

WHEN THE ENTREPRENEURIAL SUBJECT FAILS: THE NEOLIBERAL GOVERNANCE OF CONSUMER DEBTORS

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ABSTRACT

Neoliberalism ushered in a debt-based economy for American society. The existing scholarship linking neoliberalism to personal indebtedness has mainly been at the macrolevel of analysis. There remains a need to investigate how neoliberalism operates at the microlevel and impacts the everyday lived experiences of consumers struggling with debt. Michel Foucault's concept of governmentality offers a useful analytical framework for unearthing the technologies that result in the subjectification of consumer debtors. A governmentality framework enables us to better understand how indebtedness presents both material and psychological harms for individuals and how neoliberal discourses are interiorized and facilitate a resurrection of financial identity. This research adds to existing governmentality studies by reporting on the responsive strategies to creditor demands and the moral self-accounting indebted individuals engage in when they fail to live up to the neoliberal model of the "entrepreneurial subject." Based upon thirty-six in-depth interviews with individuals possessing unmanageable debt and on the precipice of filing for bankruptcy, I argue that technologies of neoliberal governance serve to both discipline and recenter debtors as responsabilized entrepreneurial subjects who will reenter the economy and once again turn to a state of credit dependency.

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I. THE STATE OF PERSONAL INDEBTEDNESS UNDER NEOLIBERALISM AND THE MODEL OF THE ENTREPRENEURIAL SUBJECT

Living and struggling with consumer debt has become a central experience for millions of individuals and families in the United States.¹ Despite the contentions of a small minority who have attributed the rise of consumer debt to indulgent consumption,² a bevy of scholars correlate the widespread reliance upon consumer credit to the rise of neoliberalism in the 1980s, which has continued unabated well into the twenty-first century.³ Contrary to the inaccurate trope that the deterioration in household finances is tied to a culture of consumption, the utilization of credit and the incurrence of debt are now necessary to maintain individuals and families in the lower- and middle-classes.⁴

1. Laura McCloud & Rachel E. Dwyer, *The Fragile American: Hardship and Financial Troubles in the 21st Century*, 52 SOCIO. Q. 13, 13 (2011). See generally DAVID GRAEBER, *DEBT: THE FIRST 5,000 YEARS 2* (updated and expanded ed. 2014).

2. See generally JULIET B. SCHOR, *THE OVERSPENT AMERICAN: WHY WE WANT WHAT WE DON'T NEED 3* (1998); DAVID M. TUCKER, *THE DECLINE OF THRIFT IN AMERICA: OUR CULTURAL SHIFT FROM SAVING TO SPENDING 1-3* (1991); Colin Campbell, *Romanticism and the Consumer Ethic: Intimations of a Weber-style Thesis*, 44 SOCIO. ANALYSIS 279, 280 (1983).

3. See Justin Sean Myers, *Neoliberalism, Debt and Class Power*, in *CLASS: THE ANTHOLOGY* 337, 337, 344 (Stanley Aronowitz & Michael J. Roberts eds., 2018). See generally MARK HORSLEY, *THE DARK SIDE OF PROSPERITY: LATE CAPITALISM'S CULTURE OF INDEBTEDNESS 59-60* (2015); SUSANNE SOEDERBERG, *DEBTFARE STATES AND THE POVERTY INDUSTRY: MONEY, DISCIPLINE AND THE SURPLUS POPULATION 1* (2014); MAURIZIO LAZZARATO, *THE MAKING OF THE INDEBTED MAN: AN ESSAY ON THE NEOLIBERAL CONDITION 37* (Joshua David Jordan trans., 2011); Tayyab Mahmud, *Debt and Discipline: Neoliberal Political Economy and the Working Classes*, 101 KY L.J. 1, 5 (2012); Iain Ramsay, *A Tale of Two Debtors: Responding to the Shock of Over-Indebtedness in France and England - A Story from the Trente Piteuses*, 75 MOD. L. REV. 212, 216 (2012); Mark A. Davidson, *Is Liberalism Drowning in Debt? The Impact of Private Debt on Individual Liberty*, 19 J. POVERTY & SOC. JUST. 263, 263-64 (2011); HUGH GUSTERSON & CATHERINE BESTEMAN, *THE INSECURE AMERICAN: HOW WE GOT HERE AND WHAT WE SHOULD DO ABOUT IT 4* (2010); Johnna Montgomerie, *The Logic of Neo-Liberalism and the Political Economy of Consumer Debt-Led Growth*, in *NEO-LIBERALISM, STATE POWER AND GLOBAL GOVERNANCE 157, 157-59, 161-63* (Simon Lee & Stephen McBride eds., 2007); KEVIN T. LEICHT & SCOTT T. FITZGERALD, *POSTINDUSTRIAL PEASANTS: THE ILLUSION OF MIDDLE-CLASS PROSPERITY 42-43* (2007); BRETT WILLIAMS, *DEBT FOR SALE: A SOCIAL HISTORY OF THE CREDIT TRAP 1, 3* (2004).

4. Elizabeth L. Sweet, L. Zachary DuBois, & Flavia Stanley, *Embodied Neoliberalism: Epidemiology and the Lived Experience of Consumer Debt*, 48 INT'L J. HEALTH SERVS. 495, 497 (2018); Randy Hodson, Rachel E. Dwyer, & Lisa A. Neilson, *Credit Card Blues: The Middle Class and the Hidden Costs of Easy Credit*, 55 SOCIO. Q. 315, 320 (2014); see LEICHT & FITZGERALD, *supra* note 3, at 58-59. See generally TERESA A. SULLIVAN, ELIZABETH WARREN, & JAY LAWRENCE WESTBROOK, *THE FRAGILE MIDDLE CLASS: AMERICANS IN DEBT 27, 39* (2000).

Individuals and families today do not accumulate mounds of debt to purchase frivolous consumptive goods.⁵ Rather, the highly-leveraged balance sheets of today's families result from essential needs for social and economic security, which include: homes, cars, healthcare, childcare, education, and utilities.⁶ While “workfare”⁷ and “prisonfare”⁸ are reserved for more marginalized classes, “debtfare”⁹ has been foisted upon the lower- and middle-classes through neoliberal financialization under which Americans are ever-increasingly forced to rely upon credit and to struggle with debt as a method for making ends meet.¹⁰ This forced credit card consumption as a form of supplemental income, mortgages for familial security, and student loans for upward mobility have become the driving undercurrent for our national economy.¹¹ In sum, we collectively exist in a state of being where “[d]ebt is an essential feature of neoliberal society.”¹²

The theoretical foundations, ascendancy, and societal consequences of neoliberalism have been well-documented elsewhere.¹³ The general economic insecurity resulting from neoliberal policies forces people to turn to credit to pay for necessities in response to the “Great Risk Shift,”¹⁴ which has created financial hardships for tens of millions of American families.¹⁵ In tandem, the widespread financialization and democratization of credit¹⁶ embodies a project to “re-establish the conditions for capital accumulation and to restore the power to economic elites”¹⁷ following the economic and political turmoil of the early 1970s. This project has been intentionally accomplished “through a strategy of debt-based consumption”¹⁸ which first enticed and then facilitated lower- and middle-class

5. Joseph N. Cohen, *The Myth of America's "Culture of Consumerism": Policy May Help Drive American Household's Fraying Finances*, 16 J. CONSUMER CULTURE 531, 532 (2014).

6. Davidson, *supra* note 3, at 267; Johnna Montgomerie, *The Pursuit of (Past) Happiness? Middle-class Indebtedness and American Financialisation*, 14 NEW POL. ECON. 1, 17–18 (2009).

7. See generally FRANCES FOX PIVEN & RICHARD A. CLOWARD, *REGULATING THE POOR: THE FUNCTIONS OF PUBLIC WELFARE*, at xiii (Vintage Books 2d ed. 1993) (1971).

8. See generally LOÏC WACQUANT, *PUNISHING THE POOR: THE NEOLIBERAL GOVERNMENT OF SOCIAL INSECURITY* 103 (2009).

9. SOEDERBERG, *supra* note 3, at 47.

10. Sweet, DuBois, & Stanley, *supra* note 4, at 497; WILLIAMS, *supra* note 3, at 3–4.

11. See generally JOHNNA MONTGOMERIE, *SHOULD WE ABOLISH HOUSEHOLD DEBTS?* 25–26 (2019).

12. GUSTERSON & BESTEMAN, *supra* note 3, at 7.

13. See generally NOAM CHOMSKY & MARV WATERSTONE, *CONSEQUENCES OF CAPITALISM: MANUFACTURING DISCONTENT AND RESISTANCE* 143–177 (2021); JULIE A. WILSON, *NEOLIBERALISM* 2–3 (2018); SIMON SPRINGER, KEAN BIRCH, & JULIE MACLEAVY, *THE HANDBOOK OF NEOLIBERALISM* 2 (2016); WENDY BROWN, *UNDOING THE DEMOS: NEOLIBERALISM'S STEALTH REVOLUTION* 17 (2015); LOÏC WACQUANT, *Three Steps to a Historical Anthropology of Actually Existing Neoliberalism*, 20 SOC. ANTHROPOLOGY 66, 68 (2012); GÉRARD DUMÉNIL & DOMINIQUE LÉVY, *THE CRISIS OF NEOLIBERALISM* 1–2 (2011); JOE SOSS, RICHARD C. FORDING, & SANFORD F. SCHRAM, *DISCIPLINING THE POOR: NEOLIBERAL PATERNALISM AND THE PERSISTENT POWER OF RACE* 2 (2011); DAVID HARVEY, *A BRIEF HISTORY OF NEOLIBERALISM* 64–65 (2005).

14. See generally JACOB S. HACKER, *THE GREAT RISK SHIFT: THE ASSAULT ON AMERICAN JOBS, FAMILIES, HEALTH CARE AND RETIREMENT AND HOW YOU CAN FIGHT BACK* 6 (2006).

15. *Id.* at 8.

16. See generally COSTAS LAPAVITSAS, *PROFITING WITHOUT PRODUCING: HOW FINANCE EXPLOITS US ALL* 2–3 (2013); Montgomerie, *supra* note 6, at 10, 15, 19.

