

caution: A correlation does not necessarily mean a cause and effect relationship. Garnishment laws may not be the only relevant factor with respect to which one state differs from another. Further, bankruptcies have been rising in all states, even those that do not permit wage garnishments.¹²¹

There is a consensus among referees and students of bankruptcy problems that the number of individual bankruptcies in a state is significantly affected by the leniency or harshness of its garnishment laws.¹²² Subject to the limitations mentioned, the available data suggest that the consensus may be correct.

The states with the lowest per capita bankruptcy filings are mainly those that either prohibit wage garnishments or severely restrict their use. The highest filings in relation to population tend to occur in states where the garnishment remedy is freely available to creditors. The following table illustrates the point and shows dramatic differences in bankruptcy rates.

TABLE 2
STATES HAVING THE HIGHEST AND LOWEST PER CAPITA
BANKRUPTCY RATES, 1962¹²³

State	No. of Filings per 100,000 population	State	No. of Filings per 100,000 population
Alabama	279	North Carolina	1
Oregon	200	Texas	2
Tennessee	184	South Carolina	3
Maine	153	Pennsylvania	4
Georgia	149	Maryland	5
Arizona	147	Florida	7
California	145	Delaware	10
Illinois	134	South Dakota	11
Ohio	132	New Jersey	12
Colorado	131	Alaska and the District of Columbia	13
		United States as a whole:	72

Of the states in the high group only Illinois has an exemption as high as eighty-five per cent; it went into effect in 1961 and its apparent

¹²¹ ACA BANKRUPTCY STUDY COMM. 16-17.

¹²² Myers, *supra* note 115, at 11; Snedecor, *Consumer Credit and Bankruptcy*, 35 REF. J. 2 (1961). The annual report of the Bankruptcy Study Committee of the American Collectors Association, note 105 *supra*, recognizes the existence of such a consensus but dissents from it. At the same time it states that "the per capita [bankruptcy] filings in a given state partially reflect the strength of collection laws in given states" and that "strengthening collection laws in many states would increase [bankruptcy] filings." ACA BANKRUPTCY STUDY COMM. 25.

¹²³ Myers, *supra* note 115, at 5. See also *Hearings App. B.*