

RELIGIOSITY AND CONSUMER BANKRUPTCY: A STATE-LEVEL ANALYSIS

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ABSTRACT:

Congress passed the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (Reform Act) to modify the Bankruptcy Code to curb the alarming increase of consumer-bankruptcy filings. The rate of consumer-bankruptcy filings after passage of the Reform Act has remained high. While researchers have explored possible causes of this high rate of filings, the authors explore herein a relatively overlooked factor in the scholarly literature that may impact state-level consumer bankruptcy filing rates: religiosity. The central objective of the study is to explore whether religiosity impacts total-consumer bankruptcy filings and the composition of consumer filings under Chapter 7 and 13.

I. INTRODUCTION

There is a fixation by policy makers and lawmakers,¹ the media and scholars on consumer-bankruptcy filing numbers and an assumption by most that bankruptcy numbers are a proxy for financial distress.² Congress used the increasing consumer-bankruptcy filing numbers to justify the passage of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (Reform Act),³ the most significant legislation modifying the Bankruptcy Code (Code)⁴ since its creation in 1978.⁵ Congress characterized the increasing numbers as evidence of a broken system.⁶ The Reform Act was effectively a response to consumer-bankruptcy filings' "upward trend."⁷ The consumer-filings numbers were viewed as a problem and the solution was a legislative effort to curb those numbers.⁸ The reality is that filing numbers are just numbers. Numbers are interesting and may indicate certain things; however, policy makers and scholars need to move beyond a mere numbers' game and more closely explore what causal factors are leading to certain trends in the numbers we study.

This paper, like much of the empirical research on consumer bankruptcy and the underlying policy debate of the Reform Act, does indeed focus on numbers. However, rather than blindly making assumptions on the causal factors based on the resulting numbers themselves as policy makers have done, this paper explores a relatively overlooked factor in the scholarly literature that may impact state-level consumer bankruptcy filing rates: religiosity. The central objective of the study is to explore whether religiosity impacts total-consumer bankruptcy filings and the composition of consumer filings under Chapter 7 and 13.

Following this introduction, Part II provides an overview of consumer bankruptcy in the U.S. Part III discusses the prior literature and develops a theoretical framework to consider the relationship of religiosity and consumer bankruptcy. The methodology, data and analyses is set forth in Part IV. Conclusions and areas of future research are identified in Part V.

II. OVERVIEW OF CONSUMER BANKRUPTCY IN THE U.S.

A. Consumer Bankruptcy Options

Any discussion of substantive consumer bankruptcy in the U.S.⁹ must begin with an appreciation of the vital role that consumer bankruptcy plays in our capitalist society. Our economic structure encourages risk taking and inevitably there will be failures. Those failures need to be addressed in a comprehensive way. When all other avenues to address financial failures have been exhausted, bankruptcy is the mechanism to provide redress and relief. When bankruptcy is employed by individuals in good faith as a tool of last resort it serves as the ultimate social "safety net."¹⁰ Bankruptcy is effectively a "lifeline for an individual overwhelmed with debt."¹¹ Bankruptcy is a mechanism to relieve pressure from over-indebtedness,¹² a "safety valve" after financial collapse.¹³ The vital role of bankruptcy in our economic structure has been

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aptly characterized as follows: “[c]apitalism without failure is like religion without sin. It doesn't work. Bankruptcies and losses concentrate the mind on prudent behavior.”¹⁴

Individuals typically can avail themselves of consumer bankruptcy relief in one of two ways:¹⁵ under Chapter 7¹⁶ or Chapter 13¹⁷ of the Code.¹⁸ Chapter 7 is a liquidation proceeding¹⁹ of an individual debtor’s non-exempt assets with the funds used to pay non-dischargeable debts²⁰ under a priority scheme set forth in the Code.²¹ In the typical Chapter 7 case a debtor receives a discharge²² within a matter of months. The discharge extinguishes liability for pre-petition debts.²³ The discharge, coupled with the ability to retain post-petition earnings and post-petition property,²⁴ provides the debtor an opportunity for a “fresh start.”²⁵

Chapter 13 is a rehabilitation proceeding²⁶ in which the debtor repays debts through a court-approved plan.²⁷ Secured payments will continue to be made for any property to be retained.²⁸ Unsecured debts will be repaid under the plan with the exact amount to be repaid based on an analysis of the debtor’s budget to ensure that unsecured creditors be paid at least as much as they would receive if the case were filed under Chapter 7.²⁹ Once the plan payments are completed, ranging from three to five years, the debtor will receive a discharge of remaining preexisting unsecured debts that are not provided for in the repayment plan.³⁰

Prior to 2005 the choice between Chapter 7 and Chapter 13 was largely left in the discretion of the debtor.³¹ The Reform Act limited the discretion given to individuals regarding chapter choice. The Reform Act implemented a statutory “means test” to determine if granting an individual Chapter 7 relief would be an abuse of the provisions of Chapter 7.³² The “means test” is a detailed calculation to determine if there is monthly income available to repay unsecured creditors.³³ If there is such income, a presumption of abuse arises and if that presumption is not rebutted, the case is due to be dismissed or voluntarily converted by the debtor to Chapter 13.³⁴ Even if the presumption does not arise under the “means test” or a presumption is rebutted, the granting relief may be found to constitute an abuse under a bad faith or a totality of the financial circumstances test.³⁵ A detailed analysis of the means test and the impact of the Reform Act are beyond the scope of this paper. However, recognition of the Reform Act’s primary consumer statutory reform is important to any consumer bankruptcy analysis.

B. Filing Rates and Trends

The total number of consumer bankruptcy filings has risen most years since 1980. In the mid to late 1990s the filings dramatically rose. In 1996 total consumer filing broke 1 million³⁶ and reached an all-time high of over 2 million in 2005 in anticipation of the Reform Act. There was a dip in filings after the Reform Act in 2006 and 2007,³⁷ but filings have returned to the 1 million plus mark in every year since 2008.³⁸ Consumer filings jumped to 1.4 million in 2009 and topped 1.5 million in 2010.³⁹ Consumer filings dropped to 1.3 million in 2011 and down to 1.1 million in 2012.⁴⁰

Nationally most consumer filings are filed under Chapter 7⁴¹ despite the Reform Act’s effort to modify an individual’s discretion in choosing between Chapter 7 or Chapter 13.⁴² As reflected in Table 1, from 1980 to 2012 the average percentage of total consumer filings that are filed under Chapter 7 is 70.34%.⁴³ The average percentage of consumer filings under Chapter 7 prior to the Reform Act (1980 to 2004) is 70.88%⁴⁴ and after the Reform Act (2005 to 2012) is 68.59%.⁴⁵

