

# As a Bill Collector Sees You

By DUDLEY BUNN

Now that high prices and higher taxes are taking all that part of the average person's income which the prudent person used to save, few families have an adequate unencumbered cash reserve to meet a real emergency.

Even with a good insurance program, which in itself costs money, a sudden accident, a protracted illness, a fire, an automobile wreck, or any other such disaster can throw the average family into debt for months or even for years. One major purchase made unwisely can do the same thing. In far too many cases, these days, such an occurrence throws a family "hopelessly" into debt.

With most of us, over a ten-year period, it is not so much a question of whether we are going into debt. With most of us, the real questions are these:

When will we go into debt? For what purposes? To what extent? And how are we going to get out of debt, according to some very definite and practical plan, when that time comes?

The writer operates one of the most despised of all legitimate businesses, a collection agency. We ask your indulgence for two short paragraphs to give you our complete apology for engaging in such a business.

First, from the public viewpoint, as long as any credit business is done, there are going to be some credit losses, some bad debts. Some of these bad debts which cannot be collected by the original creditors can be collected by a firm which specializes in this particular field. We and other collectors furnish our clients this specialized service. Ours is a salvage operation. We collect money which is justly due the creditor but which, otherwise, would not be collected. In doing this, we perform a needed economic function and justify, we hope, our place in the business community. At least, we like to feel that way about it.

Our second reason is more personal. We love our work. Few persons ever deliberately plan to go into collection work as a career from youth. On the other hand, few persons ever quit it, once they have worked at it for a year or two. For we see facets of human nature practically every week

which many persons, in other lines of work, never see in a lifetime. Next to the physicians, the ministers, and the police, we see more people under stress than anyone else in the community. In time, if we have any observational talents whatsoever, we learn a little about what makes people tick!

What kind of people get into trouble with their creditors over their debts, to such a degree that their creditors give their accounts to an agency for collection? The answer is, literally, "all sorts and conditions of men."

It could happen to you, once or more. It could happen to us. An irate creditor, often himself hard-pressed for ready cash, is no respecter of persons. We have collected money from some of the very best people in town, socially, financially, and morally. We have collected money from close personal friends, most of whom are still our friends.

Incidentally, the fact that one or two debts against you are placed in the hands of a collection agency rarely injures your credit rating, if you are fundamentally honest, if you take care of the debts promptly, and if the collector really knows his business. (The three "if's" in this sentence are very important, however.)

When we receive a new claim against any person whom we have not had before, we try to be completely objective about it. Just as a matter of business policy, we never assume that the debt is actually owed by this person, nor that the amount charged to him is correct, until the debtor has either told us his side of the story or has refused to do so. We have learned from experience that creditors can be wrong, too—sometimes honestly, sometimes otherwise.

Legally, as the original creditor's agent, we can do practically anything that the original creditor can do. The only difference is that, being organized for this one particular business specialty, we can do the same things more often and, we believe, more efficiently.

In addition, every collection agency maintains voluminous files of information about debtors, particularly about those against whom we have had claims before.

No information about any debtor is ever lost or discarded if we can prevent it. The maintenance of these information files is one of the most costly parts of our operation. At the same time, these files furnish our starting point for collecting any new claim from an old debtor. In particular, they are our starting point for tracing a debtor who has changed his address, leaving unpaid debts behind him.

Most readers know, of course, that delinquent claims can be forwarded from one collection agency to other agencies, in other parts of the country. All ethical, legitimate collection agencies in the world thus work for each other through professional associations, through various directory services, and through private arrangements. It is difficult for a delinquent debtor to escape entirely from this well-organized network. Although, frankly, many do!

In this connection, the women who leave delinquent debts behind them are far harder to trace than the men. The women marry and/or change their names more easily. We have had at times, however, claims against the same man under as many as four different names. This is another thing which makes collection work so interesting!

Back to the question of what kind of people get into trouble with their creditors. We have answered this question in a general way by saying that they could include almost anybody. With the additional background we have given you, we can now be a little more specific.