17. HARVEY, *supra* note 13, at 19.

18. Myers, *supra* note 3, at 343.

Americans to borrow to the edge of a financial precipice while transferring wealth to financial firms and economic elites through a practice of “accumulation by dispossession.”¹⁹

In addition to an economic and political project, neoliberalism is also a form of governmental rationality that seeps into our daily social lives and produces a human reality of existence.²⁰ This understanding traces its lineage to the work of Michel Foucault. In *The Birth of Biopolitics*,²¹ Foucault cast American neoliberalism as a distinct rationality and an art of government. Foucault argued that not only does neoliberalism still paradoxically govern the marketplace but its ethos also serves as an “analysis of non-economic behavior through a grid of economic intelligibility.”²² In other words, under neoliberal rationality all domains of social life are ripe for scrutiny using criteria ordinarily reserved for traditional economic activities. While the state is no longer theoretically understood to interfere in the economic realm under neoliberalism, “the sovereign will be able to intervene everywhere except in the market.”²³ Interpreted through this perspective, Foucault famously articulated that in the United States everyone becomes an “entrepreneur of himself” in which neoliberal rationality creates subjectivities by measuring everyday behavior through the prism of *homo oeconomicus*.²⁴ For Foucault, neoliberalism governs social behavior and creates the “active economic subject.”²⁵ On this point, Foucault contended:

Homo oeconomicus and civil society are therefore two inseparable elements. *Homo oeconomicus* is . . . the abstract, ideal, purely economic point that inhabits the dense, full, and complex reality of civil society. Or alternatively, civil society is the concrete ensemble within which these ideal points, economic men, must be placed so that they can be appropriately managed. So, *homo oeconomicus* and civil society belong to the same ensemble of the technology of liberal governmentality.²⁶

At the end of his lectures on biopolitics, Foucault called for the study of the “specific problems of life and population”²⁷ posed by neoliberal rationality. Foucault’s lectures on biopolitics spawned many research

19. HARVEY, *supra* note 13, at 159.

20. Jason Read, *A Genealogy of Homo-Economicus: Neoliberalism and the Production of Subjectivity*, 6 FOUCAULT STUD. 25, 25–26 (2009); Mitchell Dean, *Foucault, Ewald, Neoliberalism, and the Left*, in FOUCAULT AND NEOLIBERALISM 85, 98 (Daniel Zamora & Michael C. Behrent eds., 2016); Colin Gordon, *Governmental Rationality: An Introduction*, in THE FOUCAULT EFFECT: STUDIES IN GOVERNMENTALITY 1, 2–3 (Graham Burchell, Colin Gordon, & Peter Miller eds., 1991).

21. See generally MICHEL FOUCAULT, *THE BIRTH OF BIOPOLITICS: LECTURES AT THE COLLÈGE DE FRANCE 1978–1979*, at 193, 201, 217 (Arnold I. Davidson ed., Graham Burchell trans., Picador 2008) (1979).

22. *Id.* at 248.

23. *Id.* at 293.

24. *Id.* at 230.

25. *Id.* at 223.

26. *Id.* at 296.

27. *Id.* at 323.

agendas, resulting in what is now broadly defined as “governmental studies.”²⁸ Foucault’s significant influence has occasioned a growing body of literature on neoliberal governmentality and its subjectifying practices.²⁹ Viewed through this theoretical lens, neoliberalism must be understood as not only a series of interlocking economic policies “but also as the construction of neoliberal subjects able to operate in a context of individualized responsibility and reward.”³⁰ Neoliberal rationality aims to create personally responsible and autonomous subjects who “fully endorse expectations of a certain conduct and subjectivity.”³¹ The model entrepreneurial subject is the dominant form of subjectivity under neoliberalism.³² The neoliberal art of government creates certain habits and expectations, molds behaviors, and entices individuals to conform to this entrepreneurial subject, an atomized and rational actor solely responsible for their own personal fortunes and failures (i.e., neoclassical *homo economicus*).³³ In the realm of personal finances, the neoliberal entrepreneurial subject is expected to rationally calculate the risks and benefits of financial decisions, all the while demonstrating self-discipline and assuming personal responsibility.³⁴ If we are indeed inculcated with values of personal responsibility and possess unfettered autonomy to shape and to manage our financial lives towards maximizing our own utility and ensuring our own economic security,³⁵ what must be said of us and done to us when we “fail” to live up to this entrepreneurial subject and needfully resort to bankruptcy to escape from oppressive debt?

Foucault did not live long enough to witness the dynamic consequences of neoliberalism, or the need for individuals and families to rely upon credit and incur debt for economic survival. Nevertheless, debt has become a primary force for the governance of conduct in American

28. Dean, *supra* note 20, at 94–95. See generally PETER MILLER & NIKOLAS ROSE, GOVERNING THE PRESENT: ADMINISTERING ECONOMIC, SOCIAL AND PERSONAL LIFE 8, 14 (2008); *Preface* to THE FOUCAULT EFFECT, *supra* note 20, at ix–x.

29. “‘Subjection’ signifies the process of becoming subordinated by power as well as the process of becoming a subject.” JUDITH BUTLER, THE PSYCHIC LIFE OF POWER: THEORIES IN SUBJECTION 2 (1997). For studies on the subjectifying practices of neoliberalism, see generally Peter Skilling, *Collective Desolation, Individual Consolations: Contours of Everyday Neoliberal Subjectivities*, 15 CRITICAL POL’Y STUD. 55, 55–56, 60 (2021); Philip R. Kavanaugh & Jennifer L. Schally, *The Neoliberal Governance of Heroin and Opioid Users in Philadelphia City*, 18 CRIME MEDIA CULTURE 126, 129 (2022); Christina Scharff, *The Psychic Life of Neoliberalism: Mapping the Contours of Entrepreneurial Subjectivity*, 33 THEORY, CULTURE & SOC’Y 107, 107–08 (2016); K. Schwiter, *Neoliberal Subjectivity – Difference, Free Choice and Individualised Responsibility in the Life Plans of Young Adults in Switzerland*, 68 GEOGRAPHICA HELVETICA 153, 153 (2013).

30. Skilling, *supra* note 29, at 55.

31. PIERRE DARDOT & CHRISTIAN LAVAL, THE NEW WAY OF THE WORLD: ON NEOLIBERAL SOCIETY 272 (Gregory Elliott trans., 2013).

32. Daniele Lorenzini, *Governmentality, Subjectivity, and the Neoliberal Form of Life*, 22 J. CULTURAL RSCH. 154, 161 (2018); Read, *supra* note 20, at 26–28.

33. Lorenzini, *supra* note 32, at 156, 161.

34. See generally JOHN G. GLENN, FOUCAULT AND POST-FINANCIAL CRISES: GOVERNMENTALITY, DISCIPLINE AND RESISTANCE 19, 60, 111 (Timothy M. Shaw ed., 2019).

35. See Jonathon Louth & Martin Potter, *Introduction* to EDGES OF IDENTITY: THE PRODUCTION OF NEOLIBERAL SUBJECTIVITIES 2, 6 (Jonathon Louth & Martin Potter eds., 2017).

society.³⁶ Not only is personal indebtedness a collective experience under neoliberalism but debt is also a concrete form of power that disciplines, controls, and coerces us in an exploitative relationship between creditors and debtors, propelling families into certain forms of subjugated “debt peonage.”³⁷

Drawing upon Foucault, Maurizio Lazzarato argues that debt is a technology of government under neoliberalism that controls the behavior of both individuals and sovereign states through an unequal power relationship, resulting in his theoretical concept of the “indebted man.”³⁸ On this notion, Lazzarato maintains the following:

The series of financial crises has violently revealed a subjective figure that, while already present, now occupies the entirety of public space: the “indebted man.” The subjective achievements neoliberalism had promised (“everyone a shareholder, everyone an owner, everyone an entrepreneur”) have plunged us into the existential condition of the indebted man, at once responsible and guilty for his particular fate.³⁹

The construct of the “indebted man” has caused scholars to focus upon debt as another space of neoliberal governance, particularly since the Great Recession of 2007–2008.⁴⁰ Despite this significant contribution, however, Lazzarato’s “indebted man” remains at both the theoretical level and macrolevel. But what about the microlevel? Debt and its consequences flow through the intimacies of everyday life and are a social force that act upon individual bodies and minds. Understanding debt in this way raises several research questions about the analytics of governance. How do people think about themselves and their experiences with debt? How does neoliberal governmentality impact the embedded lives of individuals struggling with debt and filing for bankruptcy as a form of relief?

The purpose of this study is to explore qualitatively how people experiencing oppressive debt who needfully turn to personal bankruptcy think about themselves and their financial circumstances while simultaneously linking these microlevel processes of subjectification to strategies of neoliberal governance. In doing so, this study makes a novel contribution to existing governmentality studies by focusing upon the consequences of debt on the lived experiences of consumer debtors. Moreover, this study contributes to a deeper sociolegal understanding of how debt operates as a form of social power in subjectifying individuals to think about themselves and coercing them to act in certain ways under neoliberal governance as they prepare themselves for bankruptcy as a final escape from their financial predicaments.

36. Dean, *supra* note 20, at 107.

37. Richard Peet, *Contradictions of Finance Capitalism*, 63 MONTHLY REV. 18, 25–26 (2011).

38. See generally LAZZARATO, *supra* note 3, at 7–8.

39. *Id.* at 8–9.

40. Tim Christiaens, *Financial Neoliberalism and Exclusion with and Beyond Foucault*, 36 THEORY, CULTURE & SOC’Y 95, 101–02, 111 (2019).

Though rates vary over time, hundreds of thousands of individuals and families file for personal bankruptcy each year.⁴¹ Filing for personal bankruptcy is a natural consequence of the neoliberal debt-based economy and represents the social safety net of last resort. It is no coincidence that the number of personal bankruptcies skyrocketed over the past forty years in conjunction with the United States' embrace of a neoliberal political economy.⁴² Scholars have long identified the main corollaries driving individuals and families into bankruptcy: bouts of unemployment or underemployment, medical bills, family breakup, aggressive debt collection practices, usurious credit card interest rates, and increasingly unaffordable mortgages.⁴³ Although individuals and families may struggle for years with their consumer debts,⁴⁴ it usually takes a traumatic event such as a job loss, divorce, or medical illness to finally propel them over the financial edge.⁴⁵ Quite often people experience a vortex of financial problems happening all at the same time,⁴⁶ forcing them oftentimes to pursue bankruptcy as a final option to relieve them from the weight of indebtedness.⁴⁷

The data for this Article stems from a broader case study of a non-profit legal aid office located in a Western state in a large suburban city that assists lower- and middle-income people filing for bankruptcy. During 2022, I situated myself at the legal aid office for approximately six hours per week and observed how the attorneys interacted with and counseled clients prior to filing for bankruptcy relief. I interviewed a total of thirty-six individuals after they initially met with their attorneys but prior to filing for bankruptcy. This Article reports on some of the themes that emerged during these semi-structured interviews. Before turning to the

41. Serena Laws, *What Kind of Relief? Consumer Bankruptcy and Private Administration in the Neoliberal American Welfare State*, 42 *NEW POL. SCI.* 333, 335–36 (2020).

42. *Id.* at 336.

43. See generally SULLIVAN, WARREN, & WESTBROOK, *supra* note 4, at 243; Michelle Lee Maroto, *Pathways into Bankruptcy: Accumulating Disadvantage and the Consequences of Adverse Life Events*, 85 *SOCIO. INQUIRY* 183, 183–84 (2015); Deborah Thorne, Pamela Foohey, Robert M. Lawless, & Katherine Porter, *Graying of U.S. Bankruptcy: Fallout from Life in a Risk Society*, 90 *SOCIO. INQUIRY* 681, 682, 685 (2020).

