

Articles

THE BANKRUPTCY REVOLVING DOOR

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ABSTRACT—The American consumer bankruptcy system is a costly regime with profound societal implications. Between 2008 and 2023, consumers filed 13.8 million bankruptcy cases across the ninety-four federal bankruptcy districts in the United States, generating over \$4 billion in court filing fees alone. When accounting for attorney fees, trustee expenses, creditor costs, and broader economic externalities—such as increased interest rates borne by other consumers—the total financial impact easily reaches tens of billions, if not hundreds of billions, of dollars.

Against that backdrop, this study uncovers a startling phenomenon: nearly 46% of the consumers who filed bankruptcy in 2023 were repeat filers, defined as individuals with at least one prior bankruptcy record since 1997. This percentage has followed an overall upward trend, increasing at an average annual rate of 52 basis points since 2016.

There are significant geographic disparities in the prevalence of repeat bankruptcy filings. The U.S. District Court for the Western District of Tennessee has the highest percentage of repeat filers, with 76% of all filings coming from individuals with prior bankruptcy records. In contrast, the Southern District of West Virginia has the lowest percentage, with “only” 36% of filings attributed to repeat filers. Historically, repeat filing has been most common in the South, but by 2023, many jurisdictions outside the region—such as districts in Pennsylvania and Utah—also began to exhibit elevated rates of repeat filings.

These findings challenge foundational assumptions in bankruptcy scholarship and raise urgent policy questions about the system’s efficacy in delivering a true “fresh start” to debtors. At a minimum, this Article calls to revise the estimated number of people benefiting from the bankruptcy system and reevaluate policies designed to address the prevalence of bankruptcy in American society.

As the first comprehensive national study of bankruptcy recidivism that covers both Chapter 7 and Chapter 13 bankruptcy, this Article leverages credit report data and court records to reveal novel insights about repeat filers. Contrary to the prevailing narrative that serial filings are driven by bad faith debtors exploiting Chapter 13, the study finds that the

majority of repeat filers had previously received a discharge, with nearly half initially filing under Chapter 7. Furthermore, most repeat filings occur after a significant gap—typically exceeding seven years—suggesting that these debtors are not engaging in short-term strategic abuse of the system but are instead grappling with persistent financial instability.

This study also demonstrates that prior bankruptcy filings are a robust predictor of future filings, even after controlling for financial and demographic factors. This means that individuals with a bankruptcy history are disproportionately likely to file again when faced with financial distress compared to those without such a history. As repeat filers account for a growing proportion of all bankruptcy filings, their heightened sensitivity to financial shocks must be considered when evaluating policy changes.

By shifting the focus from short-term Chapter 13 abuse to the broader structural patterns of repeat bankruptcy, this Article offers a novel framework for understanding the long-term dynamics of consumer bankruptcy. These findings can have profound implications for bankruptcy law, financial regulation, and social safety net policies, urging a reevaluation of how the system addresses the enduring financial vulnerabilities of debtors.

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INTRODUCTION

Over the past decade, millions of Americans have filed for bankruptcy—repeatedly. Drawing insights from credit bureau data and a novel, decades-long court record dataset, this Article reveals that nearly 46% of the consumers who filed bankruptcy in 2023 had prior bankruptcy records since 1997, a substantial increase from the 37% observed in 2016.¹ Among individuals who filed for bankruptcy between 2016 and 2018, nearly 9% had already refiled in the same district by February of 2022.

¹ Note that because the dataset goes back to 1997, the look back period for the 2016 percentage is shorter than the lookback period for the 2023 percentage. For truly comparable numbers, see *infra* Table 4 and accompanying text.

This high level of repeat filing is alarming because it raises significant questions about the bankruptcy system's efficacy in providing a "fresh start." The American bankruptcy system is an expensive regime: at \$313 per case, court filing fees alone cost consumers over \$4 billion between 2008 and 2023,² in addition to the tens of billions spent on attorney fees.³ Creditors, meanwhile, lose or discharge an average of over \$165,000 in debt per case, amounting to more than \$2 trillion in total.⁴ The public also bears marginal costs through tax contributions that supplement (but do not fully fund) the U.S. Trustee Program and the broader institutional infrastructure of the bankruptcy system, while potentially facing higher interest rates due to bankruptcy risk.

Yet, despite these staggering costs, prior to this Article, no study has provided a truly comprehensive picture of repeat filings.⁵ Without explicitly accounting for repeat filers, prior studies provide an incomplete picture of how many people interact with the bankruptcy system and how its benefits and burdens are distributed across the population.⁶ This problem is particularly acute in the South, where the majority of bankruptcy cases now come from repeat filers.⁷

² This number is estimated by multiplying \$313 by 12,934,694—the number of consumer cases with fees paid in full or in installments, as reported in the Federal Judicial Center (FJC)'s bankruptcy data. See *Integrated Database (IDB)*, FED. JUD. CTR., <https://www.fjc.gov/research/idb> [<https://perma.cc/GSC2-UMG3>] [hereinafter *FJC Data*].

³ For more information on bankruptcy attorney fees, see LOIS R. LUPICA, *THE CONSUMER BANKRUPTCY FEE STUDY: FINAL REPORT* (2011), <https://ssrn.com/abstract=2132913> [<https://perma.cc/ZV4W-2L3E>].

⁴ These numbers are calculated from the FJC data. Specifically, the FJC data reports the amount of discharged debt, which is calculated by subtracting nondischargeable debt from the sum of secured claims, unsecured priority claims, and unsecured nonpriority claims. See *FJC Data*, *supra* note 2. For cases that were not discharged by September 2024, zero was used as their discharged debt. This method may overestimate the actual loss to creditors, as the FJC measure of discharged debt includes discharged secured debt, which creditors may be able to collect by enforcing their security interest in the collateral.

⁵ As explained later in Part I, prior literature on this subject tends to focus on only dismissed Chapter 13 bankruptcy, or it does not have a long enough look-back period to comprehensively study other forms of repeated filing. The few studies that cover both chapters with a long enough dataset were geographically limited.

⁶ One famous example is Professor Robert M. Lawless's blog post in 2020, which estimated that about 10% of the U.S. population has filed for bankruptcy. After this Article was publicly circulated via SSRN, Professor Lawless updated the estimate based on the findings of this Article. See Robert M. Lawless, *How Many People Have Filed Bankruptcy?*, CREDIT SLIPS (June 22, 2020, 8:09 PM), <https://www.creditslips.org/creditslips/2020/06/22/how-many-people-have-filed-bankruptcy> [<https://perma.cc/SY9G-VUN5>]; Robert M. Lawless, *Revisiting How Many People Have Filed Bankruptcy*, CREDIT SLIPS (Aug. 20, 2024, 2:53 PM), <https://www.creditslips.org/creditslips/2024/08/20/revisiting-how-many-people-have-filed-bankruptcy> [<https://perma.cc/AH7C-LPFC>].

⁷ See *infra* Part IV.

On the other hand, as Professor Sara Greene has noted, “[a]ttacks against repeat bankruptcy filers . . . are nothing new.”⁸ Politicians, academics, and the creditors bar have long used the specter of bankruptcy “abusers” to justify stricter restrictions on bankruptcy filings, a trend dating back to the early twentieth century.⁹ Within this context, prior literature has disproportionately highlighted one specific type of repeat filer: debtors who file for bankruptcy immediately after a dismissed Chapter 13 case,¹⁰ who are often perceived as acting in bad faith to stall creditors’ collection efforts. These debtors are frequently held up as evidence of systemic abuse, fueling calls for stricter bankruptcy laws.¹¹

However, raising barriers to bankruptcy may have unintended consequences. Rather than reducing the number of repeat filers, such restrictions may disproportionately discourage first-time filers, thereby increasing the proportion of cases filed by the former. Instead of making bankruptcy courts a “court of last resort,” as Senator Harry Reid envisioned in the 1990s,¹² these policies risk creating a system that primarily serves repeat filers.

Of course, other factors may contribute to the prevalence of repeat filings. But we cannot begin to address these issues without a clear understanding of who repeat filers are. Prior emphasis on back-to-back Chapter 13 filings is less helpful to this understanding, as it reflects the most easily observable form of repeat filing. Since 1903, the historic versions of our Bankruptcy Code have routinely required most debtors to

⁸ Sara Sternberg Greene, *The Failed Reform: Congressional Crackdown on Repeat Chapter 13 Bankruptcy Filers*, 89 AM. BANKR. L.J. 241, 242 (2015).

⁹ For instance, President George W. Bush, who signed the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 into law, remarked that “[t]o make the system more fair, the new law will also make it more difficult for serial filers to abuse the most generous bankruptcy protections.” Press Release, White House Off. of the Press Sec’y, President Signs Bankruptcy Abuse Prevention, Consumer Protection Act (Apr. 20, 2005), <https://georgewbush-whitehouse.archives.gov/news/releases/2005/04/20050420-5.html> [<https://perma.cc/D3N3-H4UR>]. For a more detailed discussion of past attacks on repeat filers, see Greene, *supra* note 8, at 241–43.

¹⁰ For instance, one study in 2017 found that approximately 27% of the dismissed Chapter 13 filers in their sample refiled or converted to Chapter 7 within the sample period of their study, but did not provide information on Chapter 7 cases or completed Chapter 13 cases. See Will Dobbie, Paul Goldsmith-Pinkham & Crystal S. Yang, *Consumer Bankruptcy and Financial Health*, 99 REV. ECON. & STAT. 853, 855 (2017). For more discussion on prior literature, see *infra* Part I.

¹¹ A recent case that garnered media attention involved a Long Island man who reportedly forestalled foreclosure for twenty-three years by filing seven consecutive bankruptcy cases and four lawsuits. Georgett Roberts and Kathianne Boniello, *Long Island Man Dodges Eviction for 20 Years, Living in House He Doesn’t Own*, N.Y. POST (last updated May 3, 2021, 10:22 AM), <https://nypost.com/2021/05/01/ny-man-dodges-eviction-for-20-years-living-in-foreclosed-house/> [<https://perma.cc/PD5S-XX83>]. Although he was foreclosed on in 2000, he was still residing in the property as of May 2021. *Id.*

¹² NAT’L BANKR. REV. COMM’N, BANKRUPTCY: THE NEXT TWENTY YEARS 280 (1997).

wait at least six years to obtain a second discharge,¹³ a period extended to eight years by the Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA) of 2005 for Chapter 7 bankruptcy.¹⁴ Thus, empirically studying repeat filings beyond dismissed Chapter 13 bankruptcy cases requires datasets spanning several decades—a requirement few prior studies have been able to meet.

This Article fills that gap. While not the first to use nationwide credit panel data, it is the first paper in this field to merge all credit reports for individuals between 2004 and 2024, enabling the tracking of bankruptcy filings as far back as 1997. To corroborate this data, I collected court records identifying all cases filed by the same individual in the same district. These records, matched using identifiers such as Social Security numbers, avoid the pitfalls of self-reported data.¹⁵

Armed with this comprehensive dataset, my study reveals that individuals using bankruptcy as a stalling tactic constitute only a small fraction of repeat filers. Only 7.6% of repeat filers filed two dismissed Chapter 13 cases within a year, and not all of these cases involved abuse. In contrast, the majority (67%) had successfully completed their previous case and received a discharge, primarily through Chapter 7 liquidation. The median filer waited 9.6 years before refile, and over 77% waited more than three years, suggesting that repeat filings are not primarily a delaying tactic.¹⁶ Thus, the narrative of bad faith abusers dominating repeat filings is unsupported by the data.

Understanding repeat bankruptcy filings also has broad implications for a substantial body of literature. This Article highlights that many influential empirical studies have analyzed bankruptcy cases without carefully distinguishing between first-time and repeat filers.¹⁷ If first-time

¹³ See, e.g., Bankruptcy Act of 1903, ch. 487, sec. 4, § 14(b), 32 Stat. 797, 797–98.

¹⁴ 11 U.S.C. § 727(a)(8). Section II.B, *infra*, explains this restriction in more detail.

¹⁵ The attached Appendix provides a broad comparison between the two datasets.

¹⁶ Some debtors chose to file a Chapter 13 immediately after completing a Chapter 7 to engage in a strategy colloquially known as “Chapter 20.” The long temporal gap between filings suggests that such strategy is rarely used. Instances of Chapter 13 filings within a year after completing a Chapter 7, a classic Chapter 20 scenario, constitute less than 1% of all cases from repeat filers. Therefore, despite the hypothetical benefits of Chapter 20, it is not a common strategy that affects the prevalence of repeated filing. See *infra* Part IV.

¹⁷ See generally Sasha Indarte, *Moral Hazard Versus Liquidity in Household Bankruptcy*, 78 J. FIN. 2421 (2023) (analyzing impact of available debt relief and financial liquidity on bankruptcy filing rates); Benjamin J. Keys, Neale Mahoney & Hanbin Yang, *What Determines Consumer Financial Distress? Place- and Person-Based Factors*, 36 REV. FIN. STUD. 42 (2023) (identifying factors that motivate financially distressed Americans to pursue bankruptcy); Tal Gross, Raymond Kluender, Feng Liu, Matthew J. Notowidigdo & Jialan Wang, *The Economic Consequences of Bankruptcy Reform*, 111 AM. ECON. REV. 2309 (2021) (analyzing BAPCPA’s effect on consumer credit markets); Kristoph Kleiner, Noah Stoffman & Scott E. Yonker, *Friends with Bankruptcy Protection Benefits*,

and repeat filers respond differently to policy changes, the observed effects of such changes will evolve as the ratio between these groups shifts over time. Studying repeat filings is therefore essential to accurately interpreting existing research and extrapolating its findings to future years.

Indeed, this Article demonstrates that repeat filers are significantly more likely to file for bankruptcy in future years than first-time filers, even after controlling for a comprehensive range of financial and demographic factors. A successfully discharged bankruptcy strongly predicts a high filing rate after seven years, coupled with a reduced filing rate in the initial seven years. Conversely, a dismissed case is associated with a higher filing rate in the initial seven years and a moderately high rate thereafter.

On a micro level, this finding indicates that prior bankruptcy is an effective predictor of future default, though the direction of this prediction depends on the age and outcome of the prior case. On a macro level, it provides correlational evidence suggesting that repeat filers and first-time filers differ in their readiness to file for bankruptcy. As a result, policy changes that encourage or discourage bankruptcy are likely to have varying effects in areas with high versus low levels of repeat filers.

In a broader context, repeat filings can be viewed as a specific form of temporal spillover effect, where past experience with the bankruptcy system correlates with a higher likelihood of future filings. This aligns with research on the spillover effects of bankruptcy and other social benefits, where reduced stigma and information sharing have emerged as plausible explanations for these results.¹⁸ This research indicates that subsequent filings may involve lower perceived stigma about filing for bankruptcy, and

139 J. FIN. ECON. 578 (2021) (analyzing effect of information spillovers on bankruptcy filing rates); Will Dobbie, Paul Goldsmith-Pinkham, Neale Mahoney & Jae Song, *Bad Credit, No Problem? Credit and Labor Market Consequences of Bad Credit Reports*, 75 J. FIN. 2377 (2020) (studying impact of bankruptcy flag removal on credit and labor markets); Will Dobbie, Paul Goldsmith-Pinkham & Crystal S. Yang, *Consumer Bankruptcy and Financial Health*, 99 REV. ECON. & STAT. 853 (2017) (estimating the impact of Chapter 13 bankruptcy protection on post-filing financial outcomes); Will Dobbie & Jae Song, *Debt Relief and Debtor Outcomes: Measuring the Effects of Consumer Bankruptcy Protection*, 105 AM. ECON. REV. 1272 (2015) (same). Many of these papers excluded repeated filers observed in their data. However, as this Article will show, most repeat filers from recent years refiled over eight years after the initial filing, which means that when the sample period is not long enough, observed repeat filers would be a small and special subset of all repeat filers. Therefore, simply excluding observed repeat filers is likely an insufficient solution to the problem and can introduce selection bias.

¹⁸ See, e.g., Gordon B. Dahl, Katrine V. Løken & Magne Mogstad, *Peer Effects in Program Participation*, 104 AM. ECON. REV. 2049, 2050 (2014) (analyzing impacts of information sharing on likelihood to take paid paternity leave in Norway); Michelle M. Miller, *Social Networks and Personal Bankruptcy*, 12 J. EMPIRICAL LEGAL STUD. 289, 291 (2015) (studying how social networks may influence a household's bankruptcy decision); Kleiner, Stoffman & Yonker, *supra* note 17, at 579 (analyzing effects of information spillovers on bankruptcy filing rates).

that individuals may have acquired knowledge about the process, which can reduce the barriers to repeat filing.

