

## Bankruptcy, we don't want to do that!

"Bankruptcy, we don't want to do that!" greeted me as I moved to the front of the room to give a presentation. I immediately said "Thank you! I invited you specifically to say that." and I meant every word.

**First, it is important to notice** that it is likely that all of us were taught that good people pay their bills and debts and bad people don't, and that bankruptcy is a shameful thing. It's also important to notice that being taught that is a good thing; it produces people who are responsible for their words and actions. **So what are we to do?** Let's take a look at this subject from a wider perspective and notice a few important points.

- The economy of this country, and of the world, depends on credit and the use of credit. If you question this, just take a look at what happened to the economy in 2009 to get a real-life example of what happens when the credit available and in use is greatly reduced.
- When you get and use credit, you're contributing to the success of the merchant from whom you purchased something and also contributing to the success of the bank that issued the credit, making more money available for that bank to lend. This is not to say that many of us don't abuse our use of credit; it's just the simple statement that credit and its use are a very important part of our economy.
- It's also important to note that you can always pay anyone you choose to pay following bankruptcy. You don't have to not pay anyone; it's up to you. If you've borrowed from a relative or friend, or have bills with local merchants, those are the type of debts that many people who go through bankruptcy choose to pay after that process is complete. It's all up to you.

**Now hear this #1...** This very important part of our economic system has built into it, by definition, the probability that a certain percentage of credit card users will, either by their own hand or by outside circumstances, be unable to repay their credit card debt. That is simply a fact of life for this type of business.

**Now hear this #2...** The banks that issue credit cards know this and it is part of their cost of doing business.

**Now hear this #3...** Congress and the Supreme Court did not enact and interpret the bankruptcy laws just to "be nice" to people in debt. It's way more important than that. People who are candidates for bankruptcy are generally not fully participating in the economy due to their financial situation. Bankruptcy's Fresh Start gives them the "clear field for future effort" that allows them to once again fully participate and contribute to our economy. Our bankruptcy laws were enacted by our representatives for a very good public policy reason.

**Finally...** Whether you actually should file for bankruptcy is another issue, and one you should discuss with a bankruptcy attorney, but know that the opportunity to do so was provided for a very good reason for the benefit of all citizens, not just the ones who file bankruptcy.

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