44. Pamela Foohey, Robert M. Lawless, Katherine Porter, & Deborah Thorne, *Life in the Sweatbox*, 94 *NOTRE DAME L. REV.* 219, 220–21 (2018).

45. Elizabeth Warren & Deborah Thorne, *A Vulnerable Middle Class: Bankruptcy and Class Status*, in *BROKE: HOW DEBT BANKRUPTS THE MIDDLE CLASS* 25, 25, 39 (Katherine Porter ed., 2012); McCloud & Dwyer, *supra* note 1, at 13.

46. Deborah Thorne, *Extreme Financial Strain: Emergent Chores, Gender Inequality and Emotional Distress*, 31 *J. FAM. & ECON. ISSUES* 185, 187 (2010).

47. Individuals contemplating bankruptcy generally have a choice to select from several types of “chapters” under the Bankruptcy Code, though most choose to file for a Chapter 7 liquidation where a debtor relinquishes any “non-exempt” assets in exchange for a “discharge” of most types of pre-bankruptcy debts, such as medical bills and credit cards. Because individual debtors generally do not own any substantial personal property, most individual Chapter 7 cases are considered “no asset,” meaning there is no financial distribution to repay creditors. Robert M. Lawless, Angela K. Littwin, Katherine M. Porter, John A. E. Pottow, Deborah K. Thorne, & Elizabeth Warren, *Did Bankruptcy Reform Fail? An Empirical Study of Consumer Debtors*, 82 *AM. BANKR. L.J.* 349, 356–57, 386 (2008). Chapter 7 bankruptcy enables debtors to keep their post-filing incomes from the reach of creditors. In this way Chapter 7 bankruptcy is said to enable a debtor to receive a “fresh start” in life after the bankruptcy case concludes. Margaret Howard, *A Theory of Discharge in Consumer Bankruptcy*, 48 *OHIO STATE L.J.* 1047, 1047 (1987).

empirical findings, however, what follows is a literature review that serves dual purposes: first, to describe Foucauldian governmentality more fully as the analytical framework driving this study; and second, to discuss the existing qualitative studies connecting neoliberal governmentality to issues of personal debt.

II. LITERATURE REVIEW

A. *Neoliberal Governmentality as an Analytic of Power*

Within the Foucauldian toolkit, scholars draw upon the theoretical framework of governmentality.⁴⁸ First developed in the *Security, Territory, Population* lectures given at the Collège de France, Foucault conceived the concept of “government” as a newer form of exercising power over “things” with the economy as its “principal object.”⁴⁹ Used in the Foucauldian sense, government is an activity directed to the management of conduct.⁵⁰ Governmentality refers to a specific mode of practicing power.⁵¹ Mitchell Dean defines Foucauldian governmentality in the following terms:

Government is any more or less calculated and rational activity, undertaken by a multiplicity of authorities and agencies, employing a variety of techniques and forms of knowledge, that seeks to shape conduct by working through the desires, aspirations, interests and beliefs of various actors, for definite but shifting ends and with a diverse set of relatively unpredictable consequences, effects and outcomes.⁵²

Peter Miller and Nikolas Rose have interpreted governmentality as comprising of two indissociable dimensions, namely, rationalities and technologies.⁵³ Rationalities are “styles of thinking, ways of rendering reality thinkable in such a way that it was amenable to calculation and programming.”⁵⁴ But to become operable, rationalities must develop certain technologies—techniques, instruments, devices, and tools—to act upon the conduct of individuals in carrying out a certain telos of rationality, such as neoliberalism.⁵⁵ A governmentality framework seeks to understand how various techniques and practices “aim to shape the conduct of others in a certain direction.”⁵⁶ Foucault himself described governmental practices

48. Michel Foucault, *Governmentality*, in *THE FOUCAULT EFFECT*, *supra* note 20, at 102–03.

49. *See generally* MICHEL FOUCAULT, *SECURITY, TERRITORY, POPULATION: LECTURES AT THE COLLÈGE DE FRANCE, 1977–1978*, at 95–96 (Michel Senellart ed., Graham Burchell trans., 2009) (2004).

50. *Id.* at xix.

51. *Id.* at 353.

52. MITCHELL DEAN, *GOVERNMENTALITY: POWER AND RULE IN MODERN SOCIETY* 18 (2d. ed. 2010).

53. *See generally* MILLER & ROSE, *supra* note 28, at 15.

54. *Id.* at 16.

55. *See id.*

56. Alan McKinlay & Eric Pezet, *Governmentality: The Career of a Concept*, in *FOUCAULT AND MANAGERIAL GOVERNMENTALITY: RETHINKING THE MANAGEMENT OF POPULATIONS, ORGANIZATIONS AND INDIVIDUALS* 4 (Alan McKinlay & Eric Pezet eds., 2017).

and techniques as a synergy between “technologies of power” and “technologies of the self.”⁵⁷ Technologies of power determine the behavior of individuals by submitting them to “certain ends or domination, an objectivizing of the subject.”⁵⁸ In turn, technologies of the self:

[P]ermit individuals to effect by their own means or with the help of others a certain number of operations on their own bodies and souls, thoughts, conduct, and way of being, so as to transform themselves in order to attain a certain state of happiness, purity, wisdom, perfection, or immorality.⁵⁹

Technologies of power and technologies of the self operate upon individuals as they internalize pervading discourses regarding “how they should know and experience, behave, monitor and regulate themselves.”⁶⁰ Working in tandem, technologies of power and technologies of the self result in subjectification.⁶¹ Much as Foucault explored the discipline and governance of the mentally ill,⁶² various sexual “deviants,”⁶³ and criminal offenders,⁶⁴ practices of power in relation to personal indebtedness also subjectify individuals to perform and adhere to a normative ideal.

Neoliberalism is a hegemonic mode of discourse promoting personal responsibility and accountability for individual behavior.⁶⁵ To this end, neoliberalism “has pervasive effects on ways of thought to the point where it has become incorporated into the common-sense way many of us interpret, live in, and understand the world.”⁶⁶ Individuals internalize prevailing discourses in ways that influence how they think about themselves, speak about themselves, and interpret their own lives in relation to the wider community in which they are an active member.⁶⁷ The asserted ideal and normative state of being in American neoliberal society is a financially autonomous, responsible citizen.⁶⁸ The neoliberal norms of personal

57. Michel Foucault, *Technologies of the Self*, in TECHNOLOGIES OF THE SELF: A SEMINAR WITH MICHEL FOUCAULT 18 (Luther H. Martin, Huck Gutman, & Patrick Hutton eds., 1988).

58. See generally *id.*

59. *Id.*

60. Chrystal Jaye, Tony Egan, & Sarah Parker, ‘Do As I Say, Not As I Do’: Medical Education and Foucault’s Normalizing Technologies of Self, 13 ANTHROPOLOGY & MED. 141, 142 (2006).

61. See generally Arnold I. Davidson, *From Subjection to Subjectivation: Michel Foucault and the History of Sexuality*, in FOUCAULT AND THE MAKING OF SUBJECTS 55, 55–61 (Laura Cremonesi, Orazio Irrera, Daniele Lorenzini, & Martina Tazzioli eds., 2016).

62. See generally MICHEL FOUCAULT, MADNESS & CIVILIZATION: A HISTORY OF INSANITY IN THE AGE OF REASON 66 (1965).

63. See generally MICHEL FOUCAULT, THE HISTORY OF SEXUALITY VOLUME 1: AN INTRODUCTION 36 (Robert Hurley trans., 1978).

64. See generally MICHEL FOUCAULT, DISCIPLINE AND PUNISH: THE BIRTH OF THE PRISON 18 (Alan Sheridan trans., Vintage Books 1979) (1977).

65. See HARVEY, *supra* note 13, at 3; Philip R. Kavanaugh & Jennifer L. Schally, *The Neoliberal Governance of Heroin and Opioid Users in Philadelphia City*, 18 CRIME MEDIA CULTURE 126, 127 (2022).

66. HARVEY, *supra* note 13, at 3.

67. Ori Schwarz, *The Sound of Stigmatization: Sonic Habitus, Sonic Styles, and Boundary Work in an Urban Slum*, 121 AM. J. SOCIO. 205, 208 (2015). See generally ANN SWIDLER, TALK OF LOVE: HOW CULTURE MATTERS 70 (2001).

68. Peter Miller & Nikolas Rose, *Governing Economic Life*, 19 ECON. & SOC’Y 1, 14 (1990).

responsibility, accountability, and autonomy have resulted in a society where acting “irresponsibly” in one’s financial affairs and needing to file for personal bankruptcy occupy a degraded status met with general derision and scorn.⁶⁹

In this way, neoliberal discourse is operationalized as a technology of the self which compels individuals to think about themselves, act upon themselves, and transform themselves to align with the normative ideal of the entrepreneurial subject. Importantly, technologies of governance do not causally determine a particular form of subjectivity. Rather, “[t]hey elicit, promote, facilitate, foster and attribute various capacities, qualities and statuses”⁷⁰ Techniques of governance are successful to the extent that individuals come to experience themselves through these capacities, qualities, and statuses. Past empirical research has demonstrated that individuals internalize neoliberal discourses resulting in various states of subjectivity,⁷¹ and this dynamic represents a key focal point of neoliberal governance more generally.⁷² Similarly, I argue that the neoliberal discourse of personal responsibility in one’s financial affairs represents another form of neoliberal governance, which is interiorized as a technology of the self and facilitates individuals to think of themselves as deviant and irresponsible. Together with the technology of power that the law provides to creditors to enforce unpaid debts, it is in this context that neoliberal governmentality operates on the souls and bodies of hopelessly indebted individuals and families.

B. Past Empirical Work on Governance Through Personal Debt

At present, the scholarly efforts regarding the link between personal debt and neoliberalism have been mainly concentrated at the theoretical level or macrolevel of analysis.⁷³ Other studies have explored this phenomenon utilizing quantitative methods.⁷⁴ As of this writing, three

69. Michael D. Sousa, *Bankruptcy Stigma: A Socio-Legal Study*, 87 AM. BANKR. L.J. 435, 443–44 (2013); Terrell A. Hayes, *Labeling and the Adoption of a Deviant Status*, 31 DEVIANT BEHAV. 274, 295–96 (2010); Deborah Thorne & Leon Anderson, *Managing the Stigma of Personal Bankruptcy*, 39 SOCIO. FOCUS 77, 82–83 (2006).

70. DEAN, *supra* note 52, at 43–44.

71. Karen Soldatic & Hannah Morgan, “*The Way You Make Me Feel*”: *Shame and the Neoliberal Governance of Disability Welfare Subjectivities in Australia and the UK*, in EDGES OF IDENTITY, *supra* note 35, at 106, 116; Skilling, *supra* note 29, at 57; Schwiter, *supra* note 29, at 153; Scharff, *supra* note 29, at 108.