This Article proceeds as follows: Part I reviews prior literature. Part II provides background information on consumer bankruptcy and the restrictions against repeat filing. Part III presents the two main datasets used in this Article. Part IV presents summary statistics about repeat filers, with particular emphasis on their composition. Part V describes how repeat filing varies over time. Parts VI and VII provide correlational evidence on the relationship between the initial bankruptcy and the subsequent refiling.

I. LITERATURE REVIEW

Prior literature on repeat bankruptcy filers has largely centered around the enactment of BAPCPA and how it failed to prevent abuse of the bankruptcy system.¹⁹ These studies mostly focus on dismissed Chapter 13 cases because this is the most common outcome for debtors who filed for bankruptcy only to stall foreclosure and other collection efforts—that is, the abusers that BAPCPA tried to sanction.

Research from this period provided varying estimates of how commonly individuals file for bankruptcy multiple times. Those with a sufficiently long datasets tend to coincide with this Article's estimate. One 2005 study reports that a third of pre-BAPCPA filers in Utah filed multiple times in their twenty-year sample.²⁰ A similar study from 1999 suggests that this number was 39% in Southern Mississippi.²¹ In their famous book published in 1999, *As We Forgive Our Debtors: Bankruptcy and Consumer Credit in America*, Professor Teresa Sullivan, Senator Elizabeth Warren, and Professor Jay Westbrook reported that merely 8% of their sample (120 of 1,502) had previously filed for bankruptcy, although the authors acknowledged that the data in this study did not include all

¹⁹ See, e.g., Lance Miller & Michelle M. Miller, *Repeat Filers Under BAPCPA: A Legal and Economic Analysis*, in NORTON ANNUAL SURVEY OF BANKRUPTCY LAW 509, 509 (2008) (assessing whether BAPCPA met its goal of decreasing repeat bankruptcy filings); Laura B. Bartell, *Stay Imposed—The Failed Policy of Section 362(c)(4)*, 89 AM. BANKR. L.J. 165, 172 (2015) (analyzing whether BAPCPA's § 362(c)(4) met its goal of discouraging serial bankruptcy filers); Sara Sternberg Greene, *The Failed Reform: Congressional Crackdown on Repeat Chapter 13 Bankruptcy Filers*, 89 AM. BANKR. L.J. 241, 245 (2015) (finding that BAPCPA's crackdown on repeat filers has not worked); Katherine Porter, *Repeat Studies of Repeat Filers: How We Should Learn About Law*, 89 AM. BANKR. L.J. 159, 160 (2015) (consolidating and highlighting results from earlier studies).

²⁰ Bonny C. Llewellyn & Jean M. Lown, *Are Debtors Abusing Bankruptcy by Repeat Filings?*, 51 CONSUMER INTS. ANN. 54, 54 (2005).

²¹ Scott F. Norberg, *Consumer Bankruptcy's New Clothes: An Empirical Study of Discharge and Debt Collection in Chapter 13*, 7 AM. BANKR. INST. L. REV. 415, 457 (1999).

repeat filers.²² Similarly, a study that used a notably comprehensive dataset also reported that 8% of all consumer filers filed repeatedly within the sample period.²³ Unfortunately, their dataset only covers a ten-year period that predates BAPCPA.²⁴

Post-BAPCPA, the above-mentioned study by Professor Greene examines a rich survey dataset from 2007 and reports that 14.7% of the filers studied were repeat filers.²⁵ This number is much lower than that in my sample, most likely because survey data requires the debtor to self-report prior filings. In contrast, the datasets of this Article are based on credit reports and court records matched by Social Security number and/or Taxpayer Identification Number. Another study manually collected court record data from the U.S. District Court for the Northern District of Texas and found that 16.94% of the debtors who filed for bankruptcy in 2006 were repeat filers.²⁶ The source of their data is very similar to the court records used by this study. However, the records they studied are restricted to one district and the sample period is only fourteen years, beginning in 1992.²⁷ In contrast, fifty-five out of the sixty-six bankruptcy courts in my sample provide records from 1985 or earlier. The other eleven courts' records go back to at least 1991. The earliest one, the Northern District of Alabama, started adjudicating bankruptcy cases in 1909 and its coverage goes back to 1969.

Therefore, this Article represents the first nationwide study of the phenomenon of repeat bankruptcy filings in recent years. By leveraging credit bureau data and court records spanning several decades, this study is more comprehensive than prior literature, which has largely been constrained by shorter timeframes and narrower datasets. The extended lookback period enables a more nuanced understanding of repeat filings, capturing not only the immediate refiling patterns often associated with dismissed Chapter 13 cases but also the long-term trends and geographic variations that define the broader phenomenon. This Article thus fills a critical gap in the literature, providing the first systematic analysis of repeat filers across both Chapter 7 and Chapter 13 bankruptcy types and offering

²² TERESA A. SULLIVAN, ELIZABETH WARREN & JAY LAWRENCE WESTBROOK, AS WE FORGIVE OUR DEBTORS: BANKRUPTCY AND CONSUMER CREDIT IN AMERICA 192 (1989).

²³ John Golmant & Tom Ulrich, *Bankruptcy Repeat Filings*, 14 AM. BANKR. INST. L. REV. 169, 173 (2006).

²⁴ *Id.* at 174.

²⁵ Greene, *supra* note 8, at 252.

²⁶ Miller & Miller, *supra* note 19, at 518.

²⁷ *Id.* at 517. The authors state that they could not find cases prior to 1992 although the Public Access to Court Electronic Records states that the Northern District of Texas's records cover back to 1989 at the time of my writing.

insights that challenge prevailing assumptions about bankruptcy recidivism. By doing so, it lays the groundwork for future research and policy discussions on the evolving role of the bankruptcy system in addressing financial distress over time.

II. BACKGROUND ON CONSUMER BANKRUPTCY

This Part provides background information on consumer bankruptcy with a focus on issues related to serial filers.

A. *Consumer Bankruptcy in General*

Bankruptcy is a legal process that provides individuals and businesses with relief from their debts and the opportunity to start fresh financially. Individual consumers who complete the bankruptcy process can usually obtain a bankruptcy discharge, which is a court order that releases the debtor from the obligation to repay certain debts. More specifically, it is a permanent injunction that prohibits creditors from taking any collection action against the debtor for the discharged debts.

In the United States, there are generally two forms of bankruptcy for consumers struggling with household debt: Chapter 7, often referred to as the liquidation chapter,²⁸ and Chapter 13, often referred to as the rehabilitation chapter or “wage earner’s plan.”²⁹ The two regimes mainly differ by how assets are administered during bankruptcy.³⁰

By default, in a Chapter 7 bankruptcy, the debtor must surrender her assets to pay back creditors, with limited federal and state exemptions.³¹ In contrast, in a Chapter 13 bankruptcy, the debtor can retain almost any asset, subject to a court-approved payment plan to repay creditors.³² This plan typically requires debtors to use all their disposable income over the next three to five years to compensate creditors.

In practice, most Chapter 7 cases have no assets for the trustee to seize. Among all Chapter 7 cases filed between 2016 and 2018, only 6.53% are “asset cases,” meaning that the debtor had some asset to distribute to

²⁸ *Chapter 7 - Bankruptcy Basics*, U.S. CTS., <https://www.uscourts.gov/court-programs/bankruptcy/bankruptcy-basics/chapter-7-bankruptcy-basics> [<https://perma.cc/CW86-8JFP>].

²⁹ *Chapter 13 - Bankruptcy Basics*, U.S. CTS., <https://www.uscourts.gov/court-programs/bankruptcy/bankruptcy-basics/chapter-13-bankruptcy-basics> [<https://perma.cc/9VJG-YCZ6>].

³⁰ Compare 11 U.S.C. § 1302 (2018) (describing the appointment and duties of the Chapter 13 trustee), with *id.* § 704(a)(1)–(12) (describing the duties of the Chapter 7 trustee).

³¹ Practically, when an asset is fully encumbered, the secured creditor may agree to let the debtor keep the collateral, especially when the debtor “reaffirms” the debt and maintains the payments.

³² *Id.* § 1306(b) (“Except as provided in a confirmed plan or order confirming a plan, the debtor shall remain in possession of all property of the estate.”); see also *Chapter 13 - Bankruptcy Basics*, *supra* note 29 (explaining the logistics of Chapter 13 proceedings).

unsecured creditors.³³ However, this does not take into account any assets that are fully encumbered by secured debt, such as houses or cars, which are important assets that can be protected by a Chapter 13 bankruptcy.

This ability to retain assets makes Chapter 13 more desirable than Chapter 7 for many debtors. Nevertheless, Chapter 7 cases have consistently accounted for a larger proportion of all bankruptcy filings over the years. Between 2016 and 2018, 61.33% of all consumer cases were filed under Chapter 7. This is likely because a Chapter 7 case is generally quicker and easier to complete than a Chapter 13 case. Among cases filed between 2010 and 2014,³⁴ 95.27% of Chapter 7 cases obtained a discharge, while only 48.84% of Chapter 13 cases did so. Among those who obtained a standard discharge, the median duration between filing and disposition was 105 days for Chapter 7 cases, compared to 1,664 days for Chapter 13 cases. Finally, Chapter 13 requires the debtor to have sufficient income to support a payment plan, which means that Chapter 7 may be the only option for many debtors.

Regardless of the chapter, a powerful legal protection called the “automatic stay” goes into effect when a consumer debtor files for bankruptcy. The automatic stay is a provision in bankruptcy law that immediately stops most collection actions against the debtor, such as lawsuits, wage garnishments, foreclosure proceedings, and debt collection calls.³⁵ This remains in effect until the bankruptcy case is closed or dismissed, or until the creditor obtains a court order lifting the stay.³⁶ Creditors may ask the court to lift the automatic stay in certain situations, such as when they believe the debtor is not acting in good faith.

The automatic stay is designed to provide debtors with breathing room and protect them from creditor harassment while they work through the bankruptcy process. However, it also allows individuals facing aggressive collection efforts to use the bankruptcy system as a way to obtain immediate relief. Debtors who file for bankruptcy only to hinder the collection efforts of creditors are typically considered bad faith filers. These debtors file for bankruptcy but spend very little effort completing the process, instead taking this as an opportunity to enjoy a few months of relief from creditors until the case is dismissed for missing documents or late payments.

³³ Unless otherwise noted, numbers in this Section are calculated from the FJC data, *supra* note 2.

³⁴ To avoid selection bias as much as possible, I used these earlier years because a Chapter 13 case often takes six years to close due to extensions to the plan or delays in the administration.

³⁵ 11 U.S.C. § 362(a).

³⁶ *Id.* § 362(c).

Features of the Chapter 13 bankruptcy make it an easier target for this kind of abuse than Chapter 7 bankruptcy. Almost immediately after a person files for bankruptcy under Chapter 7, a trustee will be appointed to oversee the liquidation of the debtor's assets. In contrast, when a person files under Chapter 13, she retains access to essentially all her assets and generally remains free to use them as she wants. Moreover, if a debtor does not intend to carry through with the bankruptcy process but fails to dismiss her Chapter 7 case on time, her assets will be seized and liquidated regardless of her intent.³⁷ In contrast, failure to meet any deadlines in a Chapter 13 case usually results in the case being dismissed without further consequences.

Other than Chapters 7 and 13, consumers can also file under Chapter 11 if they primarily hold business debt, or Chapter 12 if they are "family farmers" or "family fishermen" with regular income.³⁸ These two chapters are extremely rare, accounting for about 0.1% of all cases filed by individuals in recent years.³⁹

B. Rules Against Repeat Filing

To prevent abuse and discourage repeated filings, Congress has put into the Bankruptcy Code several constraints on debtors who seek to file for repeat bankruptcy. Rather than imposing a strict rule that prohibits such filings altogether, Congress has mainly resorted to limiting the benefits that can be obtained from filing for bankruptcy repeatedly.

For example, if a prior bankruptcy petition was dismissed within the preceding 180 days due to the debtor's willful failure to appear before the court or comply with court orders, or if the petition was voluntarily dismissed after creditors sought relief to recover property on which they hold liens, the individual is ineligible to file for bankruptcy altogether.⁴⁰

Other constraints primarily aim to limit the availability of the automatic stay, which prevents creditors from pursuing debt collection actions against the debtor. For example, if a debtor has had a prior bankruptcy case dismissed within the year before filing a new case, the

³⁷ That is, if a debtor wants to use Chapter 7 bankruptcy to delay foreclosure, but does not want to lose her other assets, she must voluntarily dismiss her Chapter 7 case before the deadline. If she misses the deadline, her Chapter 7 case will carry on and she will lose all her assets in a liquidation.

³⁸ *Chapter 12 - Bankruptcy Basics*, U.S. CTS., <https://www.uscourts.gov/court-programs/bankruptcy/bankruptcy-basics/chapter-12-bankruptcy-basics> [<https://perma.cc/6RQ9-7BNF>].

³⁹ See *Chapter 12 Bankruptcy Law*, JUSTIA (last updated Oct. 2025), <https://www.justia.com/bankruptcy/chapter-12/> [<https://perma.cc/N6T7-5XE7>]; *BAPCA Report - 2021*, U.S. CTS., <https://www.uscourts.gov/data-news/reports/statistical-reports/bankruptcy-abuse-prevention-and-consumer-protection-act-report/bapcpa-report-2021> [<https://perma.cc/JH9E-T694>].

⁴⁰ 11 U.S.C. §§ 109(g), 362(d)–(e).

automatic stay will terminate within thirty days of the new case filing.⁴¹ This termination can be postponed if the debtor files a motion requesting an extension and convinces the court that the new case was filed in good faith.⁴² The court will likely schedule a hearing on the motion and require the debtor to appear in court.⁴³

If a debtor has had two or more bankruptcy cases dismissed within the last year, no automatic stay goes into effect.⁴⁴ The debtor must file a motion to request the stay within thirty days of the new case filing and persuade the court that the new case was filed in good faith.⁴⁵ Until the court grants a stay, creditors can proceed with debt collection actions as if no bankruptcy case was filed.⁴⁶

Additionally, the Bankruptcy Code imposes time restrictions on when a debtor may be granted a discharge in a later case. These time restrictions help ensure that debtors are not repeatedly granted a discharge in a short period of time. They also ensure that debtors reasonably satisfy their obligations to creditors before being able to receive another discharge.

For example, if a debtor received a discharge under Chapter 7 or 11 in a case filed within eight years before filing a second petition, a Chapter 7 discharge will be denied in the later case.⁴⁷ If the debtor previously received a discharge in a Chapter 13 or 12 case filed within six years before the second case, a Chapter 7 discharge will be denied unless the debtor either paid all “allowed unsecured” claims in full in the earlier case, or made payments under the plan totaling at least 70% of the allowed unsecured claims and the plan was proposed in good faith and the payments represented the debtor’s best effort.⁴⁸

Similarly, a debtor is ineligible for discharge under Chapter 13 if they received a prior discharge in a Chapter 7, 11, or 12 case filed four years before the second case or in a Chapter 13 case filed two years before the second case.⁴⁹ Because discharged Chapter 13 cases rarely last less than two years, there is practically no restriction on seeking another discharge under Chapter 13 after a previously discharged Chapter 13 filing.

⁴¹ *Id.* § 362(c)(3)(A).

⁴² *Id.* § 362(c)(3)(B).

⁴³ *Id.*

⁴⁴ *Id.* § 362(c)(4)(A)(i).

⁴⁵ *Id.* § 362(c)(4)(B).

⁴⁶ *Id.* § 362(c)(4)(A)(i)–(ii).

⁴⁷ *Id.* § 727(a)(8).

⁴⁸ *Id.* § 727(a)(9).

⁴⁹ *Id.* § 1328(f). This provision can be confusing because “the date of the order for relief” in a voluntary Chapter 13 case refers to the filing date, not the date of discharge. *Id.* § 301(b).

Finally, the bankruptcy courts have inherent power to sanction debtors for outrageous behavior, which may include banning them from filing for bankruptcy for a certain period of time.⁵⁰ However, despite anecdotal evidence suggesting the existence of this practice, courts rarely use this power on individuals, and its effect goes unstudied.

