

## **Are Mormons Bankrupting Utah? Evidence from the Bankruptcy Courts**

Ezekial Johnson and James Wright\*

### I. INTRODUCTION

Are Mormons to blame for Utah's chart-topping bankruptcy rates? If this query makes readers feel uncomfortable, we think it should. There is something disturbing about applying certain traits that appear to lead to bankruptcy to a whole religious group. Admittedly, Mormonism is more demographically and geographically diverse, and Utah's bankruptcy dilemma more complex, than suggested by this question. Yet this question lurks in much of the discussion, among Mormons and non-Mormon's alike, regarding Utah's incredibly high bankruptcy rate. Still more disturbing is the readiness to attempt to answer the "Mormon question" without asking it openly. For years, researchers and pundits indirectly addressed this question by using other characteristics unique to Utah as proxies for religious adherence in an effort to address the question everyone is asking: Are Mormons bankrupting Utah? Unlike previous research regarding Utah's bankruptcy rate, this study openly asks whether Mormons are the driving force behind Utah's bankruptcy rate.

With the increase in bankruptcy rates in the past decade, the question of who files for bankruptcy and why has become much more pressing. Even before the extraordinary run up in bankruptcy filings in advance of changes in the law in 2005, each year about one in every seventy-six families in the United States headed to the bankruptcy courts. Evidence suggests that these families were solidly middle class, and not some distant, chronically-poor segment of society.<sup>1</sup> Recent studies point to the increase in bankruptcies among families

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\* The authors are 2005 graduates of Harvard Law School. We owe many people thanks for their contributions to this project. This study would not have happened without the incredible encouragement and mentorship of Professor Elizabeth Warren, and we will always be grateful for her support. Alex Warren also deserves our sincere thanks for his many efforts in maintaining our database and for providing us the data in the useable form necessary to write this article. We also acknowledge the many bankruptcy trustees and the bankruptcy judges in the District of Utah and thank them for making the data collection possible. Finally, we thank the many individuals passing through the Bankruptcy Court that took the time to fill out the surveys that gave us the insights reflected herein. Even though we have received wonderful help and insight from all of the above, any errors that remain are ours alone.

1. See generally TERESA A. SULLIVAN, ELIZABETH WARREN & JAY LAWRENCE WESTBROOK, *THE FRAGILE MIDDLE CLASS* (2000).

with children, the well educated, and home owners.<sup>2</sup> Utah possesses these middle class characteristics as much as anywhere in the United States, with its large families,<sup>3</sup> cultural emphasis on education,<sup>4</sup> and church-going population.<sup>5</sup> Sadly, nowhere in the country is bankruptcy a bigger social problem than in Utah.<sup>6</sup>

Nearly one out of every forty-one households in Utah filed for bankruptcy in the year ending December 31, 2004.<sup>7</sup> At roughly twice the national average, Utah's bankruptcy rate in 2004 was the highest in the country.<sup>8</sup> This fact seems misplaced when viewed in the context of Utah's high education rate and the influence of the state's predominant religion, The Church of Jesus Christ of Latter-day Saints (Church).<sup>9</sup> The leaders of the Church emphasize teachings regarding members' responsibility to repay financial obligations and warn against debt.<sup>10</sup> Prior investigations and comments on this issue looked to other aspects of Mormon teachings and culture that may explain Utah's apparent bankruptcy paradox. They pointed to religious beliefs that supposedly result in Utah's large families,<sup>11</sup> the tendency to begin these families at an early age,<sup>12</sup>

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2. See SULLIVAN ET AL., *supra* note 1, at Chapter 2: Middle-Class and Broke.

3. According to the 2000 Census, Utah's average family size is 3.57 and the average family size is 3.14 nationally. TAVIA SIMMONS & GRACE O'NEILL, UNITED STATES BUREAU OF THE CENSUS, HOUSEHOLDS AND FAMILIES: 2000 4 (2001), available at <http://www.census.gov/prod/2001pubs/c2kbr01-8.pdf> (reporting national census statistics on families and households).

4. Only three states have a higher percentage of people over the age of twenty-five with a high school diploma. See CensusScope, [http://www.censusscope.org/us/rank\\_education\\_withouts\\_2000.html](http://www.censusscope.org/us/rank_education_withouts_2000.html) (last visited Apr. 4, 2005) (ranking states by percentage of population over twenty-five without high school diplomas).

5. Mormons had the highest church attendance among American adults in a 1984 survey. *Survey Lists LDS as Best Church Attenders*, CHURCH NEWS, Feb. 10, 1985, at 3 (citing Princeton Religion Research Center survey).

6. See generally AMERICAN BANKRUPTCY INSTITUTE, HOUSEHOLD PER FILING, RANK: DURING THE 12-MONTH PERIOD ENDING DECEMBER 31, 2004, available at <http://www.abiworld.org/statcharts/householdStat2004.pdf> (last visited Apr. 21, 2006) (ranking states based on number of households per consumer filing bankruptcy).

7. *Id.* Filings increased in 2005 with the rush that occurred prior to the October 17, 2005 effective date for the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005.

8. *Id.* (noting Utah's high bankruptcy rate compared to other states).

9. See CensusScope, *supra* note 4 (listing Utah among lowest five states of population over twenty-five without high school diplomas). Tennessee had the second highest bankruptcy filing rate for the year ending March 31, 2004. See AMERICAN BANKRUPTCY INSTITUTE, *supra* note 6 (listing Utah first nationally for consumer bankruptcy filings per household). By comparison, Tennessee ranks among the bottom ten states in percentage of the population over the age of twenty-five with high school diplomas. See CensusScope, *supra* note 4. Utah also ranks in the top fifteen states for the percentage of people over the age of twenty-five with a college or professional degree, whereas Tennessee ranks in the bottom ten. See CensusScope, [http://www.censusscope.org/us/rank\\_education\\_college\\_2000.html](http://www.censusscope.org/us/rank_education_college_2000.html) (last visited Apr. 4, 2005) (ranking Utah fourteenth for percentage of population over twenty-five with college level degree).

10. See Joseph B. Wirthlin, *Earthly Debts, Heavenly Debts*, ENSIGN, May 2004, at 40, 44. "We are a people of integrity. We believe in honoring our debts and being honest in our dealings with our fellow men." *Id.* "I urge you to be modest in your expenditures; discipline yourselves in your purchases to avoid debt to the extent possible. Pay off debt as quickly as you can, and free yourselves from bondage." See Gordon B. Hinckley, *To the Boys and to the Men*, ENSIGN, Nov. 1998, at 51.

11. See SIMMONS & O'NEILL, *supra* note 3 (noting Utah has highest proportion of married couple

and to members' tithing payments.<sup>13</sup>

This study suggests that these explanations fail to account for Utah's high bankruptcy rate. According to the data, members of the Church (Mormons) are underrepresented among Utah debtors.<sup>14</sup> Findings related to cultural tendencies attributed to Mormons, such as having large families, starting those families at a young age, and donating significant amounts of money to the Church, further evinces that Mormon culture does not provide the impetus behind Utah's high filing rate. Our study supports previous writers' intuitions that the Church and Mormon culture may affect Utah's bankruptcy rate, but our data indicate that instead of causing bankruptcy, the Mormon influence may offer some protection against the ultimate causes of Utah's financial woes. Regardless of any positive Mormon influence on Utah's bankruptcy rate, all Utah debtors cite job or health-related causes for their financial problems at a higher rate than debtors elsewhere in the United States.

## II. BACKGROUND

### A. *The Nation*

Bankruptcy filings increased 360% between 1980 and 2001, making bankruptcy an important national issue.<sup>15</sup> Legislation making bankruptcy more difficult for debtors ensures bankruptcy will continue to significantly affect millions of Americans.<sup>16</sup> The causes of the continuing increase in bankruptcy filings are many and complex, but researchers have shifted from focusing on consumerism to other factors.<sup>17</sup> In so doing, they reveal a debtor different than the stereotypically young, single spendthrift. In their book *The Fragile Middle*

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households in nation).

12. *Utahns and Bankruptcy: Why We're Going Broke, Bankruptcy: Key Findings*, SALT LAKE TRIB., Jan. 11, 2005, at A1 [hereinafter *Bankruptcy: Key Findings*] (providing information underlying Utah's bankruptcy problem).

13. See Steven Oberbeck, *Charitable Giving, Tithes May Complicate Utah's Finances*, SALT LAKE TRIBUNE, Jan. 9, 2005, at A11 (discussing importance of tithing to Mormons and their expectation of return). The Church of Jesus Christ of Latter-day Saints teaches that all of its faithful members should donate one-tenth of their income to the Church. The Church of Jesus Christ of Latter-day Saints, *The Law of Tithing*, <http://www.mormon.org/learn/0,8672,1095-1,00.html> (last visited Apr. 4, 2005) [hereinafter *The Law of Tithing*] (presenting law of tithing and describing use of tithing funds).

14. See *infra* Part IV.A (discussing Mormon religion's influence on Utah's bankruptcy rate).

15. David U. Himmelstein, Elizabeth Warren, Deborah Thorne & Steffie Woolhandler, *Illness And Injury As Contributors To Bankruptcy*, HEALTH AFFAIRS, Feb. 2, 2005, at W5-63, available at <http://content.healthaffairs.org/cgi/reprint/hlthaff.w5.63v1?maxtoshow=&HITS=10&hits=10&RESULTFORM AT=&author1=himmelstein&andorexactfulltext=and&searchid=1&FIRSTINDEX=0&resourcetype=HWCIT> (indicating increase in bankruptcy denotes frequency of personal bankruptcy).

16. Riva D. Atlas & Eric Dash, *Bracing for a Bankruptcy Rush*, N.Y. TIMES, Mar. 11, 2005, at C1 (noting new bankruptcy rules make it harder to erase debt).

17. See generally ELIZABETH WARREN & AMELIA WARREN TYAGI, *THE TWO-INCOME TRAP* (2003) (addressing impact of bankruptcy on different sections of society).

*Class*, Teresa A. Sullivan, Elizabeth Warren, and Jay Lawrence Westbrook present data showing that today's debtors frequently come from the middle class.<sup>18</sup> Today's debtors are the families next door. Families with children, single mothers, and those from the baby boomer generation are especially at risk for bankruptcy.<sup>19</sup>

*The Two Income Trap* depicts a middle class more burdened by economic suburban warfare than raw consumerism.<sup>20</sup> The authors argue that to provide better educations for their children the middle class is bidding up fixed cost items like housing.<sup>21</sup> The bidding battle is financed by a second income, replacing the economic insurance found in a stay-at-home parent.<sup>22</sup> Stretched, the dream snaps with a job loss or medical crisis, flinging millions of Americans into bankruptcy court.<sup>23</sup>

### B. Utah

In 2004, 20,629 people in Utah filed for bankruptcy.<sup>24</sup> The state has consistently been among the national leaders in the number of citizens filing for bankruptcy.<sup>25</sup> To illustrate more vividly, in 2004, 24 out of every 1,000 households in Utah filed for bankruptcy whereas nationally the rate was 13 out of every 1,000 households.<sup>26</sup> The state's bankruptcy rate has ranked in the top twenty-five in the U.S. since 1960, emerging as number one in 2002 and 2003.<sup>27</sup> Despite the fact that Utah bankruptcies were down 5.9% in 2004 from

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18. See generally SULLIVAN ET AL., *supra* note 1 (noting growing bankruptcy problem for middle class America).