72. Schwiter, *supra* note 29, at 156.

73. SOEDERBERG, *supra* note 3, at 2–3; Adrienne Roberts, *Doing Borrowed Time: The State, the Law and the Coercive Governance of ‘Undeserving’ Debtors*, 40 CRITICAL SOCIO. 669, 670 (2014); Myers, *supra* note 3, at 337–38; Montgomerie, *supra* note 3, at 157–70; Mahmud, *supra* note 3, at 5; LAZZARATO, *supra* note 3, at 10–11; MAURIZIO LAZZARATO, GOVERNING BY DEBT 27–31 (Joshua David Jordan trans., 2015); Davidson, *supra* note 3, at 263–65; Josh Bowsher, *Credit/Debt and Human Capital: Financialized Neoliberalism and the Production of Subjectivity*, 22 EUR. J. SOC. THEORY 513, 513–15 (2019).

74. Johnna Montgomerie & Daniela Tepe-Belfrage, *Spaces of Debt Resistance and the Contemporary Politics of Financialised Capitalism*, 98 GEOFORUM 309, 309–10 (2019); Melissa García-Lamarca & Maria Kaika, “*Mortgaged Lives*”: *The Biopolitics of Debt and Housing Financialisation*, 41 TRANSACTIONS INST. BRIT. GEOGRAPHERS 313, 313 (2016); Elizabeth Sweet, “*Like You Failed at Life*”: *Debt, Health and Neoliberal Subjectivity*, 212 SOC. SCI. & MED. 86, 86–87 (2018).

qualitative studies have specifically linked the macro-effects of neoliberal discourse to the lived experiences of debtors, and none have specifically adopted a governmentality framework.⁷⁵ One study has specifically linked neoliberal processes to consumer bankruptcy, but addresses a different research question than those raised by the present study.⁷⁶

Nicky Kanade and Bruce Curtis adopted a Goffmanian framework in their case study of college students at the University of Auckland to demonstrate not only how private educational loans create neoliberal subjects but also how the festive social activities planned by the university during orientation week serve as an “anchoring device” toward convincing college students that student loan debt is “good, worthwhile debt.”⁷⁷ Drawing upon theories from medical anthropology, Elizabeth L. Sweet, Zachary DuBois, and Flavia Stanley conducted interviews with thirty-one debtors in Boston to understand how neoliberal ideology influenced both their mental and physical health.⁷⁸ Sweet, DuBois, and Stanley found that debt impacted individuals in various ways, including: increased emotional and psychological pain, punishment of the physical body, and expressed feelings of shame and guilt because of their debt.⁷⁹

Johnna Montgomerie and Daniela Tepe-Belfrage drew upon social reproduction theory as an interpretative framework for studying how neoliberal financialization affects the everyday experiences of households.⁸⁰ Relying upon a sampling of debt-based internet forums, Montgomerie and Tepe-Belfrage found that managing debt placed a significant emotional burden upon families, causing families to reorganize themselves in various ways to “care” for the debt.⁸¹ Finally, Serena Laws investigated how the structure of Chapter 7 bankruptcy functions as part of the modern neoliberal welfare state.⁸² Laws interviewed private bankruptcy trustees who administer consumer bankruptcy cases and learned that as a consequence of their measly compensation from the bankruptcy system, trustees are largely aligned with the interests of creditors and are incentivized to aggressively pursue debtors to find distributable assets.⁸³ Because private trustees can seek additional compensation based on a sliding scale of the assets distributed to creditors, Laws argued that the bankruptcy system motivates trustees to extract assets from debtors to compensate themselves

75. Nicky Kanade & Bruce Curtis, *Student Debt, Neoliberalism and Frame Analysis: A Goffmanesque Account of Neoliberal Governmentality*, 55 J. SOC. 511, 511 (2019); Sweet, DuBois, & Stanley, *supra* note 4, at 495; Johnna Montgomerie & Daniela Tepe-Belfrage, *Caring for Debts: How the Household Economy Exposes the Limits of Financialisation*, 43 CRITICAL SOCIO. 653, 653 (2017).

76. Laws, *supra* note 41, at 333, 336.

77. Kanade & Curtis, *supra* note 75, at 520–21.

78. Sweet, DuBois, & Stanley, *supra* note 4, at 498.

79. *Id.* at 506.

80. Montgomerie & Tepe-Belfrage, *supra* note 75.

81. *Id.* at 659–60.

82. Laws, *supra* note 41, at 336.

83. *Id.* at 344–45.

for the large amount of time they spend administering each consumer bankruptcy case.⁸⁴

Because of the dearth of qualitative studies examining the ways in which debt affects everyday lived experiences, there remains a need to more expansively investigate how neoliberal governance strategies shape and elicit subjectivities at the microlevel. Foucault's analytical framework of governmentality offers a useful vehicle for unearthing the techniques and practices of neoliberal governance that result in the subjectification of consumer debtors. By applying this framework, we can better understand how neoliberal governance strategies present both material and psychological consequences for individuals struggling with debt, how debtors interiorize subjectivity, and how subjectivity shapes financial identities.

III. METHODS

Qualitative research is often described as “emergent,”⁸⁵ and its goal is to make sense of how social life is experienced and understood from participants' varied perspectives. Qualitative inquiry places an emphasis on discovery and a rich description of empirical data.⁸⁶ Qualitative research aims to uncover the “social processes in daily life” and to demonstrate the “meaning and interconnected nature of events” happening in the subjective experiences of individuals.⁸⁷ As noted, the findings in this Article stem from a broader case study of a nonprofit legal aid office located in a Western state that assists individuals in filing for personal bankruptcy. Throughout 2022, I situated myself in the law office for approximately six hours per week and observed the two staff attorneys interacting with people seeking legal assistance in potentially filing for bankruptcy relief. I witnessed the initial intake meetings with new clients and the subsequent follow-up counseling sessions where the attorneys prepared the necessary bankruptcy paperwork if the client decided to file for personal bankruptcy.

I gained access to the research site by initially meeting with the attorneys who worked there to see whether they would support my research interests; they approved and granted me access. We arranged the study so that the attorneys would begin meeting with new clients without my presence, but during the first few minutes would ask clients if they would be comfortable with me sitting in and observing (noting my position as an academic researcher). Many permitted me to do so, but others declined the

84. *Id.* at 345.

85. JOHN LOFLAND, DAVID A. SNOW, LEON ANDERSON, & LYN H. LOFLAND, *ANALYZING SOCIAL SETTINGS: A GUIDE TO QUALITATIVE OBSERVATION AND ANALYSIS* 5 (4th ed. 2006); JOHN W. CRESWELL, *QUALITATIVE INQUIRY & RESEARCH DESIGN: CHOOSING AMONG FIVE APPROACHES* 47 (3d ed. 2013).

86. ASHLEY T. RUBIN, *ROCKING QUALITATIVE SOCIAL SCIENCE: AN IRREVERENT GUIDE TO RIGOROUS RESEARCH* 29 (2021); Anne-Marie Ambert, Patricia A. Adler, Peter Adler, & Daniel F. Detzner, *Understanding and Evaluating Qualitative Research*, 57 J. MARRIAGE & FAM. 879, 880 (1995).

87. Annette Lareau, *Using the Terms “Hypothesis” and “Variable” for Qualitative Work: A Critical Reflection*, 74 J. MARRIAGE & FAM. 671, 673 (2012).

invitation. At the end of the initial intake meeting, the attorneys provided me with a few minutes to introduce myself more formally, describe the nature of the study, and ask participants whether they would be willing to sit down for an interview at a later time. I offered willing participants \$25 as compensation for an interview, and per ethical protocols, I also informed participants that I would protect both their confidentiality and anonymity. Accordingly, pseudonyms have been adopted for all the participants reported in this Article.

A total of thirty-six individuals agreed to be interviewed for the study. The interviews ranged in time from thirty minutes to more than two hours. I followed a semi-structured interview format by preparing an interview guide yet remained flexible during the interviews in order to afford each participant the space to discuss or raise any issues that they wished to express. Topics for the interviews included: (1) the life events which led them to seek legal assistance for their debt; (2) how participants had dealt with their creditors prior to seeking legal assistance; (3) how participants felt about their need to file for bankruptcy due to unmanageable debt; (4) how debt had affected participants' lives; (5) what participants hoped to gain by filing for bankruptcy; and (6) how participants planned to manage their finances after the bankruptcy process concluded. The interviews were audio-recorded with the participants' permission and subsequently transcribed verbatim through a professional transcription service.

The data corpus for this Article equates to 944 pages of data, comprised mainly of 850 pages of transcribed interviews. In addition, the analytic memo writing and coding of the data resulted in another ninety-four pages of typewritten notes. Because of its flexibility, I adopted thematic analysis as the data analysis strategy.⁸⁸ Since thematic analysis is not wedded to any preexisting theoretical framework, it can be successfully integrated into any conceptual lens, including Foucauldian governmentality. Indeed, scholars recognize that Foucault's analytical framework complements studies undertaken at the microlevel of analysis.⁸⁹ This Article reports on the emergent themes that illustrate how technologies of power and technologies of the self operate on debtors' lived experiences and financial identities.

IV. EMPIRICAL FINDINGS

The findings from this study suggest how technologies of power and technologies of the self result in the neoliberal subjectification of consumer debtors. The subjectifying process of consumer debtors coalesced around four main themes: (1) dealing with debt as a technology of power;

88. See Virginia Braun & Victoria Clarke, *Using Thematic Analysis in Psychology*, 3 QUALITATIVE RSCH. PSYCH. 77, 77 (2006).

89. Robert S. Leib, *Spaces of the Self: Foucault and Goffman on the Micro-Physics of Discipline*, 61 PHIL. TODAY 189, 206–07 (2017); Ian Hacking, *Between Michel Foucault and Erving Goffman: Between Discourse in the Abstract and Face-to-Face Interaction*, 33 ECON. & SOC'Y 277, 277–78 (2004).

(2) a moral accounting as a form of self-governance; (3) salvaging a financial identity; and (4) resurrecting the responsible entrepreneurial subject and returning to credit dependency.