Courts can also warn the debtor by threatening to convert a bad faith Chapter 13 case into a Chapter 7 liquidation for “unreasonable delay by the debtor that is prejudicial to creditors.”⁵¹ If a debtor files Chapter 13 repeatedly just to deter creditors, she risks losing everything in an involuntary conversion to a Chapter 7 liquidation.⁵²

III. DATA AND METHODOLOGY

The first dataset this Article relies on is the University of California Consumer Credit Panel (UC-CCP). The UC-CCP is a recently developed dataset containing de-identified consumer credit information. The UC-CCP contains a national dataset that includes quarterly snapshots of the credit reports for a randomly selected 2% of the U.S. population from 2004 to 2023. Each credit report snapshot comes with a corresponding public record snapshot that captures the person’s bankruptcy filing history, covering the preceding seven years for Chapter 13 filings and the preceding ten years for Chapter 7 filings.

Compared to other credit panels commonly available to researchers, the UC-CCP is unique in its length and comprehensiveness. The richness of this dataset allows me to track people’s bankruptcy filings from 1997 to 2023 and conduct the empirical analysis in the later Parts.

It is worth noting that the UC-CCP dataset does not directly provide the bankruptcy district for each case. To address this limitation, I created a zip-code-to-district mapping file using the Federal Judicial Center (FJC) Data.⁵³ Specifically, I calculated the most frequently occurring bankruptcy

⁵⁰ Fed. R. of Bankr. P. 9011(c); 11 U.S.C. § 105.

⁵¹ 11 U.S.C. § 1307(c). Technically, the court can only convert the case upon request of a party in interest or the U.S. trustee, but practically the court can suggest the trustee to file this motion. *Id.* Of course, notice and a hearing are required. *Id.*

⁵² There is a debate among legal authorities regarding whether a debtor has an unconditional right to dismiss a bankruptcy case under § 1307(b) when faced with an intervening motion to convert. *See, e.g., In re Johnson*, 228 B.R. 663, 667–68 (Bankr. N.D. Ill. 1999) (holding that a debtor’s right to voluntary dismissal under § 1307(b) “can be trumped under certain circumstances by a motion to convert under § 1307(c)”; *In re Vieweg*, 80 B.R. 838, 841 (Bankr. E.D. Mich. 1987) (finding that courts have the authority to grant a motion to convert under § 1307(b) despite a pending motion to dismiss by the debtor under § 1307(c)); *In re Crowell*, 292 B.R. 541, 543 (Bankr. E.D. Tex. 2002) (“The Court concludes that the Debtor’s ‘absolute’ right to dismiss a case under § 1307(b) is a myth and a misreading of the Code.”).

⁵³ *FJC Data*, *supra* note 2.

district for each zip code and assigned that district to all filers from that zip code in the UC-CCP. Each individual's zip code for UC-CCP is determined based on the quarterly credit report immediately preceding their bankruptcy filing.

Additionally, I assembled a new dataset using court records. I obtained waivers from fees to use records hosted by the Public Access to Court Electronic Records (PACER) platform for sixty-six out of the ninety bankruptcy districts in the continental United States. Collectively, these sixty-six districts account for 78% of all consumer cases filed in the continental United States between 2016 and 2018. All the districts in the dataset provide data going back to 1991 (twenty-five years prior to 2016). Beyond that, fifty-eight out of sixty-seven districts provide data from before 1986 (thirty years prior to 2016) and forty-six out of sixty-seven districts provide data from before 1981 (thirty-five years prior to 2016).

I first randomly selected 2,000 cases filed between 2016 and 2018 from each district, based on the list of all cases filed in the United States provided by the FJC dataset.⁵⁴ The only exceptions are Vermont and Alaska, which only had 1,550 and 1,206 cases filed during the sample period.⁵⁵ Out of these cases, I located the filing history and downloaded the relevant PACER records for 130,684 cases.⁵⁶ The filing history is obtained from the "Associated Cases" tab on each court's PACER website, which provides the docket number for all cases the debtor filed in the same district found by the PACER system based on the debtor's Social Security number

⁵⁴ Due to restraints in the fee waivers or mismatch between FJC and PACER, for six U.S. district courts I could only sample the largest one or two offices: Eastern District of Texas, Western District of Texas, Northern District of California, Northern District of Georgia, Southern District of Indiana, and Southern District of West Virginia. The sampled offices account for 54%, 66%, 74%, 73%, 70%, and 65% of the district's cases, respectively.

⁵⁵ Because I submitted a single fee waiver application covering all courts, I requested the same number of cases from each district for simplicity. I selected 2,000 because that was the maximum number I had previously been permitted to download without fees in an earlier project. Because the cases are randomly selected, using the same number across districts does not bias the analysis. Although the number is not proportional to district filing volume, comparisons of averages across districts remain valid.

⁵⁶ This number is not 132,000 for the following reasons, ordered by affected case numbers: (1) bankruptcy is so rare in Alaska and Vermont that fewer than 2,000 cases were filed in these districts during the sample period; (2) the Middle District of Tennessee misses 489 cases because the office code provided by the FJC dataset does not match PACER's office designation for this district; (3) Alaska misses 101 cases for the same reason; (4) sealed or confidential cases; (5) rare mismatches between FJC and PACER in other districts; (6) when scraping code crashes, I drop the last case before the crash in case it is not properly registered. Missing records account for less than 0.1% for fifty-eight districts and less than 1.4% of all districts except for Middle District of Tennessee and Alaska.

and/or Taxpayer Identification Number.⁵⁷ Using this method, I identified 46,677 repeat filers within the sample.

Using the case numbers, I obtained the basic information of the last case filed by repeat filers using the headers of PACER's query system, which is free to all PACER users. The information includes the case's chapter, asset case status, filing date, and assigned judge. Most districts also provide the case's disposition and dismissal or discharge date in the header. If the header did not provide the necessary information, which frequently happens when the case is decades old, I used PACER's "Case Summary" reports to gather as much detail as possible. Occasionally, I used the docket record to determine the case's outcome. Combining these methods, I collected data on 46,628 cases filed between 1972 and 2018 by the debtors in the above-mentioned random sample, which accounts for 99.9% of the 46,677 repeat filers identified previously.

In addition, I matched the court records to the FJC data.⁵⁸ This dataset provides quantitative details on the debtors, including the aggregate value of their assets and liabilities, monthly income, monthly expenses, and other relevant information.

Because courts do not look into other districts to verify a debtor's filing history, if a debtor files for bankruptcy in a different district, it will not show up in the court records. Consequently, the actual number of repeat filings is likely higher than what is officially documented by the courts. This is not a problem for this study because the UC-CCP dataset contains filings from all districts, gathered from public records.

The Appendix below illustrates this point by comparing the court records to the UC-CCP dataset. Although the court records cover a much longer timeframe, the UC-CCP dataset typically records a greater number of repeat filings.

For readability, this Article treats "cases" and "debtors" as interchangeable. In reality, a bankruptcy case may include one or two debtors, so case counts do not map directly onto the number of individuals filing. As mentioned above, court records are reported at the case level, while the UC-CCP is reported at the individual level. All tables and figures specify their source, making clear which unit of observation they reflect.

⁵⁷ This information was confirmed by a court clerk from the U.S. District Court for the Southern District of New York.

⁵⁸ *FJC Data*, *supra* note 2.

IV. REPEAT FILING ACROSS THE COUNTRY

Before delving into the profile of repeat filers, it is important to note that repeat filing rates vary significantly across geographic regions. Figure 1 illustrates the percentage of individuals who filed bankruptcy between 2016 and 2018 in each district that had a prior bankruptcy record in the UC-CCP dataset. Figure 2 presents the same analysis but focuses on more recent cases filed in 2023. To ensure reliability, districts with fewer than ten bankruptcy filers in the sample were excluded from both maps.⁵⁹

Both figures reveal striking geographic disparities in the prevalence of repeat filers. Generally, repeat filing is more common in the South, where half of the individuals who filed bankruptcy in 2023 were refilers in the majority of jurisdictions. This trend is not unique to 2023, as the map for the pre-COVID-19 pandemic period (2016–2018) also shows an elevated repeat filer rate in this region. However, elevated levels of repeat filing also become evident in several states outside the South, such as Pennsylvania and Utah, in 2023.

Among the U.S. district courts with the highest proportions of repeat filers in 2023 are the Western District of Tennessee (76.47%), the Middle District of Georgia (76.47%), the Middle District of Alabama (69.91%), the Eastern District of Tennessee (65.71%), and the Eastern District of Missouri (65.47%). In contrast, the districts with the lowest proportions of repeat filers are the District of Idaho (38.89%), the District of Wyoming (38.89%), the District of New Jersey (38.46%), the District of North Dakota (37.93%), and the Southern District of West Virginia (36.36%).

The remarkably high prevalence of repeat filers in the former districts prompted me to verify these findings through court records. Using PACER, I examined the filing histories of thirty randomly selected consumer cases filed in each of the abovementioned districts in 2023 using the methodology detailed in Part III. The results of this search confirmed the above findings: 63.33% of cases (19/30) in the Western District of Tennessee and Middle District of Alabama, 56.67% (17/30) in the Middle District of Georgia and Eastern District of Tennessee, and 53.33% (16/30) in the Eastern District of Missouri involved debtors with prior bankruptcy filings *in the same district*. This manual validation not only corroborates the accuracy of the UC-CCP dataset but also underscores the severity of the repeat-filing phenomenon in high-prevalence jurisdictions. It also

⁵⁹ For these maps, I used all available data—that is, it includes Chapter 13 records from 1997 and Chapter 7 records from 1994. Using just cases after 1997, as the rest of the Article does, does not change the observed patterns.

highlights that single-district analyses would miss a significant minority of repeat filers who move between districts.

These geographic variations highlight the uneven distribution of repeat filings across the United States and underscore the need to consider regional contexts when analyzing bankruptcy trends. The stark differences between districts suggest that local economic conditions, legal practices, or cultural attitudes toward bankruptcy may play a significant role in shaping repeat filing behavior. Understanding these patterns is crucial for developing targeted policy interventions and ensuring that the bankruptcy system effectively serves debtors across diverse regions.

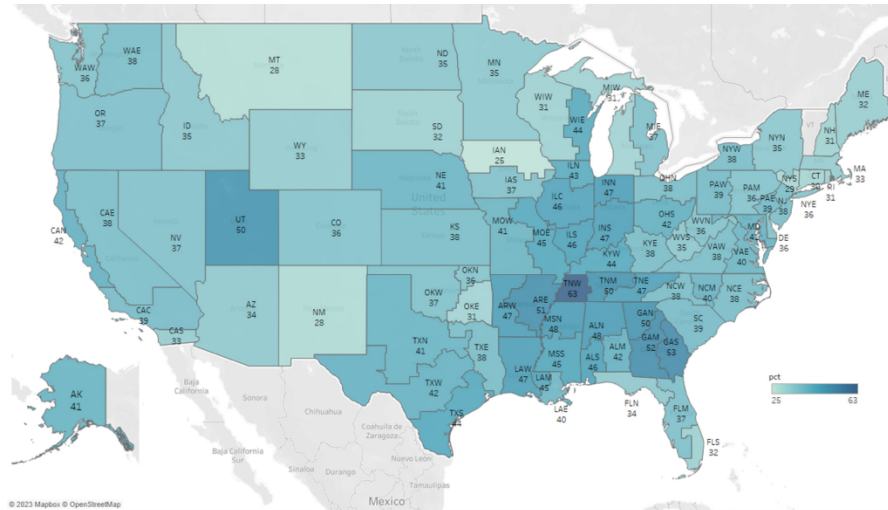
Moreover, the distribution of repeat filers—measured by the proportion of cases coming from individuals with prior bankruptcy records—overlaps significantly with jurisdictions where Chapter 13 is more popular relative to Chapter 7. For example, in the Western District of Tennessee, 77.74% of all consumer cases in 2023 were filed under Chapter 13, compared to the national average of 42.39%.⁶⁰ Similarly, Chapter 13 filings accounted for 73.26% of cases in the Middle District of Georgia and 83.83% in the Middle District of Alabama. In contrast, only 13.71% of bankruptcy filers in the Southern District of West Virginia chose Chapter 13.

It is possible that this correlation reflects a “chicken and egg” dynamic. On one hand, Chapter 13 cases are more likely to result in dismissal, which often necessitates a repeat filing to achieve debt relief.⁶¹ On the other hand, repeat filings are easier under Chapter 13 than Chapter 7, as the former does not impose the same waiting periods for discharge eligibility. This interplay creates a feedback loop: the prevalence of Chapter 13 fosters repeat filings, and the ease of repeat filings under Chapter 13 further reinforces its popularity in certain jurisdictions.

⁶⁰ All percentages in this paragraph are calculated from the FJC data. *FJC Data*, *supra* note 2.

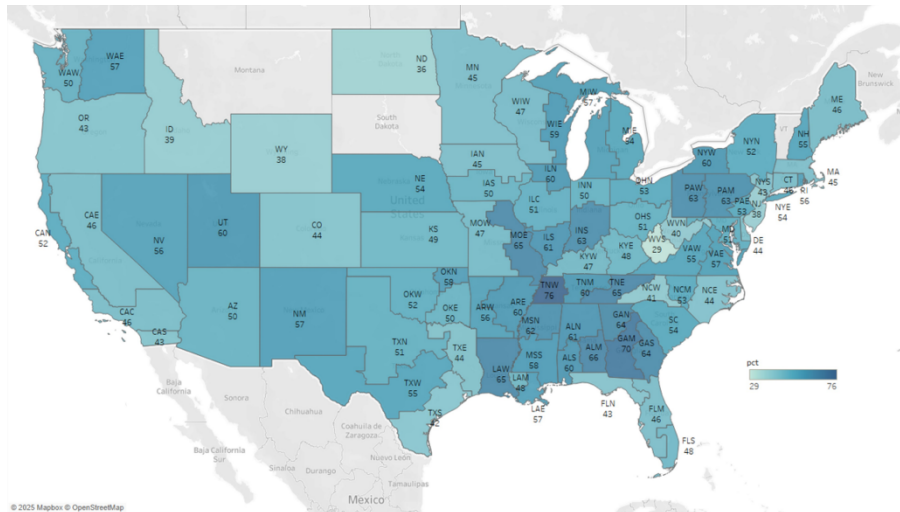
⁶¹ See *supra* Part II.

FIGURE 1: PERCENT OF BANKRUPTCY FILERS THAT ARE REPEAT FILERS BY DISTRICT, 2016–2018



Note. Calculated based on cases filed between 2016 and 2018 recorded in the UC-CCP dataset, which goes back to 1994 for Chapter 7 cases and 1997 for Chapter 13 cases.

FIGURE 2: PERCENT OF BANKRUPTCY FILERS THAT ARE REPEAT FILERS BY DISTRICT, 2023



Note. Calculated based on cases filed in 2023 recorded in the UC-CCP dataset, which goes back to 1994 for Chapter 7 cases and 1997 for Chapter 13 cases.

Table 1 below compares the summary statistics and chapter choice of repeat filer and first-time filer cases based on the court record dataset. Columns (1) and (2) summarize the status of the debtors when they filed in the sample period (2016–2018). Column (3) summarizes the outcome of the last filing of the repeat filers, which occurred anywhere from less than a year to over 38 years before the sample period. Note that a debtor may have multiple filings prior to the filing in the sample period. Column (3) includes only the immediately preceding case (i.e., the last filing), not all the prior filings. Finally, Column (4) provides the same statistics for all cases filed within the country in 2015 as a benchmark.⁶²

The first takeaway from Table 1 is that, again, repeated filing is common. The debtors of about 36% of all cases have filed previously, before they filed again during 2016 to 2018 in the same district. Because virtually all (99.45%) repeated filing happened over thirty days after the previous filing, they are unlikely attributable to clerical errors.⁶³ Therefore, it is important to discuss repeated filers when studying consumer bankruptcy. Excluding these cases for simplicity, as many researchers do, can cause significant selection bias.

Table 1 also demonstrates that, although back-to-back Chapter 13 cases are important, they are not the only type of repeated filing, or even the most common one. 57% of all serial filings occurred after Chapter 7 cases, most of which having been successfully discharged. As to the subsequent cases, nearly half of the repeated filers chose to file under Chapter 7 instead of Chapter 13. Therefore, the phenomenon of repeated filing is not merely a story of abusers and bad faith Chapter 13 filings.

⁶² Column (4) is national—that is, it includes every single case filed in the country during that year.

⁶³ Calculated using court records collected from PACER as described in Part III.