19. See WARREN & TYAGI, *supra* note 17, at 6, 104-107 (discussing likelihood of bankruptcy for single-parent households). See generally Elizabeth Warren, *Bankrupt Children*, 86 MINN. L. REV. 1003 (2002) (discussing impact of dependents in calculations for bankruptcy).

20. WARREN & TYAGI, *supra* note 17, at 8 (noting competition among middle class weakens ability to save money).

21. WARREN & TYAGI, *supra* note 17, at 8 (stating demands for quality housing and schools limit middle class discretionary income).

22. WARREN & TYAGI, *supra* note 17, at 7-8, 55-70. The authors argue that stay-at-home parents act as economic insurance. See *id.* If something should happen to the working parent, the other parent can enter the workplace. See *id.* With both parents in the marketplace, they expose their family to greater risk should a job loss occur. See *id.* This effect would not take place if the salary of one parent was put into savings, but that is not currently common in the United States. See *id.*

23. WARREN & TYAGI, *supra* note 17, at 80-88 (discussing impact of multiple negative factors on bankruptcy filings); see also Himmelstein et al., *supra* note 15, at W5-63 (providing thorough discussion of impact of illness on bankruptcy). 1.5 million American couples or individuals filed for bankruptcy in 2001. *Id.*

24. United States Bankruptcy Court for the District of Utah, Bankruptcy Filing Statistics 2006, [http://www.utb.uscourts.gov/clerks\\_office/statistics.htm](http://www.utb.uscourts.gov/clerks_office/statistics.htm) (last visited Apr. 2, 2005) (breaking down Utah's bankruptcy filings by chapter).

25. This article covers bankruptcy statistics and reports data collected prior to the enactment of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 and the subsequent spike in consumer filings.

26. See AMERICAN BANKRUPTCY INSTITUTE, *supra* note 6. The numbers were calculated by inverting the ratio and multiplying by 1,000 (i.e. for U.S. number:  $1/78.48 * 1000 = 12.74$ ).

27. Holly Farnsworth, *Going for Broke: Utah's Alarming Bankruptcy Problem*, UTAH FOUNDATION

2003, the state again had the highest rate in the country in 2004.<sup>28</sup> With a higher bankruptcy rate has come greater scrutiny. At least three groups have published studies addressing Utah's prominence in the rankings: Professors Jean Lown and Barbara Rowe<sup>29</sup> (Lown-Rowe study), the Salt Lake Tribune<sup>30</sup> (Tribune study) and United Way of Salt Lake (United Way study).<sup>31</sup>

The Lown-Rowe study analyzes data from 2,567 Chapter 7 and 13 cases filed in 1997.<sup>32</sup> Debtors were not contacted, instead, the study examined public court records.<sup>33</sup> The key findings showed that Utah debtors had nearly twice as much debt as income when they filed, the majority of filers were single, and debtors had held their current jobs for about one to one and one-half years.<sup>34</sup> The study also noted a high failure rate of Chapter 13 cases.<sup>35</sup>

The Tribune study examined the public records of 1,053 randomly selected cases filed between June 2003 and June 2004.<sup>36</sup> The Tribune lists as its main discoveries the finding that a majority of filers were employed when they filed, almost half had a decrease in income in the previous three years, and debtors paid an average of 45% of income in housing—much more than the national average.<sup>37</sup> It also found that about 12% of filers tithed to the Church, and many had large credit card and medical debts.<sup>38</sup>

The United Way study, conducted in 2005, included interviews with focus groups consisting of a total of fifty-five Utah debtors, and a statewide telephone survey of nearly 2000 Utah households.<sup>39</sup> The United Way study

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RESEARCH REPORT, Dec. 2004, at 2-3, available at <http://www.utahfoundation.org/pdf2/rr670.pdf> (citing statistics from American Bankruptcy Institute and American Community Survey).

28. See AMERICAN BANKRUPTCY INSTITUTE, *supra* note 6 (ranking Utah first for bankruptcy filings).

29. 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).

30. See *About the Bankruptcy Project*, SALT LAKE TRIB., Jan. 9, 2005, at A10 (describing bankruptcy study conducted by Salt Lake Tribune reporters). The Tribune is one of two major newspapers in Utah.

31. See generally UNITED WAY OF SALT LAKE, *LIVING ON THE EDGE: UTAHNS' PERSPECTIVES ON BANKRUPTCY AND FINANCIAL STABILITY*, (2006), available at <http://www.uw.org/Images/PDFs/UWBKReport.pdf> (discussing socio-economic factors for bankruptcy in Utah).

32. Lown & Rowe, *supra* note 29, at 113 (describing sample collected for analysis of bankruptcy).

33. Lown & Rowe, *supra* note 29, at 113, 121 (indicating study limited to available bankruptcy court records for one federal district).

34. Lown & Rowe, *supra* note 29, at 119, 122-23 (discussing varied demographic profile of filers for bankruptcy).

35. Lown & Rowe, *supra* note 29, at 120-21. The study reports that 13% of Chapter 13 cases were converted to Chapter 7 liquidation and, of the remaining Chapter 13 cases, 74% were dismissed before the debtor completed repayment. *Id.*

36. See generally *Bankruptcy: Key Findings*, *supra* note 12 (noting Salt Lake Tribune randomly selected bankruptcy cases filed in 2003).

37. See generally *Bankruptcy: Key Findings*, *supra* note 12 (summarizing key findings for Salt Lake Tribune Study).

38. See generally *Bankruptcy: Key Findings*, *supra* note 12 (indicating some filers' commitment to Mormon tithing and listing other sources of debt for filers).

39. See UNITED WAY OF SALT LAKE, *supra* note 31, at 16 (describing methods employed to gather

found that financial management skills and economic factors, including healthcare and job-related factors, were among the risk factors most cited by Utahns as affecting financial stability.<sup>40</sup> The United Way study also found that “[f]amily size and early family formation are not as much of a concern for Utah households as economic challenges, but they do impact financial stability among many families.”<sup>41</sup>

Pundits and researchers commenting on Utah bankruptcies are nearly unanimous in their reference to the state’s unique religious environment.<sup>42</sup> One commentator succinctly states, “It is difficult to examine bankruptcy without examining behavior, and behavior is nothing if not influenced by culture. And here in Utah, the culture is nothing if not influenced by the [Church] . . . . This cannot be ignored.”<sup>43</sup> Invariably, researchers and the media hypothesize that Utah’s bankruptcy rate is a result of its citizens’ generous charitable contributions<sup>44</sup> and young, large families<sup>45</sup>—characteristics frequently attributed to Church teachings.<sup>46</sup> Despite all of this speculation, previous studies have not put to debtors the burning question: Are you Mormon?

### III. METHODOLOGY

#### A. Overview

This study (the Utah Bankruptcy Project) applies data collection methods used by Professors Sullivan, Warren, and Westbrook in the 2001 Consumer Bankruptcy Project.<sup>47</sup> In that project, the professors collected data by

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bankruptcy data for study).

40. See UNITED WAY OF SALT LAKE, *supra* note 31, at 5 (summarizing report findings on financial situation experienced by Utah households).

41. See UNITED WAY OF SALT LAKE, *supra* note 31, at 6 (providing insight into report findings on family size and financial stability in Utah).

42. See generally *Bankruptcy: Key Findings*, *supra* note 12 (stating Utah’s unique cultural factors contribute to high bankruptcy rates).

43. John Blodgett, Editorial, *Going for Broke; Is It Tithing or Carelessness that Leads Utahns to Bankruptcy?*, SALT LAKE CITY WKLY., July 31, 2003, at 2 (discussing difficulty faced by Mormons filing for bankruptcy).

44. See Farnsworth, *supra* note 27, at 12-14 (suggesting charitable contributions impact Utah’s bankruptcy rate). The Catalogue for Philanthropy’s yearly “Generosity Index” shows Utah ranked eighth in 2004 among states who give the most in charitable donations as compared to income. See Catalogue for Philanthropy, Generosity Index (2004), <http://www.catalogueforphilanthropy.org/cfp/db/generosity.php?year=2004> (ranking states based on generosity of citizens’ charitable giving).

45. See *supra* note 3 and accompanying text (indicating Utah’s average family size remains above national average).

46. See *The Law of Tithing*, *supra* note 13 (presenting Mormon law emphasizing Members to pay 10% of income to Church as tithing).

47. See WARREN & TYAGI, *supra* note 17, at 181-88 (providing in-depth explanation of 2001 Consumer

surveying a core sample of 1,250 debtors spread over five bankruptcy districts (the Core).<sup>48</sup> Debtors received questionnaires when they appeared at the mandatory meeting of creditors, also referred to as a “341 meeting.”<sup>49</sup> These questionnaires were subsequently matched with the corresponding court records and then respectively coded into databases that allowed the professors to analyze this data.<sup>50</sup> This article compares data from the 2001 Consumer Bankruptcy Project Core sample with the new data gathered on Utah consumer bankruptcy.

We made certain changes to the 2001 Consumer Bankruptcy Project questionnaire for the Utah Bankruptcy project.<sup>51</sup> In order to account for the unique demographic makeup of Utah, questions were added regarding a debtor’s religion, level of religious devotion, and donations to charity.<sup>52</sup> In addition, the questionnaire asked whether the debtor sought “help from a religious institution” in an attempt to avoid filing for bankruptcy. The Utah Bankruptcy Project questionnaire also deleted a line of questions focusing on home ownership. Finally, this study omitted the follow-up interviews.

Prior to commencing this research, the FAS Committee on the Use of Human Subjects at Harvard University reviewed the questionnaire and the plan for collecting the data. After securing the Committee’s approval, we wrote letters to the Chief Bankruptcy Judge and trustees in the District of Utah informing them of the data collection plan and offering to address any possible concerns. A few weeks after sending the letters, we started collecting the data at the 341 meetings in Utah.

### B. The Sample

The District of Utah is divided into four areas and holds 341 meetings at a specific location in each area.<sup>53</sup> There is a North (Ogden Area), North Central (Salt Lake Area), Central (Provo Area), and South (St. George Area) area with 341 meetings held in Ogden, Salt Lake City, Provo, and St. George,

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Bankruptcy Project).

48. See WARREN & TYAGI, *supra* note 17, at 182-83 (explaining sample set used in study). The five districts were the Eastern District of Pennsylvania, the Middle District of Tennessee, the Northern District of Illinois, the Northern District of Texas, and the Central District of California. *Id.*

49. See WARREN & TYAGI, *supra* note 17, at 182 (describing procedure of meeting of creditors). This meeting is named after the section of the bankruptcy code requiring the debtors’ presence at a meeting of creditors. See 11 U.S.C. § 341 (2000).

50. See WARREN & TYAGI, *supra* note 17, at 185-86 (detailing procedures for compiling data from 2001 Consumer Bankruptcy Project).