A. *Dealing with Debt as a Technology of Power*

The official relationship between debtor and creditor is contractual with legally binding obligations. But the law and its enforcement mechanisms are technologies of power,⁹⁰ which, when wielded by creditors, impose discipline on debtors as subjects. To collect unpaid debts, the law provides a host of remedies. Creditors can send multiple letters to debtors requesting repayment, call debtors repeatedly, or file lawsuits against the debtor, usually resulting in a money judgment.⁹¹ Once a judgment is entered, a creditor can turn to the coercive powers of the state and levy upon a debtor's personal property or garnish bank accounts and wages.⁹²

Perhaps not surprisingly, all the participants in this study experienced pressure from creditors to repay debts, including unending phone calls and letters, threats of lawsuits, the filing of lawsuits, threats of garnishment, and the actual garnishment of wages and bank accounts. While creditors have the legal right to engage in these activities, we must not ignore how these collection efforts impact the lived experience of those experiencing indebtedness. The stories from participants reveal that debt is experienced in two fundamental ways that cause harm. First, external pressure by creditors prompts individuals to turn to a host of responsive behavioral strategies for managing debt; some of these strategies align with prior research on bankruptcy debtors.⁹³ Second, dealing with debt causes psychological distress and physical deterioration as other forms of harm, which also corroborates past studies.⁹⁴

1. Behavioral Survival Strategies

By the time creditors resort to serious collection efforts, the debt is ordinarily well past due. Individuals lacking the means to pay back their debts rely on various strategies for surviving this period in life. Indeed, several participants used the word "survival" in describing this time in their lives. For example, Brian Green, a middle-aged man, recounted his life managing debt as just "being able to survive because it seems like every time you think you're getting ahead, something happens, and you just don't." Many, if not most, participants engaged in various daily

90. Nikolas Rose & Mariana Valverde, *Governed by Law?*, 7 SOC. LEGAL STUD. 541, 550 (1998). See generally MICHEL FOUCAULT, *POWER/KNOWLEDGE: SELECTED INTERVIEWS AND OTHER WRITINGS 1972–1977*, at 94–95, 121 (Colin Gordon ed., Colin Gordon, Leo Marshall, John Mepham, & Kate Soper trans., Vintage Books 1980).

91. *Debt Collection FAQs*, FED. TRADE COMM'N: CONSUMER ADVICE, <https://consumer.ftc.gov/articles/debt-collection-faqs> (last visited May 17, 2024).

92. *Id.*

93. Foohey, Lawless, Porter, & Thorne, *supra* note 44, at 241–42; Thorne, *supra* note 46, at 185–97.

94. Sarah Bridges & Richard Disney, *Debt and Depression*, 29 J. HEALTH ECON. 388, 388–389, 402 (2010); Sweet, DuBois, & Stanley, *supra* note 4, at 495, 500.

avoidance strategies such as refusing to answer the phone, not opening the mail, or engaging in wishful thinking hoping that creditors would “just go away.” As Julie Thompson, a forty-year-old woman, described, “I have not opened a bill in forever because I just know that there’s something in there that I can’t pay. And I don’t answer my phone if it’s a phone call, if it’s a number that I don’t recognize.” Kim Green—Brian Green’s wife—described her own attempts to avoid collection calls in the following way:

But then I tried to start just putting them on an auto reject so that it just goes to voicemail, and they just can’t call my phone. But then they started calling some others and it’s just like this constant battle and people harassing you. One time when I was at work, they called up my work and my boss said, you know, this is not a place to get ahold of her . . . And so, they luckily haven’t called back there but, you know, it’s scary.

For Kim, like many other participants, the repeated phone calls resulted in her feeling personally harassed. Not only did the collection efforts cause Kim to stop answering her phone but they also caused her to live in a state of fear “that they’re going to end up garnishing your wages. You come home and there’s a sticky note on your door that says we tried to deliver a certified letter to you.” Because many debtors live paycheck-to-paycheck and without adequate savings to pay back their debts, once a creditor garnishes a person’s wages, the person usually has no choice but to file for bankruptcy. Once a bankruptcy case is filed, the system places an “automatic stay” on collection efforts which stops any continuing garnishment efforts.⁹⁵ Other participants described their efforts in managing debts as a vicious cycle of paying monthly bills from their wages, but then needing to rely upon credit cards at the start of the next month to pay for necessities such as groceries, gas, and rent. But by not fully paying down their credit card bills, interest continually accrues, and thus, according to one participant, “the balance never change[s].” Several participants described this coercively imposed behavioral strategy as “robbing Peter to pay Paul,” a finding that aligns with prior research.⁹⁶ In addition to juggling debts from month to month, others cut expenses and sold personal possessions to raise money and to “just cut down to the bare essentials” to repay creditors.

Beyond simply juggling debts, participants went to severe measures to manage creditors’ collection efforts. Rachel Banks, a sixty-seven-year-old woman, described her financial distress as stemming from two divorces and a loss of income after being diagnosed with a disabling medical condition. Now on social security income, Rachel spoke of her efforts to stay afloat, including: drawing money out of her life insurance policy; frequenting food banks at least once or twice a week; taking

95. 11 U.S.C. § 362(a) (2020).

96. Laura M. Tach & Sarah Sternberg Greene, “Robbing Peter to Pay Paul”: *Economic and Cultural Explanations for How Lower-Income Families Manage Debt*, 61 SOC. PROBS. 1, 12 (2014).

in a roommate to share expenses; and obtaining seasonal part-time work, which proved “just too hard on my back and my leg.” William Smith, a fifty-eight-year-old divorced man, first sold most of his possessions to start paying off the credit cards he previously used for daily living expenses during a bout of unemployment. When this proved unhelpful, he started living in his car and had been doing so for the year before we met. He described his past several years in the following manner:

You think you’re doing the right thing and you’re doing the right thing, it’s just, it’s not enough. Suddenly, it’s not enough, you know, there is something wrong here and you can’t fix it because either you don’t have enough education, or you don’t have enough money. You don’t have enough options.

Not only do William’s comments demonstrate the drastic remedies some debtors undertake in response to collection efforts, but they also illuminate how the power of debt reproduces inequality. While William’s creditors undoubtedly reaped large interest payments through his repayment efforts, William believed that his best option would be to live in his car for more than a year before finally deciding to seek assistance for his financial distress. For William, even when “you’re doing the right thing” and attempting to repay creditors, not having “enough education” or “enough money” makes doing so impossible.

A few participants professed forgoing much-needed medical care due to their financial situation. For example, Trisha Garland described this decision in the following way:

Because I still, to this date, when I get sick I will not go to the doctor because I don’t want to make another bill, I just won’t. Like even now I need major dental work done. I don’t want to go to the doctor. I hate making more debt when I already have tons of debt. I deal with the pain every single day. I have pain in my mouth right now. But I’ll take Aleve . . . and take lots of it, just to kill the pain.

Beyond physical responses to collection pressures, other participants engaged in a variety of financial strategies that offered momentary relief from the reach of creditors, but paradoxically resulted in increased indebtedness. Roger Dunleavy’s financial hardships resulted from marital debts prior to his divorce, increased expenses following his divorce, and a protracted period of unemployment. Roger enrolled in college to obtain a graduate degree but took out student loans to not only get caught up with past child support payments but also to eat and pay bills. Roger, a middle-aged man, described his situation as “out of control” once creditors started calling and the state garnished his wages for past child support. Roger then turned to payday loans to meet his expenses “knowing full well . . . this is going to bite me in the butt here in a minute. But I mean you’ve got to eat, you’ve got to pay your car, and you know, it was

difficult, exceedingly difficult.” He described the payday loans as a “vicious circle” accompanied by exceedingly high interest rates.

Several other participants tapped into the easy credit that payday lenders offered, fully understanding the exorbitant interest rates charged for these quick and dirty loans. For example, Margaret and Daniel Pryor, an elderly married couple on a fixed income, did not have access to credit cards and thus had no choice but to rely upon payday lenders as an income supplement after a physical disability left Daniel unemployable and on disability. At the time we met, the couple had eleven outstanding payday loans from different lenders, all collecting at least “two hundred percent interest” according to Daniel. When I asked about their use of payday loans, Daniel simply commented, “[y]ou got to do what you got to do.” Finally, another participant had relied upon his bank’s overdraft protection for the last year to finance his and his children’s daily expenses after several tumultuous life events, including his wife’s unexpected death and a recent work injury leading to a bout of unemployment. In sharing his strategy with me, he stated that “I knew in my head I don’t have the money, but I’d go take out a couple of hundred dollars, they’re not going to bounce it. I’m going to get hit with bank fees, but I would just make things work.”

2. Affective States, Physical Health, and Strains on Relationships

In addition to the force of law as a technology of power imposing various behavioral and financial responses upon debtors, participants also reported how their indebtedness affected their mental states, physical health, and personal relationships, thus demonstrating how the interscalar nature of neoliberal governance asserts its authority in the most intimate aspects of private life. For example, Douglas Jones, a forty-four-year-old married man with a professional degree, resorted to filing bankruptcy following eleven years of job instability and revolving debt problems, which caused him, at times, to pawn the family car, family heirlooms, and his child’s electronics. Douglas shared how these difficulties led to what he characterized as a “financial depression” due to his “roller coaster” of money issues: “I didn’t want to get up. I didn’t want to do things. I had problems just getting up and getting dressed every day. The only reason I did was because the kid downstairs . . . he had to have food.” Douglas also reported that financial stress caused his wife to not “sleep well” and their debts also resulted in “some marital difficulties.”

Participants commonly dealt with debt pressures and, in turn, experienced stress, loss of sleep, and anxiety; these findings corroborate past studies.⁹⁷ For instance, Elizabeth Reynolds, a married sixty-year-old woman who jointly filed for bankruptcy with her husband, describes her psychological state:

97. Patricia Drentea, *Age, Debt and Anxiety*, 41 J. HEALTH & SOC. BEHAV., 437, 439 (2000); Sarah Brown, Karl Taylor, & Stephen Wheatley Price, *Debt and Distress: Evaluating the Psychological Cost of Credit*, 26 J. ECON. PSYCH. 642, 644 (2005).

I think there's always stress involved when you realize that you don't have the funds to pay your bills. That's where the stress comes in. The depression I think comes from not seeing an end to this stressful situation. You just can't fathom that it's going to end, or you don't know how it's going to end. And you're just looking for some reprieve and . . . the longer it goes . . . that hope not only vanishes, the light is getting dimmer and dimmer.

In addition to psychological stress, several participants detailed how their unmanageable debt and dealings with creditors aggravated their physical health. Julie Thompson, mentioned above, decided to file for bankruptcy for her medical debts after her divorce several years prior left her without health insurance. During our conversation, I asked whether there was a relationship between her debt and her ongoing health condition. Julie responded by connecting her lingering medical debt to "snowballing with my health" as the stress of her debt situation caused her asthma to get "really, really bad," necessitating hospital visits and uninsured breathing treatments. Julie believed that filing for bankruptcy would result in "getting the weight off my shoulders" which would reduce her stress, and ultimately lead to an improved health outcome. In a similar way, Jennifer Hastings, a forty-eight-year-old woman, experienced several significant medical problems and surgeries that required extensive hospital stays. Between Jennifer and her husband, the couple had twelve surgeries in five years, and the couple's health insurance failed to protect them against large deductibles, prescriptions, and follow-up treatments. In addition to describing "a lot of mental stress and having to pay the bills," Jennifer believed that relieving herself of the stress and anxiety surrounding their debt would improve her fibromyalgia and decrease the accompanying physical pain.