If delinquent debtors have any one psychological trait in common, that trait is certainly emotional immaturity. This trait shows itself in almost every case we handle. It shows itself in many, many ways.

For example, one of the most typical manifestations of this trait lies in the delinquent debtor's child-like refusal to recognize, much less to believe, the facts of elementary arithmetic. He sees no reason why he cannot continue to spend more than he is capable of earning. So long as people continue to offer him merchandise or services for "a small down payment," he sees no reason to hesitate about making

the purchase if he has the small down payment in his pocket. And this is true, regardless of how much he already owes!

His immaturity shows up again in his incapacity to take either a verbal promise or a written contract seriously. We have spent many a weary hour explaining to many debtors exactly what the words, "to make a five-dollar payment each and every Saturday," actually mean in terms of action, in terms of behavior, in terms of performance. In every case, using every scrap of educational and other psychology we have ever studied anywhere, we have gone over these words time and again, from every conceivable angle, until we were absolutely certain that the debtor knew exactly what the words actually meant. Then, where possible, we have put such promises in writing and have required the debtor to sign the note. And then, do we get a payment every Saturday, or even the next Saturday?

Sometimes, yes. Sometimes, no. In the majority of cases, no.

Sometimes, yes, because our educational efforts are not entirely in vain. If we found that they were, we would quit them.

More often, no, because the debtor's memory is short, and because his capacity for self-discipline, even when he intends well, is slight. This is still further evidence of the emotional immaturity we are discussing.

And this same immaturity shows up in other fields, outside the economic field. Our debtors marry early, and often. They marry into each other's families. Then tend to live in certain sections of a city, although there are many exceptions to this particular rule. At one time, we were collecting from six different families in six separate dwellings on the same city block. One of our outside collectors could park his car in the middle of the block and make these six calls each Saturday morning, all with one simple stop. Nobody cared what the neighbors saw!

**D**o chronic debtors like these resent bill-collectors? Are they ashamed for

their neighbors to know that they owe debts? Not at all! For the most part, such people make a game of beating their debts, just as we make a game of collecting them if we can in such cases. We and such debtors understand each other. Many of them come to us for guidance on such things as filling out job applications or their income tax returns.

There is nothing resentful, nor even personal, in such a relationship. It is somewhat like a chess game. They grudgingly admire us at times when we force them to make a payment. We give them due credit when, as sometimes happens, they come up with an excuse for non-payment we have never heard before!

Many people have the mistaken idea that a bill collector must be brutal, must be threatening, must be overbearing. This is not true, in this day and time. Such collection methods, if used today, would be too inefficient and therefore too costly. Like a building contractor, we must watch our cost sheets on every job we undertake. There is no other way to make such a business profitable.

In these cost sheets lies our greatest weakness. Any one debtor can beat any one debt simply by making the debt more costly to collect than the proceeds from the collection would equal. Many debtors know this and take full advantage of it. They defraud a number of their creditors regularly by the simple process of never running up a bill at any one place large enough for the creditor to sue them for profitably. And they procrastinate payment on these smaller bills until collection efforts become too costly to continue.

By the same token, whenever a debtor has a job or owns property, we can almost always collect one undisputed debt from him, by the simple process of spending on the collection three or four times the amount of the debt itself.

We often do this, for psychological reasons. When we find the "key man" in a group of delinquent debtors, a group who live in the same neighborhood, or who work together, or who get drunk together

every pay-day, we will often spend far more time and money to collect a debt from this leader than the debt, itself, could possibly justify from an accounting standpoint.

We do this because, after we have collected a debt from the leader of such a group, the collection of debts from his followers becomes a much easier and less costly process. Often we collect more easily for years from such a group after we have once found and collected from its leader. In such cases, the broken leader may become one of our greatest helpers and boosters. He will tell all who listen to him that "When you get a bill from that outfit, the best thing to do is to go and pay it!"