51. See Appendix A: Debtor Questionnaire, *Utah Bankruptcy Project*.

52. The databases used to code this study’s data were altered to reflect these changes.

53. See United States Bankruptcy Court for the District of Utah, §341 Calendars, [http://www.utb.uscourts.gov/clerks\\_office/341calendars.htm](http://www.utb.uscourts.gov/clerks_office/341calendars.htm) (last visited May 16, 2005) (providing current § 341 meeting calendars for the District of Utah).

respectively.<sup>54</sup> The Bankruptcy Clerk for the District of Utah publishes a schedule of 341 meetings by location that includes the names of all debtors scheduled to appear that day.<sup>55</sup> We collected surveys at three of the four areas in August of 2004.<sup>56</sup> We collected 281 usable surveys. After matching these surveys with their respective court records, we coded them using the 2001 Consumer Bankruptcy Project protocols.<sup>57</sup>

State wide, 20,629 bankruptcy filings occurred in 2004.<sup>58</sup> The Administrative Office of the U.S. Court classified a total of 20,534 of these cases as non-business bankruptcy filings.<sup>59</sup> Chapter 7 consumer bankruptcy filings made up 68.86% (14,140) of the consumer filings in Utah, and Chapter 13 filings made up 30.99% (6,364) of the aggregate consumer bankruptcies.<sup>60</sup> In the sample group, Chapter 7 filers comprised 79.36% (223 of 281) and Chapter 13 filers comprised the remaining 20.64% (58 of 281). We weighted this study's data to match the ratio of Chapter 7 and Chapter 13 filings in Utah.<sup>61</sup>

### C. Response Rate

Before attending any 341 meetings, we printed a list of the debtors scheduled to appear that day.<sup>62</sup> When possible, we asked the trustee for the number of debtors on the schedule who did not appear and subtracted this number from the total possible surveys. We attempted to solicit the participation of each debtor. In some instances this was not possible, as when a debtor arrived and left while we were occupied with other debtors.<sup>63</sup> This

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54. *See id.* (dividing § 341 meetings by regions and bankruptcy chapter).

55. *See id.* (organizing all case title names for bankruptcy filings).

56. We did not collect any data from 341 meetings in the St. George Area. The St. George Area made up less than 5% of the total Chapter 7 and Chapter 13 filings in the state in 2004. *See infra* note 67 and accompanying text.

57. The 2001 Consumer Bankruptcy Project method for error checking was also followed except that only 10% of the court records were recoded. *See* WARREN & TYAGI, *supra* note 17, 181-88. In conducting the study of consumer bankruptcy in Utah, both the survey database and the court records database had an error rate of less than 1%.

58. United States Bankruptcy Court District of Utah, *available at* [http://www.utb.uscourts.gov/clerks\\_office/statistics.htm](http://www.utb.uscourts.gov/clerks_office/statistics.htm) (last visited May 16, 2005) (comparing total yearly bankruptcy filings by chapter).

59. *See* 11 U.S.C. § 109 (2000) (detailing different eligibility requirements for filing bankruptcy); E-mail from Bill Stillgebauer, United States Bankruptcy Court for the District of Utah Clerk, to Ezekial Johnson (Mar. 21, 2005) (on file with authors). The study only looked at non-business filings.

60. E-mail from Bill Stillgebauer, *supra* note 59. A total of thirty non-business Chapter 11 filings in 2004 comprised .15% of the consumer bankruptcies. *Id.* The study did not gather any surveys from non-business Chapter 11 filers.

61. After weighting the data, Chapter 7 totaled 69.04% and Chapter 13 totaled 30.96% of the sample.

62. *See supra* note 53 (discussing § 341 meetings and bankruptcy filings).

63. Over 87% of all petitioners were approached and asked to fill out a questionnaire. On several occasions, we encountered insurmountable language barriers. These contacts were counted as people declining to fill out a survey.



number was subtracted from the total number possible to provide a more accurate response rate. We approached 452 debtors; 295 filled out questionnaires for a total response rate of 65.27%.<sup>64</sup>

#### D. Sample Integrity

Any self-selection bias among the debtors had the potential to undermine this article's conclusions, especially if Mormons responded at a lower rate than other groups. There is no way to know for certain if Mormons self-selected out at a disproportionate rate. An alternative way to measure Mormon participation rates, however, would be to look at the response rates from the Salt Lake Area 341 meetings compared to those from the Ogden and Provo Area 341 meetings. This would provide insight into Mormon response rates because the Salt Lake Area has a lower proportion of Mormons than the rest of the state.<sup>65</sup> Therefore, if the response rates were higher from the Salt Lake Area, it would suggest that Mormons may not be participating at the same rate as other groups. In this sample, the response rate from both sub-samples was nearly identical. The Salt Lake Area 341 meetings had a response rate of 65.67%. The combined response rate for the Provo and Ogden Area 341 meetings was 64.67%. This suggests that Mormons were not exhibiting any significant self-selection tendencies.<sup>66</sup>

The lower proportion of Mormons in the Salt Lake Area had the potential to undermine our conclusions in another way. If the sample drew too heavily from the Salt Lake Area 341 meetings, it would almost certainly not have as many Mormons when compared to a sample drawn in proportion to the Salt Lake Area's share of actual bankruptcy filings in the state. The Salt Lake Area accounted for 59.05% of all Chapter 7 and Chapter 13 bankruptcy filings in 2004.<sup>67</sup> The Salt Lake Area totals 59.66% of all questionnaires answered in this sample. Given that our sample came from the Salt Lake Area at a virtually indistinguishable proportion from the actual Salt Lake Area proportion of Chapter 7 and Chapter 13 filings in Utah, it does not appear likely that our

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64. A small percentage of returned surveys were deemed unusable, most often for not including a case number. Without a case number, it was impossible to match the survey with the corresponding court records.

65. See DALE JONES ET AL., RELIGIOUS CONGREGATIONS AND MEMBERSHIPS IN THE UNITED STATES 465 (2000) (Glenmary Research 2000). According to this report, Mormons made up only 56% of Salt Lake County in 2000. Salt Lake County accounted for 39% of Utah's population in 2003. See U.S. Census Bureau, State & County QuickFacts, <http://quickfacts.census.gov/qfd/states/49/49035.html> (last visited May 16, 2005).

66. See *infra* part IV.B (explaining Mormons' willingness to answer questions regarding charitable contributions).

67. The Bankruptcy Court Clerk for the District of Utah provided us with the breakdown of bankruptcy filings by county. The clerk also supplied the breakdown of the four areas in the district of Utah by county. E-mail from Lupina Robles, District of Utah Bankruptcy Secretary to the Clerk, to Ezekial Johnson (Jan. 6, 2005) (on file with authors). This data enabled the filing proportion by area to be calculated for the District. The Salt Lake and Ogden Areas split Davis County. *Id.* Given the futility of determining the precise proportion of the bankruptcies in Davis County by area, the filings were split evenly between these two areas.

sampling rate by area skewed the results in any meaningful way.

#### IV. THE INFLUENCE OF RELIGION

Utah not only has consistently one of the highest bankruptcy rates in the nation, but it also has the country's highest concentration of Mormons.<sup>68</sup> Much of the public discourse regarding Utah's bankruptcy rate explores whether there is a correlation between these two facts.<sup>69</sup> Some studies and commentaries have only hinted at a possible causal relationship between Utah's bankruptcy rate and high concentration of Mormons, citing Utah's unique religious demographics as one of many possible factors.<sup>70</sup> Other analysts have directly addressed whether the Mormon faith and culture are to blame and have explored the reasoning behind such a correlation.<sup>71</sup> To date, however, no one has reported results on the religious association of Utah's debtors.

Religion is not the only factor posited as a cause for Utah's bankruptcy rate. Some hypotheses attribute Utah's bankruptcy woes to other characteristics, such as Utah's larger families and higher levels of charitable giving.<sup>72</sup> Another proffered theory is that Utah couples marry at a young age and take on financial responsibilities too early, such as home ownership, which leads to financial difficulties as children come along.<sup>73</sup> Studies also cite over-consumption as a driving factor of Utah's high bankruptcy rate, which is evidenced by Utah's larger-than-average house sizes and propensity to own vehicles.<sup>74</sup>

Despite the secular appearance of such theories, however, each has religious

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68. DESERET MORNING NEWS, 2005 CHURCH ALMANAC 238 (2004).

69. See Lown & Rowe, *supra* notes 29, at 122-23 (stating findings of Lown-Rowe study).

70. See Lown & Rowe, *supra* note 29, at 115.

The Church of Jesus Christ of Latter Day Saints (LDS Church) is the predominant religion in the state, claiming membership of about 70% of the population (Young, 1996). The LDS Church explicitly encourages prudent money management and debt avoidance ("Living within our means," 2001). The LDS Church also strongly encourages tithing, which adds another financial obligation for families on top of expenses such as sending children on two-year church missions.

*Id.*

71. See Blodgett, *supra* note 43, at 22.

72. See Lown & Rowe, *supra* note 29, at 120-21 (noting Chapter 13 debtors reported slightly larger families than Chapter 7 debtors); Winters, *supra* note 12 (explaining 12% of bankruptcy filers reported making tithing payments during financial troubles); UNITED WAY OF SALT LAKE, *supra* note 31, at 15 (stating Utah has larger families and noting states with high levels of charitable giving have high bankruptcy rates).

73. See Winters, *supra* note 12 (noting Utahns on average start families and seek home ownership when young); UNITED WAY OF SALT LAKE, *supra* note 31, at 15 ("Utahns also marry younger and have children earlier").

74. See Lown & Rowe, *supra* note 29, at 123. "Utahns live in the largest homes in the nation and own or lease more vehicles per household." *Id.* (citing Brandon Loomis, '90s Boom Fueled Utah Sprawl ; More commuters, large houses fill highways, lands; Affluence Means More Jobs, SALT LAKE TRIB., Aug. 7, 2001, at A1).

implications. Analyzing the impact of Utah's large families, for instance, also addresses whether Mormons are driving up bankruptcy rates because Mormons are often associated with having many children. Charitable giving in the form of tithing is also a well-known component of the Mormon religion. Analyzing tithing is, therefore, another way of assessing whether Mormons are a major contributor to Utah bankruptcies.

Central to the idea that Utah's young couples are taking on too much responsibility too soon is the widely accepted perception that Mormons marry early in life. Even within the over-consumption theory lies the argument that such consumption is part of Mormon life. The Mormon community in Utah is attributed with closeness, both in proximity and culture. Some suggest that this leads to "keeping-up-with-the-Joneses," fueling over-consumption. Answering the question of how the Mormon population affects bankruptcy may not have been the central concern of each of the above-named hypotheses, but they certainly have been used to address indirectly how Utah's unique religious demographic influences its high bankruptcy rate.

By use of empirical research, we attempt to examine the idea that Utah's Mormon population is a substantial contributing factor to the state's high bankruptcy rate. First, we analyze the religious affiliation of Utah debtors to determine if Mormons are over- or underrepresented in bankruptcy when compared to Utah's state average. Second, we analyze those theories that use as proxies, characteristics often attributed to the Mormon population.<sup>75</sup> To test the theory that tithing is a driving force, we explore whether Mormon tithe-payers are more prone to file for bankruptcy than non-tithe-payers (Mormon and non-Mormon alike). Similarly, we examine the theory that large families are raising Utah's bankruptcy rate by comparing the filing rate of Utah households with children to the filing rate of those without children. We also assess the theory that young married couples are filing for bankruptcy by analyzing the age of Utah debtors, especially those who have lost their homes as a result of financial difficulties. Finally, in exploring the validity of the over-consumption theory, we examine the reasons Mormon debtors use to describe the cause of their bankruptcy filings and compare them to reasons offered by non-Mormons.

Our findings do not suggest that Mormons are the cause of Utah's high bankruptcy rate. Instead, our data suggest that, if anything, Mormons are slightly underrepresented in bankruptcy and that religiously associated actions like donating funds, having larger families, and taking on financial burdens at an early age are not driving Utah's high bankruptcy rate. Our study also reveals that Mormons disproportionately cite medical and job-related causes for their bankruptcy filings, suggesting that over-consumption may not be the

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75. We assume that such characteristics apply to Mormons. We do not, however, endorse the view that all Mormons exhibit these characteristics.

immediate reason for bankruptcy among Mormons.