Roger Dunleavy, discussed above, connected how his debt affected him emotionally and in his relationships with friends. Dealing with debt caused his emotional state to be "a little bit in the pits over this financial stuff." He described himself as usually "a happy, optimistic and extroverted person," but he said, "that's been impacted by [debt] as well." Roger mentioned that he is "very well aware of the fact that I attract people based on the energy that I'm putting out there. And so I've kind of turned inward because I don't want to attract people that are going to feel like I do because I can't have that right now." Moreover, Roger also described how his debt affected his relationships with his close circle of friends. Due to his inability to afford social activities, he lost friendships and had been "pushed out of the circle a little bit just like, you know, Roger's not going to be able to come along." Roger was not the only participant reporting that debt caused strains in personal relationships. Mark Coleman, a middle-aged married man, shared with me how his long-standing debt problems and bad credit "was killing" his relationship with his wife, to the point where she threatened to divorce him if he did not promptly take care of his debts. Faced with this ultimatum and his inability to pay his debts,

Mark sought personal bankruptcy as a solution to his problems. Finally, Julie Thompson reported that because of her debts, her then-romantic partner was “not compassionate at all” and he preemptively broke off their relationship when she began considering bankruptcy as a way out of her financial distress.

B. A Moral Accounting as a Form of Self-Governance

Consumer debtors do not make the decision to file bankruptcy lightly. Debt weighs heavily on people. But as the following two examples illustrate, at some point individuals and families hit “rock bottom” and make the decision to consult an attorney about their unmanageable debt problems. In reaching this decision, a husband and wife described their experience in the following way:

Husband: When you’re not able to make it, where you’re not able to pay your bills and you try your best and you work as hard as you can, and it feels like you just don’t get anywhere.

Wife: We’re like in quicksand, you know, you’re slowly sinking and I’m the type of person that will say it’s going to be okay, somebody is going to come by and help us and then [we’re] to the point, we’re going down

Another couple analogized this process of “going down” in these terms:

It’s just like a man in a boxing match and you’re just jabbing and jabbing and all of a sudden there’s a sucker punch. And that’s how we felt. We just got sucker punched and we couldn’t just catch our breath. And by the time we caught our breath it was like over our head. And it’s like what do we do, how will we take care of this, how are we going to, you know, if we pay this much how are we going to pay rent, how are we going to get food, how are we going to, you know, it just got to the point where the bubble [burst].

Once the decision is made to rescue themselves from the quicksand of oppressive debt by turning to the bankruptcy process, participants are often triggered to commence a moral self-accounting as a form of governance and a technology of the self. These acts of self-accounting link to neoliberal discourses on personal responsibility in what Miller and Rose describe as a “translati[ng] mechanism” between the general and the more particular.⁹⁸ Notions of financial irresponsibility, the stigma regarding debt and bankruptcy, and expressions of shame swirled together during these interviews as participants evaluated themselves in preparation to file bankruptcy. As Sweet, DuBois, and Stanley similarly found, feelings of shame, failure, and the internalization of personal responsibility narratives “are deeply embedded in neoliberal ideology” and thus play a powerful role in the subjectification of consumer debtors.⁹⁹ More stridently, based

98. Miller & Rose, *supra* note 68, at 6.

99. Sweet, DuBois, & Stanley, *supra* note 4, at 504.

upon their study of disabled individuals in the workforce, Karen Soldatic and Hannah Morgan argue that feelings of personal shame are an intended technology of internalized self-governance, resulting in seeing oneself as a moral failure for not living up to neoliberal discourses and the ideal of a fully autonomous, entrepreneurial subject.¹⁰⁰

Participants frequently characterized their indebtedness and bankruptcy filing as a harrowing experience for their sense of self, using phrases such as “this is the lowest it has ever been in my life,” “the most depressing thing on the planet,” and “I feel like it is a heavy word, bankruptcy, the bankruptcy word.” And despite often characterizing bankruptcy as a last option, many participants nonetheless still evaluated themselves in a morally negative way. Several examples illustrate this contention. Trisha Garland described that she was “afraid” and “embarrass[ed] to have to come here and do what we’re doing” (i.e., filing bankruptcy). When asked why, Trisha said, “I feel bad because I did, I let them [i.e., bills] pile up and I should have been more responsible to take care of those things.” When I asked Rachel Banks what needing to file bankruptcy meant to her, the following exchange occurred:

Rachel: To me it’s a disgrace. That’s how I feel about it. ‘Cause I’ve always been able to financially take care of myself and when I was married it was really easy for me ‘cause there’s two incomes. But I don’t like doing it. It feels like a disgrace. I don’t even want people to know that I’m doing it. So, I’m hiding the fact. I haven’t told my family or anybody.

Interviewer: Why do you think it’s a disgrace?

Rachel: I feel like it proves that I’m a loser, that I haven’t done things right and . . . I really don’t want to do it, but I have to.

When thinking about themselves and their debt, several participants said the decision to file was difficult to make because of the stigma surrounding bankruptcy. According to Christine Vargas, a thirty-nine-year-old single woman, the failure to pay her bills and then file bankruptcy meant “you’re just a deadbeat, you’re just a loser.” Another participant characterized filing bankruptcy as “a failure in a lot of ways. I mean a lot of people judge you by your income and a lot of people judge you by whether or not you pay your debts.” One married couple noted that resorting to bankruptcy was both “demeaning and embarrassing.” Another married couple specifically mentioned “society’s opinion” when it came to their failure to pay debts, commenting that the stigma around bankruptcy is “equal to welfare” and represents “taking no responsibility for your debt.” A middle-aged, single woman told me of her personal shame in filing bankruptcy, likening it to being a “bad person” because she believed responsible people pay their debts and “for most of my adult life,

100. Soldatic & Morgan, *supra* note 71, at 106–28.

I've lived within my means." Finally, Stephanie Chisholm, a sixty-two-year-old divorced woman, who attributed her need to file bankruptcy to her ex-husband's failure to pay required alimony, expressed that she still "feels ashamed for doing this." When asked why, she commented: "I guess we grew up thinking that if you had something, you live within your means, and you pay these bills off. And you don't charge it and then expect somebody else to pay it off." These representative illustrations demonstrate the ways in which neoliberal discourse is both internalized and manifested in a form of self-governance, resulting in a subjectification process where participants mark their financial statuses against the ideal entrepreneurial subject that is *homo economicus*. As a form of moral accounting of the self, participants actively internalized the shame and inferiority of being mired in debt and, in turn, filing for bankruptcy.

Not every participant, however, understood their situation as a moral failing. Some viewed filing for bankruptcy as taking responsibility for their financial lives. For example, Bethany Francis explained: "I feel like if I do this [file bankruptcy], I'm taking responsibility to do something and I can start over, like not knowing there's like \$54,000 on my back that I have to pay off." Another participant shared a similar sentiment, commenting: "I would rather take the responsibility of doing something, like this, taking advantage of what is offered to me by the government and be able to, you know, get out of some of my debt so I can take care of other things." For this subset of participants, filing bankruptcy allowed for a sense of agency in their otherwise financially turbulent lives and was thought of as a rebirth rather than another opportunity for self-flagellation. However, these participants still seemed to internalize the neoliberal discourse of personal responsibility. That is, by filing for bankruptcy and becoming accountable for their downtrodden financial statuses, they reasserted themselves as the model of entrepreneurial subjectivity.

C. *Salvaging a Financial Identity*

The technologies of power available to creditors place downward pressure on individuals to take up different behavioral responses in dealing with debt, oftentimes accompanied by mental and physical harms. The self-evaluation process in dealing with debt and filing for bankruptcy further subjectifies debtors. But in speaking about their now discredited selves,¹⁰¹ participants frequently engaged in technologies of the self to salvage some sense of their financial identities and to offset their internalized negative self-perceptions. These observations corroborate past empirical studies finding that debtors utilize interactional strategies to disclaim their devalued identities towards reclaiming a moral character.¹⁰² When

101. See generally ERVING GOFFMAN, *STIGMA: NOTES ON THE MANAGEMENT OF SPOILED IDENTITY* 1–7 (1963).

102. Sousa, *supra* note 69, at 461; Nicole Andelic, Clifford Stevenson, & Aidan Feeney, *Managing a Moral Identity in Debt Advice Conversations*, 58 *BRIT. J. SOC. PSYCH.* 630, 630–45 (2019); Thorne & Anderson, *supra* note 69, at 86.

analyzed from a governmentality perspective, these interactional strategies represent a form of self-governance where individuals try “to transform themselves in order to attain a certain state”¹⁰³—here, a financially autonomous citizen and a future, responsabilized consumer of credit post-bankruptcy, returning the individual to be the entrepreneurial subject envisioned by neoliberal rationality.

A primary self-governance technique participants utilized was believing that bankruptcy was a commonplace act to reduce the pejorative association with their own inability to manage debt. A few examples illustrate this point. In speaking about her debt and forthcoming bankruptcy, one participant explained:

I think what people have to realize, and what I have to realize, is obviously I’m not the only person that’s ever done this before. I can’t sit there and think, well, I’m going to be judged harshly or that they’re going to look at me differently. I’m just a number basically to them.

Along similar lines, another participant explained her own bankruptcy filing in these terms:

Whereas when it happens so much . . . I think it’s almost standard now for a lot of people, especially a lot of people in a lot better financial situation than I’m in. I think it’s common enough now that it’s not something that makes me feel worried about what they would think.

Another common theme among participants was an understanding that they had “no choice” in filing bankruptcy or that they did “all they could” to repay their debts, but bankruptcy remained the only viable option. These narratives reflect how some participants characterized their own behavior in reclaiming a morally responsible financial identity. For example, one participant whose debts resulted from two divorces, health issues, and using credit cards “like an addiction” to make herself “feel better temporarily,” claimed to have “tried everything to solve” her financial distress before finally relenting and seeking bankruptcy as a solution. Another participant felt “horrible” about filing for bankruptcy but expressed no reservations about being judged because to her “[t]hings happen, and sometimes you can’t control it and you may not like what’s happening, but you just do the best you can do.”