TABLE 1: SUMMARY STATISTICS

	Random Sample of 2,000 Cases per District, 2016–2018			All Cases Filed in 2015
	Refilers	First-Time Filers	Last Filing of Refilers	
	(1)	(2)	(3)	(4)
% Chapter 7	48.84	71.86	56.99	63.11
% Discharged, Chapter 13 ¹	41.46	53.80	30.95	43.53
% Discharged, Chapter 7	93.93	96.68	93.55	94.62
% Asset Cases, Chapter 7	6.09	6.92	5.14	6.99
% Female, Chapter 13 ²	57.62	54.38	58.85	-
% Female, Chapter 7 ²	64.14	58.60	62.85	-
% Joint Filers ⁴	27.00	21.85	28.85	23.14
% Pro Se Filers ⁴	9.02	6.29	14.28	9.02
% Black Majority Zips ²	11.56	7.35	-	13.39
Average Age ³	51.27	45.54	42.55	47.39
Average Total Assets ⁴	104,155.00	97,645.43	123,551.30	115,359.80
Average Real Assets ⁴	78,045.75	66,320.15	105,951.20	89,561.43
Average Total Liabilities ⁴	143,695.80	151,047.60	173,206.70	325,442.40
Average Secured Debt ⁴	97,743.28	74,952.49	129,552.60	276,685.80
Average Monthly Income ⁴	3,263.98	3,005.95	3,325.17	3,030.31
Average Monthly Expenses ⁴	3,058.89	2,954.44	3,062.39	2916.86
Observations	46,677	82,738	46,628	805,076
% Refiler	36.07			

Source: Data from PACER combined with FJC, except for cells marked with a superscript “3,” which refer to note 3. “-” indicates missing data. Gender data are missing in Column (4) because I do not have names for all cases filed in 2015. Race data are missing in Column (3) because I do not have zip codes for all prior filings.

Notes. (1) For Columns (1) and (2), for cases that are pending on June 30, 2023, we imputed the discharge rate based on data from 2016. (2) Data not available for Northern District of Alabama, Northern District of Georgia, Southern District of Indiana, and Southern District of West Virginia. To determine the gender of the debtors, I matched the first name provided in the PACER dataset with the Social Security Administration’s List of Baby Names spanning from 1932 to 2012. The most common gender associated with each first name was used to impute the gender of the debtor. For any names not present in the Social Security data, I relied on the Harvard Dataverse’s World Gender Name Dictionary v2.0 to determine the gender. Race is provided by the 2010 Census. (3) Data from the UC-CCP dataset. (4) For Column (3), data is not available for cases filed before 2008.

Table 2 further illustrates this point. While a third of repeat filings involved two consecutive Chapter 13 cases, even more (38.47%) involved two consecutive Chapter 7 cases, and a comparable number (29.16%) involved switching chapters. When we exclude consecutive cases with less than a year in between in Panel B, the percentage of repeated Chapter 13 filings drops by 4.67 percentage points. This reflects the fact that a minority of the cases are indeed back-to-back Chapter 13 filings. However, this drop is not as drastic as it would be if abusers were abundant, suggesting that even among consecutive Chapter 13 filings, many were probably filed in good faith with a judge-sanctioned repayment plan.

TABLE 2: PERCENT OF REFILERS BY CHAPTER

Panel A: All Repeated Filing

Prior Case	New Case	
	Chapter 13	Chapter 7
Chapter 13	32.37%	10.21%
Chapter 7	18.95%	38.47%
Number of Obs.	46,365	

Panel B: Repeated Filing After over 365 Days

Prior Case Chapter	New Case	
	Chapter 13	Chapter 7
Chapter 13	27.70%	10.29%
Chapter 7	20.36%	41.64%
Number of Obs.	41,164	

Note. Data from UC-CCP. The sum of all four categories is 100% for each panel.

It is well known that some debtors choose to file a Chapter 13 immediately after completing a Chapter 7—a strategy colloquially known as “Chapter 20”—because they face financial challenges that cannot be addressed by either a Chapter 7 or a Chapter 13 bankruptcy alone. The benefit of filing for Chapter 13 immediately after a discharged Chapter 7 is that the debtor can extend the payment period of certain nondischargeable debt, such as certain tax liabilities and mortgage arrearages. However, the drawback is that the debtor cannot receive a second discharge in the Chapter 13 bankruptcy, and the process can be costly.

Despite the public awareness of Chapter 20, this Article finds that such a strategy is rarely used. Instances of Chapter 13 filings within a year after filing a Chapter 7 petition, a classic Chapter 20 scenario, constitute less than 1% of all cases from repeat filers. Therefore, despite the

hypothetical benefits of Chapter 20, it is not a common strategy that meaningfully affects the prevalence of repeated filing.

Despite the persistence in chapter choice, Table 1 shows that a subsequent filing is significantly less likely to be a Chapter 7 case than a first-time filing. The last filing of these repeat filers, as shown in Column (3), is also less likely to be a Chapter 7 case than a first-time filing in Column (2) or the benchmark in Column (4).

There are many possible reasons why Chapter 7 is less prevalent among repeat filers than first timers. On the demand side, repeat filers may have different financial and demographic characteristics compared to the first timers, causing them to prefer Chapter 13 over Chapter 7. Notably, repeated filers are older than first timers on average and tend to have higher incomes and more secured debt, as shown in Table 1, making Chapter 13 more attractive to repeat filers than to first timers.

On the supply side, repeat filers face restrictions that first timers do not when they choose between chapters, such as the statutory constraints described in Section II.B above. For example, a debtor may file under Chapter 13 immediately after a Chapter 7 discharge to manage their nondischargeable debt in a payment plan (i.e., create a Chapter 20 case as discussed above). In contrast, filing under Chapter 7 immediately after a discharged case provides little benefit regardless of the previous case's chapter, because Chapter 7 cases do not contain a payment plan and the debtor must wait many years before getting a second discharge.

Table 3 below further illustrates the second point. This table shows the percentage of repeat filers who chose to file under Chapter 7 during the sample period (2016–2018), grouped by the length of time since their last filing. While the debtors who refiled in less than eight years mostly chose Chapter 13, those who refiled after eight years mostly chose Chapter 7. If we only look at people who refiled after eight years, about 69% refiled under Chapter 7, which is very close to the benchmark in Column (4) of Table 1.

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TABLE 3: COMPOSITION OF REFILERS BY YEARS AFTER THE PREVIOUS FILING

Years	% Refilers Whose Last Filing Was Chapter 7	% Refilers Whose Last Filing Was Discharged	% Refilers Whose New Filing Was Discharged	% Cases	# Cases
Under 1	23%	23%	6%	11%	5,199
1–3	19%	33%	16%	15%	6,765
4–7	15%	46%	69%	14%	6,559
8–10	69%	83%	90%	16%	7,491
11–15	69%	83%	92%	25%	11,560
16–20	69%	83%	92%	13%	5,976
Over 20	67%	80%	92%	6%	2,805
All Cases	49%	63%	68%	100%	46,355

Notes. This table includes all refilers identified in the court record dataset, as summarized in Table 1, for whom we have case outcome data. “New filing” refers to the randomly selected cases filed between 2016 and 2018, while the “last filings” include the immediately preceding case filed by the same debtor. To identify refilers, data is available for all districts back to 1991 (year 25). Beyond that, fifty-eight out of sixty-seven districts provide data beyond 1986 (year 30), and forty-six out of sixty-seven districts provide data beyond 1981 (year 35). Discharged cases include those discharged as of June 30, 2023.

Table 3 also shows the danger of studying repeated filings using datasets that are not long enough temporally. If the data went back only a decade or less,⁶⁴ it would reveal that the majority of repeat filers refiled under Chapter 13 without success after a dismissed case, fitting the profile of Chapter 13 abusers.⁶⁵ In contrast, when looking at cases filed over ten years later, most repeat filers refiled under Chapter 7 after their prior filing was successfully discharged, suggesting a very different profile for repeat filers.

Finally, the outcome of and personal experience with the previous case probably also plays a role in the decision to refile and chapter choice. Table 1 shows that repeat filers are more likely to file pro se compared to

⁶⁴ For example, most credit reports only contain bankruptcy records, sometimes called the “bankruptcy flags,” from the past seven to ten years. Therefore, when using credit bureau data to study bankruptcy, it is important to pool together multiple archives or snapshots of the credit reports for each person, rather than relying on only one year’s credit reports.

⁶⁵ See *supra* note 9 and accompanying text.

first timers.⁶⁶ The pro se rate among previous cases filed by repeat filers in Column (3) is significantly higher than all other groups, suggesting that attorney representation is somehow correlated with refiling behavior. However, as note 4 to Table 1 explains, this 14.28% is likely biased because I do not have the pro se status of cases filed prior to 2008. It remains to be tested whether the attorney of a repeat filer's first case affects her subsequent chapter choice.

V. REPEAT FILING ACROSS TIME

When is repeat filing most common? This Part provides previously unknown stylized facts about the timing of repeated filing. Each Section below focuses on a different metric of the phenomenon's prevalence. For simplicity, this Article uses the terms "cases" and "debtors" interchangeably. In practice, a case may involve one or two debtors, so the number of cases does not equal the number of individuals filing. Because the UC-CCP reports data at the individual level rather than the case level, the estimates here may differ slightly from those based on case counts.

A. Percentage of Debtors That Are Repeat Filers: 46% for 2023 and Overall Increasing

This Section focuses on the percentage of bankruptcy filers that had already filed previously. In probability terms, this Section explores the time trend of

$$\Pr(\text{Filed before Year } T \mid \text{Filed in Year } T).$$

Table 4 below provides these statistics for every year after 2016. Nearly 46% of all individuals who filed bankruptcy in 2023 had already filed before, according to the UC-CCP dataset. Overall, this percentage has increased steadily as the total number of bankruptcy filers has declined.

⁶⁶ Pro se means they are not represented by attorneys. The pro se rate for Columns (1) and (4) happen to be the same after rounding. This is not a typo.

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TABLE 4: PERCENTAGE OF BANKRUPTCY FILERS THAT HAVE
ALREADY FILED BEFORE

	% Filers That Are Repeat Filers			Number of Bankruptcy Filers	
	Full History (1)	Past 20 Years (2)	Past 15 Years (3)	UC-CCP (4)	FJC Data (5)
2016	36.89	36.89	31.42	18,668	938,656
2017	39.11	38.70	32.28	18,424	928,448
2018	40.88	39.58	32.70	17,930	905,714
2019	41.50	39.41	31.98	17,783	903,647
2020	40.76	37.94	29.33	12,485	626,032
2021	42.03	38.26	29.70	9,241	468,212
2022	46.31	41.92	35.11	8,430	433,392
2023	45.93	40.55	34.01	10,006	507,514

Notes. The first three columns of this table show the percentage of individuals who filed bankruptcy in each year that were repeat filers—individuals with prior bankruptcy records. Column (1) includes the entire filing history dating back to 1997, while Columns (2) and (3) use lookback periods of twenty and fifteen years, respectively, to eliminate selection bias. The last two columns show the total number of bankruptcy filers each year. Column (4) displays the number of individuals in the UC-CCP dataset with a bankruptcy flag, representing a randomly selected 2% of the U.S. population with a credit report. The percentages in Columns (1)–(3) are based on this sample. In comparison, Column (5) provides the estimated total number of bankruptcy filers based on the FJC data, adjusted for joint filings by counting two debtors per joint case and one debtor per individual case. These estimates include all cases where the original debtor type is “individual” and the original chapter is 7 or 13, grouped by calendar year.

Specifically, Columns (1) through (3) of Table 4 show the percentage of bankruptcy filers who are repeat filers. Column (1) considers the entire filing history dating back to 1997, while Columns (2) and (3) use lookback periods of twenty and fifteen years, respectively, to eliminate the influence of selection bias on the observed trends.⁶⁷ While Column (1) shows a 9-percentage-point increase from 2016 to 2023, some of this increase is attributable to selection bias. To more accurately measure the rate of increase, we should focus on Column (2), which shows a 3.66-percentage-

⁶⁷ The selection bias exists because we can observe a longer history for cases filed in the later years, so this percentage is mechanically higher for the later years. This is not a big problem for the PACER data because the records of most districts go back to at least 1981.

point rise over the same seven-year period—equivalent to an average annual increase of approximately 52 basis points.

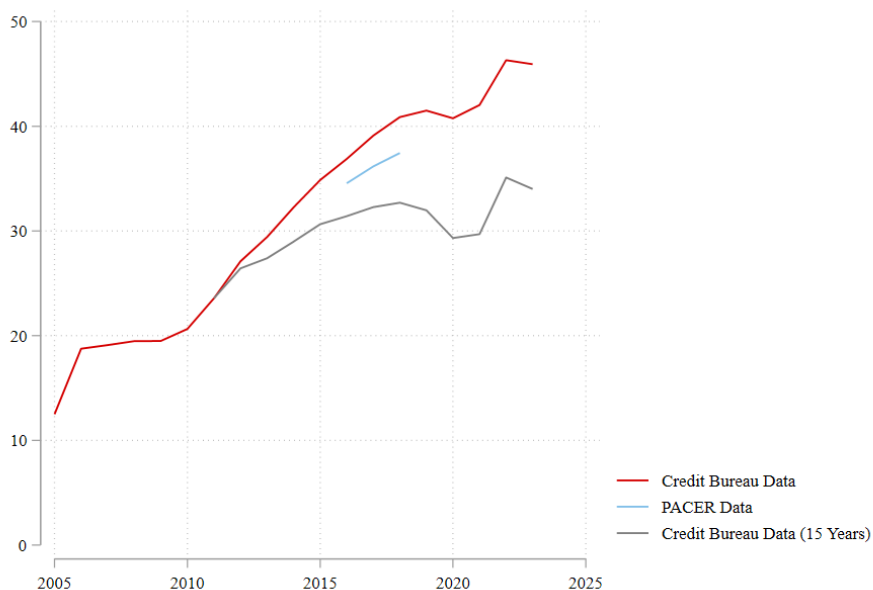
This increase in repeat filings occurs against the backdrop of a significant macro trend: since the end of the Financial Crisis of 2008, the total number of bankruptcy cases has declined sharply. To contextualize this trend, Column (4) and (5) provide the total number of bankruptcy filers for each year. Column (4) displays the number of bankruptcy filers in the UC-CCP dataset, while Column (5) provides the estimated number of bankruptcy filers based on the FJC data, adjusting for jointly filed cases. Column (4) represents approximately 2% of Column (5), reflecting the fact that the UC-CCP dataset is a random sample of the U.S. population, as explained in Part III above. This alignment between the two columns underscores the representativeness of the UC-CCP sample and its utility for analyzing national bankruptcy trends.

Altogether, Table 4 offers a comprehensive view of both the prevalence of repeat filings and the overall scale of bankruptcy activity over time. On the one hand, the percentage of cases filed by repeat filers is increasing; on the other hand, the total number of individuals utilizing bankruptcy is decreasing. These trends may be causally linked. One plausible explanation is that rising barriers to bankruptcy—such as stricter eligibility requirements, higher costs, or increased stigma—disproportionately deter first-time filers, who are less familiar with the system and may perceive bankruptcy as a last resort. In contrast, repeat filers, having already navigated the process, may find it easier to overcome these barriers due to their prior experience, established relationships with attorneys, or greater familiarity with the legal and financial requirements. As a result, while the overall number of bankruptcy filings declines, the proportion of repeat filers grows.

Figure 3 below visually illustrates the data presented in Table 4. Just like Column (3) of Table 4, the green line fixes the lookback period to fifteen years. The trend has been increasing since at least 2013, meaning that repeat filers are generally taking up a larger portion of all cases (except for a slight dip during the COVID-19 pandemic). This upward trend highlights the importance of studying repeat filers, as they may soon become the majority of all cases nationwide.⁶⁸

⁶⁸ At the time of writing, complete data for the entire year of 2024 was not yet available. However, based on the limited information available then, there are preliminary indications that the upward trend in repeat filings may be leveling off slightly, coinciding with an overall increase in the total number of bankruptcy cases.

FIGURE 3: PERCENTAGE OF PEOPLE WHO FILED BANKRUPTCY IN EACH YEAR THAT HAD ALREADY FILED BEFORE



Notes. The Credit Bureau Data line shows the percentage of cases that came from people who had filed previously since 1997. The PACER Data line shows the percentage of cases that came from people who had filed previously in the same district since at least 1991 (1981 for most districts).