Year	%	Year	%	Year	%	Year	%
1980	74.53	1989	71.49	1998	72.13	2007	60.90
1981	72.00	1990	70.84	1999	70.62	2008	66.56
1982	68.88	1991	71.02	2000	68.91	2009	71.48
1983	69.23	1992	71.69	2001	71.08	2010	71.68
1984	69.39	1993	70.19	2002	70.71	2011	70.43
1985	70.26	1994	69.08	2003	71.19	2012	69.20
1986	72.69	1995	68.37	2004	71.55	<i>Avg</i>	70.34
1987	73.59	1996	69.38	2005	80.02		
1988	72.90	1997	70.95	2006	58.42		

Source: Administrative Office of U.S. Courts

The number of consumer bankruptcies filed annually and the composition of filings varies a great deal when filings are examined at the state level. For example, as reflected in Table 2, the average consumer bankruptcy filings per 1000 people for 1980, 1990, 2000 and 2010 ranged from 6.52 in Tennessee to .54 in Wisconsin. When this data is examined on a yearly basis, the rate tends to stay relatively consistent with states not moving more than one or two spots from year to year.

Table 2: Average Consumer-

Bankruptcy Filings Per 1000 People for CY 1980,1990, 2000 & 2010							
State	Rate	State	Rate	State	Rate	State	Rate
<i>TN</i>	6.52	<i>CA</i>	3.96	<i>NJ</i>	2.83	<i>PA</i>	2.08
<i>NV</i>	6.24	<i>OR</i>	3.87	<i>NE</i>	2.80	<i>CT</i>	2.08
<i>GA</i>	5.76	<i>AR</i>	3.86	<i>MN</i>	2.71	<i>ME</i>	1.98
<i>AL</i>	5.68	<i>OK</i>	3.72	<i>WY</i>	2.60	<i>HI</i>	1.95
<i>IN</i>	4.90	<i>WA</i>	3.63	<i>WV</i>	2.59	<i>MA</i>	1.93
<i>UT</i>	4.61	<i>VA</i>	3.50	<i>NM</i>	2.53	<i>TX</i>	1.91
<i>MS</i>	4.27	<i>MO</i>	3.49	<i>MT</i>	2.44	<i>SD</i>	1.78
<i>IL</i>	4.09	<i>MI</i>	3.44	<i>NH</i>	2.24	<i>ND</i>	1.78
<i>OH</i>	4.08	<i>FL</i>	3.32	<i>DE</i>	2.21	<i>SC</i>	1.66
<i>KY</i>	4.07	<i>MD</i>	3.32	<i>NC</i>	2.21	<i>VT</i>	1.53
<i>CO</i>	4.04	<i>KS</i>	3.21	<i>NY</i>	2.14	<i>AK</i>	1.46
<i>ID</i>	3.97	<i>LA</i>	3.21	<i>IA</i>	2.14	<i>WI</i>	0.54
<i>AZ</i>	3.96	<i>RI</i>	3.02	<i>DC</i>	2.09		

Sources: Bankruptcy Data: Adm. Off. of U.S. Courts;
Population Data: U.S. Census Bureau

Just as the filing rate per 1000 people varies a great deal at the state level, the composition of filings between Chapter 7 and Chapter 13 varies a great deal at the state level. As reflected in Table 3, some states consistently have a very high percentage of Chapter 7 filings and others have a very low percentage. Alabama's percentage of Chapters 7s have always been well below 50%. Other states, such as Wisconsin and Iowa have always had a percentage of Chapter 7s in excess of 90%.

Table 3: Percentage of Total- Consumer Filings Under Chapter 7				
	1980	1990	2000	2010
	Chap. 7 % of Total	Chap. 7 % of Total	Chap. 7 % of Total	Chap. 7 % of Total
State				
<i>AL</i>	32.51%	42.56%	39.96%	42.38%
<i>AK</i>	87.74%	87.59%	90.62%	83.27%
<i>AZ</i>	95.03%	77.11%	81.68%	83.60%
<i>AR</i>	26.84%	55.70%	56.16%	54.94%
<i>CA</i>	79.54%	77.99%	79.45%	76.40%
<i>CO</i>	54.61%	73.80%	84.75%	83.63%
<i>CT</i>	92.73%	86.70%	86.34%	90.07%
<i>DE</i>	89.75%	75.82%	64.46%	72.87%
<i>DC</i>	93.15%	53.21%	64.78%	68.05%
<i>FL</i>	94.78%	88.75%	70.81%	74.80%
<i>GA</i>	64.63%	43.67%	36.53%	52.30%
<i>HI</i>	47.71%	90.25%	89.31%	78.12%
<i>ID</i>	68.44%	67.05%	81.54%	87.67%
<i>IL</i>	71.22%	75.48%	70.55%	75.65%
<i>IN</i>	95.39%	90.22%	79.79%	74.15%
<i>IA</i>	91.23%	91.51%	92.93%	91.94%
<i>KS</i>	72.69%	81.34%	81.66%	70.14%
<i>KY</i>	80.31%	78.48%	83.15%	74.94%
<i>LA</i>	80.61%	72.33%	57.58%	38.01%
<i>ME</i>	59.46%	76.69%	92.58%	85.99%
<i>MD</i>	94.62%	66.36%	67.99%	74.28%
<i>MA</i>	80.65%	81.98%	85.67%	76.47%
<i>MI</i>	77.12%	75.87%	72.14%	84.51%
<i>MN</i>	84.09%	71.32%	79.71%	86.62%
<i>MS</i>	66.45%	61.48%	59.46%	55.28%
<i>MO</i>	88.67%	72.27%	70.67%	72.38%
<i>MT</i>	98.22%	90.21%	88.58%	85.83%
<i>NE</i>	79.29%	64.78%	84.60%	73.21%
<i>NV</i>	94.88%	72.02%	73.52%	75.68%
<i>NH</i>	98.24%	90.65%	91.10%	80.27%
<i>NJ</i>	73.85%	72.74%	63.44%	77.21%
<i>NM</i>	93.18%	89.08%	85.27%	91.80%