Other participants partook in associational distancing by engaging in “identity talk” to disassociate and to create boundaries between their own debt situations from those of “other” generalized debtors.¹⁰⁴ As Deborah Thorne and Leon Anderson found, debtors will go to “considerable lengths to distinguish their ‘legitimate’ reasons for declaring bankruptcy from the otherwise illegitimate and morally objectionable actions and rationales of

103. Foucault, *supra* note 57, at 18.

104. See generally DAVID A. SNOW & LEON ANDERSON, DOWN ON THEIR LUCK: A STUDY OF HOMELESS STREET PEOPLE 17–19, 43 (1993).

other bankrupt debtors.”¹⁰⁵ Participants in my study cast themselves as “deserving” debtors in contrast to a generalized “undeserving debtor,” to draw boundaries between their own debt circumstances and the “others,” namely, spendthrifts who acted irresponsibly and then glibly filed for bankruptcy. The deserving debtor is one whose debts are beyond control—such as medical debt—whereas the undeserving debtor is one who files for bankruptcy after lavishly using credit for luxury goods and experiences. This finding substantiates past research on the effects of neoliberal governance on personal identity. In a study of classically trained musicians, Christina Scharff found that participants engaged in boundary making and exclusionary dynamics in discussing periods of hardship and struggle.¹⁰⁶ Scharff concluded that “[b]y presenting themselves as hard working, the research participants construct themselves as entrepreneurial. This construction simultaneously involves the repudiation of those who do not work hard and a lack of empathy if they do not achieve.”¹⁰⁷ Scharff argues that such boundary drawing constitutes a fundamental component of neoliberal governance.¹⁰⁸ Similarly, here, participants cast themselves as deserving debtors which suggests they have internalized the neoliberal discourse of personal responsibility, enabling them to think about themselves and their behavior in morally appropriate ways as they attempt to salvage their financial identities in accordance with the model of the entrepreneurial subject.

Justin and Elizabeth Reynolds, a middle-aged married couple, explained how their debts arose from credit card use during long periods of unemployment and uncovered medical expenses for significant illnesses. I asked them how they thought about their debts, and Justin responded in this way:

I think a lot of bankruptcy is people that keep up with the Joneses. That’s never been a thing for us, never been a big deal for us. We are responsible for the debt we had. Medical, I feel that you were put in a situation that you had no control over. If we had used our credit cards, had Hawaii trips repeatedly on them or gambling expenses or jewelry, or TVs, all that stuff I would call irresponsibility because you’re spending money on non-necessity items when you obviously don’t have the money. I don’t see it the same because I feel like one denotes irresponsibility and the other one is more of a victim.

Justin excluded himself from the glut of undeserving debtors who seemingly spend on either fancy vacations or possessions, which to him constitutes “irresponsibility.” He, by contrast, is “more of a victim” because the couple’s debts were beyond their control. While the bankruptcy system does not classify debtors as those who are deserving or undeserving

105. Thorne & Anderson, *supra* note 69, at 87.

106. Scharff, *supra* note 29, at 109–10.

107. *Id.* at 119.

108. *Id.*

based upon how they used credit, participants nonetheless engaged in boundary making and exclusionary tactics, performing the role of the entrepreneurial subject and trying to salvage their sense of financial identity. Participants also engaged in boundary making when asked if it was important to them to explain their debt situation to bankruptcy trustees or judges. As one participant responded:

Yes, just so they know why you're doing it. I mean I wasn't just out spending credit cards and buying myself stuff. I would like them to know it's mostly medical, there's nothing I could do about that. I didn't take a joy ride or a vacation with my credit cards basically. Most people do.

Other participants similarly characterized their debts as happening beyond their control, explaining "it's not like I went off to Macy's and bought a bunch of shoes" or "clothes or just special things." One participant expressed that she would feel more guilty about her own bankruptcy "if my debt was incurred because I took extravagant vacations or bought cars I couldn't afford."

As a final example, Timothy and Miranda Newman, a married, middle-aged couple, reported filing bankruptcy because of medical debt. In thinking about their debt situation and impending bankruptcy filing, Miranda made the following comments, distancing herself and her husband from undeserving, generalized debtors:

I mean we've never taken our kids on a vacation. It's not like we're living in the lap of luxury where we're filing bankruptcy and going to Tahiti next week. You know, it's one of those things we're filing bankruptcy and we're still broke type thing. And we work, both of us work full-time.

If you're out there spending money that you don't have . . . trying to rack up debt so you can get over on people, which is wrong, but I mean how many people do that, it's sad, you know. They rack up all these credit cards and then they're like, oh I'll just file bankruptcy and then I'll just keep all my stuff, but somebody else will hitch a deal with it.

As these examples demonstrate, individuals assert boundaries and engage in exclusionary practices when thinking about their debt situations, constituting themselves as otherwise responsible entrepreneurial subjects trying to reclaim their financial identities. These management strategies constitute technologies of the self that subjectify debtors to conform to the norm of the entrepreneurial subject as a facet of neoliberal governance. Thus, technologies of power functionally subjectify debtors through their use of responsive behavioral strategies to deal with creditor collection demands. This continues through technologies of the self when individuals morally self-evaluate and align their identities with neoliberal discourses to salvage their sense of self.

D. Resurrecting the Responsible Entrepreneurial Subject and Returning to Credit Dependency

The final theme that emerged from the participant interviews was their shared desire to resurrect a responsible financial self and to once again become credit dependent after bankruptcy. When questioned about the goals for their bankruptcy cases, many participants expressed a keen interest in rebuilding their credit. Participants expressed two central reasons for this. The first was symbolic, largely as an opportunity for participants to resurrect their discredited financial selves and to be viewed as morally worthy, responsible people by society. The second reason was more practical, but also concerning. Participants were interested in building good credit to acquire possessions for economic security and mobility, such as future homes and better cars. Participants understood that this would only be possible by using future credit and incurring additional debt. These explanations exemplify processes of neoliberal governance whereby consumers are subjectified to think about themselves and to use credit as rational entrepreneurial subjects, despite their recent bankruptcy. These findings should also alert us to the fact that even after bankruptcy ends, participants will end up back on the neoliberal, debt-based accumulation treadmill.

At the time of her bankruptcy filing, Pamela Spencer was a forty-four-year-old woman who had gone through a divorce and had been unemployed for the past four years while caring for her disabled son. During this time, Pamela paid her daily living expenses through welfare and credit cards. A creditor's garnishment of Pamela's bank account led her to seek bankruptcy as a solution. In recounting her personal history, Pamela was quick to mention that since the age of eighteen, she managed her credit just fine and had "a really good interest rate because I always made my payments on time, just had always been very diligent at keeping my credit good." Later in our interview, I asked Pamela what her financial life would look like post-bankruptcy. She expressed interest in rebuilding credit "because it's good to have good credit for reasons other than just getting more debt." When asked about this statement, Pamela indicated that good credit was connected to her own self-worth. The following exchange occurred:

Interviewer: What are the reasons for good credit?

Pamela: I want to appear to be a responsible person. Right now, I feel with the debt that it makes me seem irresponsible, even though I know all the situations that led up to it . . . were completely out of my control, it still makes me feel bad that I have outstanding debt.

Interviewer: To whom does it make you seem irresponsible?

Pamela: I don't know that it's anyone, but it's just that thought that if they knew—I don't know.

Interviewer: Is the credit score some marker for you?

Pamela: It's a grade. If I have to have it, I want a good one.

This exchange is illuminating for several reasons. First, Pamela viewed herself as an irresponsible person for her current financial situation even though the events leading up to her bankruptcy “were completely out of my control.” Thus, Pamela equated debt and bankruptcy to irresponsibility. Second, when asked to whom her situation makes her appear irresponsible, she mentioned a generalized “they” rather than a concrete person such as a family member, employer, or friend. I interpret this vague “they” as a reference to society at large and a concern that neoliberal society will judge her as irresponsible even though few, if any, people know about her financial distress. Third, Pamela viewed a good credit score as a personal marker of her own self-worth, implying that she believed a better credit score means higher social standing and personal achievement.

Another participant similarly viewed credit scores as a marker of a financially worthy person. Danielle Wilson was a forty-three-year-old woman at the time of our interview whose divorce had resulted in financial problems. Danielle turned to credit cards to support herself and her two children to make up for the lost income and her ex-husband's unwillingness to contribute financially after the divorce. No matter the question I asked during our interview, Danielle always returned to the theme of her being someone who “always had good credit” and deeply wanting to be that person again because “any credit history that I did build up is pretty much gone.” When I asked her why obtaining credit after bankruptcy was so evidently important to her, Danielle replied:

I always prided myself in having great credit. You know, when you're excellent it's kind of like when you get an A on your paper. It's like oh, I'm doing good. I'm able to pay for things I need to pay, you know. Yeah, it's a level of pride and I think I'm deserving of it because I've worked so hard in my whole life, and just because I hit a few bumps in the road, now my insurance goes up. Now everything is going up on me because hey, you're not excellent or we still have this stigma about you because people who have bad credit, they can't hold down a job, they can't pay their bills, they have a bad driving record, and that's not true with me. It's like no, I'm going to . . . prove you people wrong because I am that person.

We can extract several observations from this reply. First, like Pamela, Danielle also analogized available credit to being “excellent” and “doing good” in terms of her own moral self-worth in our credit-centric economy. Second, Danielle was clearly concerned about future judgment from generic “people” because she viewed herself as not being “excellent” or as having a “stigma” due to her poor credit status. Third, and perhaps most telling, Danielle viewed other people with poor credit as seriously defective because they “can't hold down a job,” “can't pay their bills,” or possess a “bad driving record” somehow attributed to their debt. While this is a form of boundary maintenance, it also demonstrates that Danielle viewed

herself in this way, and so building back credit would return her to a state of financial responsibility and enable her to disassociate from people who have the inability to successfully navigate daily life. In essence, for Pamela, Danielle, and other participants in this study, the future use of credit reinforces entrepreneurial subjectivity and enables them to perform as re-sensitized citizens.

When we met, Marie Curtis was a twenty-seven-year-old female college student who attributed her financial distress to “trouble with some store credit cards” and a significant sports injury when she had no medical insurance. After trying to pay off these debts for approximately six years and “not making any progress at all,” she decided to file for bankruptcy. When I asked whether rebuilding credit was important to her, Marie responded, “very much so, yeah.” When questioned why, Marie mentioned that the lack of good credit would limit her ability to buy a new car or a home in the coming years. But she also expressed sentiments that good credit is about self-perception and her “perceived ability to pay back some amount of money and to have my perceived ability to be so much lower than I feel it actually is, is very difficult.” Marie’s father looked down on her for her debt troubles and she claimed that once she rebuilds credit after bankruptcy “he’ll look at me and go wow good job, I’m glad you did that [i.e., file bankruptcy], but for now it’s a little bit of a weird situation.” Through these comments, Marie equates having available credit as a measure of her self-worth, stating: “it’s like this is part of who I am.” As her following quote demonstrates, the need for Marie to rebuild credit relates to her desire to restore a perceived sense of entrepreneurial subjectivity:

It’s like I believe that I can do this, but no one else believes that and whether it’s a creditor or like even my dad. Like I know I can do it but the people around me, whether it’s my family or creditors who have no idea who I am based on my history and based on these numbers, think I can’t or think I’ll be late or miss a payment or whatever it would be.