B. Percentage of Debtors That Eventually Refiled: 26% Refiled in 20 Years, Historically

This Section focuses on the percentage of cases or debtors that refile at some point in the future. In probabilistic terms, this Section explores the time trend of

$$\Pr(\text{Refiled after Year } T \mid \text{Filed in Year } T).$$

As Table 5 below shows, nearly 26% of all debtors who filed bankruptcy between 1997 and 2003 refiled within twenty years. Chapter 7 filers are much less likely to refile compared to Chapter 13 filers—while 22% of the former refiled within twenty years, a remarkable 40% of the latter did the same. This high refiling rate among Chapter 13 cases is likely driven by the dismissed cases, over 52% of which refiled within twenty years.

TABLE 5: PERCENTAGE OF DEBTORS WHO REFILED IN 20 YEARS

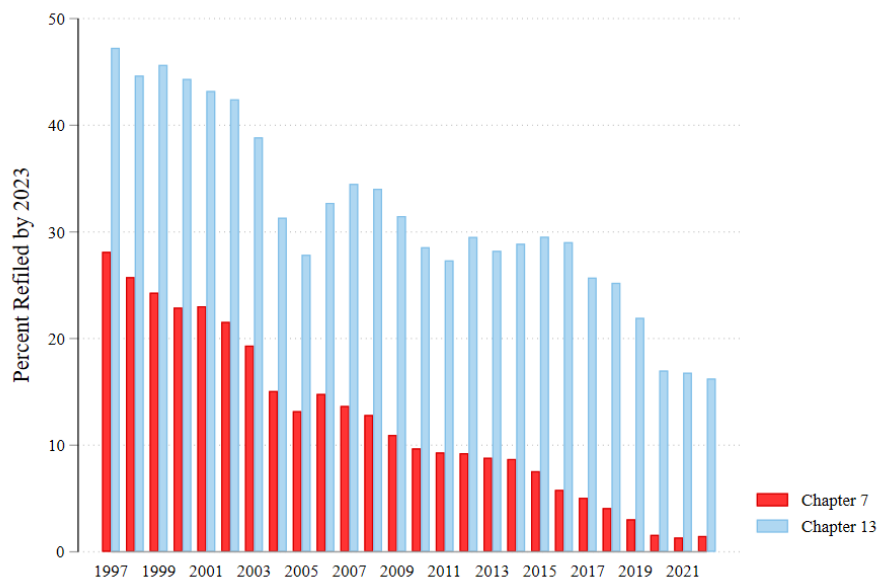
	Chapter 7	Chapter 13	Discharged Cases	Dismissed Cases	All Cases
2003	18.87	38.06	18.79	51.03	23.74
2002	20.80	41.47	20.67	54.24	26.13
2001	22.08	42.40	21.98	54.24	27.14
2000	21.88	42.92	21.92	54.49	27.62
1999	22.96	43.84	23.26	52.96	28.30
1998	23.95	42.83	24.36	52.82	28.59
1997	26.08	45.77	26.19	55.07	29.19
All Cases	21.99	39.85	21.92	52.06	25.80
Obs.	187,230	50,864	193,738	25,443	238,094

Note. This table shows the percentage of individuals who refiled within twenty years, based on the UC-CCP dataset.

Surprisingly and alarmingly, the refiling rate remains high even for discharged cases—one out of every five debtors who successfully navigates the bankruptcy process and emerges with their debts eliminated eventually finds themselves back in bankruptcy again. This observation raises critical questions about the effectiveness of the bankruptcy system as a social safety net, namely its ability to provide lasting relief and long-term financial stability.

I do not observe the twenty-year refiling rate for years after 2003 because the dataset ends in 2023. This selection bias or left truncation probably drives the downward slope observed in Figure 4 below, which plots the percentage of debtors in each filing year cohort that refiled prior to the end of 2023. Despite the truncation bias, it is clear from this figure that the likelihood for Chapter 13 debtors to refile is consistently higher than that for Chapter 7 debtors, and that this likelihood is substantial regardless of the Chapter.

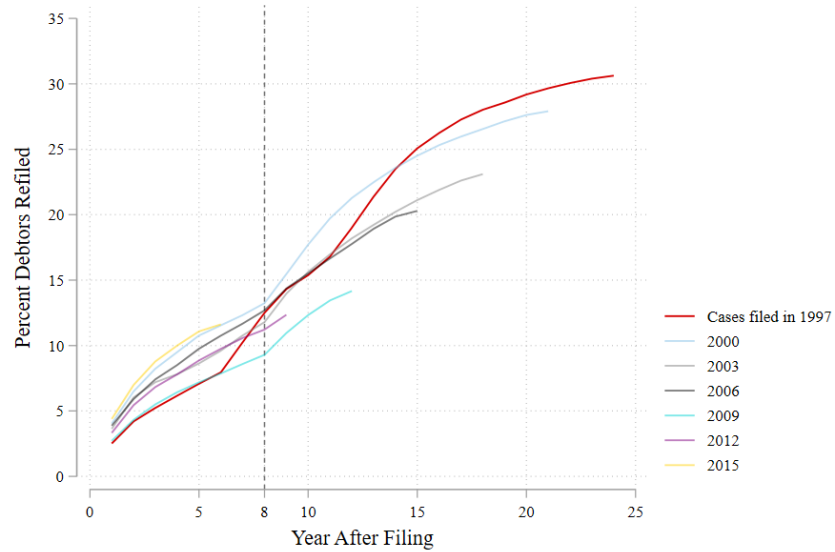
FIGURE 4: PERCENTAGE OF EACH FILING YEAR COHORT THAT REFILED BY THE END OF 2023



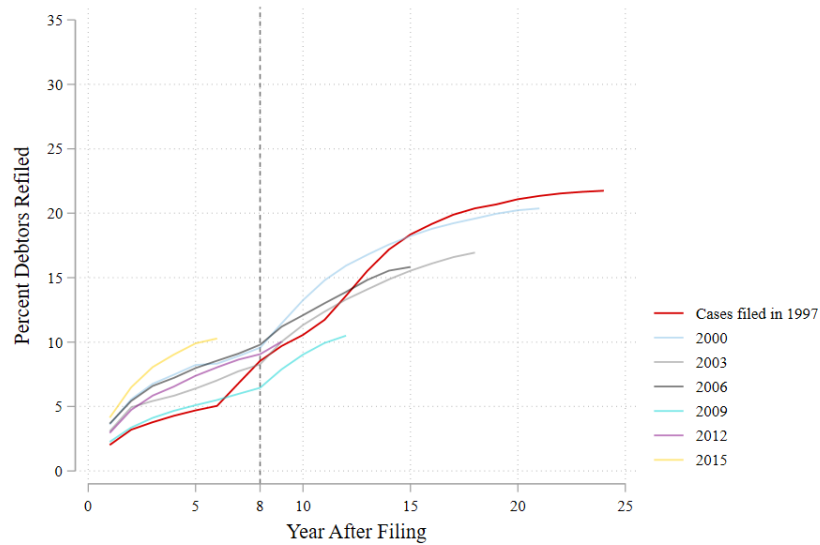
In terms of timing, Figure 5 presents the cumulative refiling rate in the years following a bankruptcy case. Each line represents cases from a different filing year cohort. Because the dataset ends in 2023, the later cohorts have shorter lines than the earlier cohorts. However, for the cohorts for which I do observe sufficient years, the majority of refiling happened after the eighth year, again highlighting the importance of using a sufficiently long dataset when studying repeated filers.

FIGURE 5: PERCENTAGE OF DEBTORS THAT REFILED WITHIN X YEARS

(a) Without Adjustment



(b) Adjusted for Baseline Per Capita Filing Rate



Notes. These plots show the percentage of debtors in each filing year cohort that refiled within x years (calculated from the UC-CCP dataset ending in 2023), but Figure 5(b) is adjusted by subtracting the corresponding annual per capita filing rate from each refile rate data point. The corresponding annual per capita filing rate is calculated from bankruptcy filing data from the American Bankruptcy Institute and population data from the census bureau.

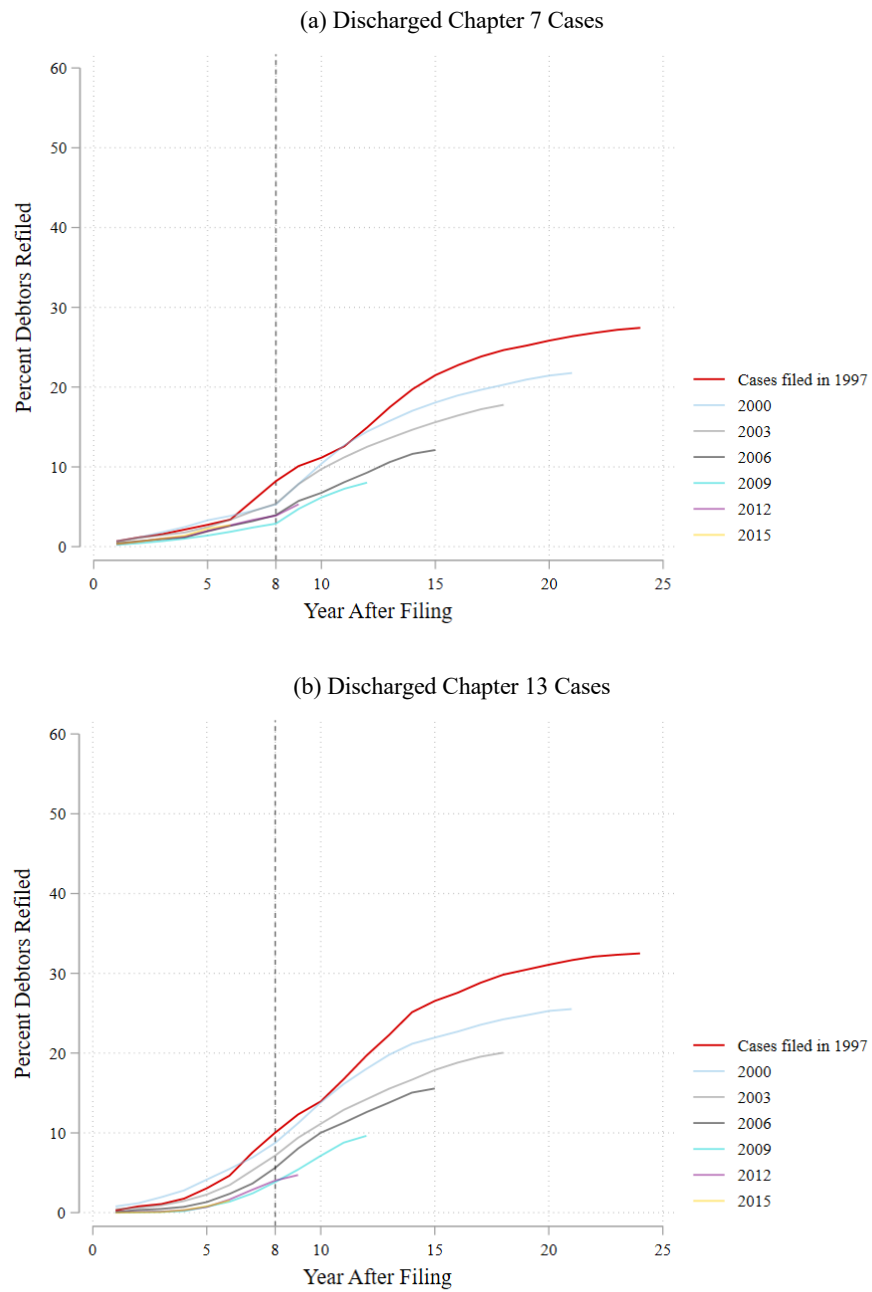
The unadjusted Figure 5(a) exhibits a strong cohort effect, meaning that cases filed in different years have different likelihoods of refiling in subsequent years. Part of this cohort effect is due to the fact that bankruptcy was more popular in some years, such as the years following the 2008 financial crisis, than in others. Therefore, Figure 5(b) subtracts the corresponding unconditional per capita filing rate from the cumulative refiling rate to mitigate the effect of macro trends.

To put it differently, in a hypothetical scenario where bankruptcies were distributed randomly among households, we would still observe a higher number of households filing for bankruptcy multiple times when the dataset covers a longer timeframe. Therefore, Figure 5(a) calculates the baseline refiling rate in this counterfactual world, that is, the unconditional likelihood of refiling within the entire U.S. population, and then subtracts it from the actual observed refiling rate. The resulting graph looks very similar to the unadjusted one, which demonstrates that refiling is not occurring randomly, but rather, it exhibits distinct patterns and reflects nonrandom behavior.

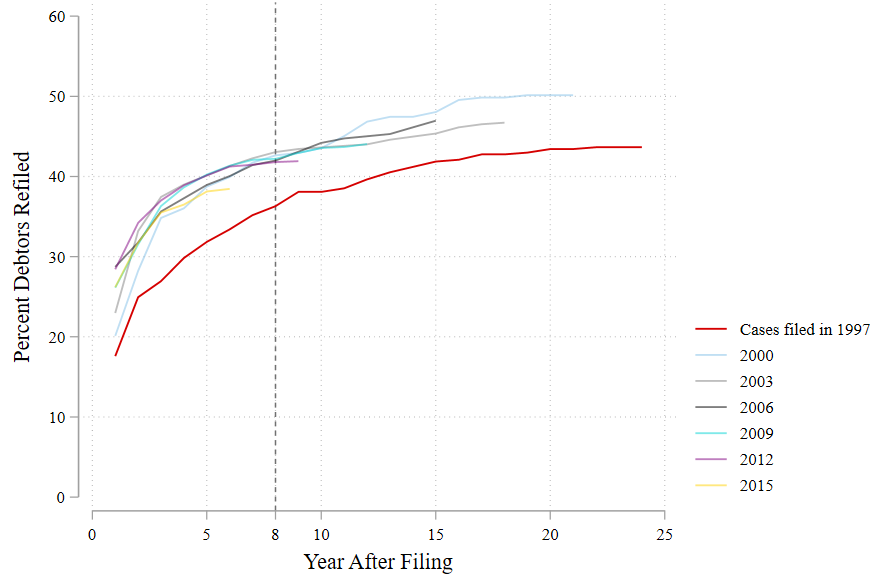
Figures 6 and 7 repeat the exercise in Figure 5 but split the sample by bankruptcy chapter and outcome. They further show that, while among dismissed cases refiling most commonly happened *within* eight years, among discharged cases it most commonly happened *after* eight years. This pattern holds true for both Chapter 7 and Chapter 13 cases, demonstrating that the timing of refiling is more driven by the case outcome than by the chapter choice.

Finally, even after the above-mentioned adjustment, notable cohort effects persist in all figures. While some of the cohort effect in Figure 5 can be attributed to the shifting relative popularity of the two bankruptcy chapters, chapter choice cannot explain all observed differences.

