

Concurrent Session

Consumer: Success and
Failure in Chapter 13

Prof. Katherine M. Porter | University of Iowa College of Law
Iowa City

**Educational
Materials**

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Overview of Presentation

Assessing the Success and Failure of Chapter 13 Bankruptcy

Professor Katherine Porter
University of Iowa College of Law
Visiting Professor, Harvard Law School

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 - b. Are these successes or failures? How do we know?
 - c. Debtor self-assessment compared to alternate metrics

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Written Materials

Assessing the Success and Failure of Chapter 13 Bankruptcy

Professor Katherine Porter
 University of Iowa College of Law
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Below I provide an overview of an ongoing empirical research study that I am conducting to understand more about the chapter 13 process. The project is funded by the University of Iowa Social Science Funding Program and the National Conference of Bankruptcy Judge's Endowment for Education. In funding this study, these entities do not endorse or express any opinion about the methodology utilized or any conclusions, opinions, or results contained herein or in any other product of this study.

I. STATEMENT OF PROBLEM

The idea of debtors repaying their creditors a portion of the debt owed has both theoretical and political appeal. Some have suggested that bankruptcy relief could create a moral hazard unless consumers are required to repay debts to the extent their means permit.¹ Politicians repeatedly express concern that “can-pay” debtors actually do pay their creditors.² Chapter 13 is one vehicle for achieving these goals. The 2005 bankruptcy reforms solidified the role of chapter 13 in the American bankruptcy system, seeking to screen debtors out of chapter 7 (and presumably into chapter 13) based on their incomes,³ and adding formulaic calculations to determine the contours of chapter 13 plans.⁴

Yet, chapter 13 has its flaws. One of the most enduring empirical findings about the chapter 13 system is that only one in three cases results in a discharge.⁵ Some people have relied, in part, on this statistic to argue that chapter 13 should either be eliminated or reformed because it fails to supply meaningful relief to most of its debtors. Concerns about the low discharge rate have haunted chapter 13 for over twenty-five years. Yet, there is no systematic research on what actually happens to the debtors who file the two-thirds of chapter 13 cases in which the debtors do not complete a repayment plan and receive a chapter 13 discharge. Even the most comprehensive study, the Chapter 13 Project of Professor Scott Norberg, relies on discharge as the measure of debtor success, claiming that discharge is “[t]he best, and perhaps only reliable, measure of debtor fresh start”⁶ Our collective knowledge on the outcomes of chapter 13 largely can be reduced to the enduring fact that only one in three cases ends in a chapter 13

¹ Edith Jones & Todd Zywicki, *It's Time for Means Testing*, 1999 BYU L. REV. 177, 181 (1999).

² Susan Jensen, *A Legislative History of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005*, 79 AM. BANKR. L.J. 485, 567 (Summer 2005).

³ 11 U.S.C. § 707(b).

⁴ 11 U.S.C. § 1325(b)(3)–b(4).

⁵ See Scott F. Norberg & Andrew J. Velkey, *Debtor Discharge and Creditor Repayment in Chapter 13*, 39 CREIGHTON L. REV. 473, 505 & n.70 (2006) (“The overall discharge rate for the debtors in the seven districts covered by the Project was exactly the oft-repeated statistic of one-third.”); Gordon Bermant & Ed Flynn, *Measuring Projected Performance in Chapter 13: Comparisons Across the States*, 19 AM. BANKR. INST. J. 22, 39 (July–Aug. 2000); Henry E. Hildebrand, III, *Administering Chapter 13—At What Price?*, 13 AM. BANKR. INST. J. 16, 16 (July–Aug. 1994).

⁶ Norberg & Velkey, *supra* note 5, at 504.

discharge. We simply do not know whether the majority of chapter 13 cases, those in which debtors do not complete a repayment plan, can be fairly labeled “successes” or “failures.”⁷

II. RESEARCH DESIGN

This study will bring a fresh approach to the stale debate about chapter 13’s efficacy. The project’s principal goal is to document why debtors exit the chapter 13 system. To gather these data, I will rely primarily on in-depth telephone interviews of a random sample of debtors whose cases were dismissed or converted to chapter 7. The methodology is described *infra* in the next section. Here, I frame the key research questions and explain their importance.