For Cindy Cooper, a forty-four-year-old woman, her debts related to two events: the unexpected death of her husband and a \$55,000 judgment entered against her in a familial lawsuit pertaining to her late husband’s estate. Cindy did not want to file for bankruptcy because “I just wanted to pay my bills and be responsible.” She viewed her bankruptcy filing as an opportunity to move past the litigation, but also as an opportunity to rebuild her now-ruined credit and reposition herself as a responsible person:

I’ve worked so hard to like pay everything on time and not have anything against me on my credit. So like buying homes, . . . get a new car if I wanted to, you know? Like part of me is like okay, I’m starting over. I’ll just do what I have to do to build it back up and get back there [i.e., being timely with bills]. I’ve been paying things on time, not being late, doing this, trying to be responsible to keep my credit okay. And then this happens.

During our interview, Kim and Brian Green mentioned several times the need to have good credit to purchase a future home. The middle-aged, married couple decided to file for bankruptcy due to unmanageable credit card debt derived from living expenses incurred when they voluntarily lost income to stay home to care for their seriously ill daughter. After stating that building credit was “very important” to them, Kim explained it in the following way:

It’s mainly just so we can own a home. I’m tired of renting And that’s the thing too because like our cars in the past, I’ve always had to have my parents cosign because my credit sucks. So, it would be nice to have that feeling that, hey, if we did need a new car I could walk into a dealership and get a car by myself with no issues.

For Kim and Brian, future credit meant upward social mobility obtained by purchasing their own home after years of renting and buying a newer car, if needed. Kim also desired to become a financially autonomous consumer with the ability to buy a car “by [her]self” without depending upon her parents. Thus, having good credit and using it to gain social mobility as a financially autonomous self suggests both the internalization of neoliberal discourses as well as an eventual return to a state of indebtedness after their bankruptcy sojourn ends. As another married couple soberly commented to me, “I think you can’t really buy or do anything without good credit.”

A final example is Mark Coleman, discussed earlier. Mark decided to file for bankruptcy after incurring significant medical debt and admittedly making unwise purchases on a credit card to the point where his debt “just spiraled out of control.” When the subject of credit came up during our interview, Mark lamented how he “can’t even get a loan for a 5-cent piece of gum right now if I tried.” When asked if building credit after bankruptcy was important for him, Mark commented as follows:

Yes, credit is very important to me because without it you can’t do nothing. You can’t keep your car, you can’t get a good rate for your car, you can’t get a home loan, you can’t get even a personal credit card for a gas station card. If you run out of money for the week, what are you going to do for gas or food? I mean you can at least fall back on your credit card and at least use that and then pay that back. You don’t get a high APR and, you know, everything gets a little bit better for you. They give you better options and it doesn’t become so much of a struggle in my opinion.

From this statement, Mark is well-aware that having access to future credit is necessary for his economic survival and to make life “a little bit better for [him]” where it is not “so much of a struggle.” What Mark may not appreciate, however, is that a continued dependency on credit is precisely how our financialized debt-based economy wants him to behave. His future reliance upon credit, like for the other participants in this study,

will continue greasing the wheels of our neoliberal national economy. And in doing so, they will never escape the throes of Lazzarato's "indebted man."¹⁰⁹

V. DISCUSSION

Foucault's embrace in the late 1970s of the Chicago School brand of neoliberalism as an art of government should be understood in the context of French intellectual thought, which, at the time, was seeking an alternative to the statism of both the welfare state and authoritarianism. As Dean and Daniel Zamora argue, the adoption of neoliberal governmentality represents Foucault experimenting with moving past sovereign, disciplinary, and pastoral forms of power.¹¹⁰ With the benefit of almost five decades of hindsight regarding neoliberal rationality, we now can comfortably "interrogate the repercussions of it for our present."¹¹¹

Today under neoliberalism, "debt plays a hegemonizing function: disciplining (or even accumulating) individual and collective subjects of capital by linking their sense of independence to normative participation in particular social formations,"¹¹² most prominently through the adoption of an autonomous entrepreneurial subject. By utilizing the governmentality analytical framework, this study makes legitimate claims about the processes involved in the neoliberal governance of consumer debtors as "failed" entrepreneurial subjects under neoliberalism. Because "debt is a social force acting upon people,"¹¹³ this study demonstrates how technologies of power exerted by creditors coerce responsive behavioral strategies among debtors as well as how these techniques correlate to deleterious mental, physical, and relationship statuses. Further, this study illuminates technologies of the self that consumer debtors engage in to morally account for their unmanageable debts and to recenter themselves towards the ideal entrepreneurial subject by, once again, relying upon credit.

Unpacking the microlevel processes where debt governs individuals as entrepreneurial subjects reveals the workings of neoliberal rationality. Neoliberalism's stark emphasis on "freedom" both anticipates and necessitates the molding of autonomous, responsabilized individuals with the capacity for self-governance.¹¹⁴ The logic of capitalism and the financialization of the marketplace both desire and need people to use credit (albeit responsibly), thus facilitating the continued accumulation by

109. LAZZARATO, *supra* note 3, at 20.

110. See generally MITCHELL DEAN & DANIEL ZAMORA, *THE LAST MAN TAKES LSD: FOUCAULT AND THE END OF REVOLUTION* 1–5 (2021).

111. *Id.* at 189.

112. MIRANDA JOSEPH, *DEBT TO SOCIETY: ACCOUNTING FOR LIFE UNDER CAPITALISM*, at ix–x (2014).

113. MONTGOMERIE, *supra* note 11, at 34.

114. Nikolas Rose, *Governing "Advanced" Liberal Democracies*, in FOUCAULT AND POLITICAL REASON: LIBERALISM, NEO-LIBERALISM AND RATIONALITIES OF GOVERNMENT 53 (Andrew Barry, Thomas Osborne, & Nikolas Rose eds., 1996). See generally BARBARA CRUIKSHANK, *THE WILL TO EMPOWER: DEMOCRATIC CITIZENS AND OTHER SUBJECTS* 1–9 (1999).

dispossession.¹¹⁵ But for those who do not use credit “responsibly” and fall into such unmanageable debt that they turn to filing bankruptcy, a subjectification process is in order. Technologies of legal power employed by creditors seeking repayment and technologies of the self operating upon the financial identities of debtors coalesce to discipline individuals into the form of entrepreneurial subjectivity desired by neoliberal rationality. Taken together, these technologies mobilize consumers drowning in debt to do the “ideological dirty work of neoliberalism”¹¹⁶ by recentering them towards appropriate performances as responsabilized entrepreneurial subjects in accordance with the model of *homo economicus*.

The intent of all qualitative research is developing a rich description to shed light on what it is like to experience the phenomenon from the perspectives of the actors *in situ*, as well as identifying common themes, patterns, and processes intrinsic to the social setting studied.¹¹⁷ One limitation of the present study is that it is cross-sectional; it only captures debtors at one particular moment in time. Because of the inability to follow participants longitudinally, it is not possible to tell if, and by how much, each participant returned to credit use, incurring additional debt after bankruptcy. My conclusions stem from participants’ descriptions of what they planned to do post-bankruptcy. Future studies should attempt to follow debtors over time to learn whether they perform as idealized entrepreneurial subjects in their future, post-bankruptcy financial lives.

Further, because the present study is based upon a single legal aid office in a particular geographic setting and at a specified moment in time, another limitation of the study is the inability to generalize the findings to a larger population in a probabilistic sense.¹¹⁸ However, and quite importantly, qualitative research is concerned about thematic transferability and analytic generalizability.¹¹⁹ That is, findings of qualitative research are “generalizable not in their specific features or attributes . . . but in concepts, processes, or mechanisms that transcend the specificities of time, place, or group.”¹²⁰ Transferability is concerned with whether the insights gained from a particular study can be applied to other contexts under similar conditions, while analytic generalizability denotes refining or advancing theoretical concepts and principles towards a better understanding of

115. See HARVEY, *supra* note 13, at 159.

116. IMOGEN TYLER, REVOLTING SUBJECTS: SOCIAL ABJECTION AND RESISTANCE IN NEOLIBERAL BRITAIN 211 (2013).

117. See Sharan B. Merriam & Elizabeth J. Tisdell, QUALITATIVE RESEARCH: A GUIDE TO DESIGN AND IMPLEMENTATION 14–15 (4th ed. 2016).

118. Mario Luis Small, ‘How Many Cases Do I Need?’ *On Science and the Logic of Case Selection in Field-Based Research*, 10 ETHNOGRAPHY 5, 9 (2009); Ellie Fossey, Carol Harvey, Fiona McDermott, & Larry Davidson, *Understanding and Evaluating Qualitative Research*, 36 AUSTL. N.Z. J. PSYCHIATRY 717, 730 (2002).

119. See generally ROBERT K. YIN, CASE STUDY RESEARCH: DESIGN AND METHODS, at 40–42 (5th ed. 2014); RUBIN, *supra* note 86, at 22–23.

120. RUBIN, *supra* note 86, at 24.

social life “far beyond any strict definition of the hypothetical population of ‘like-cases’ represented by the original case.”¹²¹

This study satisfies the criteria for both transferability and analytical generalizability. As some of the empirical findings corroborate prior research, it is reasonable to believe that debtors in other geographic locations experience similar subjectifying processes of neoliberal governmentality through forced behavioral strategies, psychological pain, and episodes of moral self-examination. Indeed, millions of Americans have vast personal experiences with lived indebtedness across all domains of social life. Debts for mortgages, college educations, survival during periods of unemployment or illness, or simply living from one month to the next subjectifies most everyone except for the fortunately affluent among us. Consequently, the neoliberal governance of consumer debtors can be studied through myriad future research agendas. Future work will hopefully embrace a governmentality framework in investigating other areas of social life in which individuals are subjectified through the maelstrom of relations of power undulating around debt.

CONCLUSION

As Michael Harrington observed in his now-classic study, people living in poverty are neither individual cases nor represent a personal stroke of bad luck.¹²² Rather, those ensnared in poverty are mostly “the effects of an environment, not the biographies of unlucky individuals.”¹²³ Harrington characterized the impact of structural poverty upon marginalized groups as “the crushing inheritance of the past.”¹²⁴ This observation unfortunately still rings true six decades later. But the punishing economic policies wrought by neoliberalism over the course of the past four decades and the turn to a debt-based economy causes all but the financial elite to struggle with the “crushing inheritance of the present,” namely, hypertrophic levels of unmanageable consumer debt. A fair number of these struggling debtors finally relent and file for personal bankruptcy seeking relief. But even shedding debt through bankruptcy only represents a temporal, last-gasp safety valve. The larger societal problem remains structural. So long as our neoliberal economy is predicated upon trapping individuals and families into forms of debt peonage to maintain social existence, the governance and subjectification of consumer debtors to model themselves on the idealized entrepreneurial subject will continue for the foreseeable future.

121. YIN, *supra* note 119, at 41.

122. MICHAEL HARRINGTON, *THE OTHER AMERICA: POVERTY IN THE UNITED STATES* 163 (1962).

123. *Id.* at 18.

124. *Id.* at 163.