NY	79.90%	80.37%	80.42%	81.12%
NC	28.43%	37.01%	41.44%	53.14%
ND	97.25%	95.99%	96.80%	88.81%
OH	72.91%	76.10%	78.62%	76.56%
OK	96.54%	89.57%	85.83%	83.07%
OR	87.14%	73.37%	85.82%	78.23%
PA	77.94%	69.57%	69.31%	71.16%
RI	79.62%	93.50%	93.22%	86.04%
SC	73.58%	50.53%	47.37%	49.17%
SD	88.64%	93.39%	96.40%	90.57%
TN	53.91%	39.87%	43.81%	50.04%
TX	58.24%	62.30%	52.16%	47.21%
UT	90.60%	70.96%	59.51%	66.18%
VT	97.71%	88.87%	90.71%	79.76%
VA	85.23%	80.42%	74.44%	67.21%
WA	68.70%	78.10%	77.38%	78.40%
WV	95.60%	91.42%	94.97%	89.51%
WI	94.76%	90.97%	95.87%	90.58%
WY	89.90%	89.16%	94.32%	84.95%
U.S.	74.55%	71.12%	69.30%	71.68%
Source: Administrative Off. of U.S. Courts				

III. PRIOR RESEARCH AND THEORETICAL FRAMEWORK

This study explores two research questions: (1) whether religiosity impacts total consumer-bankruptcy filings; and (2) whether religiosity impacts the composition of consumer filings under Chapter 7 and 13. State-level data on religiosity and bankruptcy filings are examined to explore these questions. Prior to analyzing data in the next section, we examine the relevant literature and develop a theoretical framework, seeking to understand why religiosity and consumer bankruptcy may be connected.

Researchers have shown bankruptcy laws affect and have been affected by religion.⁴⁶ For example, individuals and individual churches file for bankruptcy.⁴⁷ Religions have their own rules and laws about discharging debts because of bankruptcy laws.⁴⁸ Some scholars have traced the evolution of bankruptcy law from the religious to the secular domain.⁴⁹ Others have explored United States bankruptcy policy and law impacting religions, in particular, how the United States Government protects tithe payers who pay tithing during a bankruptcy proceeding.⁵⁰ Lawyers' observations have been tracked on clients'—including religious clients'—behavior when counseling a client about a consumer bankruptcy filings.⁵¹ Researchers have proffered evidence on the determinants of U.S. consumer bankruptcy filing rates, showing an increase in filings likely due to a change in social norms, and not due to Bankruptcy Code amendments.⁵² Theorists have explored a religious person's duty as it relates to filing for consumer bankruptcy.⁵³ The interconnectedness of religion and bankruptcy has been studied.

However, researchers have relatively overlooked the relationship between consumer bankruptcy and religiosity. There has been some commentary on religion's influence on bankruptcy. For example, in 2011 the American Bankruptcy Institute Law Review held a conference on the influence of religion on bankruptcy.⁵⁴ In the 2011 conference, no research addressed the influence of religion on consumer bankruptcy filings. Nonetheless, scholars did address a variety of topics, including a law and economics analysis of a passage from the Babylonian Talmud,⁵⁵ an analysis of student loan debt and post-petition exemption of tithing (does the "undue hardship" grounds undermine the case for discharge by paying tithing post-petition),⁵⁶ issues in Islamic bankruptcy law⁵⁷, a comparison of Jewish and American bankruptcy law⁵⁸, and finally, a study on the relationship of faithfulness, corporate fiduciary duties, and the role of disbarment in bankruptcy.⁵⁹ Additionally, in November of 2004, Seton Hall University School of Law held a conference to address legal issues impacting religious entities, including the issue of bankruptcy.⁶⁰ The Seton Hall conference did not address the influence of religion on consumer bankruptcy filings.

Although few researchers have addressed whether religiosity impacts total consumer-bankruptcy filings, researchers have addressed the narrow issue of religiosity impacting total consumer bankruptcy filings by studying Utah's composition of bankruptcy filings and its relationship with the predominant religion within the state, Mormonism.⁶¹ They asked the question, "Are Mormons Bankrupting Utah?" Their findings show that members of the Mormon Church were underrepresented among Utah debtors.⁶² Others researchers have pointed out that Utah's Bankruptcy rate increased each year for six years prior to 2003.⁶³

With so little explored on the connection between religiosity and consumer-bankruptcy filings, and religion's influence on the composition of consumer filings under Chapter 7 and 13, we seek to address the gap in literature by addressing whether religiosity impacts total consumer bankruptcy filings and whether religiosity impacts the composition of consumer filings under Chapters 7 and 13 of the Bankruptcy Code.

First, we address our understanding of what constitutes religiosity? In 2012, the American Institute of Public Opinion (AIPO) found that 40% of Americans were classified as very religious.⁶⁴ Religiosity was based on interviews wherein people stated religion to be an important part of their daily life and that they attended church services weekly or almost weekly. AIPO found that eight of the top ten religious states are found in the South, with the other two being Utah and Oklahoma.⁶⁵ The overall findings suggest that seven in ten Americans are classified as very or moderately religious.⁶⁶

Although we use AIPO's data set, AIPO did not factor in religious factors, other than attending church, which may play a role in defining religiosity. For example, does one tithe, not work on "the Sabbath,"⁶⁷ or does one have a larger family, or marry at a young age, because of a religion's expectations? While these questions expose the limits of AIPO's findings, these findings can help us see a potential relationship between religiosity and bankruptcy filings.

Table 4 sets forth a comparison of consumer-bankruptcy filings and AIPO's measure of religiosity. It shows, for example, Utah and Alabama as two of the most religious states in the United States. Both states have a high rate of bankruptcy filings. Interestingly, Utah has a higher rate of Chapter 7 bankruptcy filings than Alabama, and Alabama has a higher rate of Chapter 13 bankruptcy filings than Utah. Alabama's religious composition is primarily of Evangelical Protestant tradition or Mainline Protestant tradition.⁶⁸ Utah's religious composition is primarily of the Mormon tradition.⁶⁹ Most other states with a higher rate of religiosity follow Alabama's trend in bankruptcy, as opposed to Utah's trend. The least religious states tend to have a lesser rate of bankruptcy filings, with the exception of Nevada who has the most Chapter 7 filings in the United States.