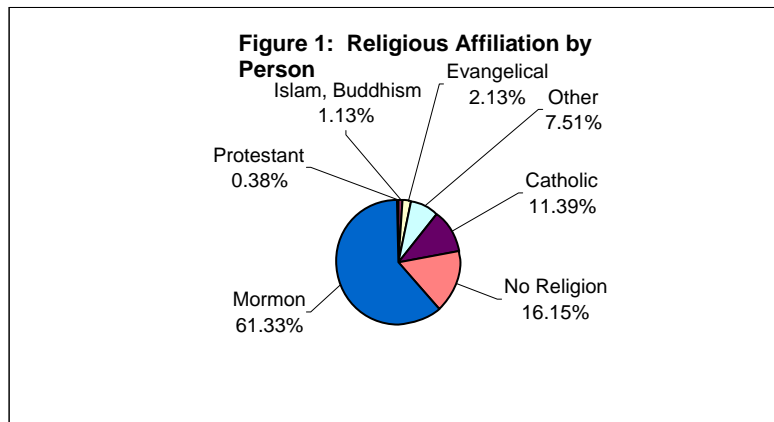
#### A. *Religious Affiliation*

Although Utah as a whole is enduring a bankruptcy storm, Mormons may be faring slightly better than the general population. Mormons make up approximately 62.4% of Utah's population,<sup>76</sup> but our data show they constitute only 61.33% of debtors in bankruptcy.<sup>77</sup> Figure 1 illustrates filers' religious affiliation.

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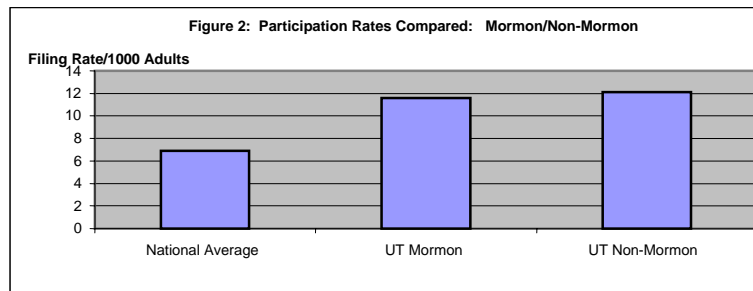
76. Matt Canham, *Mormon Portion of Utah Population Steadily Shrinking*, SALT LAKE TRIB., July 25, 2005, at A1 (reporting numbers given by Church to State of Utah). The Church indicates that the number reported by the Salt Lake Tribune is low because it does not take into account "in-transit members," defined as "people who are moving," and that the total should be closer to 70%. Matt Canham, *Church Disputes Trib Count*, SALT LAKE TRIB., Sept. 1, 2005, at B1. The Church reports in its *2005 Church Almanac* that its members make up 71.9% of Utah's population. See *supra* note 68. We use the 62.4% figure for two reasons. First, there is reason to believe that the number of members of record reported by the Church is larger than the percentage of adult Utahns who would self-identify as being Mormon, as the Church's records include those who may no longer consider themselves Mormon. See TIM B. HEATON, THOMAS A. HIRSCHL & BRUCE A. CHADWICK, *UTAH IN THE 1990S: A DEMOGRAPHIC PERSPECTIVE*, LAWRENCE A. YOUNG, 159-60 (1996) (finding Church consistently reported higher number of Canadian members compared to members who self-identified for Canadian census); *first names needed* BARRY A. KOSMIN & SEYMOUR P. LACHMAN, *ONE NATION UNDER GOD* 288-89 (1993). Second, it is unlikely that all of those members "in-transit" captured by the Church's records but left out of the Tribune figure would be filing for bankruptcy while in the process of moving. Note that 62.4% of all Utahns were reported by the Tribune as being Mormon, including the unbaptized children of members.

77. This represents the percentage of petitioners in our sample and their minor children who self-identified as being Mormon. A household, the petitioners, and their children were deemed Mormon where at least one petitioner self-identified as being Mormon. Thus, if either petitioner was Mormon, we assumed the entire household was Mormon. About 8% of debtors who responded to the questionnaire did not respond to the question regarding religion. One may hypothesize that Mormons would be less likely to disclose their religious affiliation and thus would make up a disproportionately larger portion of those who did not answer that part of the questionnaire. On the other hand, it may be that Mormons are more likely to identify their affiliation because they are the predominant religion in Utah. The tithing data suggests that Mormons were not sheepish about disclosing their financial contributions, as they were three times more likely than non-Mormons to answer that question. See *supra* note 72 and accompanying text. Regardless, it is impossible to decide with any certainty whether Mormons would be more or less likely to identify their religious affiliation. Therefore, we assume that those who did not respond to the religion question reflect the demographics of the group as a whole. The data can then be read to conclude that Mormons made up 58.5% of those who responded to the question regarding religious affiliation and 61.33% of all respondents when attributed their proportionate share of those who did not respond to the religion question. The same assumption was applied to all religious groups displayed in Figure 1, and each had its proportionate share attributed to it of those who did not respond to the religion question.



We are not saying other religions are responsible for Utah's high bankruptcy rate. Instead, our findings show that all Utahns, including Mormons, are suffering from an enormous bankruptcy glut, but Mormons are not experiencing it any more than any other Utahn.

Our data reveal that in Utah non-Mormons are 4.6% more likely than their Mormon counterparts to find themselves in bankruptcy court.<sup>78</sup> In a group of 1,000 randomly selected Mormons in Utah, 11.6 would have been involved in a bankruptcy.<sup>79</sup> If a similar group of 1,000 non-Mormons were assembled, 12.1 would have been involved, as illustrated in Figure 2. In other words, had Mormons filed at the same rate as the rest of the state, about 300 more Utahns would have gone bankrupt in 2004.<sup>80</sup>



78. See *supra* note 77 and accompanying text.

79. The Mormon and non-Mormon filing rates were calculated utilizing the reported percentage of the *Utah Bankruptcy Project* sample that were Mormon, the total number of Utahns that filed for bankruptcy in 2004, and the Utah population estimates of July 1, 2004. See *supra* note 77 and accompanying text; *infra* note 80 and accompanying text; UTAH POPULATION ESTIMATES COMMITTEE, STATE OF UTAH POPULATION ESTIMATES, NET MIGRATION, BIRTHS AND DEATHS (2004), available at, <http://governor.utah.gov/dea/upec/04statepop.pdf>.

80. According to the Utah Bankruptcy Court, 29,030 Utahns filed for bankruptcy in 2004. Of those, 61.33%, or 17,804, were Mormon. If Mormons filed for bankruptcy at the same rate as non-Mormons, this number would have been 18,115, adding 311 more people to the total number of Utahns filing for bankruptcy in 2004.

Reversing the traditional discussion of Mormon culture, and looking at what cultural aspects may actually help protect Mormons against bankruptcy, raises several possibilities. The Church does not shy away from giving counsel on issues of general personal finance. Indeed, Mormons are advised to honor their financial obligations and to have one-year's worth of food stored in case of emergency.<sup>81</sup> Members of the Church were specifically warned against excessive debt in 1998 by the Church president, Gordon B. Hinckley, who pointed to "a portent of stormy weather ahead to which we had better give heed."<sup>82</sup> Beyond advice, the Church's institutional involvement in the financial arena also includes an extensive welfare system,<sup>83</sup> a website dedicated to home finance,<sup>84</sup> and an employment placement program.<sup>85</sup>

The impact of these teachings and programs is difficult to measure, but one piece of data reveals that Mormons in financial straits have the Church as an available resource. The questionnaire allowed petitioners to select from a list any and all sources to which they turned for help before filing for bankruptcy. This list includes help from a religious or charitable institution.<sup>86</sup> Of those who selected this source, 93.4% were Mormon. In other words, Mormon persons had one more option for help than did other Utah filers.<sup>87</sup> Not all Mormons who filed for bankruptcy took advantage of this source, however, with only 29.1% indicating they sought help from a religious or charitable organization. This means that over 70% of Mormons filing for bankruptcy did not look to

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81. See Letter, First Presidency of the Church of Jesus Christ of Latter-day Saints, Home Storage and Financial Reserves, (Jan. 20, 2002). This letter stated that members should store "the basic foods that would be required to keep them alive . . . for one year" and that "leaders should teach [in Sunday meetings] the importance of home storage and securing a financial reserve." *Id.*; see also Wirthlin, *supra* note 10, at 40 (stressing need for people to take care of finances).

From time to time, we hear stories of greed and selfishness that strike us with great sorrow. We hear of fraud, defaulting on loan commitments, financial deceptions, and bankruptcies . . . . We are a people of integrity. We believe in honoring our debts and being honest in our dealings with our fellow men.

See Wirthlin, *supra* note 10, at 42.

82. See Hinckley, *supra* note 10 (warning against financial debt and resultant problems).

83. See The Church of Jesus Christ of Latter-day Saints, Question: What kinds of needs does the Church help to address?, <http://www.providentliving.org/question/result/0,12973,2929-1-11-6,00.html> (last visited Apr. 1, 2005) (stating Church has ability to provide goods and services needed to sustain life). "The Church is able to provide spiritual guidance, social and emotional support and counsel, employment assistance, food, clothing, household supplies, and other essentials." *Id.*

84. See generally The Church of Jesus Christ of Latter-day Saints, <http://www.providentliving.org>.

85. See The Church of Jesus Christ of Latter-day Saints, Organize Employment Efforts, <http://www.providentliving.org/content/display/0,11666,2467-1-1026-1,00.html> (last visited Apr. 1, 2005) (noting Church helps worshippers find employment). "At the local level, Church leaders help people find work." *Id.*

86. Appendix A: Debtor Questionnaire, *Utah Bankruptcy Project*.

87. This assumes that when Mormon filers indicated that they turned to a religious or charitable institution for help they were referring to the Church.

what seems an obvious source of help. It also shows that for some Mormons, turning to the Church was not sufficient to keep them out of bankruptcy.

The fact that Mormons are not overrepresented in bankruptcy contradicts conventional wisdom that has pointed to the Church and Mormon culture for an explanation of Utah's bankruptcy rate. Not only does it indicate that Mormon culture is not to blame, it also suggests that there may be aspects of the Mormon community that keep Utah's bankruptcy rate from climbing. Nonetheless, Mormons in Utah are more susceptible to bankruptcy pressures than Americans overall. The national filing rate in 2004 was 6.9 per 1,000—nearly five persons fewer per thousand than for Mormons in Utah.<sup>88</sup> This should give little comfort, however, as just over four Mormon adults in each Utah congregation filed for bankruptcy in 2004.<sup>89</sup>

### B. Tithing

As mentioned above, tithing is another common explanation for what is driving Utah's high bankruptcy rate.<sup>90</sup> Mormons are encouraged to pay 10% of their income to the Church, and researchers suggest that this extra financial stress contributes to Utah families filing for bankruptcy.<sup>91</sup> Although it is impossible to know the proportion of Mormons who tithe, reasonable assumptions suggest that tithing Mormons are not causing Utah's high bankruptcy rate.<sup>92</sup>

To understand our conclusion, we must first explain our methodology in approaching tithing. Asking individuals directly about tithing is difficult, because whether or not Mormons do so has weighty religious implications.<sup>93</sup>

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88. Calculated using the Administrative Office of the U.S. Courts (AOUSC), *Table F-2, U.S. Bankruptcy Court: Business and Non-business Bankruptcy Cases Commenced, by Chapter of the Bankruptcy Code During the Twelve Month Period Ended Dec. 31, 2004*; the AOUSC's *Table F-2F, U.S. Bankruptcy Courts: Joint Petition Non-business Bankruptcy Cases Commenced, by Chapter of the Bankruptcy Code During the Twelve Month Period Ended Dec. 31, 2004*; and the United States Bureau of the Census, *Table 1: Annual Estimates of the Population for the United States and State, and for Puerto Rico: April 1, 2000-July 1, 2004*. This comparison is also shown on Figure 2.