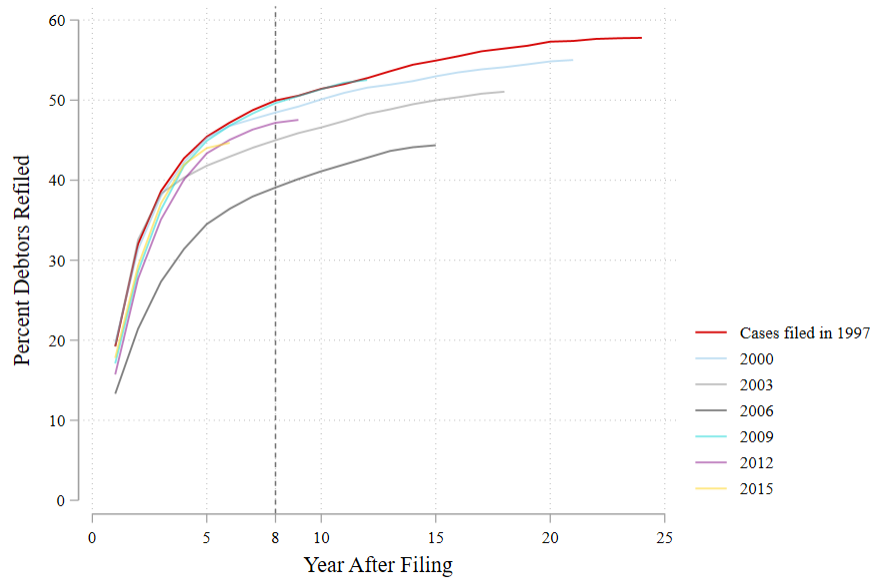
FIGURE 6: PERCENTAGE OF DEBTORS THAT REFILED WITHIN X YEARS, UNADJUSTED



(c) Dismissed Chapter 7 Cases



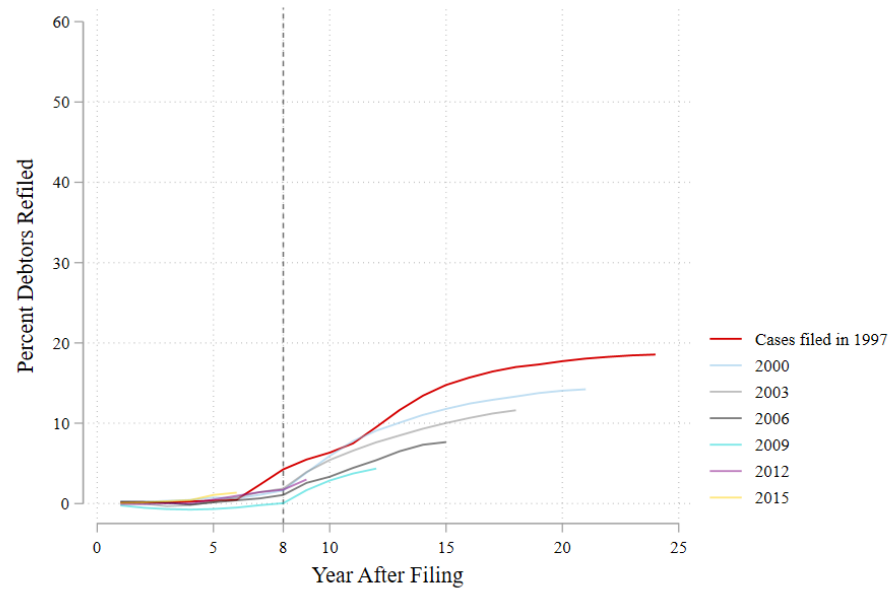
(d) Dismissed Chapter 13 Cases



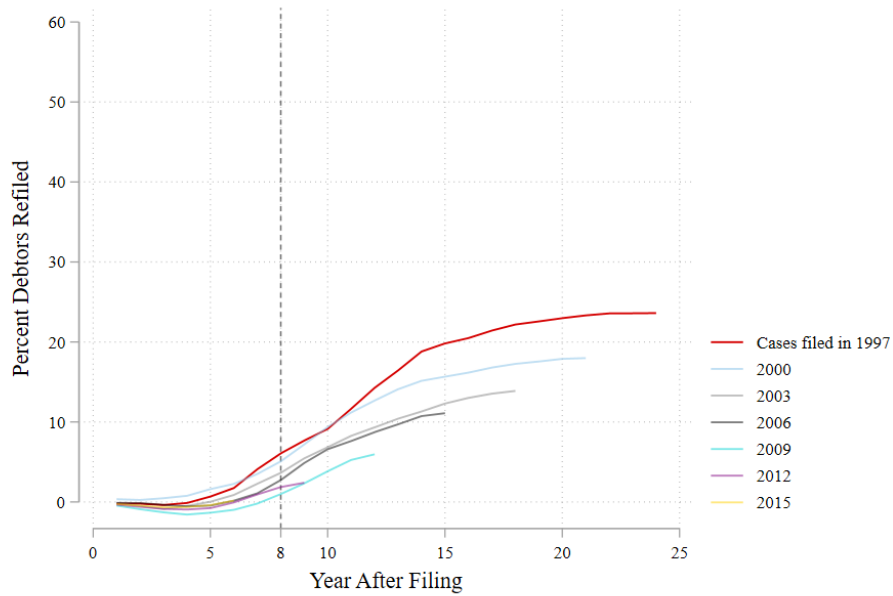
Note. These plots are exactly the same as Figure 5(a) but Figure 5 combined all Chapter 7 and Chapter 13 cases regardless of case outcome.

FIGURE 7: PERCENTAGE OF DEBTORS THAT REFILED WITHIN X YEARS,
ADJUSTED FOR BASELINE PER CAPITA FILING

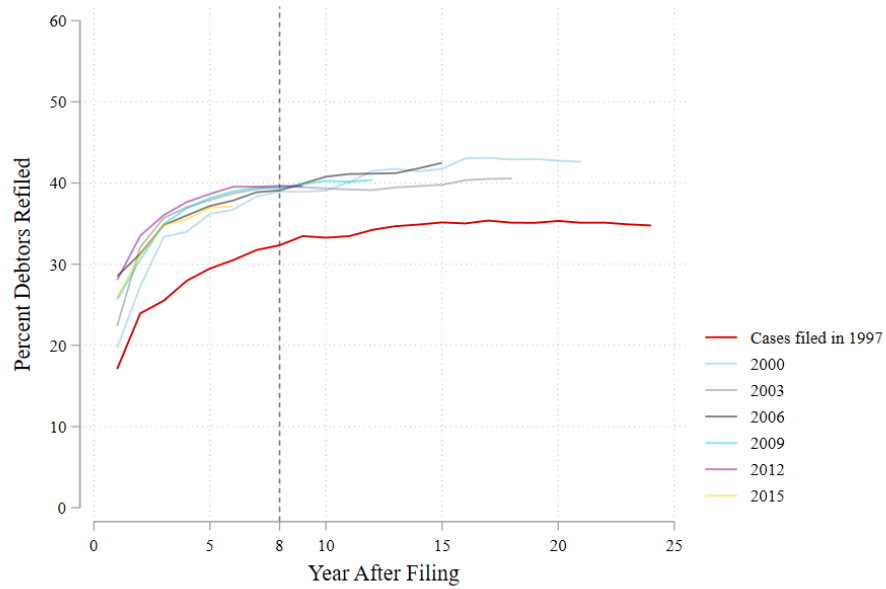
(a) Discharged Chapter 7 Cases



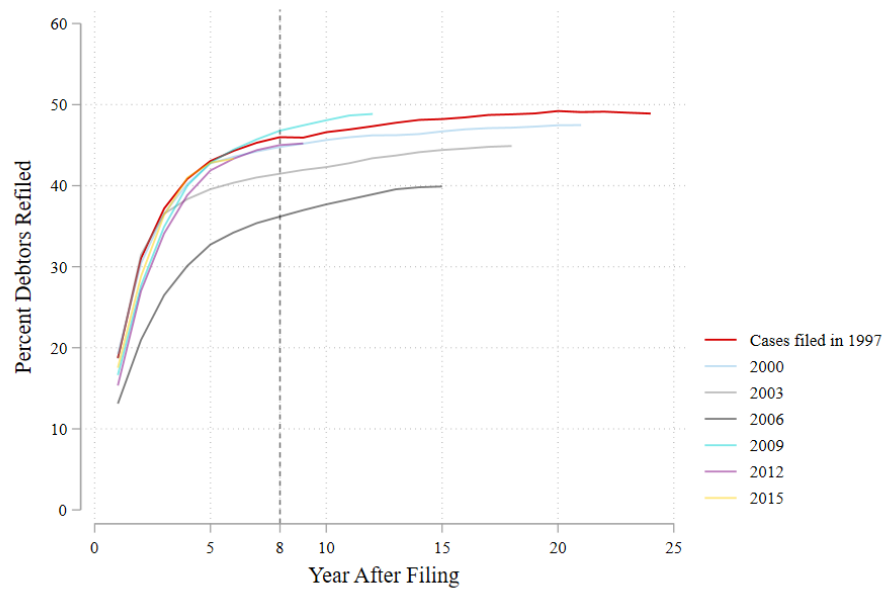
(b) Discharged Chapter 13 Cases



(c) Dismissed Chapter 7 Cases



(d) Dismissed Chapter 13 Cases



Note. These plots are exactly the same as Figure 5(a) but Figure 5 combined all Chapter 7 and Chapter 13 cases regardless of case outcome.

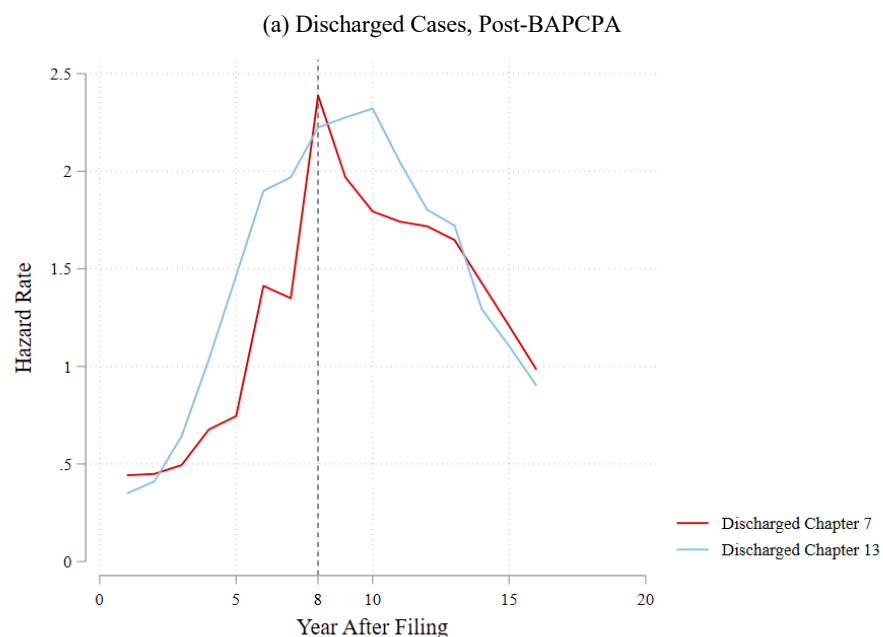
C. Percentage of Debtors That Refiled in Each Following Year, Conditional on Not Having Refiled Before (i.e., the Hazard Rate): Varies by Case Outcome

Related to Figures 5 and 6, Figures 8 and 9 plot the hazard rate, that is

$\Pr(\text{Refiled in Year } I \mid \text{Did Not Refile Before Year } T, \text{ Observed})$.

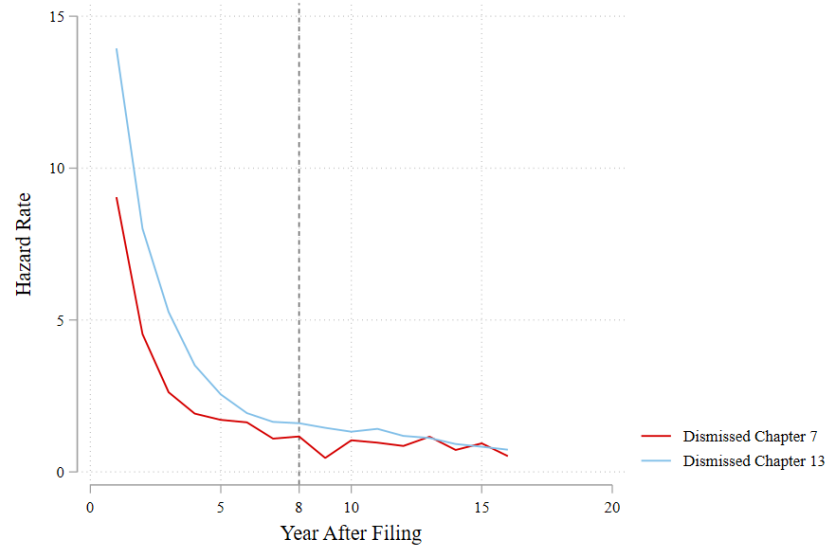
Following the conventional definition for hazard rates, this represents the conditional probability of filing for bankruptcy at time T , given that the individual has not refiled before time T . In essence, these plots provide insights into the probability of refileing for the first time in each successive year following the debtor's initial filing. They offer a dynamic view of the changes in Figures 5 and 6 from one year to the next.⁶⁹

FIGURE 8: PERCENTAGE OF DEBTORS THAT REFILED IN EACH YEAR FOLLOWING THE FILING, CONDITIONAL ON NOT HAVING REFILED ALREADY (I.E. HAZARD RATE)

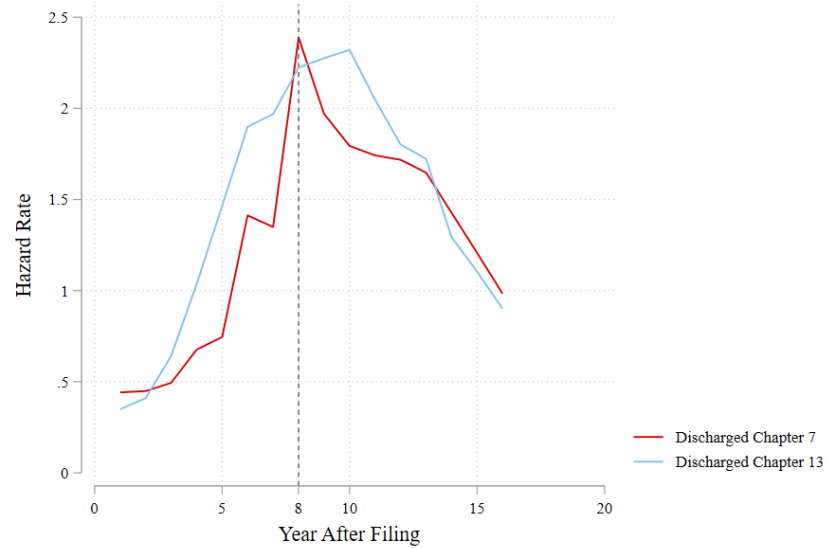


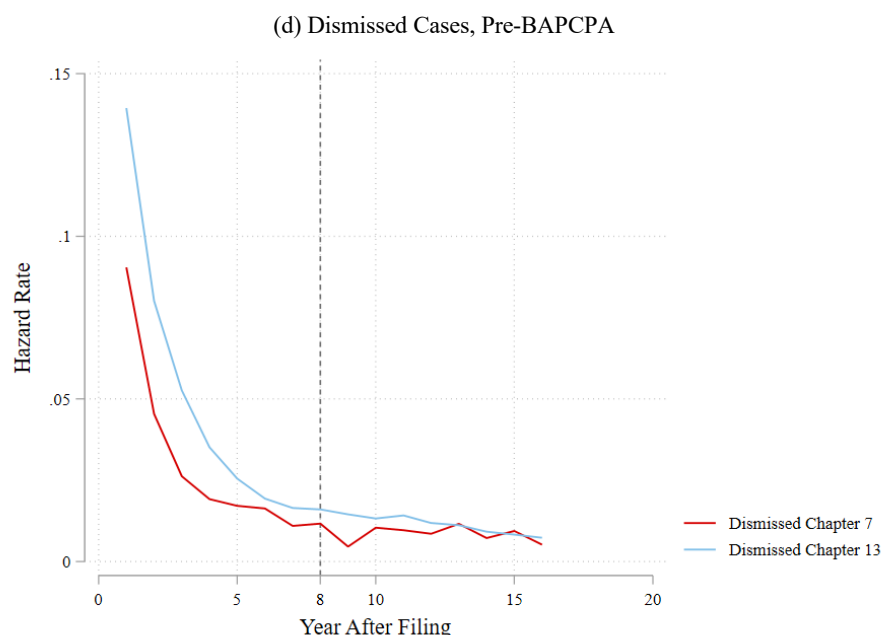
⁶⁹ For simplicity, Figures 8 and 9 are not adjusted for the baseline per capita filing rate. The comparison with baseline is later provided in Figure 10.

(b) Dismissed Cases, Post-BAPCPA



(c) Discharged Cases, Pre-BAPCPA





Notes. These plots show the percentage of debtors that refiled in each year following the first filing, conditional on not having refiled previously and that the dataset covers a sufficient time span after the initial filing date. Cases filed after October 30, 2005 are included in the post-BAPCPA plots, and cases filed before then are included in the pre-BAPCPA plots.

As anticipated, Figure 8 shows that the probability of a dismissed filer refiling within the initial eight years is notably higher compared to that of a discharged filer. This behavior can be attributed to the constraints on repeated discharge explained in detail in Section II.B above. Simply put, a debtor must wait six to eight years after an earlier filing to be eligible for a second discharge under Chapter 7. Because the discharge is arguably the biggest benefit that a bankruptcy can provide, these constraints greatly lower people's incentive to file again shortly after a recent discharge, even though it is technically possible.

This difference between dismissed and discharged cases highlights the difficulty of adjusting for repeated filing when available datasets are not long enough in time. Most importantly, observed repeat filers should not be excluded from studies, especially when the lookback period is around eight years. Doing so will likely introduce selection bias, because the excluded cases will mostly come from people who have previously attempted Chapter 13 but failed to secure a discharge.