The interviews focus on understanding why a chapter 13 bankruptcy case ended—not merely in legal terms (i.e., stopped paying the trustee) but also in terms of life events. For example, debtors will be asked if their case ended because they could not make their plan payments. They will then be asked to report the underlying causes of such a situation. Did they become too ill to work? Did they marry or find a partner and become more capable of managing their debts as a two-income household? Empirical data on the trigger events for debtors dropping out of chapter 13 is a critical element to developing better measures for assessing the success or failure of chapter 13 cases.

The interviews also focus on trying to measure whether these dismissed/converted chapter 13 cases are successes or failures. To do so, debtors are asked to recall the reasons that they filed chapter 13 and what problems they wanted to resolve in bankruptcy. For example, did the debtor file chapter 13 primarily to retain a car or other property subject to a security interest? If so, did the debtor repay the arrearage before the case terminated? Or did he or she decide to surrender the property? If so, what prompted this change in plans? If the debtor filed bankruptcy to avoid losing a home to foreclosure, does he or she still own the home? Is the debtor current on payments, in default, or facing an imminent foreclosure? If the debtor plans to retain a home, how was chapter 13 useful in that regard (*e.g.*, used it to cure all arrears, used it to obtain additional time to negotiate a loan modification, etc.?) If the debtor lost the home to foreclosure, does he or she still obtain any benefits from chapter 13?

Debtors are also asked about their experiences in bankruptcy, including how they fared making ends meet during their case. They are asked if they missed any plan payments, and if so to explain why. They are asked about their financial situations during bankruptcy, such as changes in income during the case. The interview inquires about any hardships or privations that debtors experienced while making plan payments and ask debtors to describe how they believe these situations affected the disposition of their case.⁸ The interview will document what strategies, if any, debtors deployed to try to continue making plan payments.

The interviews will also consider how bankruptcy may have affected debtors’ psychological and social well-being. Using established social science measures, the interview will ask about changes in spousal conflict and about stress about financial problems. These questions recognize that bankruptcy may have benefits beyond the legal and financial outcomes that have heretofore been undocumented.

⁷ Gordon Bermant, *What is “Success” in Chapter 13? Why Should We Care?*, 23 AM. BANKR. INST. J. 20, 65 (Sept. 2004) (“Arguments are made that completion is neither necessary nor sufficient for success.”).

⁸ The Chapter 13 Project found that retained income did not affect case outcome. Norberg & Velkey, *supra* note 5, at 521. This suggests that non-financial factors, such as an individual’s determination to avoid another bankruptcy or their commitment to repaying their creditors, may be very important in plan completion.

The interview will also assess the consequences of dropping out of chapter 13 for debtors' financial prospects. Can we fairly characterize some portion of debtors as having achieved a fresh start regardless of not receiving a discharge? Or did time in chapter 13 worsen some debtors' financial problems and if so, in what ways? To evaluate the prospects of chapter 13 debtors whose cases did not end in discharge, the interview will document debtors' financial situations when they exited chapter 13. Debtors will be asked what alternatives to a chapter 13 discharge they may be considering (such as participation in a debt management plan or surrendering their property to a lender). The interview will ask what, if any, advantages they see to such an approach compared with chapter 13.

A systematic study of the reasons that debtors exit chapter 13 without a discharge will provide new and important insights on the functioning of the consumer bankruptcy system. The data will give us new measures for determining the true failure rate of chapter 13 and assessing the actual outcomes of chapter 13 cases against its system goals and against debtors' purposes in filing bankruptcy. Such findings will educate attorneys, trustees, scholars, and policymakers on how to improve the chapter 13 process. Such reforms may increase pressure on the chapter 13 system to change the screening of chapter 13 debtors and to improve the proportion of cases that end in a discharge. Alternatively, the study's results may create a new recognition about the benefits of chapter 13 filings that end in dismissal or conversion and may suggest ways to refine chapter 13 to encourage such cases regardless of discharge outcome. Empirical evidence about what actually causes chapter 13 cases to end without discharge should renew the academic and policy debate about the appropriate policy goals of a repayment-based bankruptcy system and the practical strategies that the system could adopt to achieve such goals.

III. METHODOLOGY

This is a survey research project. The primary instrument is a telephone interview with debtors whose chapter 13 cases have just been terminated without discharge. This is a new and innovative approach to studying bankruptcy outcomes. Prior longitudinal research has interviewed an entire sample at the same moment in time (*e.g.*, one year after the filing of the bankruptcy case), with the result that debtors were at all different points in their cases—some still trying to confirm a plan, some having dropped out of bankruptcy without a discharge, some having received a hardship discharge, etc.—when the data was gathered. With cases at so many stages, it is difficult to gather a sample of sufficient size to understand why cases end and how debtors feel about the termination of their chapter 13 case.

