

for supplementary aid from welfare. "If I feel any strain I go down to welfare and they make up the difference," was the way one father expressed it. Among civil service workers particularly, there appeared to be a possible pattern: wage deductions are made to pay creditors under wage assignments and the workers are sent to welfare for supplemental aid to meet their family's basic needs to make up the creditor's "take."

This use of public funds one step removed to satisfy creditors is a problem that certainly deserves further attention.

By the time of our interviews, one of seven of our families had gone through bankruptcy since leaving welfare. Since bankruptcy, over half of these families were already experiencing new debt difficulties and the balances were making payments on old debts covered in the bankruptcy that had been reaffirmed. In all probability these families had gotten themselves into new difficulty to retain or regain furniture and appliances that would have been subject to repossession under bankruptcy proceedings.

Repossession of merchandise was experienced by about a fourth of the families while on welfare. In two-thirds of the cases the repossession cleared the account. Unfortunately, no information was obtained on the amount of money already paid for the various items by the time of their repossession. It would not be unusual to discover in such cases that payments made exceeded the initial value of the merchandise repossessed. The other third of the families experiencing repossession of goods while on welfare were less fortunate. They were hit with deficiency judgments and their wages garnisheed shortly after they obtained new employment. One family reported being garnisheed for a \$700 balance due on a TV after it had been repossessed. Intertwined in all their repossession and bankruptcy experience was another credit difficulty; namely, the co-signing of a loan for another party. Roughly a third of our sample had served as co-maker of a loan for another, most likely thinking they were vouching for the character of a friend or relative, and three out of four of this group had been garnisheed at least once for the defaulted debts for which they had co-signed.

Almost half of our families felt that the balances they owed their creditors at the time they went on welfare were higher by the time they went off welfare. A little over 10 per cent of the sample found their debt-balance to be about what they had expected. One family reported a balance of \$600 due on a small loan of \$300 contracted before their welfare experience. Apparently, the rest of the sample had insufficient knowledge of their situations upon which to base an opinion on the matter. There is every reason to believe that interest on the debts left unpaid continued to accrue during the welfare experiences of our sample families. Given the average amount of indebtedness among our families (\$1,520.-50) while they were on welfare, the customary annual interest rates of 18 per cent on revolving credit accounts and some 24 per cent on small loans could increase the debt problems of our sample families sizeably over a period of a year or more.

Not surprisingly, our interviews among our sample families revealed little awareness of interest charges involved in their credit purchasing or borrowing behavior. Nor as a group did they appear to have records of their credit contracts or payments. While there would seem to be grounds for suspecting fraud on the part of creditors in some of the cases, there was not one attempt in the 168 garnishments admitted by our families to contest the legal actions taken against them. Moreover, there appeared to be a pattern among a number of the families to continue doing business with the same creditors who had been garnishing their wages. Asked about this, one husband replied, "I didn't know I could go anywhere else without money." Another replied, "Where else can we make the same payment each week and pick up a new item every time the old bill's about paid up without any change in payments?" With deep resignation one woman sighed, "The only way out of this dollar-down-and-two-dollars-a-week living for people of my race is to send us back South." A husband summed up the situation for our sample families with the challenge: "If you were broke most of the time and wanted things for your kids like everybody else and you kept getting these letters saying, 'We have money waiting for you to pay for your purchase on time,' what would you do?"

While the foregoing comments represent only a few gleanings from a modest survey of 50 families, it would appear reasonable to come to a number of tentative conclusions upon which a framework for developing a more comprehensive welfare program to cope with the problem discussed:

1. Debt problems are an integral part of the money problems of a number of welfare families and require the assistance of their workers in resolving them.