89. This number deals with individuals, not households or families. According to the *2005 Church Almanac*, the number of Mormon congregations in Utah was 4,165. See *supra* note 67 (adding both ward and branch totals). According to the Utah Bankruptcy Court, 29,030 Utahns filed for bankruptcy in 2004. Of those adults who filed, our data show 61.33% were Mormon, or 17,804. Thus, on average 4.3 people per congregation filed for bankruptcy in 2004.

90. See Blodgett, *supra* note 43, at 2 (discussing tithing and Mormon bankruptcy); Farnsworth, *supra* note 27, at 12-14 (arguing charitable contributions adversely affect family financial health); see also *The Law of Tithing*, *supra* note 13 (listing Mormon law of tithing).

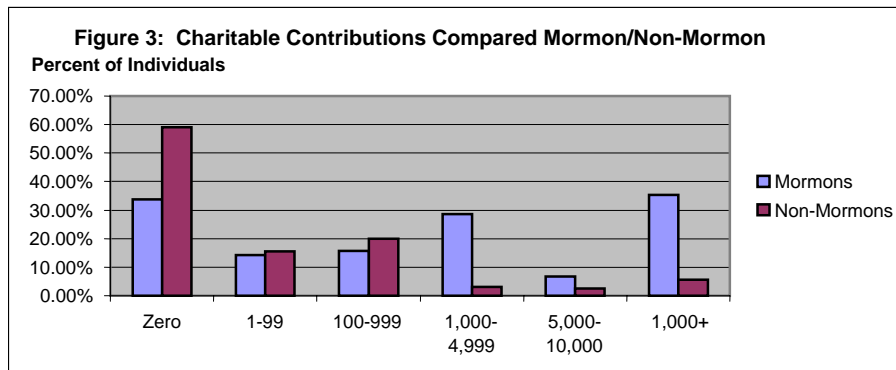
91. See *The Law of Tithing*, *supra* note 13; *supra* note 43 (addressing impact of tithing on families filing bankruptcy).

92. This also seems corroborated by the United Way study. See UNITED WAY OF SALT LAKE, *supra* note 31, at 29.

93. Tithing is seen as one of many aspects to faithful membership in the Church. See *supra* note 81. "Today all faithful members of The Church of Jesus Christ of Latter-day Saints contribute one tenth of their income as tithing." *Id.* Other researchers have decided not to ask directly about tithing for fear that it may

As a result, the questionnaire asked how much the individual donated during the last two years in charitable contributions to the religious institution with which they affiliate.<sup>94</sup> Each petitioner could select none; \$1-99; \$100-999; \$1,000-4,999; \$5,000-10,000; or more than \$10,000.<sup>95</sup> Despite our concerns about asking Mormons regarding tithing, Mormon debtors were nearly three times more likely than other participants to answer the question regarding charitable contributions.<sup>96</sup>

According to the petitioners' responses, Mormon debtors are more likely than other Utah debtors to pay a significant amount in charitable contributions. Figure 3 illustrates this point.<sup>97</sup>



Mormons in bankruptcy donated as much or more than their non-Mormon counterparts at every level of contribution, except at the \$100-\$999 range, where the difference was 4%. Most notable is the large divergence in the \$1,000-4,999 range, where 28.6% of Mormons contributed compared to 3.1% of other Utahns. In total, 36.2% of Mormons paid \$1,000 or more while 5.6% of non-Mormons did so, as shown in the last column of Figure 3. If Mormons have a unique financial burden, it seems to measure at the levels above \$1,000. For this reason and for convenience, we will call those individuals who paid \$1,000 or more in charitable contributions “tithe payers.”<sup>98</sup>

result in a lower response rate. See Gordon B. Dahl & Michael R. Ransom, *The 10% Flat Tax: Tithing and the Definition of Income*, 40 *ECON. INQUIRIES* 120, 124 (2002).

94. For Mormons, this terminology would also count other donations called “fast offerings.” See generally The Church of Jesus Christ of Latter-day Saints, Tithing and Fast Offerings, <http://www.lds.org/newsroom/page/0,15606,4030-1—4-168,00.html> (last visited Mar. 31, 2005). “Faithful members also fast for two meals one day a month and donate the money they would have spent on those meals, or more, to a fund to help the needy.” *Id.*

95. Appendix A: Debtor Questionnaire, *Utah Bankruptcy Project*.

96. Only 5.8% of Mormons did not answer the question compared to 15.7% of non-Mormons.

97. We assume that those who did not respond to the tithing question tithed in the same proportions as those who did. Thus, the non-responses were excluded when determining percentages. Two persons indicated they paid more than \$10,000. Both were Mormon. Although they are counted in our calculating the “tithe payer” category (\$1,000 or more), they are not separately depicted in Figure 3.

98. This definition of “tithe payers” is much different than the Mormon reference to “full tithe payers.”



The percent of Mormons who tithe is not publicly known, but even under conservative assumptions Mormon tithe payers are not significantly affecting Utah's bankruptcy conundrum.<sup>99</sup> In fact, they may even be filing for bankruptcy at a lower rate than non-tithe payers. Developing filing rates for tithe payers is difficult for two reasons. First, the Church does not publish data regarding tithing, thus we must look to other sources that estimate how many Mormons tithe. Second, it is difficult to know what our tithe payers would be contributing were they not in bankruptcy. For instance, the amount a debtor discloses on the questionnaire may or may not represent a full 10% of his or her current income, or what is termed a "full tithe" in the Mormon literature. If it is not a full 10%, this does not mean that the debtor did not customarily pay a full 10% when his or her economic situation was not distressed. We will assume that those debtors who qualify as Mormon tithe payers for the purposes of this study are, or would normally be, considered full tithe payers, paying 10% of their income to the Church. This then allows us to draw from sources that refer to full tithe payers only.

Figure 4 depicts the different filing rates of Mormon tithe payers compared to non-tithe payers given different assumptions about what percentage of Utah Mormons pay a full 10% of their income to the Church.<sup>100</sup> We have set the lower boundary at 30%. The Seventh-day Adventist Church (Adventist Church) reported in 2003 that 30% of their worldwide members paid 10% of their earnings in tithing to the Adventist Church.<sup>101</sup> Other authors have cited the statistics of the Adventist Church as a proxy for The Church of Jesus Christ of Latter-day Saints.<sup>102</sup> This seems a conservative estimate because many believe more Mormons pay tithing than do Adventists.<sup>103</sup> Other sources also indicate higher rates of tithing among Mormons.<sup>104</sup>

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Where the former refers to those who have paid \$1,000 or more in the last two years, the latter refers to Mormons who pay a full 10% of their income annually.

99. See *supra* note 98 and accompanying text.

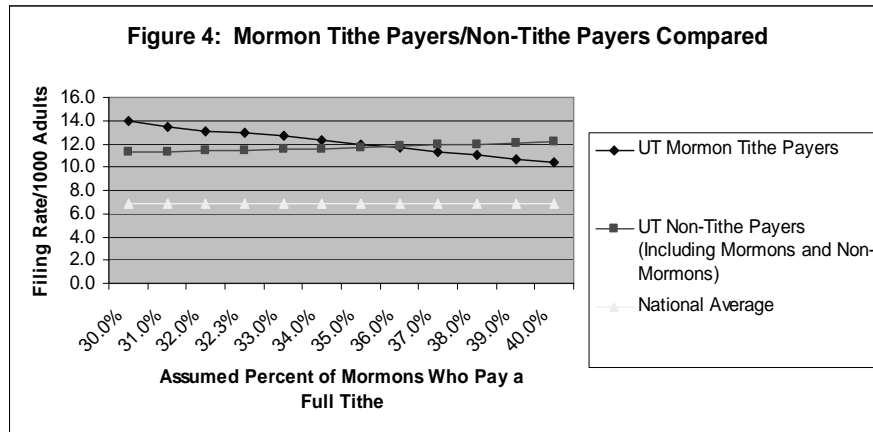
100. "Non-tithe payers" includes those Mormons and non-Mormons who have not paid \$1,000 or more in charitable contributions during the two years previous to their bankruptcy to the religious group with which they affiliate.

101. Ansen Oliver, *Less Tithe a "Deeply Spiritual Problem" Say Church Leaders*, ADVENTIST NEWS NETWORK, Oct. 28, 2003, available at <http://news.adventist.org/data/2003/09/1067364594/index.html.en>.

102. See RICHARD N. OSTLING & JOAN K OSTLING, MORMON AMERICA: THE POWER AND THE PROMISE 396-97 (1999) (noting no direct way to calculate Mormon tithing figures). "[T]o find an estimate [of tithing figures] we looked for the closest comparable denomination of some size . . . . We settled on the Seventh-day Adventist Church . . ." *Id.*

103. *Id.* at 397. "There is a general consensus among observers that the Mormons . . . are more successful in harvesting [tithing than the Seventh-day Adventists]." *Id.* The authors do not, however, offer support for their assertion.

104. One study indicates that 40% to 73% of Mormons pay a full tithe, depending on their gender and level of education. See STAN L. ALBRECHT & TIM B. HEATON, LATTER-DAY SAINT SOCIAL LIFE 305 tbl. 9.4 (James T. Duke ed., 1998).



If 30% of Mormons in Utah pay a full tithe, then Mormon tithe payers file bankruptcy at a rate of 13.94 per 1,000 adults compared to non-tithe payers who file at a rate of 11.25 per 1,000. If the percent of full-tithe paying Mormons is closer to 40%, then Mormon tithe payers are less likely to file bankruptcy, having a rate of 10.5 per 1,000 compared to their counterparts' 12.18. The crossover point lies between these two figures at 35.5%. If the percent of Mormons who pay tithing is below that figure, our data show that Mormon tithe payers file for bankruptcy at a rate higher than non-tithe payers. If the Mormon tithing rate is higher than 35.5%, Mormon tithe payers are actually less likely to file for bankruptcy than are non-tithe payers.

Regardless of the true percent of Mormon tithe payers, they, along with their neighbors, are doing terribly when compared to the rest of the country. As mentioned above, persons nationwide filed for bankruptcy in 2004 at an average of 6.9 per 1,000.<sup>105</sup> When tithe payers and non-tithe payers are equally as likely to file, they are still 71% above the national average.<sup>106</sup>

Within a reasonable range of assumptions, whether or not a Utahn is a tithe payer does not dramatically alter her chances of filing for bankruptcy. In fact, if we relax the assumption that all of our tithe payers are or were "full tithe payers," it may be that tithe payers are less likely than non-tithe payers to file for bankruptcy. This result does not rule out the possibility that Mormons who normally tithe stop doing so when making less money or when they are otherwise under financial stress.<sup>107</sup> This also would cause tithe payers to appear less prevalently in our data than in the general population. But even under this scenario, the flexibility in contributing to the Church suggests that it

105. See *supra* note 85 and accompanying text.

106. At a Mormon tithe rate of 35.5%, tithe payers and non-tithe payers file at a rate of 11.8 per 1,000, which is 71% above the national average of 6.9 per 1,000.