The project uses random sampling, which gives all debtors that are eligible for the study an equal chance of being included in the study. Random sampling produces the most reliable data possible to permit valid inferences about the universe of chapter 13 cases. All judicial districts and states will be part of the study.

To draw the samples, AACER (Automated Access to Court Electronic Records) is providing me with the face sheet and case status information for all chapter 13 cases in the country that end without a discharge for a given time period. Eligible cases will include cases that were dismissed (regardless of whether by debtor's motion, trustee's motion, etc.) or converted to chapter 7. Because they are infrequent, I am excluding cases that convert to chapters other than chapter 7. Cases that end in a discharge (either a hardship discharge or upon completion of all plan payments) are excluded from the sample.

AACER's daily monitoring of the court records permits it to generate a sample of very "fresh" cases that were just terminated. By contacting debtors whose cases just ended, I hope to

obtain a high participation rate from debtors. The sampling procedure also allows me to ask debtors about the trigger events for their case termination within a few days or a week after their case actually ended. This reduces problems in memory distortion from interviewing people about events that occurred in the past. The samples of debtors invited to participate are drawn over time, preventing any single-month effect from overwhelming the data.⁹

While the sample will consist exclusively of cases that were terminated just before the sample selection, the cases themselves will have been filed over a five-year period. Some cases terminate shortly after filing and others may not convert or dismiss until very near the end of their repayment plan. Research suggests that the typical case that does not end in discharge terminates within two years of the case being filed.¹⁰ Thus, I expect that majority of cases will have been filed in the latter half of 2008 or 2009. However, the sample will give all cases an equal chance of being in the sample, regardless of the duration of time between filing and non-discharge termination.

After a random sample is drawn from all cases dismissed in a given week, the debtors are contacted by mail to invite them to participate in a study. The letter contains the required elements of consent for academic research on human subjects and explains the purpose of the study. Enclosed with the letter is a participation return form and an addressed stamped envelope for the form.

About two weeks after the initial mailing, we try to contact the debtors by telephone. We obtain the phone numbers from public search engines. We are not able to locate valid phone numbers for many debtors. For the approximate half of the sample for whom we have a phone number, we call the debtors to follow-up on the letter and invite them to complete the telephone interview. If we do not reach someone by phone, we call again. If an answering machine is available, we leave a message that contains a toll-free number for the debtor to call back if they wish to participate. For debtors who agree to participate, some are interviewed on the spot and others are scheduled for an interview at a convenient time for them. About a month to six weeks after the initial mailing, those who have not been reached by phone (and either refused or agreed to participate) are sent a follow-up reminder letter.

The telephone interviews take about 45 minutes each. The questions are primarily closed-ended but the interviewers also code additional comments by debtors and the responses to some open-ended questions. The interview data are coded into a specially-designed computer-assisted telephone interview database. This permits the data to be coded simultaneous to the interview.

The project will gather a second type of data to complement the interviews. For each completed interview, I will code data from that debtor's bankruptcy court records. These data will provide a more complete profile of each debtor and will permit analysis of how factors that exist at the time of bankruptcy may relate to the triggers for a case terminating without discharge. Specific variables of interest are the existence, chapter, and date of a prior bankruptcy, the amount of assets and debts, homeownership status, dependents, occupation, current and historic income, and expenses. I will also code details about the length, structure, and repayment details of the chapter 13 plans, including whether a wage order was entered, and information

⁹ Research does not seem to show any strong single-month or seasonal effects in chapter 13 filings. Such effects are much more common in chapter 7 cases where the tax refund seems to be a major driver of when cases are filed. See Ronald J. Mann & Katherine Porter, *Saving up for Bankruptcy*, 98 GEORGETOWN L.J. 289 (2010).

¹⁰ See Norberg & Velkey, *supra* note 5, at 529 (reporting that cases that were dismissed or converted after plan confirmation lasted on average less than two years and cases that were dismissed or converted before plan confirmation lasted on average less than six months).

about payments to the debtor's attorney. I estimate that approximately 100 data points will be coded for each case.

The court records will be downloaded from PACER, and the data will be coded into a specially-designed database by law students or recent law school graduates. Each coder will receive training and use a written codebook to standardize the interpretation of the data. To ensure the accuracy of this coding, ten percent of the cases will be recoded blind—that is, without the first coding—and the two will be compared and any necessary corrections made.