Table 4: State Religiosity and Consumer-Bankruptcy Filings Rankings				
State	Religiosity Ranking	Total Filings Ranking	Chap. 7 Filings Ranking	Chap. 13 Filings Ranking
<i>Mississippi</i>	1	16	29	6
<i>Utah</i>	2	5	5	7
<i>Alabama</i>	3	4	28	2
<i>Louisiana</i>	4	24	45	4
<i>Arkansas</i>	5	14	25	5
<i>South Carolina</i>	6	46	49	20
<i>Tennessee</i>	7	1	16	1
<i>North Carolina</i>	8	37	46	13
<i>Georgia</i>	9	2	17	3
<i>Oklahoma</i>	10	28	21	35
<i>Texas</i>	11	45	48	19
<i>South Dakota</i>	12	44	40	47
<i>Kentucky</i>	13	12	12	12
<i>Idaho</i>	14	20	9	37
<i>Kansas</i>	15	27	31	17
<i>Nebraska</i>	16	30	27	22
<i>New Mexico</i>	17	33	30	45
<i>Indiana</i>	18	6	4	9
<i>Missouri</i>	19	11	10	10
<i>West Virginia</i>	20	39	35	44
<i>North Dakota</i>	21	48	44	49
<i>Iowa</i>	22	41	36	46
<i>Virginia</i>	23	23	24	11
<i>Pennsylvania</i>	24	34	41	29
<i>Minnesota</i>	25	29	23	34
<i>Ohio</i>	26	13	11	18
<i>Illinois</i>	27	7	6	8
<i>Florida</i>	28	17	19	16
<i>Maryland</i>	29	18	14	26
<i>Wisconsin</i>	30	50	50	50
<i>Arizona</i>	31	15	7	32
<i>Michigan</i>	32	9	3	24
<i>Delaware</i>	33	26	23	21
<i>New Jersey</i>	34	25	20	27
<i>California</i>	35	10	8	15
<i>Montana</i>	36	42	39	38
<i>Colorado</i>	37	8	2	23
<i>Wyoming</i>	38	38	37	42
<i>New York</i>	39	40	38	39

Hawaii	40	43	42	36
Nevada	41	3	1	14
Alaska	42	49	47	48
Connecticut	43	35	32	43
Washington	44	19	15	28
Rhode Island	45	22	13	33
Oregon	46	21	18	25
Massachusetts	47	32	34	31
Maine	48	36	33	41
New Hamp.	49	31	26	30
Vermont	50	47	43	40
Sources: American Institute of Public Opinion and Adm. Office of U.S. Courts				

A cursory review of Table 4 seems to show some correlation between religiosity and the incidence and composition of bankruptcy filing among many states. However is it religiosity or some attribute of an individual's religiosity that leads to a possible connection to consumer bankruptcy? The prior research of Johnson and Wright, who follow Elizabeth Warren's data-collection questionnaire, argue that Mormons were underrepresented in bankruptcy proceedings in Utah;⁷⁰ however, they do not explore in depth other factors that may impact Mormonism's impact on Utah's high rate of bankruptcy filings. For example, it can be argued that the Mormon Church encourages its members to pay tithing (10% to be a member in good standing), to have large families, to marry at younger ages, and to have as many children as practicable. This latter characteristic may lead to more medical costs, which in turn, may impact filings for bankruptcy. Notwithstanding these characteristics, Mormons are encouraged to be thrifty and avoid over-consumption, the latter being leading cause for bankruptcy in Utah. As religiosity and consumer bankruptcy are considered, we need to be mindful of what attributes of an individual with a high level of religiosity may actually be impacting consumer filing rates and composition. It likely is not merely religiosity impacting consumer bankruptcy, but underlying factors or attributes associated with high levels of religiosity that leads to consumer-bankruptcy filings.

IV. METHODOLOGY, RESULTS AND ANALYSES

A. Data Sources and Descriptive Statistics

Data on religiosity and consumer-bankruptcy filings was obtained for 2010–2012 for each state and the District of Columbia (N=153). Consumer-bankruptcy filing data was obtained from the Administrative Office of U.S. Courts.⁷¹ Data on bankruptcy filings include variables representing total-consumer filings per 1,000 (Total Filings); Chapter 7 consumer-bankruptcy filings per 1,000 (Chapter 7 Filings); Chapter 13 bankruptcy filings per 1,000 (Chapter 13 Filings); and the percentage of total consumer filings under Chapter 7 (Percent Chapter 7) in each state.⁷²

Religiosity data was obtained from AIPO's survey for 2010-2012.⁷³ For each year state residents are surveyed on a host of areas, but one question asks the residents whether religion is important in their lives and if they attend church weekly or nearly weekly.⁷⁴ Based on the percentage of state residents that answer the question in the affirmative, an index of religiosity is created with the higher percentage indicating higher religiosity of the state.⁷⁵ Table 5 reports the religiosity index along with the four bankruptcy variables for 2012.

	Religiosity	Total Consumer Filings Per 1000	Chapter 7 Consumer Filings Per 1000	Chap. 13 Consumer Filings Per 1000	Percentage Filings Under Chapter 7
Nation	40.1	3.76	2.60	1.16	69.20
Mississippi	58.4	4.10	2.08	2.02	50.68
Utah	56	5.56	3.75	1.81	67.37
Alabama	55.7	5.73	2.13	3.61	37.07
Louisiana	53.3	3.44	1.18	2.26	34.36
Arkansas	52.3	4.25	2.19	2.06	51.55
South Carolina	51.9	1.63	0.69	0.94	42.21
Tennessee	50.3	6.72	3.06	3.67	45.49
North Carolina	49.5	2.11	0.90	1.20	42.83
Georgia	47.9	6.35	3.06	3.29	48.14
Oklahoma	47.6	3.05	2.55	0.50	83.57
Texas	47	1.75	0.74	1.01	42.15
South Dakota	45.6	1.80	1.63	0.16	90.91
Kentucky	45.4	4.45	3.24	1.21	72.84
Idaho	45.1	3.81	3.41	0.41	89.37
Kansas	45.1	3.06	1.97	1.09	64.37
Nebraska	44.2	3.04	2.13	0.91	69.95
New Mexico	43.2	2.22	2.02	0.19	91.30

Indiana	42.7	5.43	3.93	1.49	72.47
Missouri	42.1	4.57	3.29	1.28	72.00
West Virginia	41.9	2.09	1.82	0.26	87.31
North Dakota	41.6	1.35	1.20	0.15	88.57
Iowa	41.3	2.00	1.82	0.19	90.69
Virginia	41.1	3.51	2.24	1.27	63.92
Pennsylvania	39.5	2.21	1.50	0.71	67.83
Ohio	38.2	4.29	3.27	1.02	76.17
Minnesota	38.2	3.05	2.52	0.52	82.80
Illinois	38	5.22	3.67	1.55	70.34
Florida	37.6	4.06	2.95	1.10	72.78
Maryland	36.7	3.94	3.16	0.78	80.28
Wisconsin	36.7	0.38	0.34	0.04	88.33
Arizona	36.6	4.16	3.60	0.57	86.38
Michigan	36.5	4.92	4.08	0.84	82.92
Delaware	35.2	3.19	2.26	0.93	70.85
New Jersey	34.7	3.43	2.67	0.77	77.60
California	34.5	4.75	3.58	1.17	75.33
Montana	34	1.99	1.67	0.32	83.92
Colorado	33.5	4.99	4.12	0.87	82.60
Wyoming	32.8	2.09	1.80	0.29	86.24
New York	31.5	2.01	1.69	0.32	84.17
Nevada	31.4	6.19	5.01	1.18	80.97
Hawaii	31.4	1.83	1.37	0.46	74.82
Alaska	31.3	0.96	0.80	0.16	83.48
Washington	30.5	3.91	3.14	0.77	80.37
Connecticut	30.5	2.20	1.93	0.27	87.62
District of Columbia	29.7	1.30	1.12	0.18	86.24
Rhode Island	29.1	3.75	3.18	0.56	85.03
Oregon	28.8	3.81	2.99	0.82	78.42
Massachusetts	26.5	2.44	1.83	0.61	75.01
Maine	24.4	2.16	1.86	0.30	86.18
New Hampshire	23.4	2.80	2.13	0.66	76.27
Vermont	19.1	1.56	1.25	0.31	80.10