107. Stopping payment of tithing would have to be more than two years previous to their bankruptcy, as our questionnaire asked about charitable contributions made during the two years immediately preceding filing.

was not the impetus behind the bankruptcy of these former tithe payers, as they were able to stop payments when faced with economic hardship. Coupled with the fact that Mormons as a whole appear slightly less likely to file for bankruptcy than non-Mormons, the limited effect of one's status as a tithe payer suggests that Mormons are not driving Utah's bankruptcy rate.

### C. Children

#### 1. National Numbers

Recent data reveal that children constitute an important risk factor in filing for bankruptcy. Professor Elizabeth Warren shows that households with children are over 300% more likely to file for bankruptcy than households without children.<sup>108</sup> Families with children have an increased risk of bankruptcy, regardless of marital status, when compared to families with the same marital status without children.<sup>109</sup> At first glance, the cost of raising a child to the age of eighteen explains why families with children would file for bankruptcy at a higher rate.<sup>110</sup> Professor Warren gives three additional rationales why children contribute to bankruptcy in such a dramatic way. She argues that children increase the risk of paying for medical expenses, cause parents to spend more for housing to provide a better education, and reduce parents' opportunities because of child care constraints.<sup>111</sup>

Many individuals have proffered similar arguments when hypothesizing on the causes of Utah's elevated bankruptcy rate. One article concludes that low wages and large families (along with factors that stem from larger families such as larger homes and more vehicles) cause greater financial risk for Utah families.<sup>112</sup> Other sources also argue that children relate to Utah's high bankruptcy rate.<sup>113</sup> These explanations make logical sense, but our data show increased numbers of children do not play a significant role in explaining Utah's elevated bankruptcy rates.

#### 2. Utah Numbers

Utah numbers diverge from national numbers when comparing bankruptcy rates of households with children to households without children. Households

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108. See Warren, *supra* note 19, at 1013.

109. See Warren, *supra* note 19, at 1014.

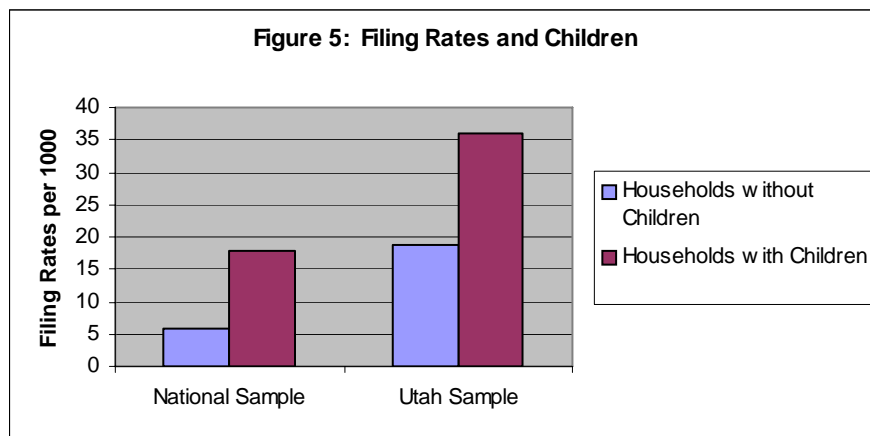
110. See Lown & Rowe, *supra* note 29, at 116 (citing USDA study). See generally MARK LINO, EXPENDITURES ON CHILDREN BY FAMILIES, 2000 ANNUAL REPORT, U.S. DEPT. OF AGRIC., CTR. FOR NUTRITION POLICY & PROMOTION, MISCELLANEOUS PUBLICATION NO. 1528-2000, available at <http://www.cnpp.usda.gov/publications/Crc/Crc2000.pdf> (calculating annual child rearing expenses).

111. See Warren, *supra* note 19, at 1021-22.

112. See Lown & Rowe, *supra* note 29, at 123.

113. See Farnsworth, *supra* note 27, at 12 (discussing link between large families and bankruptcy); Winters, *supra* note 12, at A1 (noting Utahns begin families early when their earning power is low).

in Utah with one or more minor children filed for bankruptcy at a rate of 35.9 per 1000, compared to a rate of 18.8 per 1000 for households without children.<sup>114</sup> Although Utah households with children are 191% more likely to file for bankruptcy than their childless counterparts, the filing rate gap is 58% larger between these two groups nationally than in Utah.<sup>115</sup> Even though the filing rate difference between households with children and households without children is smaller in Utah, both types of households in Utah have a much higher filing rate than their counterparts in the national sample. This is shown in Figure 5. The increased number of children in Utah fails to explain its higher bankruptcy rate.



These results follow the expected outcome in at least one regard: Mormon households have a higher percentage of families with at least one child than non-Mormon households in bankruptcy. Roughly 53% of Mormon households indicated the presence of one or more children, while only approximately 39% of non-Mormon households had one or more children. The fact that Mormons are slightly underrepresented in bankruptcy while Mormon households have a higher percentage with one or more children than other groups suggests that factors related to Mormon culture soften the normal relationship between children and bankruptcy.

114. In calculating the rates per 1,000 households, we used the 2000 Census estimating that 45.8% of Utah households had one or more children under eighteen in the household. See SIMMONS & O'NEILL, *supra* note 3. In addition, we estimated that Utah had 771,555 households in July of 2004. UTAH OFFICE OF THE GOVERNOR, ECONOMIC AND DEMOGRAPHIC SUMMARY 2000-2030 37, available at, <http://governor.utah.gov/Projections/R0102B30.pdf> (last visited May 16, 2005).

115. Warren, *supra* note 19, at 1013. At the national level, 5.9 households per 1,000 without children file for bankruptcy, whereas a total of 17.8 households per 1,000 with children go bankrupt, a difference of 302%. *Id.*

## D. Age

### 1. National Numbers

Some sources have seized on Utahns' tendency to start families at a younger age as contributing to the wake of financial ruin in the state.<sup>116</sup> The Tribune study concluded that cultural factors such as Utahns' tendency to get married and buy homes at a younger average age contribute to Utah's high bankruptcy rates.<sup>117</sup>

This reality in Utah provides a logical explanation of why age may contribute to Utah's higher bankruptcy rates, even though at least one study casts doubt on the proposition that young people have caused the increased bankruptcy filings nationally.<sup>118</sup> That particular study shows that in 2001, those aged 35-44 had the highest filing rate in the country, up from those aged 25-34 who had the highest rate in 1991.<sup>119</sup> In addition, the filing rates of those aged 25-34 was almost identical with the rates of those aged 45-54 while those under 25 filed less often than those aged 55-64.<sup>120</sup>

### 2. Utah Numbers

The cultural argument offered by some to explain Utah's bankruptcy rate goes beyond a simple age argument. The argument that youth plus marriage, children, and a house leads to bankruptcy makes examining another statistic illuminating. In the 2001 Consumer Bankruptcy Project's national sample, the median age of a petitioner who reported losing a home stood at forty-two.<sup>121</sup> The logic of the argument that marriage and home ownership at a young age leads to financial ruin suggests that in Utah this median age should be notably lower, especially in light of Utah's population having the youngest median age in the country.<sup>122</sup> In fact, the median age of a primary petitioner in Utah that reported having lost a home is forty-one, which is nearly identical to the national median of forty-one.<sup>123</sup> This finding is even more surprising when the overall median age of people filing for bankruptcy nationally is compared with

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116. See *supra* part II.B and accompanying text (discussing factors contributing to state bankruptcy rates).

117. Winters, *supra* note 12, at A1.

118. See Teresa A. Sullivan, Deborah Thorne & Elizabeth Warren, *Young, Old, and In Between: Who Files For Bankruptcy?*, NORTON BANKR. L. ADVISER, Sept. 2001, at 2.

119. *Id.* at 3 (noting impact of population demographic on bankruptcy filings).

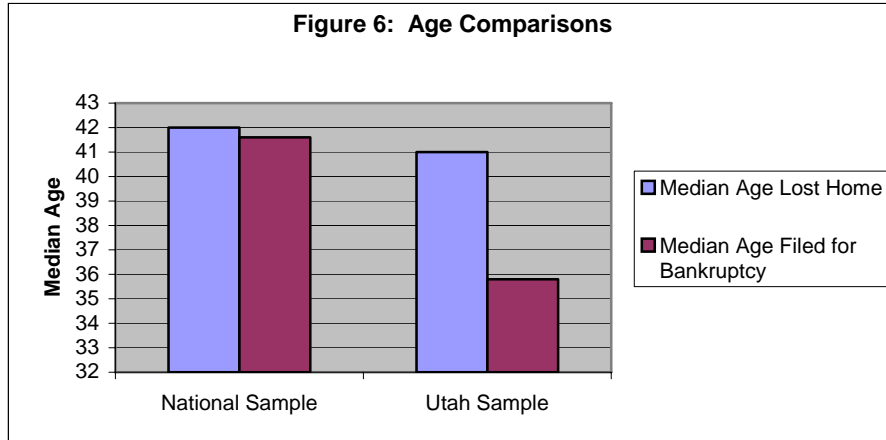
120. *Id.* at 6 fig. 2 (displaying age-specific bankruptcy filing rates between 1991 and 2001).

121. See WARREN & TYAGI, *supra* note 17, at 181-88 (detailing 2001 Consumer Bankruptcy Project). This captures all debtors that indicated they had lost or sold a home for financial reasons within the past five years.

122. See United States Bureau of the Census, Geographic Comparison Table, [http://factfinder.census.gov/servlet/GCTTable?\\_bm=y&-geo\\_id=&-ds\\_name=DEC\\_2000\\_SF1\\_U&-\\_lang=en&-mt\\_name=DEC\\_2000\\_SF1\\_U\\_GCTP5\\_US9&-format=US-9|US-9S&-CONTEXT=get](http://factfinder.census.gov/servlet/GCTTable?_bm=y&-geo_id=&-ds_name=DEC_2000_SF1_U&-_lang=en&-mt_name=DEC_2000_SF1_U_GCTP5_US9&-format=US-9|US-9S&-CONTEXT=get) (last visited May 16, 2005) (listing Utah citizens as having youngest median age in United States).

123. Sullivan, *supra* note 118, at 3 (listing median age of bankruptcy at forty-one).

that of Utah. Nationally, the median age stands at 40.6<sup>124</sup> in contrast to 35.8 in Utah. This data is portrayed in Figure 6.



At the national level there is little difference in age between those who file for bankruptcy as a whole and those that report having lost a home. By contrast, debtors in Utah who report losing a home are markedly older than the median age of all filers in the state. It does not appear that young people overextending themselves with home purchases (while this undoubtedly happens) are driving the financial woes in Utah.

#### *E. Summary*

Households in the state of Utah filed for bankruptcy at a rate of 24 per 1000 in 2004, which is approximately twice the national rate.<sup>125</sup> The most easily accessible, and most often cited, reasons for this revolve around demographic or behavioral aspects linked to the state's predominant religion: Mormonism. The data gathered in the Utah Bankruptcy Project strongly suggests that any attribution of the high bankruptcy rate in Utah to Mormon traits is misplaced and lacks explanatory power. Mormons appear slightly underrepresented among those filing for bankruptcy. In addition, demographic characteristics linked to Mormons, such as the high number of children, the young age of homeowners, and the payment of tithing do not appear to account for the state's bankruptcy problem. While Mormons appear to fare slightly better in Utah than their peers, and likely do not cause the bankruptcy problem, they are also

124. Sullivan, *supra* note 118, at 2-3 (indicating national median age of bankrupt debtors rose from 36.5 to 40.6).

125. See AMERICAN BANKRUPTCY INSTITUTE, *supra* note 6 (stating Utah's rate of forty-two households per consumer bankruptcy filing which generates twenty-four filings per 1000 households).

suffering financially more than their national peers.

