action by other creditors and a chain reaction leading to family economic disaster.[90] The costs of the low exemption to the debtor, his family, and the community (including other creditors) are high. While precise data are lacking, wage garnishment is probably predominantly used against debtors in the low-to-middle-income groups; "garnishee" is one word that is better known among the poor than among those who are economically well off.[91]

If the lowness of the exemption were the only serious problem posed by wage garnishments, it could be dealt with by increasing the exemption substantially. Unfortunately there are other related problems not capable of such simple solution. These are considered next.

B. Garnishment and Employment

It is hardly news that an employee who gets his wages garnished runs a serious risk of being fired—at least if he permits it to happen repeatedly. The employee's fear of discharge collects at least as much money for creditors as actual levies; it may well collect more.[92]

One observer, who worked in the personnel department of several plants, reports that in every case the company set a limit on the number of garnishments that it would tolerate within a given period as to any employee; some companies regard a single garnishment as grounds for discharge. He notes that "it is detested as an unmitigated nuisance by employers to such an extent that even union contracts tacitly or specifically recognize the right of an employer to discharge an employee whose debts result in more than a prescribed number of garnishments within a specified period."[93]

While collection agencies tend to minimize the problem of discharges,[94] they recognize that the threat of garnishment "collects an awful lot of

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90 For illustrative case studies see CENTER FOR CONSUMER AFFAIRS, UNIVERSITY OF WISCONSIN, UNIVERSITY EXTENSION, THE SPENDER SYNDROME [hereinafter cited as SPENDER SYNDROME], cases 1, 6, 9, 19, 21, 31, 37, 44, 48, 51, 65, 67 (1965). Some of the families involved in that study had to receive welfare grants because of garnishments. *Id.* at cases 9, 37, 44.

For data as to the substantial proportion of income which is used for repaying consumer credit, see text commencing with note 160 *infra*.

91 CAPLOWITZ, THE POOR PAY MORE 21 n.7 (1963). Credit merchants sell to the poor as well as to higher income groups (though they may not be the same merchants). The proportion of low income families with consumer installment debt is about the same as the national average. *Id.* at 101. Most poor persons use credit for some major purchases. *Id.* at 100.

92 See Conard, *An Appraisal of Illinois Law on the Enforcement of Judgments*, 1951 U. OF ILL. L.F. 96, 100. The article is written from a viewpoint favorable to creditors.

93 Note, *Garnishment in Kentucky—Some Defects*, 45 KY. L.J. 322, 330 (1956-57). The article is written from a point of view favorable to debtors. See also Note, *State Wage Exemption Laws and the New Iowa Statute—A Comparative Analysis*, 43 IOWA L. REV. 555, 557 (1958).

94 See *Hearings* 56-57.