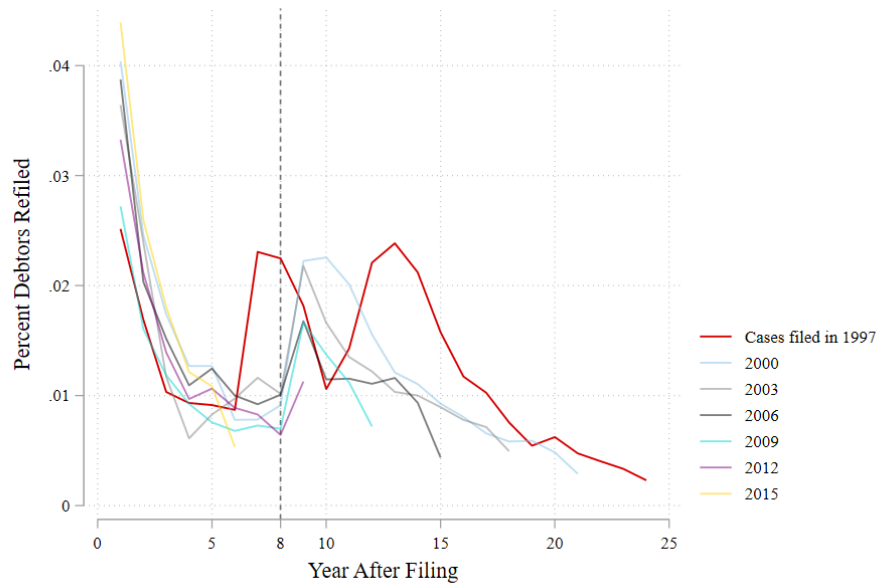
Another significant observation derived from Figure 8 is that the substantial contrast in refiling patterns between Chapter 7 and Chapter 13

primarily stems from the difference between discharged and dismissed cases. As Table 1 summarizes, approximately 95% of Chapter 7 cases result in discharge, while only about 40% to 50% of Chapter 13 cases achieve the same outcome. Consequently, the refiling trends of Chapter 7 cases closely mirror those of discharged cases, whereas the refiling trends of Chapter 13 cases closely mirror those of dismissed cases.

Lastly, let's consider the impact of BAPCPA on refiling timing. The lower half of Figure 8 zeroes in on cases filed before BAPCPA's effective date. Overall, these two subplots resemble the first two subplots, which subset on post-BAPCPA cases. However, BAPCPA distinctly suppressed the number of discharged cases that refiled within the five-to-eight-year timeframe.

The impact of BAPCPA becomes even more evident when examining Figure 9, which illustrates the overall hazard rate for each filing year cohort. For instance, among cases filed in 1997, we observe two peaks: one occurring around the eighth year, reflecting the passage of BAPCPA, and another around the thirteenth year, reflecting the aftermath of the 2008 financial crisis. The magnitude of the effect of these two macro events appears to be surprisingly comparable. As we progress to later years, these two peaks gradually converge and overlap.

FIGURE 9: HAZARD RATE BY FILING YEAR COHORT



Note. This plot is exactly the same as Figure 8 but combining all cases within each filing year cohort.

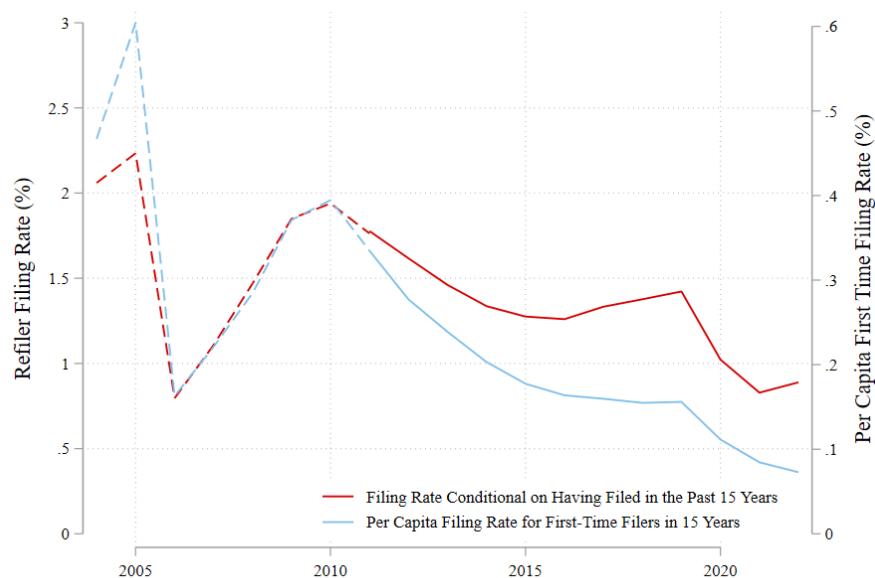
D. Percentage of Past Filers That Refiled in a Given Year: About 1% to 2% Per Year, or 6-to-9-Times Per Capita Filing Rate

Finally, this Section focuses on the percentage of people with a bankruptcy record that refiled at some point in the future. In probability terms, this percentage is

$$\Pr(\text{Refiled in Year } T \mid \text{Filed Before Year } T).$$

Figure 10 compares this conditional refiling rate with the per capita bankruptcy filing rate. To avoid selection bias, the lookback period is fixed to fifteen years. The dashed segments of the lines are periods where I do not observe the full fifteen years.

FIGURE 10: FILING RATE AMONG REFILERS VS NATIONAL PER CAPITA FILING RATE



Notes. The dashed segments of the lines represent periods where we do not observe the full fifteen years. The blue line shows the percentage of people who have filed in the fifteen years prior to year x that refiled in year x . The red line shows the per capita filing rate among people who have not filed for bankruptcy in the fifteen years prior to year x , which is calculated based on the total number of non-business cases per year (published by the American Bankruptcy Institute), the estimated population (estimated by the Census Bureau), and the percentage of cases that does not have a prior case in the past fifteen years (calculated using the UC-CCP dataset, same as the green line in Figure 3).

Between 2011 and 2020, 1% to 2% of those who filed in the past fifteen years ultimately refiled every year. This filing rate is about six to nine times higher than the per capita filing rate among people who have not filed in the past fifteen years. The synchronicity between these two filing rates is likely caused by macroeconomic factors that affect both first-time filers and repeat filers, including the 2005 BAPCPA, the 2008 financial crisis, and the 2020 COVID-19 pandemic. Notably, the filing rate among repeat filers has generally risen since 2017 (except during the pandemic years), while the per capita filing rate for first-time filers continues to decline.

VI. PRIOR BANKRUPTCY'S PREDICTIVE POWER ON FUTURE FILINGS:
HEIGHTENED BANKRUPTCY FILING RATE AMONG REPEAT FILERS

Does a person's prior interaction with the bankruptcy system increase their likelihood of filing for bankruptcy in the future? While this Article cannot provide a definitive causal answer to this question, this Part presents robust correlational evidence showing that individuals with a prior bankruptcy record are significantly more likely to file for bankruptcy again compared to those without such a record, even after controlling for an extensive list of financial and demographic factors. Specifically, the statistical models below demonstrate how a person's past bankruptcy filing can "predict" their future filing patterns, and this correlation remains strong across a wide range of controls.

As the adage goes, "correlation does not imply causation." The results presented here indicate that repeat filers are significantly more predisposed to file for bankruptcy compared to first-time filers, but they do not identify the underlying reasons for this predisposition. While the findings are consistent with the hypothesis that bankruptcy provides such a beneficial experience that individuals are more likely to file again when faced with financial distress, they are equally consistent with alternative explanations. For instance, certain types of consumers may be inherently more likely to file for bankruptcy due to spending habits, a lack of financial safety nets, or other persistent traits.

Despite the absence of causal inference, the strong predictive power of prior bankruptcy records is a valuable finding in its own right. First, it demonstrates that a bankruptcy record is a powerful predictor of future default, though the direction of this prediction varies depending on the age of the record. In the short term, a recent bankruptcy filing is negatively correlated with future filings, meaning individuals with such a record are less likely to file again. However, this relationship reverses abruptly around the eighth year, when the prior record becomes strongly positively correlated with the likelihood of refiling. Therefore, even though a bankruptcy record is a useful tool for gauging people's default risk, it requires a nuanced application, as its predictive value depends heavily on the timing and context of the prior filing.

Furthermore, this predictive power highlights significant differences in the bankruptcy filing patterns of repeat filers and first-time filers, suggesting that these groups may respond differently to policy changes. If the goal is to design policies that reduce or increase the use of the bankruptcy system—or to mitigate its disparate impact on minority groups—it is essential to consider how these policies might differentially

affect repeat filers and first-time filers. Understanding these distinctions is critical for crafting effective and equitable bankruptcy reforms.

A. Model Specification

The analysis in this Section revolves around two key variables: $Y = \{0,1\}$ equals 1 if a person files for bankruptcy in the current period, 0 otherwise. $D = \{0,1\}$ equals 1 if a person has filed for bankruptcy in a prior period, 0 otherwise.

Our objective is to quantify the direct effect of D on Y . This can be modeled by relating individual i 's past filing, D , to her current filing decision, Y :

$$Y_i = \alpha + \beta_1 D_i + \beta_2 X_i + \epsilon_i$$

where X_i is the vector of control variables, including the individual's other characteristics that could affect Y_i .

I now expand upon this simple model to reflect that, in reality, there are numerous periods preceding the current one, and the timing of the previous bankruptcy virtually determines its impact on the subsequent filing decision. In other words, we cannot merely aggregate all prior filings into a single variable D . As explained in Section II.B above and illustrated by Figure 8, discharged cases exhibit artificially low refiling rates in the following seven years due to the legal restrictions on repeated discharges. Consequently, we must separately evaluate the effect of discharged cases and dismissed cases, with consideration for the recency of the case.

Suppose the unit of time is one year, the expanded model is

$$Y_i = \alpha + \beta_1^1 d_i^{7+,s} + \beta_1^2 d_i^{7+,f} + \beta_1^3 d_i^{7-,s} + \beta_1^4 d_i^{7-,f} + \beta_2 X_i + \epsilon_i$$

where $d_i^{7+,s}$ is a dummy variable that indicates whether this person has filed over seven years ago and successfully obtained a discharge (the superscript s denotes "success"); $d_i^{7+,f}$ indicates whether this person has filed over seven years ago but failed to obtain a discharge (the superscript f denotes "failure"); $d_i^{7-,s}$ indicates whether this person has filed less than seven years ago and successfully obtained a discharge; and $d_i^{7-,f}$ indicates whether this person has filed less than seven years ago but failed to obtain a discharge. This way, we separately estimate the effect of having experienced each of these events on the subsequent filing rate.

We now must determine the appropriate time period(s) for X_i , assuming that all necessary controls are observable at all times. This is necessary because some characteristics, such as debt level and zip code,

can change greatly over time. Hence, we must decide which time period's values to use for the control variables.

The selection of control variables should align with the primary purpose of the analysis, which is to explore how prior bankruptcy experience affects people's willingness to file for bankruptcy. In this context, control variables should account for any alternative factors that could introduce a correlation between a prior bankruptcy and the likelihood of filing for bankruptcy in the current period.

A reasonable assumption here is that an individual's decision to file for bankruptcy during a specific period is primarily influenced by their circumstances at the outset of that period. Given this assumption, the most appropriate control variables should capture these circumstances at the beginning of the current period. Consequently, the regressions presented in the following Section use control variables that are measured at the beginning of the current year, equivalent to the end of the preceding year.

Table 7 below summarizes the variables used to generate the results presented in the next Section. All variables are derived from the UC-CCP dataset. As the table illustrates, the final regression model incorporates an extensive list of controls, including financial characteristics (e.g., credit scores, debt levels, and inquiries) and demographic characteristics (e.g., age, gender, and marital status), as well as zip code fixed effects to account for geographic variations. This comprehensive approach ensures that the analysis isolates the predictive power of prior bankruptcy filings as much as possible by controlling for a wide range of potential confounding factors.

One caveat is that the demographic variables in the UC-CCP are not typically part of a credit report but are supplemented by the credit reporting agency from sources such as self-reporting and proprietary algorithms. As a result, these variables may suffer from selection bias and may not fully represent the population. This limitation does not undermine their use as controls, since the purpose here is simply to show that including them does not materially change the estimated coefficients. Because we do not interpret these variables causally, potential biases are less problematic.

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TABLE 7: SUMMARY STATISTICS FOR REGRESSION INPUTS

Variable	Mean	Std. Dev.	Min	Max
Outcome Variable				
Filed in 2018	0.0050	0.0707	0	1
Refiler Dummies				
Filed Over 7 Years Ago, Discharged	0.0893	0.2852	0	1
Filed Over 7 Years Ago, Dismissed	0.0107	0.1027	0	1
Filed Less than 7 Years Ago, Discharged	0.0379	0.1910	0	1
Filed Less than 7 Years Ago, Dismissed	0.0056	0.0746	0	1
Financial Characteristics				
Credit Score ('00)	7.08	1.00	3	8.50
Mortgage/Home Equity/Secured Loan (\$'000)	67.15	113.51	0	644.90
Auto Loan (\$'000)	7.63	11.72	0	60.31
Credit Card (\$'000)	3.49	5.80	0	37.63
Student Loan (\$'000)	5.84	16.18	0	121.76
Other Unsecured Loan (\$'000)	0.32	1.59	0	15.46
Utilities (\$'000)	0.00	0.00	0	0.04
Miscellany (\$'000)	1.74	3.96	0	30.65
# Open Loans	6.14	4.35	1	23
# Delinquent Loans	0.10	0.39	0	3
# Active Collections	0.27	0.75	0	5
# Inquiries	2.70	3.32	0	20
Demographic Characteristics				
# Adults at the Same Address	2.52	1.51	0	8
# Children at the Same Address	0.44	0.94	0	7
Female Dummy	0.51	0.50	0	1
Age	46.57	13.64	20	70
Education				
High School Diploma	0.01	0.12	0	1
Some College	0.26	0.44	0	1

Bachelor Degree	0.31	0.46	0	1
Graduate Degree	0.19	0.39	0	1
Less Than High School Diploma	0.10	0.30	0	1
Unknown	0.11	0.31	0	1
Occupation				
Management/Technical/Professional	0.03	0.17	0	1
Sales	0.31	0.46	0	1
Farmer	0.36	0.48	0	1
Blue Collar	0.01	0.08	0	1
Other	0.21	0.41	0	1
Retired	0.04	0.19	0	1
Marital Status				
Married	0.58	0.49	0	1
Single	0.18	0.38	0	1
Unknown	0.24	0.42	0	1
Homeownership				
Owner	0.59	0.49	0	1
Renter	0.05	0.22	0	1
Unknown	0.36	0.48	0	1
Observations	1,715,280			

B. Regression Results

Table 8 presents the results of ordinary least squares (OLS) regressions as specified by the expanded model above, with varying sets of controls.

TABLE 8: OLS REGRESSIONS—BANKRUPTCY FILING IN 2018 ON BANKRUPTCY
RECORD DUMMIES

	(1)	(2)	(3)
Filed Over 7 Years Ago, Discharged	0.0106*** (0.0003)	0.0075*** (0.0003)	0.0067*** (0.0003)
Filed Over 7 Years Ago, Dismissed	0.0120*** (0.0010)	0.0069*** (0.0010)	0.0057*** (0.0011)
Filed Less than 7 Years Ago, Discharged	-0.0009*** (0.0003)	-0.0050*** (0.0003)	-0.0060*** (0.0003)
Filed Less than 7 Years Ago, Dismissed	0.0600*** (0.0024)	0.0522*** (0.0024)	0.0532*** (0.0026)
Credit Scores ('00)		-0.0296*** (0.0011)	-0.0305*** (0.0013)
Squared Credit Scores ('0000)		0.0019*** (0.0001)	0.0019*** (0.0001)
# Adults at the Same Address			-0.0003*** (0.000)
# Children at the Same Address			-0.0001 (0.0001)
Female			0.0004 *** (0.0001)
Marital Status			
Married			Omitted
Single			-0.0002 (0.0002)
Unknown			0.0002 (0.0001)
Homeownership			
Own			Omitted
Rent			-0.0013*** (0.0003)
Unknown			-0.0009*** (0.0002)

Clustered SE	Yes	Yes	Yes
Debt Level Controls	No	Yes	Yes
Zip FE	No	Yes	Yes
Birth Year FE	No	No	Yes
Education Level FE	No	No	Yes
Occupation Group FE	No	No	Yes
Observations	2,600,484	2,153,290	1,715,280

Notes. Sig. Levels: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. Standard errors in parenthesis are clustered at zip code level. Each individual is an observation. The dependent variable is whether the individual filed for bankruptcy in 2018. The independent variables of interest are dummies that equal 1 if the person has filed for bankruptcy before, grouped by the timing and the outcome of this prior filing. Debt level controls include all variables listed in Table 7 as Financial Characteristics, trimmed at top 1%. Education levels and occupation groups include dummies as specified in Table 7. The credit bureau discloses that its data source includes collected data and modeled data.