## V. JOBS, MEDICAL COSTS, AND OVER-CONSUMPTION

### A. Jobs

Although demographic and cultural factors relating to Mormons fail to explain Utah's high bankruptcy rate, employment-related effects contribute to Utah's bankruptcy rates. Over 1 million families nationally filed for bankruptcy in 2001 after experiencing a job loss or other form of income interruption.<sup>126</sup> Researchers studying Utah bankruptcies have postulated that economic factors such as job loss and charitable giving contribute to the state's rate as well.<sup>127</sup>

Our findings show that one cause of Utah's high filing rate is the proportion of debtors with work-related problems. Just over 78% of Utah debtors reported some kind of job or income problem. This is a 15% increase in the number of people reporting such a problem over the national sample.<sup>128</sup> Just under 81% of Mormons cite job-related problems as a factor in their bankruptcy, compared to 75.4% among non-Mormons. The higher concentration of job problems among Mormons filing for bankruptcy suggests again that characteristics often attributed to Mormon culture are not the impetus behind Utah's high filing rate.

### B. Illness and Injury

Utah debtors, especially among Mormons, frequently cite medical-related debts as reasons for their problems. A recent study in *Health Affairs*<sup>129</sup> found that just over half of debtors nationally cite medical-related debts as causes for bankruptcy.<sup>130</sup> A similar analysis of the Core reveals 51% of debtors listed medical causes as reasons for their filing.<sup>131</sup> For the Utah sample, that number

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126. WARREN & TYAGI, *supra* note 17, at 217 n.39.

127. See Farnsworth, *supra* note 27, at 13 (discussing potential contributing factors to bankruptcy); Lown & Rowe, *supra* note 29, at 123 (correlating Mormon family characteristics with economic difficulty); UNITED WAY OF SALT LAKE, *supra* note 31, at 24 (identifying job loss, health, and medical costs as primary causes of Utah bankruptcies).

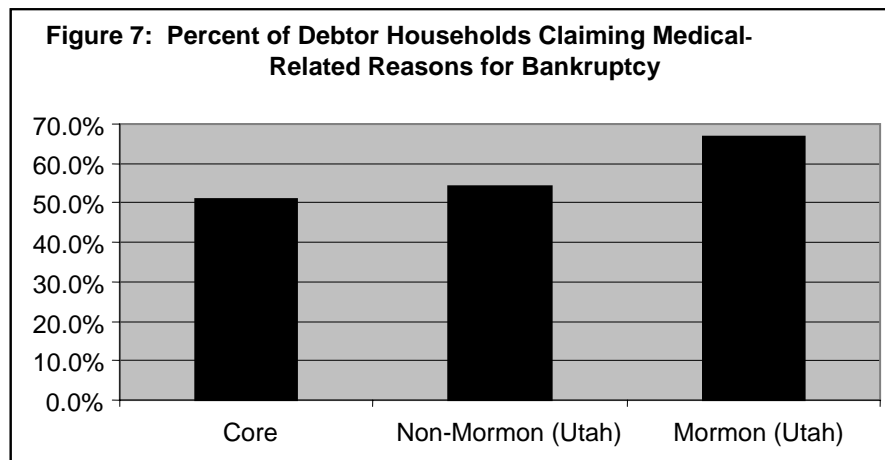
128. See WARREN & TYAGI, *supra* note 17, at 217 n.39 (reporting 68% of respondents in national sample identify job problems in two-year period preceding bankruptcy).

129. See generally Himmelstein et al., *supra* note 15.

130. Himmelstein et al., *supra* note 15, at W5-67 exhibit 2 (reporting 54.5% of sample listed "any medical cause"). "Any medical cause" measured debtors who claimed any of the following as causes for their bankruptcy: illness or injury, birth/addition of new family member, death in family, alcohol or drug addiction, uncontrolled gambling, debtor or spouse lost at least two weeks of work-related income because of illness/injury, uncovered medical bills exceeding \$1,000 in two years previous to filing, or mortgaged home to pay medical bills. See *id.*

131. This analysis included all of the causes listed in the Himmelstein article except uncontrolled gambling and mortgaged home to pay medical bills. Himmelstein et al., *supra* note 15, at W5-67 (listing reasons given for filing bankruptcy); see also WARREN & TYAGI, *supra* note 17, at 181-88 (analyzing 2001 Consumer

is 61%. This finding is consistent with the Tribune study, which reported that 60% of Utah debtors studied claim unpaid medical bills as a cause of bankruptcy.<sup>132</sup> The prevalence of medical-related reasons for Utah bankruptcy represents a 20% increase over the Core, and is even more prominent among Mormon households,<sup>133</sup> 66.6% of which cited medical costs as a major reason for their troubles. Non-Mormon households much more closely reflected the national average with 54.4% claiming medical-related reasons, as shown in Figure 7.



Utah's large families and high birthrates could explain the prevalence of medical causes for bankruptcy but for the fact that, as explained above, the increased bankruptcy risk posed by children is less in Utah than it is nationally.<sup>134</sup> Something else is increasing Utah's medical burden. The Tribune study points to declining wages as one explanation, reporting that "[t]he number of Americans who spend more than a quarter of their earnings on health care has jumped 23% in the past four years. In Utah, the increase was 44%.<sup>135</sup>

Nationally, Utah is ranked high in overall health but poor in healthcare coverage. Utah has the lowest smoking rate and incidence of cancer-related deaths in the country and the third lowest deaths due to cardiovascular

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Bankruptcy Project).

132. Linda Fantin, *Bankruptcy Linked to Medical Bills*, SALT LAKE TRIB., Jan. 10, 2005, at A1; see also, UNITED WAY OF SALT LAKE, *supra* note 31.

133. Any case in which one of the petitioners indicated they were Mormon was counted as a Mormon household. The number of Mormon households was weighted to reflect the fact that we overdraw Chapter 7 debtors. A total of 150.3 cases out of a total of 281 were Mormon households.

134. See *supra* Part IV.C (arguing factors related to Mormon culture soften normal relationship between children and bankruptcy).

135. See Fantin, *supra* note 132, at A1 (noting impact of declining wages on Utahns' unpaid medical bills).



disease.<sup>136</sup> Although Utah is slightly above average among states for how many persons are covered by health care benefits, it was ranked forty-third in per capita health spending in 2004, paying out \$19 per person.<sup>137</sup> States with lower bankruptcy rates such as Vermont, Massachusetts, and Maine had much higher per capita expenditures: \$60, \$78, and \$34 respectively.<sup>138</sup>

This is not to say that Utah's health policies alone are to blame for the state's bankruptcy crisis. First, a family's lack of a "rainy day fund" can amplify the effects of any medical crisis. It is feasible, however, that regardless of a family's consumption, a major medical crisis can be overwhelmingly expensive, especially when accompanied by a job loss or reduction in hours. Second, just because state per capita healthcare spending is low and bankruptcy rates are high does not prove causation but merely a possible correlation. It is not unreasonable to suppose that the combination of a lack of an adequate social program to cover medical expenses coupled with the rise in medical costs would lead to bankruptcy becoming the gap-filling social net. Much more research in this area is needed; one fact, however, remains true: 20% more debtors in Utah than in the nation as a whole report that medical-related problems play a major role in their going bankrupt.<sup>139</sup>

An even greater proportion of Mormon debtors have pointed to medical-related difficulties.<sup>140</sup> At first glance this seems counterintuitive given the healthy habits of the Mormon faith, which teaches its members to abstain from coffee, tea, alcohol, and smoking.<sup>141</sup> The large proportion of Mormon debtors facing medical dilemmas could mean two things. Either Mormons are, despite better tenets of health, especially vulnerable to medical expenses, or more Mormon debtors with non-medically related debts are avoiding bankruptcy possibly because of the unique resources available to them. Likely, it is some combination of both. As for the first of these, Mormons may be vulnerable to

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136. See United Health Foundation, *America's Health: State Health Rankings 2004*, Utah, <http://www.unitedhealthfoundation.org/shr2004/states/Utah.html> (assessing risk factors for overall health of Utah's population).

137. See *id.* (indicating low per-capita health spending in Utah).

138. See AMERICAN BANKRUPTCY INSTITUTE, *supra* note 6 (indicating Vermont has lowest bankruptcy rate followed by Massachusetts and Maine); United Health Foundation, *America's Health: State Health Rankings 2004, Per Capita Public Health Spending*, <http://www.unitedhealthfoundation.org/shr2004/components/healthexpend.html> (ranking state's per capita spending health spending).

139. See *supra* notes 126-127 and accompanying text (outlining financial and medical problems leading to bankruptcy in Utah).

140. See *supra* notes 129-133 and accompanying text (noting Utah's higher percentage of debtors who identify medical expenses as contributing to bankruptcy).

141. See The Church of Jesus Christ of Latter-day Saints, *The Word of Wisdom*, <http://www.mormon.org/learn/0,8672,1094-1,00.html> (last visited June 6, 2005) (advocating Mormons' abstinence from use of certain substances). Studies have identified positive health benefits exhibited by Mormons applying these precepts. See generally James E. Enstrom, *Health Practices and Cancer Mortality Among Active California Mormons*, 81 J. NAT'L CANCER INST. 1807 (1989) (discussing Mormons low level of cancer in California).

medical expenses because they are suffering a higher rate of job difficulties.<sup>142</sup> Losing a job could mean losing healthcare coverage. If children were the central issue, then the increased bankruptcy risk they represent would be larger than the national average, which is not the case.<sup>143</sup> Without more information, there is no clear reason why healthcare costs would affect Mormons more than non-Mormons.

The increased number of Mormons reporting health problems implies that Mormon resources do not or cannot adequately address certain medical crises. For instance, the Mormon welfare program does not insure. Another possibility is that medical costs are becoming so expensive that they fall outside the resources that the Church can dedicate to any one case. The programs and teachings of the Church have not yet been able to overcome the exogenous economic conditions that have led to the high occurrence of medical and job-related bankruptcies.<sup>144</sup> As a result, Mormons in Utah are much more likely to seek bankruptcy help than their relatives and friends across state borders.<sup>145</sup>

### C. *Over-consumption*

The fact that the overwhelming majority of Mormon bankruptcies are medical and/or job-related generates several possibilities in regards to over-consumption. First, it may support the theory that Mormons are more prone than non-Mormons to over-consumption and thus are more susceptible to unexpected medical emergencies or job-related problems. This theory is weak, however, given that Mormons are not any more likely than non-Mormons to file for bankruptcy at the outset.<sup>146</sup> The data reflecting medical and/or job-related-bankruptcies simply show that although Mormons are not more likely to file for bankruptcy, a greater portion of those that do file cite medical and/or job-related reasons.<sup>147</sup> Second, it could be that Mormons over-consume but have access to help when they get into trouble. Although a possibility, this is not evidence that Mormons are more prone to over-consumption. Third, Mormons may over-consume but because the Mormon faith frowns on bankruptcy, they identify reasons other than over-consumption for their financial shortcomings. It is equally plausible that increased guilt would lead Mormons to admit their mistakes, placing blame on their undisciplined

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142. See *supra* note 130 and accompanying text (noting medical expenses and injuries impact on bankruptcy filing rate).