The data from the court records and the telephone interviews will be merged together and transferred into a software package for statistical analysis.

IV. PROGRESS TO DATE

Empirical research requires extensive preparation and planning to maximize the chances of collecting a useful and rich data set. I began this project by conducting background research on chapter 13. Along with reading the relevant literature, I interviewed several people involved in the chapter 13 system, including chapter 13 trustees, consumer attorneys, employees of the U.S. Trustee Program, and bankruptcy judges. I had several people comment on my proposed project, including other professors with experience in empirical research.¹¹

I then developed a series of questions for the telephone interview. I had these questions reviewed by a sociologist with survey research expertise and by the UC-Berkeley Center for Survey Research. After revisions, the questions were tested by the field interviewers and revised further. While the main goal of the telephone interview was to ask the “interesting” questions, in so doing, I paid considerable attention to whether questions are logically organized, able to be read and understood by people of high-school education who do not have specialized bankruptcy knowledge, and to the overall length of the interview. A database designer then translated the telephone interview codebook to a computer-assisted telephone database. This instrument was then tested and further refined. I wrote a consent letter to be sent to debtors to explain the study and a return participation form to enclose with that letter. I also wrote a reminder letter to send after the initial mailing. These documents were translated into Spanish, and the mailings were double-sided in Spanish and English.

Data collection began in late January 2010 and will continue through September 2010. We have mailed to five groups of debtors. Each of the five groups is a random national sample of between 100 and 500 chapter 13 cases that ended without a discharge in a different, given week. As of early August, I had completed 213 interviews and had a half-dozen more scheduled, as well as additional contact phone calls to make and reminder letters to mail. By late September 2010, I hope to have completed telephone interviews with 250-300 debtors and to end that phase of data collection.

I will then review the telephone interview data for inconsistencies to ensure data quality and make sure that all data are appropriately de-identified (removing any names, address information, etc.) I will then begin analyzing the telephone interview data, which I anticipate will involve both quantitative analysis by generating descriptive statistics as well as qualitative research from reading each debtor's interview as a cohesive ‘story’ of their case.

In the early fall, I will also be in the process of coding participants' bankruptcy court records. This data base will also be checked for errors. I will also be coding a sample from all

¹¹ I thank Marianne Culhane, Henry Hildebrand III, Judge Keith Lundin, Debra Miller, Dr. Deborah Thorne, and Elizabeth Warren for their comments. I also presented this research proposal at the 2009 Harvard-University of Texas Conference on Commercial Law Realities and benefited from the feedback of participants there.

people invited to participate in the study to check for response bias. I will then match the court records for each respondent to their telephone interview and conduct further data analysis.

At present, the response rate for the study is approximately 21%. It will improve as we complete additional interviews from the potential respondents to whom we have mailed letters and is likely to be around 25% when the interviews are complete. The major difficulty in generating responses is the lack of valid phone numbers for debtors. Among those we do reach by phone, more than half consent to be interviewed. Response bias is a real concern for this type of survey work. I will conduct analysis of differences between those who completed telephone interviews and those who did not by comparing the two groups on demographic and financial variables drawn from their bankruptcy court records.

By late fall 2010, I plan to have a preliminary draft that reports some of my findings. I anticipate that the data will be rich enough perhaps to yield several papers but the topics and themes of those papers will grow in part out of the data analysis. I plan not only to publish my findings in law review articles but also to prepare presentations for those in the bankruptcy community.

V. PRELIMINARY FINDINGS

At this point, I have conducted only very limited statistical analysis on the completed interviews. Although the final data may be significantly different, I have identified some trends in the initial data.

From a simple count, it appears that keeping one's home is the most common response to the inquiry about the single most important goal debtors had for their bankruptcies. Some debtors think they will keep their houses despite their bankruptcy case ending and some are facing foreclosure or planning to surrender their homes. Other common important goals for bankruptcy were stopping harassment and trying to get control of one's finances. These latter explanations suggest the importance of the automatic stay to families in financial distress.

Only about half of debtors said that discharging their unsecured debts was a very important goal of their bankruptcy. Debtors were more likely to identify getting a fresh start and repaying as much as they could as very important goals.

Overall, the data point to the multiplicity of goals that people bring to the chapter 13 system. Some of the goals could have been achieved in chapter 7 instead, while others had goals specific to chapter 13.