Sources: American Institute of Public Opinion and Adm. Office of U.S. Courts

State-level data for 2012 reported in Table 5 was merged with data for 2010 and 2011⁷⁶ and analyzed together as one data set. Table 6 reports the descriptive statistics for the data set. The mean religiosity level among the states in the data set over all three years is 39.48%. The Chapter 7 consumer filings per 1000 people is 2.79 and the Chapter 13 filings per 1000 people is 1.07.

Table 6: Descriptive Statistics				
	Min	Max	Mean	Std Dev.
Religiosity	19.1	59	39.48	8.84
Total Filings	0.38	10.74	3.86	1.8
Chapter 7 Filings	0.34	8.13	2.79	1.29
Chapter 13 Filings	0.04	4.02	1.07	0.88
Percent Chapter 7	34.36	91.94	78.99	14.63

The AIPO's religiosity index for 2010-2012 was used to categorize states into three equal groups representing low, moderate, or high levels of religiosity based on their scores. Descriptive statistics on bankruptcy filing data by level of religiosity is available in Table 7. It is interesting to note that states categorized with a high level of religiosity have 1.71 Chapter 13 filings per 1000 people, as opposed to states categorized with a low level of religiosity have only .68 Chapter 13 filings per 1000 people. Similarly, states categorized with a high level of religiosity have a much lower percentage of total consumer filings under Chapter 7 (60.78%), as opposed to states categorized with a low level of religiosity (80.89%).

Table 7: Descriptive Statistics by Religiosity Level					
		Min	Max	Mean	Std Dev.
Total Filings	<i>Low</i>	0.96	10.74	3.45	1.89
	<i>Moderate</i>	0.38	7.15	3.94	1.63
	<i>High</i>	1.63	7.9	4.19	1.81
Chapter 7 Filings	<i>Low</i>	0.8	8.13	2.77	1.47
	<i>Moderate</i>	0.34	5.71	3.11	1.25

	<i>High</i>	0.69	4.4	2.49	1.07
Chapter 13 Filings	<i>Low</i>	0.16	2.61	0.68	0.46
	<i>Moderate</i>	0.04	1.85	0.83	0.49
	<i>High</i>	0.16	4.02	1.71	1.14
Percent Chapter 7	<i>Low</i>	65.05	90.17	80.89	4.89
	<i>Moderate</i>	63.92	91.94	80.3	7.97
	<i>High</i>	34.36	91.67	60.78	17.2

B. Analysis of Variance

The descriptive statistics reported above are interesting and seems to indicate there may be some relationship between religiosity and consumer-bankruptcy filings at the state level. Based on the descriptive statistics and the literature and theoretical framework set forth in Part III four hypotheses were developed:

H1: In comparing states, the higher the religiosity of a state, the higher the total consumer-bankruptcy filing rate tends to be.

H2: In comparing states, the higher the religiosity of a state, the lower the Chapter 7 consumer-filing rate tends to be.

H3: In comparing states, the higher the religiosity of a state, the higher the Chapter 13 filing rate tends to be.

H4: In comparing states, the higher the religiosity of a state, the lower the percentage of total consumer filings under Chapter 7 tends to be.

To further explore the relationship beyond merely reviewing nominal data and consider the hypotheses presented, we analyzed the data using Analysis of Variance (ANOVA)⁷⁷ to determine if the mean numbers of bankruptcy filings were different based on level of religiosity. The results are reported in Table 8.

	F	Sig.
Total Filings	2.32	0.101
Chapter 7 Filings	3.11	.047*
Chapter 13 Filings	27.07	.000**
Percent Chapter 7	52.25	.000*
*Significant <0.05; **Significant <0.01		

The mean number of total consumer filings was not significantly different between levels of religiosity. This analysis provides no support for H1. It does not appear that religiosity of a state impacts the total consumer-bankruptcy filing rates. However, statistically significant differences in means were observed for the other three ANOVAs conducted for each dependent variable: Chapter 7 consumer-bankruptcy filings, Chapter 13 filings, and the percentage of total consumer filings under Chapter 7. Therefore, for these three variables we can reject the null hypothesis which states that the means are equal.

Regarding Chapter 7 consumer-bankruptcy filing rates, the highest number of filings were observed in the moderately religious followed by low and highly religious states. This is consistent with H2 as the highly religious mean was the lowest of the three means. As such, it appears that states with a higher level of religiosity may have a lower Chapter 7 consumer-bankruptcy filing rate.

As expected in H3, the Chapter 13 filing rates were higher in both moderate and highly religious states than in states with a low level of religiosity. The difference is quite large between the high level of religiosity (1.71) and the low level of religiosity (.68). It appears that states with higher levels of religiosity may have a higher Chapter 13 filing rate.

Finally, the percentage of total consumer filings under Chapter 7s was much lower in highly religious states, as we predicted in H4. States with high level of religiosity had 60.78% of its consumer cases filed under Chapter 7, as compared to states with a moderate level of religiosity and low level of religiosity both having in excess of 80% of its filings under Chapter 7.

V. CONCLUSION

There is an extensive body of empirical research in the bankruptcy field on the causes of consumer bankruptcy. A host of factors, such as divorce,⁷⁸ unemployment⁷⁹ and medical bills⁸⁰ have been identified as causes of consumer bankruptcy.⁸¹ Religion and its impact on consumer bankruptcy has been ignored by most researchers. This paper is the first published state-level empirical research exploring religiosity and consumer-bankruptcy filing rates.

The results do not prove a causal relationship between religiosity and the various bankruptcy filing variables, but it does provide the first empirical analysis showing that a relationship may in fact exist. Religion should be included as part of future empirical research to test whether the results found here hold up when other control variables are included in a regression model. Time-series regression models and cross-sectional designs at the state-level can be employed to explore the causal relationship between religion and consumer bankruptcy. Future empirical research at the individual level should include religion as a component of the data collected in the survey. The more we can learn about the causes of consumer bankruptcy, the better policy makers can formulate legislative proposals to enhance the effectiveness of the consumer bankruptcy system. To date the legislative reforms have been blindly made without careful consideration of the many parts of the bankruptcy causal puzzle. This paper adds another piece to that puzzle, which researchers and policy makers should consider.

