

Personal Bankruptcy and Credit Supply and Demand

[Get access >](#)

Reint Gropp , John Karl Scholz , Michelle J. White

The Quarterly Journal of Economics, Volume 112, Issue 1, February 1997, Pages 217–251, <https://doi.org/10.1162/003355397555172>

Published: 01 February 1997

Abstract

This paper examines how personal bankruptcy and bankruptcy exemptions affect the supply and demand for credit. While generous state-level bankruptcy exemptions are probably viewed by most policy-makers as benefiting less-well-off borrowers, our results using data from the 1983 Survey of Consumer Finances suggest that they increase the amount of credit held by high-asset households and reduce the availability and amount of credit to low-asset households, conditioning on observable characteristics. Thus, bankruptcy exemptions redistribute credit toward borrowers with high assets. Interest rates on automobile loans for low-asset households also appear to be higher in high exemption states.

This content is only available as a PDF.

© 1997 by the President and Fellows of Harvard College and the Massachusetts Institute of Technology

Issue Section: [Articles](#)

You do not currently have access to this article.

Sign in

 [Get help with access](#)

Personal account

Institutional access

 [Sign in through your](#)

- Sign in with email/username & password
- Get email alerts
- Save searches
- Purchase content
- Activate your purchase/trial code
- Add your ORCID iD

Sign in >

[Register](#)

 institution

[Sign in through your institution](#)

[Sign in with a library card](#)

[Sign in with username/password](#)

[Recommend to your librarian](#)

Institutional account management

[Sign in as administrator](#)

Purchase

[Subscription prices and ordering for this journal](#)

[Purchasing options for books and journals across Oxford Academic](#)

Short-term Access

To purchase short-term access, please sign in to your personal account above.

Don't already have a personal account? [Register](#)

Personal Bankruptcy and Credit Supply and Demand* - 24 Hours access

EUR €39.00

GBP £33.00

USD \$43.00

Rental



This article is also available for rental through DeepDyve.