Incidentally, from coast to coast, the word "outfit" is the word most frequently and most naturally used by the enemies of collection agencies to designate a collection agency. We do not know why. This is one phase of the subject which we have never yet had time to investigate. But the phrase, "that collection outfit," is used among delinquent debtors wherever American English is spoken. We wish we knew why.

We do try to read and study every other field of learning which can be put to practical use in the collection of delinquent accounts. Since empty threats produce no results, modern collection methods must be based upon something more sound than threats. The modern collector looks upon his work as practical psychology, even as "psychological engineering."

As a result, we read everything we can understand on psychology, both on the technical and popular levels. In particular, we read advertising and sales psychology, because collection is only another sales problem in the final analysis. A harder sales problem than most are, perhaps, but still a sales problem. We must sell the debtor the abstract and intangible proposition that the easiest way possible for him to get out of a perfectly intolerable situation is to pay the debts we have against him! And chronic debtors do not easily understand any abstract proposition!

We read and study basic English, basic communication of all kinds. To most delinquent debtors, the concept of "money I owe" was a hazy and unpleasant thought in the first place, only vaguely understood even then. As the months go by, the concept becomes even hazier. It is our first task to revitalize that concept, to make it more concrete in the debtor's mind than it has ever been before, to make the debt seem real to him, as real as the ground he is standing on. Sometimes, with some debtors, this process takes more time, more psychology, more communication and more

#### ABOUT THE AUTHOR

*The size of the National Debt and balancing the Federal Budget are questions which for most of us seem abstract and far-removed. But how to meet the monthly payments on the car, the TV set, or even the new baby, is a problem we know about. In this article Mr. Bunn discusses the problem not as a theoretical economist but as a person who has had practical experience in seeing how a family budget can get way out of balance. How the collector rather than the payer looks at it makes interesting reading. Mr. Bunn attended the University in 1922-24, and later took correspondence courses in accounting, advertising, law, and mathematics. He and his wife, with six employees, operate a collection service in McAlester, and do income-accounting.*

sheer patience than the average thinking person can easily imagine. But no debtor can be expected to pay a debt willingly unless he understands it fully. Where time permits, we try to make sure that he does understand it.

OUR objectives as collectors are four: (a) to see that we have all the facts straight, from both sides, ourselves; (b) to see that the debtor, and sometimes the creditor also, understands these facts as we do; (c) to get the money; and (d) to keep the debtor's goodwill, for his original creditor and for ourselves, if this is possible.

Of these four steps, only the third step is profitable to us, in actual money. Generally speaking, we are paid only on a percentage basis, upon money actually collected. But the other three steps are equally important to us. We could not remain long in business if we ever neglected them.

In trying to apply the principles of modern psychology to the very practical problem of collecting debts, we assume that, in the long run, every living organism is going to follow the line of least resistance, as determined by its inner drives and by the stimuli it receives from its environment.

So, as a practical matter, we always try to set up a situation wherein it becomes psychologically easier for the debtor to pay his debt than it is for him not to pay it. Usually but not always, we have to take the negative approach. We have to make it more difficult for him not to pay. We have to export the proper stimuli. We have to export trouble. In doing this, we also have to stay within the law. It becomes, indeed, a fine psychological problem!

But how about your own personal debts, the debts which we mentioned in the first paragraph, and which you will inevitably incur if you live long enough, with just the ordinary run of luck?

For the sake of brevity, we are going to answer this question rather dogmatically. Each "rule" given here, however, is based upon the writer's personal experience with literally thousands of delinquent debtors, over a period of many years.

1. Grow up if you haven't. Face the fact that you cannot have everything you want from life. Face the fact that you cannot long spend more than you earn without running into serious trouble of some kind.

2. Keep a budget of some kind, whether you follow it absolutely or not. Keep a record of your actual expenditures for three months in a row. Then, determine whether there is any way you can change the pattern this record shows (a) to stay out of debt, or (b) to get more of the things you really want from life from the money you are actually spending now.