Specifically, this analysis encompasses 2,600,484 individuals from the UC-CCP, constituting a randomly selected 2% sample of the U.S. population with a credit report at the end of 2017. After excluding individuals with missing data, narrowing the age range to twenty through seventy, and trimming the top 1% for debt levels, the dataset comprises 1,715,280 individuals for the full model.⁷⁰

The dependent variable, denoted as Y_i , indicates whether an individual filed for bankruptcy in 2018. In essence, the regression models aim to forecast the probability of an individual filing for bankruptcy in 2018 using their characteristics at the end of the previous year.

The independent variables of interest adhere to the definitions outlined above; they are indicator variables denoting whether the individual had previously filed within the past seven years (or over seven years) and whether the prior filing resulted in discharge (or dismissal).

Column (1) does not include any controls. Column (2) includes controls for the individuals' debt levels and zip codes. Column (3) includes

⁷⁰ I first started submitting PACER fee waivers in 2019, so 2018 was chosen as the baseline year. I repeated the analysis using 2016, 2017, and 2019 data, and the results remained consistent. An earlier version of this Article utilized a logistic regression model to address the binary nature of the dependent variable. However, combining logistic models with fixed effects requires variation in *outcomes* within each category of the fixed effect. Since bankruptcy is a rare event, many zip codes lack bankruptcy observations in 2018, leading to their exclusion from the regressions and biasing the coefficients downwards. Therefore, all regressions in this Article are OLS models, despite the binary nature of the dependent variables.

demographic controls in addition to the controls in Column (2), as summarized by Table 7 above. As specified in the last Section, the control variables are based on the credit report at the end of December 2017.

It is worth noting that, as the rows on Refiler Dummies in Table 7 show, people are significantly more likely to have experienced a discharged bankruptcy case than a dismissed one. While nearly 10% of the sample have filed and obtained a discharge in the past, only 1% have had a prior case dismissed. This might appear counterintuitive since dismissed debtors are more likely to refile, as indicated in Table 5. However, these two observations are, in fact, complementary—precisely because dismissed debtors often refile immediately until they secure a discharge, a larger number of individuals have experienced discharged cases compared to dismissed cases.

As mentioned earlier, Table 8 shows that individuals with prior experience of a discharged case over seven years ago exhibit a higher likelihood of filing for bankruptcy compared to those with no such experience. In contrast, if the discharge occurred within the past seven years, the likelihood of filing is suppressed due to legal mandates that often require debtors to wait seven years before filing again, as discussed in Section V.C above and illustrated by Figure 8.

Having a dismissed case from over seven years ago also increases the filing rate, although its effect is slightly less than that of a discharged case. On the other hand, experiencing a recent dismissal within the last seven years significantly elevates the likelihood of filing, as there are typically no restrictions on refiling following a dismissed case.

Comparing the columns, approximately 30% of the increase in the filing rate associated with prior bankruptcy can be attributed to the individual's debt level and zip codes at the beginning of the period. The inclusion of demographic controls, such as gender, marital status, homeownership, birth year, education, and occupation group, further helps to explain away some of the heightened filing rates observed among individuals with a prior bankruptcy. However, the incremental explanatory power of these demographic factors is relatively small compared to debt levels and zip codes.

The effectiveness of these control variables is compatible with the hypothesis that a significant factor contributing to the high refiling rate among individuals with a prior bankruptcy is their high likelihood of being in stressful circumstances where bankruptcy is a common recourse. Nevertheless, even after accounting for an extensive set of controls, individuals with a prior bankruptcy still exhibit a remarkably high

propensity to file for bankruptcy when the law permits them to do so, compared to individuals who have never filed for bankruptcy before.

Specifically, having a discharged case over seven years ago is correlated with a 67-basis-point increase in the filing rate for the following year. For context, Table 7 indicates that the average annual filing rate in our sample is 0.50%, making this increase equivalent to 1.34 times the average filing rate. Similarly, a dismissed case from over seven years ago is linked to a 114% increase over the average filing rate.

As discussed in the introduction of this Section, this persistent increase in bankruptcy filing rates among individuals with prior bankruptcy supports the hypothesis that, all else being equal, prior bankruptcy experience causes individuals to be more willing to file for bankruptcy again in the future. This interpretation aligns with insights from the literature on spillover effects in welfare benefit take-up, suggesting that reduced stigma and learning costs can amplify individuals' likelihood of refiling for bankruptcy. However, it is also possible that the persistent correlation between past and future bankruptcy filings is driven by unobserved individual characteristics unaffected by bankruptcy, such as personality traits and financial habits.

Regardless of the underlying cause, the fundamental pattern remains evident: repeated bankruptcy filings are widespread, at least in part because individuals with prior filings demonstrate a heightened predisposition to file again compared to those with no bankruptcy history.

In other words, when adverse conditions arise, we should anticipate that individuals with prior bankruptcy filings will file more frequently than new filers. Likewise, repeat filers may be more or less responsive to certain policy changes compared to new filers. As repeat filers make up a growing share of all bankruptcy filers, the observed overall responsiveness to policy changes may increase or decrease, even though the policy's efficacy remains unchanged.

VII. EFFECT OF NONDISCHARGEABLE DEBT LEVELS ON REPEAT FILING

Finally, this Article explores whether the amount of debt relief obtained in the first bankruptcy affects people's willingness to refile. The existence of debts that cannot be easily discharged through bankruptcy, particularly student loans, diminishes the benefit of bankruptcy, which consequentially can increase the need for a second discharge. The analysis below tests whether the amount of debt discharged in the earlier bankruptcy can predict the likelihood of repeated bankruptcy filings.

Notably, high amount of student loans—a typical nondischargeable debt—is correlated with a slight increase in the refiling rate following a

discharged Chapter 7 bankruptcy, mirroring the patterns observed for similarly hard-to-discharge secured loans. On the other hand, high credit card debt prior to bankruptcy is correlated with a slightly lower refiling rate when the case is discharged, but a higher refiling rate when the case is dismissed. These patterns suggest that the benefit from prior bankruptcy reduces the need for a second bankruptcy. However, it is important to note that the absolute magnitude of these effects is relatively small, necessitating further in-depth analysis.

Table 9 below shows the specific results of this exercise. Particularly, each column represents an OLS regression where the dependent variable is a binary indicator, denoting whether an individual filed for bankruptcy again after the initial filing. The independent variables include the levels of various types of debts, measured at the commencement of the quarter when the person filed initially, alongside controls such as zip code fixed effects, filing year-quarter fixed effects, age, and gender. These regressions specifically focus on individuals who filed for bankruptcy at least once between 2006 and 2019, with no bankruptcy record between 1997 and 2006. The dependent variable, representing the refiling status, is determined based on all cases observed between 2006 and June 2023.

Student loans, a typical nondischargeable debt, are associated with a slight increase in the refiling rate following a discharged Chapter 7 bankruptcy, mirroring the patterns observed for similarly nondischargeable secured loans. Specifically, a two standard deviation increase in student loans corresponds to a 36-basis-points increase in the refiling rate, while the average refiling rate stands at about 11%. On the other hand, elevated credit card debt prior to bankruptcy is associated with a lower refiling rate when the case is discharged, but a higher refiling rate when the case is dismissed.

The coefficients' signs are consistent with the hypothesis that the "benefit" of the first bankruptcy—namely, the amount of debt discharged—reduces the likelihood of a second filing. However, the small magnitude of these effects calls for further analysis to better understand the relationship between debt relief and repeat filings.

TABLE 9: OLS REGRESSION—PREDICT THE LIKELIHOOD OF REFILEING USING THE AMOUNT OF DEBT PRIOR TO THE FIRST BANKRUPTCY, BY THE OUTCOME AND CHAPTER OF THE FIRST BANKRUPTCY, ALL BANKRUPTCY FILES

	Discharged		Dismissed	
	Chapter 7	Chapter 13	Chapter 7	Chapter 13
Amount of Debt Prior to First Bankruptcy	(1)	(2)	(3)	(4)
Mortgage, Home Equity, Other Secured Debt (\$'00,000)	0.0019*** (0.0005)	−0.0016 (0.0013)	0.0073 (0.0075)	0.0246*** (0.0031)
Auto Loan/Lease (\$'000)	0.0006*** (0.0001)	0.0002 (0.0002)	0.0004 (0.0013)	0.0035*** (0.0003)
Credit Card (\$'000)	−0.0006*** (0.0001)	−0.0011*** (0.0001)	0.0042*** (0.0012)	0.0001 (0.0005)
Student Loan (\$'000)	0.0001*** (0.0000)	−0.0000 (0.0001)	0.0008 (0.0007)	0.0003 (0.0002)
Debt in Collection (\$'000)	−0.0000 (0.0001)	−0.0004 (0.0003)	0.0056*** (0.0018)	0.0014* (0.0008)
Other Debts (\$'000)	0.0003*** (0.0001)	−0.0000 (0.0002)	0.0013 (0.0015)	0.0000 (0.0001)
Number of Observations	149,618	25,457	4,584	21,989
Zip Code Fixed Effect	Yes	Yes	Yes	Yes
Filing Year-Quarter Fixed Effect	Yes	Yes	Yes	Yes
Age and Age Sqrt	Yes	Yes	Yes	Yes
Gender Fixed Effect	Yes	Yes	Yes	Yes
Clustered by Zip Code	Yes	Yes	Yes	Yes

Notes. Sig. Levels: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. Standard errors are clustered at zip code level. Debt variables are trimmed at 1% level. Subset on people with a credit report who are alive and aged between thirty and seventy years in 2019, among those who filed bankruptcy at least once between 2006 and 2019.

CONCLUSION

This Article provides the first comprehensive, nationwide analysis of repeat bankruptcy filings in the United States, shedding light on a phenomenon that has long been overlooked in bankruptcy scholarship. By leveraging a novel dataset that combines decades-long credit bureau data with court records, this study reveals that repeat filers account for nearly 46% of all consumer bankruptcy filings in 2023, a significant increase from 37% in 2016. This trend is not uniform across the country; repeat filings are most prevalent in the South, though elevated rates are also observed in states like Pennsylvania and Utah. These findings challenge the prevailing narrative that repeat filings are primarily driven by bad faith debtors exploiting Chapter 13 bankruptcy. Instead, the data shows that the majority of repeat filers had previously received a discharge, often under Chapter 7, and that most repeat filings occur after a substantial gap, typically exceeding seven years. This suggests that repeat filers are not engaging in short-term strategic abuse of the system but are instead grappling with persistent financial instability.

The study also demonstrates that prior bankruptcy filings are a robust predictor of future filings, even after controlling for a wide range of financial and demographic factors. Individuals with a bankruptcy history are disproportionately likely to file again when faced with financial distress compared to those without such a history. This heightened predisposition to refile has important implications for bankruptcy policy, as it suggests that repeat filers and first-time filers may respond differently to changes in bankruptcy law. For instance, policies aimed at reducing bankruptcy filings may disproportionately discourage first-time filers, thereby increasing the proportion of cases filed by repeat filers. Similarly, policies designed to mitigate the disparate impact of bankruptcy on minority groups must account for the differential effects on repeat and first-time filers.

The findings also underscore the importance of using long-term datasets to study bankruptcy recidivism. Prior literature, constrained by shorter timeframes and narrower datasets, has largely focused on dismissed Chapter 13 cases, leading to a skewed understanding of repeat filings. By contrast, this Article's extended lookback period reveals that the majority of repeat filers refile under Chapter 7 after a significant gap, often following a successfully discharged case. This challenges the stereotype of repeat filers as bad faith abusers and highlights the need for a more nuanced understanding of bankruptcy recidivism.

Moreover, the study's findings have broader implications for the design of bankruptcy law and financial regulation. The high prevalence of repeat filings suggests that the bankruptcy system, as currently structured,

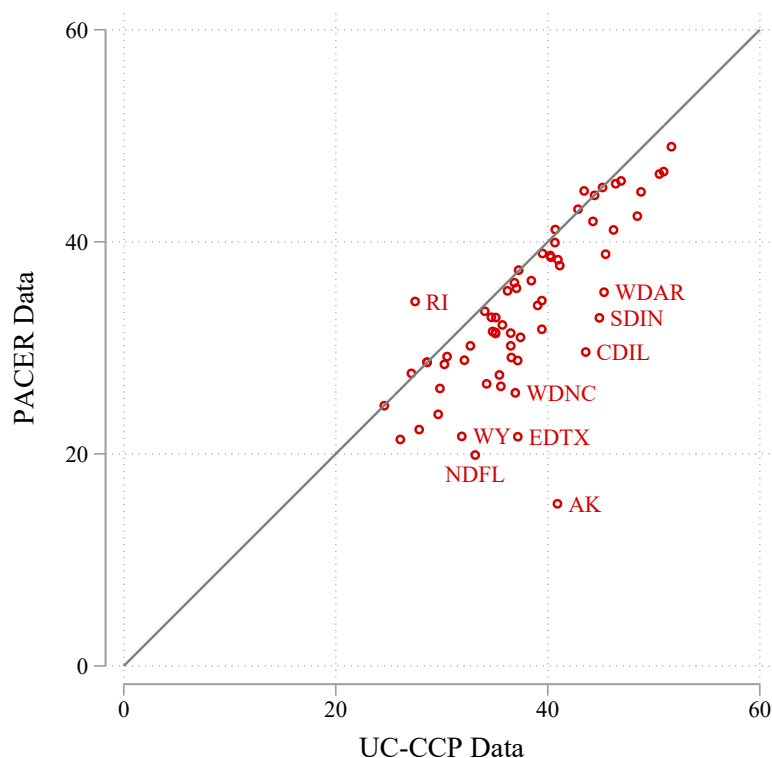
may not be providing a true “fresh start” for many debtors. Instead, it appears to be serving as a revolving door for individuals experiencing persistent financial distress. This raises critical questions about the effectiveness of the bankruptcy system as a social safety net and calls for a reevaluation of how the system addresses the enduring financial vulnerabilities of debtors.

In conclusion, this Article fills a critical gap in the literature by providing the first systematic analysis of repeat filers across both Chapter 7 and Chapter 13 bankruptcy types. By shifting the focus from short-term Chapter 13 abuse to the broader structural patterns of repeat bankruptcy, this study offers a new framework for understanding the long-term dynamics of consumer bankruptcy. These findings not only challenge prevailing assumptions about bankruptcy recidivism but also lay the groundwork for future research and policy discussions on how to better serve those navigating the complexities of financial distress over time.

APPENDIX

The figure below presents a simple comparison between two datasets: the UC-CCP dataset and the court records obtained from PACER. To ensure a meaningful comparison, I narrowed down the scope to cases filed between 2016 and 2018 and calculated the percentage of these cases that had filed previously since 1997. I excluded districts with fewer than ten bankruptcy cases from the UC-CCP dataset to maintain statistical reliability.

FIGURE A1: PERCENTAGE OF CASES FILED BETWEEN 2016 AND 2018 THAT HAD FILED PREVIOUSLY SINCE 1997



To be specific, in the UC-CCP dataset, districts are determined based on the zip codes listed in the records, with each zip code assigned to the most frequently occurring district according to data from the Federal Judicial Center.

As expected, the repeat filer rate observed in the court records generally equals or is lower than the rate observed in the UC-CCP dataset. This discrepancy arises because individuals can file for bankruptcy

in different districts, and the court records cannot capture such cross-district filings.

The only exception is Rhode Island, where the UC-CCP dataset documents fewer repeat filers than the court records. Several factors could contribute to this anomaly. Firstly, the relatively small sample size in the UC-CCP dataset, comprising only 131 cases, may lead to statistical variations. Secondly, Rhode Island's unique geographic location may result in a mismatch between residents' zip codes and their designated bankruptcy filing district. Finally, although less likely, errors in either the credit reports or the court's system cannot be entirely ruled out as a potential cause for this discrepancy.

