

The Bankruptcy Cycle

**PERSONAL
FINANCIAL
RESPONSIBILITY**

Problems with
Schooling

Inadequate Family Role Model

Use of Credit for
Major Items

Early Marriage or Living Relationship

Children & Family Responsibilities

Little or no Savings

Problems Meeting Monthly Expenses

Borrow from Family & Friends

Overdue Accounts

Juggle Payments

Impulse Spending

Refinance Loans

Family Fighting & Disagreements

Alcohol & Drug
Abuse

Gambling, Lotteries

Medical Problems

Financial Schemes

Employment &
Other Job Related
Problems

Telephone Calls
From Creditors

**CYCLE IS
REPEATED
SECOND &
SUBSEQUENT
BANKRUPTCIES**

Repossess &
Garnishments

Constant Worry
& Anxiety Over
Money Problems

Severe Marital
Problems

New Relationships

New Problems & Debts

BANKRUPTCY

Deep Sense of Shame
& Guilt

Not Able to Trust Anyone

Accepts
Responsibility
for Choices &
Actions

Blames Others for Problems

Refuses to Acknowledge
Related Problems

Continues to Spend
Impulsively

Resentful of Anyone Trying to Help

Appreciates Full
Benefits
of Bankruptcy

Increased
Self-Esteem

Lives Within
Financial
Means

Family Budgeting

Deals with
Other Issues

(Relationships,
Alcohol, Drugs,
Gambling)