Generally, debtors were glad to be relieved of their trustee payments, complaining that the payments were too high or unrealistic on their budgets. One debtor explained, "If the payment had been what it was going originally, we would have been okay, but they try to push you to the max. It shouldn't be that way."¹² Unaffordable plan payments seem to afflict about one in five cases right from the beginning. The larger problem is a change in debtors' situations that cause previously affordable plan payments to become unaffordable. By the time of case dismissal or conversion, more than half of debtors say their plan payments were "very unaffordable." In part because of the difficulty of calibrating plan payments that map onto the debtors' income volatility, many debtors report suffering privations, such as going without medication or utilities during bankruptcy. Interestingly, some debtors noted that their financial

¹² Respondent W2-054S; *see also* Respondent W2-034S ("Try at all costs to work with your creditors before filing Chapter 13. The way that the system is set up, it is not made for you to be able to afford the payments.")

situations had improved since the end of their bankruptcy because the plan payments had stopped or they had surrendered property.

A notable minority of debtors believe they have accomplished their goals without completion of their bankruptcy repayment plan. Some of these people negotiated or plan to negotiate with their creditors to achieve a loan modification or a workout outside of bankruptcy and believed this solution imposed fewer burdens on them than the repayment plan.¹³ Others noted that they did pay off some of their debts in chapter 13 before their case was dismissed and that at least at the time of the interview, many creditors had not resumed contacting them to collect remaining amounts. While further analysis is needed, it appears that between 20-30% of bankruptcy cases were fairly successful from debtors' perspective despite conversion or dismissal.

The debtors' perceptions of the legal actors in the bankruptcy system offer new insights on how individuals experience a high-volume legal process. Many feel that the system was set up against them. One respondent explained her view of the bankruptcy professionals she encountered: "There needs to be a law to protect people from being screwed over by attorneys. We paid everything up front and it just made it easier for them to take advantage of us. I think the trustee needs to be held accountable to return phone calls too. It is very frustrating when nobody calls you back." Debtors also had strong, and varying, opinions about their lawyers.¹⁴ Many debtors praised their lawyers. In these situations, it appeared that good communication, particularly at the time of counseling the debtor on the possible outcomes from filing was key. Several debtors had found another lawyer after their case was dismissed and planned to file bankruptcy again. Debtors who had filed *pro se* also frequently said that they were going to hire a lawyer and refile. Some debtors had negative attitudes toward the bankruptcy trustee in their cases were common, with some debtors characterizing the trustee as an adversary or as a person getting "rich" off their financial distress.¹⁵

Perhaps the most fruitful area for qualitative research was the inquiry that asked debtors: "Do you have any advice for other people who are in similar financial circumstances and might be considering chapter 13 bankruptcy?" These responses reflected the wide disparities in outcomes among cases that from a purely legal view have the same end-result. A few debtors were quite positive about their bankruptcies and would recommend bankruptcy to other people who were in serious financial trouble. One respondent offered this advice: "I think they should file immediately and don't worry about their credit being bad. Because if they have to file then their credit is already bad. It is an opportunity to get help for your problems."¹⁶ However, the

¹³ Respondent W2-102M ("I'm in the process of getting a loan modification. Our mortgage company is willing to work with us.")

¹⁴ Compare Respondent W2-029I ("He is the best!") with Respondent W2-082B ("[The attorneys] have very little compassion and don't really care what their client's situation is. Just because you are filing for bankruptcy doesn't mean you have no self-worth. Don't treat us like nobodys. When I went to court there was a couple there with all this gold jewelry on and expensive stuff, I could barely afford the gas to get to court. No one is above financial difficulties. It just takes one catastrophe, it could happen to these attorneys too.")

¹⁵ Respondent W2-100B ("The bank became more rigid as the trustee became more rigid. I felt like the bank was in conspiracy with the trustee."); Respondent W2-029I ("They [the trustee] just don't care. They don't care if your income goes down or if you have unexpected expenses. They just don't care! Why can't they look at the cases on a more individual basis? All they do is say make your payments, or your case will be dismissed. . . . It's really discouraging when someone who is supposed to be helping you and instead they kick dirt in your face when you're down.")

