additional debt. However, as shown in Table 8, the potential bankrupt tends to assume greater and greater amounts of debt as he approaches his filing day.

An interesting question which should be asked is, could these people have paid their debts if they had curbed their spending? Disregarding psychic factors, the burden of debt is a function of one's ability to repay. Thus, debt repayment must be related to income level, size of family, etc. Analysis of a selected group of bankrupts in this study indicated that up to 49 per cent of them could have paid off 100 per cent of their debts within three years.[9]

SUMMARY AND SUGGESTIONS

Although, in general, no particular supplier of consumer credit seems overly represented in the consumer bankrupts' financial difficulties, the characteristics of the consumer bankrupt indicate that a definite social-economic class is generating most of the bankruptcies. It is typified by the young married family whose income is earned by the husband as a manual worker, while the wife is occupied with a more than average number of children. Their income is similar to that of the average for the community. Also, the burden of the debt is not unbearable.

The social characteristics of the bankrupt, his behavioral patterns and the relationship of his income to his debt provide the basis for the following suggestions. There is need for legislation which will restrict the availability of bankruptcy to certain individuals.[10] In addition, there is a need for programs dealing with consumer counseling on credit matters. Restricting the availability of bankruptcy will reduce the use of the Act to avoid debt repayment but at the same time this will not deny individuals court protection through Chapter XIII of the Act. Credit counseling, such as the nonprofit community counseling services established by private business, should help prevent the type of financial distress which leads to bankruptcy.

TABLE 1.—SIZE OF FAMILY BEING SUPPORTED BY INDIVIDUALS FILING FOR BANKRUPTCY CONTRASTED WITH THE TOTAL POPULATION

[Percentage distribution of families]

Size of family[1]	Bankrupt population	Total population[2]
2	8	30
3	17	20
4	24	20
5	19	14
6	8	8
7 and over	23	7
All families	100	100
Mean	4.9	3.8

[1] Size of family is defined as the number of people being supported including the bankrupt.
[2] Genesee County, Mich.

Note: Percentages may not add to totals due to rounding.

Source: U.S. Department of Commerce, Bureau of the Census, U.S. Census of Population: 1960. "General Population Characteristics, Michigan" (Washington: U.S. Government Printing Office), Final report PC (1)—24B; the data pertaining to the bankrupts are based on questionnaires administered by the referee at the first meeting of creditors in Flint, Mich., 1963. Sample size: 172.

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[9] Chapter XIII (Wage Earner's Plan) of the Bankruptcy Act was set up as the vehicle for paying off the debt. This plan, administered by the Court, insulates the debtor from creditor collection pressure for three years and funds paid in by the debtor are distributed to his creditors. See my "The Economic Feasibility of Chapter XIII," *Business Lawyer*, XX (January, 1965), pp. 477–81.

[10] A proposal to amend the Bankruptcy Act was introduced on October 2, 1964 in the House of Representatives as H.R. 12784. This amendment would give the courts the power to deny an individual relief in straight bankruptcy where Chapter XIII could be used by the debtor, without undue burden, to repay his indebtedness.