FOOTNOTES

¹ See, e.g., Yvana L.B.H. Mols, Comment, *Bankruptcy Stigma and Vulnerability: Questioning Autonomy and Structuring Resilience*, 29 EMORY BANKR. DEV. J. 289, 310-312 (2012) (discussing policy makers and politicians views on increasing filings being indicative of abuse of the bankruptcy system and leading to passage of bankruptcy reform legislation).

² Ronald J. Mann & Katherine Porter, *Saving up for Bankruptcy*, 98 GEO. L.J. 289, 290 (2010).

³ Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, Pub. L. No. 109-8, 119 Stat. 23 (2005).

⁴ 11 U.S.C. §§ 101–1527 (2005). Unless otherwise noted, all references to Bankruptcy Code, code, or section are to Title 11 of the United States Code, including amendments made by the Reform Act that will be codified.

⁵ Bankruptcy Reform Act of 1978, Pub. L. No. 95-598, 92 Stat. 2549 (1978). See Rafael I. Pardo, *An Empirical Examination of Access to Chapter 7 Relief by Pro Se Debtors*, 26 EMORY BANKR. DEV. J. 5, 6 (2009) (“The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (“BAPCPA”) represents the most significant overhaul of federal bankruptcy law since the Bankruptcy Code’s enactment in 1978.”).

⁶ Pardo, *supra* note 5, at 6.

⁷ Linda Coco, *Debtor’s Prison in the Neoliberal State: “Debfare” and the Cultural Logics of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005*, 49 CAL. W. L. REV. 1, 3 (2012). There was a view among lobbying groups advocating reform that consumers were spending recklessly and then taking advantage of the bankruptcy system, i.e. the rising consumer filings. See, e.g., Linda R. Crane, *Checking out the Exception to 3-104: Why Parties Should be able to Negotiate Whether Checks Should be Payable on Demand*, 3 COLUM. J. RACE & L. 73, 93 (2013).

⁸ For a detailed treatment of the role of problem definition in bankruptcy policy making, see generally Robert J. Landry, III, *The Policy and Forces Behind Consumer Bankruptcy Reform: A Classic Battle over Problem Definition*, 33 U. MEM. L. REV. 509, 512-27 (2003).

⁹ A detailed treatment of the history of consumer bankruptcy in the U.S. is beyond the parameters of this piece. For a detailed treatment of the history associated with individual consumer bankruptcy, see Richard E. Flint, *Consumer Bankruptcy Policy: Ability to Pay and Catholic Social Teaching*, 43 ST. MARY’S L.J. 333, 346-391 (2012).

¹⁰ Courts have recognized the safety net role of consumer bankruptcy. For example, see *In re Hoffman*, 413 B.R. 191, fn7 (Bankr. M.D. Pa. 2008) (“The bankruptcy’s safety net was created to enable persons to rehabilitate themselves not only after they suffer misfortune not of their own making, but also after they make unwise choices.”). Likewise, scholars have characterized consumer bankruptcy as a safety net. See Melissa B. Jacoby et al., *Rethinking the Debates Over Health Care Financing: Evidence from the Bankruptcy Courts*, 76 N.Y.U. L. REV. 375, 377 (2001) (recognizing that “middle-class families have used bankruptcy as a safety net, or as insurance of last resort . . .”).

¹¹ Abbye Atkinson, *Race, Educational Loans, & Bankruptcy*, 16 MICH. J. RACE & L. 1, 3 (2010-2011).

¹² Aaron N. Taylor, *Undo Undue Hardship: An Objective Approach to Discharging Federal Student Loans in Bankruptcy*, 38 J. LEGIS. 185, 217 (2012).

¹³ See TERESA A. SULLIVAN, ELIZABETH WARREN & JAY LAWRENCE WESTBROOK, *AS WE FORGIVE OUR DEBTORS: BANKRUPTCY AND CONSUMER CREDIT IN AMERICA* 8 (1989) (recognizing that consumer bankruptcy acts as a “social safety valve that permits debtors to function in an economic system even after their financial collapse.”)

¹⁴ Alan C. Shapiro & Atulya Sarin, *FOUNDATIONS OF MULTINATIONAL FINANCIAL MANAGEMENT* 68, n.1 (John Wiley & Sons, Inc. 6th ed. 2009) (quoting Allan H. Meltzer)

¹⁵ Brendan A. Cappiello, *The Price of Inequality and the 2005 Bankruptcy Abuse Prevention and Consumer Protection Act*, 17 N. C. BANKING INST. 401, 423 (March 2013); Adam J. Levitin, *Resolving the Foreclosure Crisis: Modification of Mortgages in Bankruptcy*, 2009 WIS. L. REV. 565, 579 (2009) (recognizing that the two main types of consumer bankruptcy are Chapter 7 and Chapter 13).

¹⁶ 11 U.S.C. §§ 701-728 (2006).

¹⁷ 11 U.S.C. §§ 1301-1330 (2006).

¹⁸ Individuals can obtain bankruptcy protection under Chapter 11. Michael D. Sousa, *A Casus Omissus in Preventing Bankruptcy Fraud: Ordering a Search of a Debtor's Home*, 73 OHIO ST. L.J. 93, 98 (2012) (recognizing that Chapters 7, 12 and 11 are options to an individual debtor). Although an option of individual debtors, consumer Chapter 11 cases are rare in comparison to Chapter 7 and Chapter 13 filings. See, e.g., Levitin, *supra* note 15, n.33 (recognizing that Chapter 11 is an option, but it is rarely used).

¹⁹ For a detailed discussion of the Chapter 7 process, see Michael B. Kaplan, Stacey L Meisel & Michael D. Sousa, *Chapter 4. Bankruptcy under Chapter 7* in CONSUMER BANKRUPTCY MANUAL (2nd ed. 2012-2013).

²⁰ Cappiello, *supra* note 15, at 423; Judy Gedge, *Should Deficiency Judgments be Banned? Teaching Materials Designed to Promote an Informed Student Debate*, 19 J.L. BUS. & ETH. 65, 76 (2013) (“In a Chapter 7 bankruptcy, the debtor's assets are sold by the bankruptcy trustee with the liquidation proceeds distributed to the creditors in accordance with the Bankruptcy Code.”). See also Levitin, *supra* note 15, at 579 (recognizing the surrender of non-exempt assets for distribution to a debtor's creditors).

²¹ Sousa, *supra* note 18, at 98.