143. See *supra* Part IV.C.2 (discussing correlation in Utah between households with children and bankruptcy rate).

144. See *supra* Parts V.A-B (discussing impact of medical expenses and injuries on bankruptcy rate).

145. See Lown & Rowe, *supra* note 29, at 114 (discussing Utah's nation-leading bankruptcy problem).

146. See *supra* Part IV.A (highlighting influence of Mormon religion on bankruptcy filings).

147. See *supra* Part V.A.-B (finding employment factors and medical expenses contribute to Utah's high bankruptcy rate).

spending despite Church warnings. Finally, Mormons may be less apt to over-consume than non-Mormons, leading to a higher concentration of medical and/or job-related bankruptcies. In reality, all of these dynamics are involved to some extent, but taken together they do not support the conclusion that Mormons over-consume more than non-Mormons. Only the first and weakest of the above positions leads to such a conclusion. The second and third do not suggest either Mormons or non-Mormons are more consumer-oriented. The last actually leans the other way. Addressing the issue of over-consumption is a complex task, but nothing in this study immediately comes to the fore in support of the idea that Mormons are more susceptible to “keeping-up-with-the-Joneses” than other Utahns.<sup>148</sup>

## VI. CONCLUSION

Cultural characteristics often attributed to Mormons and The Church of Jesus Christ of Latter-day Saints do not account for Utah’s bankruptcy rates. In fact, certain aspects of this culture, such as employment services and welfare, may even be shielding Mormons from the full brunt of Utah’s current bankruptcy environment.<sup>149</sup>

In addressing the arguments that have been made regarding Utah’s bankruptcy rate, one becomes uncomfortable at the religious undertones of some of the various theories.<sup>150</sup> The level of religious bias varies among a few of the theories examined here. Some of the characteristics examined and attributed to religion look fairly innocuous. For example, family size appears to be a neutral potential bankruptcy driver. Yet, if it were the main factor for Utah’s bankruptcies, some would look to implicate Mormons. Less mildly, analyzing characteristics like tithing strikes at the heart of a religious tradition and can only have the result of commenting on the value of that tradition. More maliciously, focusing on the inherent characteristics of the *people*, such as pride or greed which would lead to over-consumption, evidences the worst of this bias. Attributing “keeping-up-with-the-Joneses” consumption to Mormons alone, for instance, imputes moral turpitude on what is being put forth as behavior invariably linked to religious affiliation. The fear is that, even with the findings of this study, certain groups may theorize that Mormons are causing the other economic conditions leading to Utah’s current bankruptcy glut. Such thinking is especially concerning when referencing a group that has historically suffered from public outrage.

A more practical danger exists when focusing on an identifiable group while

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148. See UNITED WAY OF SALT LAKE, *supra* note 31, at 20, 29 (reporting Utahns feel pressure to “keep up with the Joneses” *regardless of religious background*) (emphasis added).

149. See *supra* Part IV.A (reporting Mormons have filing rate of 11.6/1,000, while national average is 6.9/1,000).

150. See *supra* Part I (questioning religious implications underlying Utah’s bankruptcy problem).

discussing such an intense social problem, and that is the potential to thwart discussion of feasible public policy solutions. For instance, what if this study showed Mormons filed bankruptcy at a higher rate than other Utahns? Not many tasteful public policies could effect a change. When attention is placed on the religious implications of such a query, attainable policy considerations are missed.

Even with the findings of this study, Mormons in Utah have little about which to boast. They are still 1.7 times more likely to go bankrupt than the rest of the nation.<sup>151</sup> Our study simply shows that this difference cannot be attributed to religion.

In this article, we have made many comparisons between Mormons and non-Mormons. What our findings reveal is that this distinction is not very important. From a national perspective, all Utahns are facing a financial challenge as formidable as the mountains that surround them. Our hope is that this article may address the unspoken discussion and allow those in the Beehive State—a symbol chosen for its depiction of industry—to get to work, together.

Once the focus is removed from religion, other possible causes and solutions come to the fore. Most immediately apparent is the high incidence of job loss and high medical costs among Utah debtors. Utahns will have to take a new look at the social safety nets surrounding those who are enduring unemployment or are suffering from illness or injury. Whatever the reason, these social safeguards are failing and the blunt mechanism of bankruptcy is filling in the gaps. Much more research is needed to explore these issues.

Utah's plight is a concern for the entire nation. It is a dramatic display of the struggle in which the country's middle class finds itself. Middle-class American families nestled in the Rockies are unable to maintain the American dream, not because of their lifestyle choices but despite them. A church of enormous capacity is reaching its limits to help its people out in the Western desert. What remains to be seen is if faith and industry can overcome this formidable challenge.

#### APPENDIX A

##### DEBTOR QUESTIONNAIRE

Directions: This form should be completed for any person filing for bankruptcy in any chapter. **In the case of a joint filing, questions 1-7 should be answered for both petitioners.** Completion of this form is entirely voluntary. No information from this form will be used in any way during your bankruptcy case, nor will any data collected be identified to you individually.

Case # \_\_\_\_\_

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151. See *supra* Part IV.A (highlighting Mormons' bankruptcy rate which is higher than national average).

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Case number is printed in your notice of today's meeting, or your attorney will have it.  
If you do not have your case number, you can put your name.

Question	Chapter of filing (circle one)	
	Chapter 7	Chapter 13
	<u>First or Principal Petitioner</u>	<u>Second Petitioner (if joint)</u>
1. Sex (circle one)	Male Female	Male Female
2. Age (print each person's age at last birthday.)	_____	_____
3. Current marital status (circle one item for each person.)	Married, living with spouse Married, not living with spouse Widowed Divorced Never married	Married, living with spouse Married, not living with spouse Widowed Divorced Never married
3a. Have you experienced a <u>change</u> in marital status since 1 Jan. 2002?	Yes No	Yes No
4. Education (circle one for highest level of school COMPLETED).	No school 8th grade or less 9th, 10th, or 11th grade 12th grade, no diploma high school graduate some college bachelor's degree advanced degree	No school 8th grade or less 9th, 10th, or 11th grade 12th grade, no diploma high school graduate some college bachelor's degree advanced degree
5. Please describe your current work status (circle one).	Currently employed Not employed, seeking work Not employed, not seeking work	Currently employed Not employed, seeking work Not employed, not seeking work
5a. Since 1 Jan 2002, have you experienced an interruption of at least two weeks in work-related income? (For example, through layoff or illness.) Please circle all that apply.	Yes, through layoff, firing, etc. Yes, through illness or injury Yes, for other reasons No Not employed at all since Jan. 2002	Yes, through layoff, firing, etc. Yes, through illness or injury Yes, for other reasons No Not employed at all since Jan. 2002
5b. Since January 2002, has your work changed in any of these ways?	No change Income changed: more less Hours changed: more fewer Has not been employed since January 2002	No change Income changed: more less Hours changed: more fewer Has not been employed since January 2002

5c. What kind of work do you do?	<hr/>	
5d. If employed, how many years with the same employer?	<hr/>	
5e. At any time during the past two years, were you self-employed?	Yes	Yes
	No	No
6. Are you entitled to receive child support or alimony?	Yes	Yes
	No	No
6a. Are you required to pay child support or alimony?	Yes	Yes
	No	No
7. Does everyone for whom you are financially responsible currently have some form of medical insurance?	Yes	Yes
	No	No
7a. Has there been a gap of one month or longer in health insurance coverage during the past two years for any person for whom you are financially responsible?	Yes	Yes
	No	No
7b. Have you or someone for whom you are financially responsible incurred medical bills not covered by insurance in excess of \$1,000 during the past two years?	Yes	Yes
	No	No

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8. Please identify the age and relationship (e.g., son, stepson, foster child, parent, spouse, ex-spouse, significant other, etc.) of those people to whom you contribute substantial support. Please do not list a husband or wife who is filing this petition jointly, but please include a non-filing spouse or ex-spouse or significant other person whom you help to support.

Person 1 Age	_____	Relationship	_____	Living in your home Living elsewhere
Person 2 Age	_____	Relationship	_____	Living in your home Living elsewhere
Person 3 Age	_____	Relationship	_____	Living in your home Living elsewhere
Person 4 Age	_____	Relationship	_____	Living in your home Living elsewhere
Person 5 Age	_____	Relationship	_____	Living in your home Living elsewhere
Person 6 Age	_____	Relationship	_____	Living in your home

If there are more than six people in your household, please tell us how many and their ages and relationship to you

9. As for your home **today**, do you (circle one):

Own  
rent  
live with family or friends; don't pay rent

9a. Within the **past five years**, have you owned a home that you lost or sold for financial reasons?

Yes                      No

*The following questions are intended to give a complete picture of the debtor. Your response to any question is voluntary.*

10. With which group do you identify, if any? (Circle all that apply.)

<b>First or Principal Petitioner:</b>	<b>Second Petitioner (if joint):</b>
African-American, Black	African-American, Black
Asian-American	Asian-American
Hispanic, Latino/a	Hispanic, Latino/a
White	White
None	None
Other _____	Other _____

11. People often try other measures before filing bankruptcy. Please circle any of the following you have used before filing for bankruptcy.

Consumer Credit Counseling	Financial Adviser
Home Equity Loans	Negotiated with Creditors
Aid from Religious or Other Charitable Group	General Consolidation Loan
Asked Friends or Relatives for Help	
Something Else (what?) _____	

*In addition to giving a complete picture of the debtor, the following questions are meant to explore the possibility of involving faith-based initiatives in the area of bankruptcy. Again, your response to any question is voluntary.*

12. With which religious group do you identify, if any? (circle all that apply)

<b>First or Principal Petitioner:</b>	<b>Second Petitioner (if joint):</b>
Buddhism	Buddhism
Catholic	Catholic
Church of Jesus Christ of Latter-day Saints (Mormon)	Church of Jesus Christ of Latter-day Saints (Mormon)
Evangelical Christian	Evangelical Christian
Islam	Islam
Judaism	Judaism
Protestant	Protestant
None	None
Other _____	Other _____

13. How would you describe your level of involvement in the above religious group during the past two years? (circle one)

<b>First or Principal Petitioner:</b>	<b>Second Petitioner (if joint):</b>
N/A	N/A
Very involved	Very involved
Involved	Involved
Somewhat involved	Somewhat involved
Varied between _____ and _____	Varied between _____ and _____
Not involved	Not Involved

14. Please circle the estimated total amount you donated to the above religious group during the last two years (in U.S. Dollars):

<b>First or Principal Petitioner:</b>	<b>Second Petitioner (if joint):</b>
0	0
1-99	1-99
100-999	100-999
1,000-4,999	1,000-4,999
5,000-10,000	5,000-10,000
more than 10,000	more than 10,000

15. People give many reasons for filing bankruptcy. Please circle all of those that apply to your situation.

Job problems	Employer's business failed
Illness or injury of self or family member	Car accident
Divorce or family breakup	Death of a family member
May lose home (eviction, foreclosure)	Credit card debt out of control
Victim of fraud or crime	Victim of disaster (for example, flood or fire)
Addition of a family member	Aggressive collection efforts by creditor
Gambling	Alcoholism or drug addiction
Trouble in managing money	Something else (what?)



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We would like to know what happened to you. **Please use the space below and the other side of this paper if you need more room and tell us your story.** Write down as much as you want.