



Memorandum

To: Credit Union National Association
From: Jan van Lohuizen, Voter/Consumer Research
Fred Yang, Garin-Hart-Yang Research Group
Date: 03/19/02
Re: Public support for bankruptcy reform

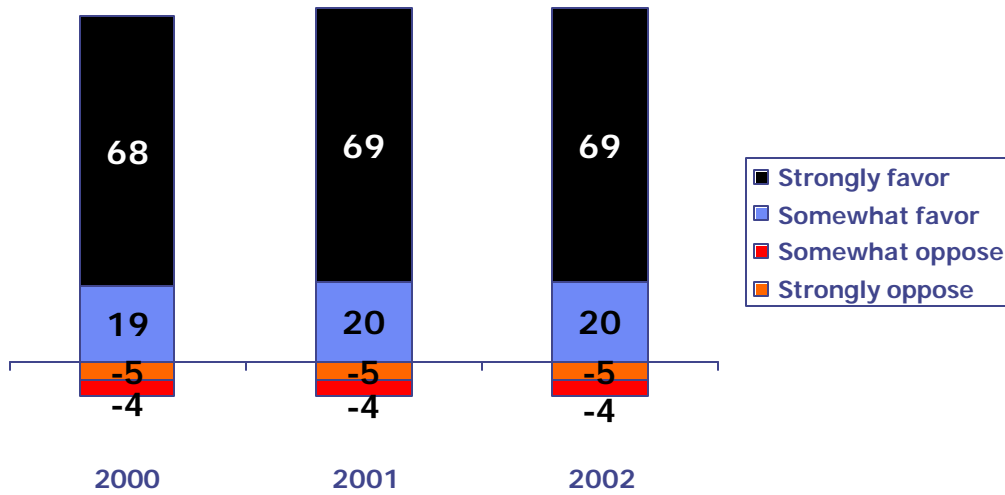
Background: As you know we recently conducted a national survey on a variety of topics of interest to the financial services industry, touching specifically on bankruptcy reform. We interviewed 1002 registered voters. The margin for error of the survey is +/-3.1%. Interviews were conducted between January 22nd and January 27th of this year. This was the third consecutive year in which we conducted a survey for CUNA in which we bankruptcy issues were addressed.

Summary: The following are some of the highlights of the findings:

- ✓ The public strongly supports making it more difficult to declare bankruptcy
- ✓ The public strongly supports making people who have declared bankruptcy be responsible for paying off more of their debts
- ✓ With the ups and downs in the economy, it is interesting to note that opinions have not changed in three years have not changed in three years.
- ✓ Opinions are shared across the spectrum: demographic and partisan differences are quite small.

Detail: For the past three years we've asked voters if they favor or oppose "*Requiring people who file for bankruptcy to pay off some of their debts if they are able to do so*". Survey respondents *strongly* favor requiring people to pay off some of their debts if they are able. In the three years we have asked this question the results have not changed either in magnitude or intensity:

Requiring people who file for bankruptcy to pay off some of their debts if they are able to do so

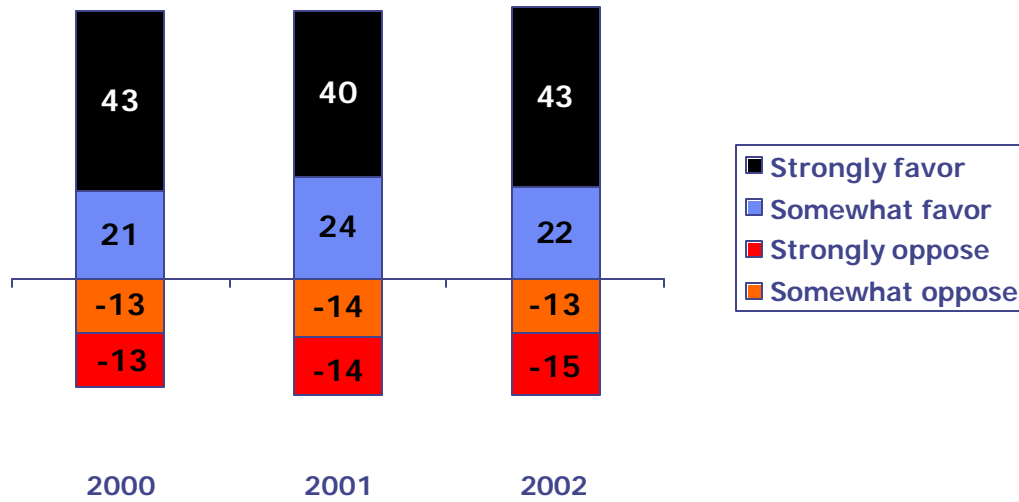


The bankruptcy/debt issue generates none of the fissures in opinion that public policy issues often generate. Support for bankruptcy reform comes from all parts of the political spectrum:

- People from all parts of the political spectrum feel strongly that people should pay. 91% of Republicans (74% *strongly*) and 88% of Democrats (66% *strongly*) feel that people should pay debts if they are able to do so. Ticket-splitters follow Republicans in percentages and Democrats in intensity: (91% overall favor, 69% *very strongly*)
- Similarly, age is not a factor: 90% (71% *strongly*) of those over 45 and 88% of those under 45 (66% *strongly*) feel that people should pay their debts if they are able to do so.
- We did not find a gender gap: 88% of men (66% *strongly*) and 90% (71% *strongly*) of women feel people should pay their debts if they are able to do so.
- There are no income differences: low and high income voters respond to questions about bankruptcy by the same margins.

A second, more general question asked people's whether they favored a polity to "Make it more difficult for people to file for bankruptcy". Again, opinions strongly favored that it be more difficult to declare bankruptcy:

Make it more difficult for people to file bankruptcy



Here too demographic differences were very small. Also, these opinions appear to be very stable, recent economic trends and press coverage about increased consumer debt and increases in the bankruptcy rate notwithstanding.