²² *Id.* at 99 (“Unless the individual debtor violates a proscribed form of behavior contained within the Bankruptcy Code or developed through federal bankruptcy law, an individual who files for bankruptcy relief can ordinarily obtain a discharge from the majority of her pre-petition debts in exchange for surrendering any non-exempt assets.”).

²³ *Id.* at 98.

²⁴ Samuel L. Bufford, *The Chapter 13 Alternative: A Legislative Solution to Undersecured Home Mortgages*, 45 U. RICH. L. REV. 1091, 1096 (2011) (“In a Chapter 7 case, the debtor is permitted to keep all postpetition earnings and other postpetition property.”).

²⁵ See Gedge, *supra* note 20, at 75 (recognizing that relief obtained from the discharge provides the debtor a “fresh start”); Sousa, *supra* note 18, at 99 (“An individual debtor's fresh start is accomplished through the discharge of most of her pre-petition indebtedness.”). For an interesting critique raising serious questions about the underlying assumption that the Chapter 7 discharge actually provides a “fresh start,” see generally Katherine A. Porter & Deborah Thorne, *The Failure of Bankruptcy's Fresh Start*, 92 CORNELL L. REV. 67 (November 2006).

²⁶ For a detailed discussion of the Chapter 13 process, see Kaplan et al., *supra* note 19, at *Chapter 5. Adjustment of Debts under Chapter 13*.

²⁷ Cappiello, *supra* note 15, at 424.

²⁸ For a concise summary of how secured creditors are treated under a Chapter 13 repayment plan, see Bufford, *supra* note 24, at 1097-98.

²⁹ Cappiello, *supra* note 15, at 424; Bufford, *supra* note 24, at 1097; Levitin, *supra* note 15, at 580.

³⁰ Sousa, *supra* note 18, at 99; Bufford, *supra* note 24, at 1097.

³¹ Cappiello, *supra* note 15, at 424.

³² *Id.* at 424-25.

³³ *Id.*

³⁴ *Id.*

³⁵ See *In re Witcher*, 702 F.3d 619, 621 (11th Cir. 2012) (In discussing the framework of 11 U.S.C § 707(b) the court recognized that even if a debtor passes the means test or rebuts the presumption of abuse dismissal or conversion is still possible under 11 U.S.C. § 707(b)(3) for bad faith or under the totality of the financial circumstances test.).

³⁶ Pardo, *supra* note 5, at 6.

³⁷ Coco, *supra* note 7, at 5 (“One consequence of BAPCPA is the drastic reduction in the number of consumer bankruptcy filings. At the end of 2007, a year before the mortgage crisis, bankruptcy filings were 20% to 40% lower than they would have been without BAPCPA.”).

³⁸ Mann & Porter, *supra* note 2, at 290, n.1 (recognizing that filings dropped after the Reform Act, but filings have steadily moved upward hitting 1 million in 2008).

³⁹ *Bankruptcy Statistics*, U.S. COURTS, <http://www.uscourts.gov/Statistics/BankruptcyStatistics.aspx> (last visited May 29, 2013).

⁴⁰ *Id.*

⁴¹ Sousa, *supra* note 18, at 97 (“The most common type of bankruptcy case for individual debtors is a liquidation proceeding governed by Chapter 7 of the Bankruptcy Code.”); Bufford, *supra* note 24, at 1107 (recognizing that most cases are filed under Chapter: about 70%).

⁴² See *infra* notes 31-35 and accompanying text.

⁴³ Bankruptcy data was obtained from the Administrative Office of U.S. Courts. See *Bankruptcy Statistics*, U.S. COURTS, <http://www.uscourts.gov/Statistics/BankruptcyStatistics.aspx> (last visited May 29, 2013).

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ FRANK NEWPORT, *GOD IS ALIVE AND WELL: THE FUTURE OF RELIGION IN AMERICA* (2009).

⁴⁷ Hon. Bruce A. Markell, et. al., *Roundtable Discussion: Religious Organizations Filing for Bankruptcy*, 13 AM. BANKR. INST. L. REV. 25 (2005).

⁴⁸ *Id.*

⁴⁹ Geoffrey Miller, *Law and Economics versus Economic Analysis of Law*, 19 AM. BANKR. INST. L. REV. 459 (2011).

⁵⁰ 11 U.S.C. § 548(a)(2); Anne McLaughlin 11 U.S.C. §§ 548, 707, 1325; See 47 B.C. L. REV. 375, *Tithing in a Chapter 13 Plan: The Requirement of Reasonableness Under the Religious Liberty and Charitable Donation Protection Act*. See Todd J. Zywicki, *Rewrite the Bankruptcy Laws, Not the Scriptures: Protecting a Bankruptcy Debtor's Right to Tithe*, 1998 WIS. L. REV. 1223, 1224. John J. Dyer & Gregory Todd Jones, *Judicial Treatment of Charitable Donations in Bankruptcy Before and After the Religious Liberty and Charitable Contribution Protection Act of 1998*, 2 DEPAUL L. BUS. & COM. L.J. 265, 279, 292 (2004).

⁵¹ Neustadter, Gary, *When Lawyer and Client Meet: Observations of Interviewing and Counseling Behavior in the Consumer Bankruptcy Law Office*, 35 BUFF. L. REV. 177 (1986).

⁵² F. H. Buckley & Margaret F. Brinig, *The Bankruptcy Puzzle*, 27 J. LEGAL STUD. 187 (1998).

⁵³ Oliver B. Pollak, *Be Just Before You're Generous: Tithing and Charitable Contributions in Bankruptcy*, 29 CREIGHTON L. REV. 527 (1996); *Note: Tithing in Chapter 13 – A Divine Creditor Exception to Section 1325*, 110 HARV. L. REV. 1125 (1997); See also: Eric G. Andersen, *Three Degrees of Promising*, 2003 BYU. L. REV. 829.

⁵⁴ Keith Sharfman and G. Ray Warner, *Religion and Bankruptcy: Perspectives Thereon and Treatment Therein*, 19 AM. BANKR. INST. L. REV. 453 (2012); Nicholas C. Rigano, *Fraudulent Conveyance Law: Destroying Free Exercise Rights at Church Near You*, 17 AM. BANKR. INST. L. REV. 165

⁵⁵ Geoffrey Miller, *Law and Economics versus Economic Analysis of Law*, 19 AM. BANKR. INST. L. REV. 459 (2011).

⁵⁶ Theresa Radwan, *Sword or Shield: Use of Tithing to Establish Nondischargeability of Debt Following Enactment of the Religious Liberties and Charitable Donation Protection Act*, 19 AM. BANKR. INST. L. REV. 471 (2011).

