsibility Agreement signed by EVERY Student
   • NACUBO Template
   • Attorney Review Required
   • Why do you need this
   • How and when should this be signed
Mitigating Risk for the School

4. CFPB – Consumer Financial Protection Bureau
   • What do they do and why should we be concerned

5. Using a collection agency to collect your student accounts
   • Licensed in all states where required
   • Annual Audits
   • Experience with collecting student debt
   • References
   • Complaints
   • Technology driven
Mitigating Risk for the Agency

Compliance is the biggest cost for an agency in both time and money

1. Financial Responsibility Agreement on every account
2. Ledger break down of Prin., Interest, Late Fees = amount listed
3. Policies at the School with no exceptions
Partnership that requires respect for all participants

Agency responsibilities

• Provide a positive experience for the student and the school

• Technology available for the ease of making payments, getting account information and communicating with the school and the student

• Payments that students can live with and have a plan that is successful

• Showing respect to the individual and their situation, listening and communicating in a way that the student trusts and feels comfortable with
Partnership that requires respect for all participants

School responsibilities

• Policies and firm adherence
• Listing accounts timely with best information
• Detailed balance breakdown
• Work with your agency Partner
• Expect push-back from students
• Trust you agency – it really is a two way street
Partnership that requires respect for all participants

Student responsibilities

• Keep your contact information current with the school
• Make payment plans and follow through
• Ask for help and then listen
• Trust the system and ask questions
• Respond to communications about your debt to the school
Take Away

1. Understand your students generationally
2. Communicate Trust and Reality from the beginning
3. Mitigate Risk for the school and the agency partner through Compliance items
4. Respect all parts of the collection equation
5. Ask for help and make changes that will improve your schools overall financial health
Thank you

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