family. New Jersey had a 90% exemption, and Alaska exempted $350 for married and $200 for single debtors. Maryland exempted only 75% in some counties and $100 in others, but wage garnishments were little used there because of the necessity of a separate levy every payday.

Of the states with the highest personal bankruptcy filings:

Alabama had a 75% exemption.

Oregon exempted $175.

Tennessee exempted $17 per week for the head of a family plus $2.50 per week for each dependent under 16, and $12 per week for debtors who were not heads of families.

Maine allowed garnishment of not to exceed $30 per month but provided that at least $10 should be exempt.

Georgia exempted $3 per day plus 50% of the excess.

Arizona had a 50% exemption.

California exempted 50% but authorized more, up to 100%, if needed to support the debtor's family and if the creditor's claim was not for necessaries.

Ohio exempted 80% of the first $300 per month and 60% of the balance (with a minimum of $150), and $100 for debtors who were not heads of families.

Colorado exempted 70% for heads of families and 35% for others.

Illinois had the highest exemption in this group—85% or $45 per week, whichever was more, with a maximum of $200 per week. But the Illinois experience is instructive further. Until a 1961 amendment to its law, its exemption was only $45 per week. Between 1961 and 1964 Mr. Brunn found that personal bankruptices in Illinois *declined* 9% while they were increasing 18% nationally. [And I find that they have *declined* another 4% in Illinois from 1964 and 1966 while they have increased another 2% nationally.]

Mr. Brunn also studied the experience of Iowa, which moved in the opposite direction in 1957 by abolishing its 100% wage exemption and substituting $35 per week plus $3 per dependent. Since 1957 personal bankruptcies have multiplied 3.6 times in Iowa while multiplying 2.8 times nationally.

It may be said that these figures alone do not prove that wage garnishment is a contributing cause of bankruptcy. It may merely be a series of remarkable coincidences. Or it may be that the financial difficulties which led to garnishment would have led to bankruptcy had there been no garnishment.

But we need not rely on the figures alone. Last week you heard the testimony of three able and experienced Referees in Bankruptcy from states where wage garnishment is heavily employed (Oregon, Tennessee and California). They were unanimously of the view that wage garnishments caused bankruptcy filings by many debtors who would not otherwise have filed.

That view is supported also by studies of personal bankruptcies in which the bankrupts were interviewed. In one such study, involving 84 bankrupts in Michigan, 75% indicated that garnishment or the threat of garnishment was the reason for their filing in bankruptcy. Dolphin, *An Analysis of Economic and Personal Factors Leading to Consumer Bankruptcy* (1965), p. 18. In another study in Illinois in which 73 bankrupts were interviewed, 35 said that threat of garnishment or fear of job loss was what caused them to go into bankruptcy. Stabler, *The Experience of Bankruptcy* (1966), p. 7. Other similar studies which did not include personal interviews with the bankrupts reveal:

Out of 300 cases in Seattle, 69 debtors had suffered one garnishment in the four months preceding bankruptcy, 14 more had experienced two garnishments in that period, and 4 had been garnished 3 or more times. Brosky, *A study of Personal Bankruptcy in the Seattle Metropolitan Area* (1965), p. 39.

Interviews with bankruptcy attorneys in Utah revealed their opinion that most personal bankrupts have either had their wages garnished or have been threatened with garnishment. Misbach, *Personal Bankruptcy in the United States and Utah* (1964), p. 33.

To this I would like to add my own opinion, based on discussions with many Referees in Bankruptcy and bankruptcy attorneys, and on the examination of the files in hundreds of bankruptcy cases, that wage garnishment, either actual or threatened, is a precipitating cause in a very substantial number of personal bankruptcy cases.

I have previously estimated, based on my studies of the official bankruptcy statistics published by the Administrative Office of the United States Courts, that over a billion dollars in creditors claims per year is being discharged in bankruptcy cases and more than 90% of these cases are personal bankruptcies. Countryman, *The Bankruptcy Boom*, 77 Harv. L. Rev. 1452 (1964). A more recent