⁵⁷ Haider Hamoudi, *The Surprising Irrelevance of Islamic Bankruptcy*, 19 AM. BANKR. INST. L. REV. 505 (2011)

⁵⁸ Steven Resnicoff, *Jewish and American Bankruptcy Law: Their Similarities, Differences, and Interactions*, 19 AM. BANKR. INST. L. REV. 551 (2011).

⁵⁹ Lyman Johnson, *Debarring Faithless Corporate and Religious Fiduciaries in Bankruptcy*, 19 AM. BANKR. INST. L. REV. 523 (2011).

⁶⁰ *Symposium: Bankruptcy in the Religious Non-Profit Context*, 29 SETON HALL LEGIS. J. 341-557 (2005).

⁶¹ Ezekial Johnson & James Wright, *Are Mormons Bankrupting Utah? Evidence from Bankruptcy Courts*, 40 SUFFOLK U. L. REV. 607 (2007).

⁶² *Id.* at 609.

⁶³ See generally, Jean M. Lown & Barbara R. Rowe, *A Profile of Utah Consumer Bankruptcy Petitioners*, 5 J. L. & FAM. STUD. 113 (2003) (indicating Utah's bankruptcy rate steadily increased for six years prior to 2003).

⁶⁴ *State of the States*, GALLUP, <http://www.gallup.com/poll/160415/mississippi-maintains-hold-religious-state.aspx?version=print> (last visited May 7, 2013). The methodological process employed by Gallup is as follows:

“Survey Methods Results for this Gallup poll are based on telephone interviews conducted Jan. 1-Dec. 31, 2012, on the Gallup Daily tracking survey, with a random sample of 348,306 adults, aged 18 and older, living in all 50 U.S. states and the District of Columbia. For results based on the total sample of national adults, one can say with 95% confidence that the margin of sampling error is ± 1 percentage point. Margins of error for individual states are no greater than ± 6 percentage points, and are ± 3 percentage points in most states. The margin of error for the District of Columbia is ± 6 percentage points. Interviews are conducted with respondents on landline telephones and cellular phones, with interviews conducted in Spanish for respondents who are primarily Spanish-speaking. Each national sample includes a minimum quota of 400 cell phone respondents and 600 landline respondents per 1,000 national adults, with additional minimum quotas among landline respondents by region. Landline telephone numbers are chosen at random among listed telephone numbers. Cell phones numbers are selected using random digit dial methods. Landline respondents are chosen at random within each household on the basis of which member had the most recent birthday. State samples are weighted to be representative of the state's adult population by gender, age, race, Hispanic ethnicity, and education, region based on the March 2012 Current Population Survey. All reported margins of sampling error include the computed design effects for weighting. In addition to sampling error, question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of public opinion polls.”

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ See CRAIG HARLINE, *SUNDAY: A HISTORY OF THE FIRST DAY FROM BABYLONIA TO THE SUPER BOWL* (2007) (Harline explores how the Sabbath may be designated on a different day, depending on one's religion). As Harline explores, most religions

with a Sabbath Day observance, advise adherents to their faith to avoid work on their Sabbath, which, in turn, can have an economic effect on filers for consumer bankruptcy.

⁶⁸ *Maps, The Pew Forum on Religion & Public Life*, <http://religions.pewforum.org/maps> (last visited May 26, 2013)

⁶⁹ The Mormon Church is formerly called The Church of Jesus Christ of Latter-day Saints. See <https://www.lds.org> (last visited May 26, 2013).

⁷⁰ Johnson & White, *supra* note 61, at 609.

⁷¹ *Bankruptcy Statistics*, U.S. COURTS, <http://www.uscourts.gov/Statistics/BankruptcyStatistics.aspx> (last visited May 29, 2013).

⁷² Population data for the state for 2010-2012 to calculate the filing rate per a 1000 people was obtained from the U.S. Census Bureau. See Table 1. Annual Estimates of the Population for the United States, Regions, States, and Puerto Rico: April 1, 2010 to July 1, 2012 (NST-EST2012-01), U.S. CENSUS BUREAU, POPULATION DIVISION (Release Date: December 2012), available at www.census.gov/popest/data/state/.../2012/tables/NST-EST2012-01.xls.

⁷³ *State of the States*, GALLUP, <http://www.gallup.com/poll/125066/State-States.aspx?ref=interactive> (last visited on May 26, 2013).

⁷⁴ *Id.*

⁷⁵ *Id.*

⁷⁶ Data sets for 2010 and 2011 are on file with the author and available upon request.

⁷⁷ ANOVA “is used to test hypotheses about differences of means in various groups and can be especially valuable in identifying the effects of some ‘treatment.’” JAROL B. MANHEIM, RICHARD C. RICH & LARS WILLNAT, *EMPIRICAL POLITICAL ANALYSIS: RESEARCH METHODS IN POLITICAL SCIENCE* 287 (5th ed. 2002). In this context we conducted an ANOVA test with religiosity (categorical independent variable) broken down into three groups (low, moderate and high) and each bankruptcy variable (continuous dependent variable).

⁷⁸ See Jean Braucher, *Increasing Uniformity in Consumer Bankruptcy: Means Testing as a Distraction and the National Bankruptcy Review Commission’s Proposals as a Starting Point*, 6 AM. BANKR. INST. L. REV. 1, 5 (1998) (recognizing that divorce may impact increasing filing rates).

⁷⁹ See, e.g., F. H. Buckley & Margaret F. Brinig, *The Bankruptcy Puzzle*, 27 J. LEGAL STUD. 187, 200 (1998) (theorizing that economic predictors such as unemployment and poverty would correlate with increasing bankruptcy filings).

⁸⁰ See, e.g., David U. Himmelstein, et al., *Medical Bankruptcy in the United States, 2007: Results of a National Study*, 122 AM. J. MED. 741, 741 (finding that over 60% of consumer bankruptcies in 2007 were medical).

⁸¹ See TERESA SULLIVAN, ELIZABETH WARREN & JAY LAWRENCE WESTBROOK, *THE FRAGILE MIDDLE CLASS* (2000) (recognizing that the three primary causes of consumer bankruptcy filings are family dissolution, income interruptions and medical problems). See also A. Mechele Dickerson, *Consumer Over-Indebtedness: A U.S. Perspective*, 43 TEX. INT’L L.J. 135, 146 (2008) (recognizing that empirical research shows that “medical debts, a divorce, or a job interruption cause most consumer bankruptcies in the United States”); Jean Braucher, *Middle-Class Knowledge*, 21 EMORY BANKR. DEV. J. 193, 207 (2004) (book review) (characterizing as job loss, illness, and divorce as the big three causes of consumer bankruptcy).