¹⁶ Respondent W1-055N.

majority of debtors advised viewing chapter 13 as a “last resort,”¹⁷ with many advising consideration of more alternatives and obtaining more information before bankruptcy. One respondent suggested: “Try at all costs to work with your creditors before filing Chapter 13. The way that the system is set up, it is not made for you to be able to be able to afford the payments.”¹⁸ Another debtor explained that he would recommend chapter 7 after alternatives were exhausted: “If you have tried to pay everybody and have tried to renegotiate and the answer is no, I highly recommend you go Chapter 7 and get rid of these people. I hope you don't think I'm a bad person, but that's about the only way to stop them from harassing you. Since I'm not covered by the bankruptcy, credit cards are already sending me offers. They even want me to take my own money and load it on their credit cards, like \$300 or something. That's not right.”¹⁹

The debtors' experience in chapter 13 bankruptcy reflects the complex nature of the consumer bankruptcy system and the difficulty, even at the end of the process, in determining whether bankruptcy was a good decision. As a middle-aged man with a family explained: “Be prepared for a rocky road. It's not an easy thing to go thru. It's a longer process than what we thought it would be and there is unbelievable amounts of paperwork. We had creditors telling us that bankruptcy wouldn't solve our problems. We wanted to believe it would help us, but maybe they were telling us the truth.”²⁰

VI. POTENTIAL IMPLICATIONS

Discharge is the terminal point in the bankruptcy process as set out in formal law. This contemplation of a discharge powerfully shapes our perceptions as legal scholars about how to understand the “outcome” of chapter 13 bankruptcy. But as Daphna Lewinsohn-Zamir explains in a recent paper, “[o]ften, only a broader, nuanced outlook can accurately capture the true state of affairs.”²¹ The focus of the existing literature on the discharge as the measure of success in chapter 13 bankruptcy projects the system's final outcome as the “positive end-result” onto a diverse set of human experiences. Moreover, the dominance of the law-and-economics approach, particularly in business law, has probably helped to reinforce discharge as a useful measure because it concretely determines whether a debtor's literal wealth improved as a result of the bankruptcy case.

Yet, events with the same end-result may be perceived to be different outcomes by participants.²² Even in a utilitarian framework, the satisfaction of one's preferences may turn on factors other than the end-result, for example if the process that produces the end-result is viewed as corrupt. This kind of thinking about outcomes seems a useful frame for analyzing the findings from my study. In addition to providing a more nuanced measure of the end-result (keeping one's house versus losing one's house—both possibilities in a discharged case), the data suggest that individuals in bankruptcy value or decry aspects of the process that are not determinative of the end-result. Outcomes for these debtors include their satisfaction with knowing that they tried to repay their debts or their feelings that the system did not give them any chance. The findings

¹⁷ Respondent W1-046S.

¹⁸ Respondent W2-034S.

¹⁹ Respondent W2-029I; *see also* Respondent W1-045S (“For your families' sake, do what you have to do.”)

²⁰ Respondent W2-075N.

²¹ Daphna Lewinsohn-Zamir, *Beyond the Bottom Line: The Complexity of Outcome Assessment 2*, available at <http://ssrn.com/abstract=1479051>.

²² *Id.* at 4. (“Individuals regard various factors, in addition to end-results, as part of the ensuing outcome itself.”)

from this bankruptcy study can illuminate the variety of outcomes that might be hidden in a single legal end-result. Scholars in other areas, particularly those where individuals are involved in a lengthy and sustained legal proceeding (such as divorce or disability determinations) may draw ideas for other studies that explore the ways in which perceptions about outcome are not aligned with legal end-results.

The findings also should advance the longstanding debate about whether it is appropriate to characterize chapter 13 cases that end without discharge as “failures.” The data will suggest new measures for assessing the real-life (not merely legal) outcomes of chapter 13 cases against its system goals and against debtors’ goals in filing bankruptcy. Such findings may provide new and important insights on how the consumer bankruptcy system could be improved. For example, the findings may support efforts to change the extent to which debtors must decide at the moment of bankruptcy filing between chapter 7 and chapter 13, typically only with the advice of their attorney. Instead, debtors could be offered a single chapter of bankruptcy with diversion to repayment occurring later in the case. The findings also provide some evidence to buttress criticisms that the bankruptcy system is too complex and needs simplification.²³ Debtors bring multiple, sometimes competing, goals to their chapter 13 bankruptcies. In light of that situation, many chapter 13 cases are set up to fail (i.e., end in dismissal) because the debtor will use the chapter 13 process to sort out the goals that are most important. For many debtors, it is the process of chapter 13 more than the outcome that seems to be helpful in reordering their financial futures.

²³ Mann & Porter, *supra* note 9, at 338.