3. If you have any vices, include them in your budget, for you are not going to change these things overnight, if you ever do. Be a realist for once. If you smoke too heavily, budget for it. If you drink too much, budget for it. Especially if you gamble, budget for that activity also, and try above all things not to lose more money than your budget allows you to lose, regardless of what others may think.

4. Try to avoid all "impulse buying," regardless of the blandishments of salesmanship and advertising. If you are like most people, you do not earn your money on impulse; you earn it slowly, hour by hour. Isn't it a logical idea to spend it slowly, and not all at once?

5. If you buy goods or services on credit and find your purchases unsatisfactory for any reason, make your complaint to the creditor immediately and not weeks later when he presents his bill. Frankly, no sane creditor and no sane collector ever considers very seriously a complaint which has never been mentioned until after the bill is presented. It is a standing joke among all collectors that dentures never fit after the dentist starts pressing for his money. This is a situation which every collector encounters often.

6. Never start avoiding a person to whom you owe an honest debt. Never start taking your cash business elsewhere. Most creditors, and most collectors, will honestly try to help you as long as you are honestly trying, as long as you are utterly frank and honest with them. Give them no excuse to doubt you.

7. If you make a promise to pay and cannot keep that promise to the letter, call or go see your creditor and explain the matter to him fully. The whole civilized credit system depends upon the sanctity of the promised word. Take your own promises seriously. Other people do, as long as they can!

8. It is always better, for your credit record and for your peace of mind, for you to owe two or three large debts, including one or two banks or loan companies, than it is for you to have dozens of small debts scattered all over town. About four "worrisome" debts at once is all that the average mind can handle, if that mind is going to be used for anything else besides worry.

9. If for any reason, just or unjust, a creditor gives your account to a professional collector, the most prudent thing for you to do is to reach an early agreement with that collector, if you feel that this is possible for you at all. We realize that this is a touchy subject and that we are writing from a prejudiced viewpoint. But it is not the mark of a mature person to hate any legitimate business blindly. And we believe you will find most experienced col-

lectors to be surprisingly courteous, surprisingly understanding, whenever you give them an equal chance to be.

There is more to all this than just credit and debts and money. Character and personality are intangible things; but throughout the ages, they have been expressed in terms of tangibles, and quite often in terms of money and credit.

Think of the great characters of literature, of history—Midas—Shylock—A Certain Rich Man—The Prodigal Son. In every one of these characterizations, and in hundreds of others like them, the use-of-money-and-credit concept has been the psychological center of the whole dramatic character portrayal.

With no scientific evidence whatsoever, it has long been the writer's contention that the use or misuse which every person makes of his money and his credit is the most valid, the most practical index of his true personality, both to himself and to others, which can be found in the world today.

As a corollary, we believe that a person can largely direct his own personality, into whatever channels he seriously wishes to take it, by arbitrarily buying with his money and his credit those things which will push him in that direction.

Of course, the same unscientific hunches were much better stated centuries ago. "For where a man's treasure is, there will his heart be also." And, "As a man thinketh in his heart, so is he."

### ... *Winter Birdlife*

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titmice, Bewick's wrens, Oregon juncos, pink-sided juncos, Townsend's solitaires, ladder-backed woodpeckers, and curve-billed thrashers—the last-named exclusively along the lower edges of the thicket at approximately the same level as that of their cholla-dotted nesting grounds. White-crowned sparrows we found only about the Wiggins farmhouse. Prairie falcons we saw principally in the open. To an almost amusing degree their distribution seemed to coincide with that of the telephone poles along the highway, except where a roosting spot on a cliff, or farmyard quail population, attracted them. The golden eagle we saw only in the very open country, the goshawk, pigeon hawk, and great horned owl only in the woods. The screech owl and bobwhite quail we failed to find. The red crossbill we saw only among the yellow pines.

Our Thanksgiving vacation had added valuable details to our knowledge of the winter birdlife of the Black Mesa country.