1

Introduction

At the beginning of the twentieth century in America, small household loans were both commonplace and a source of general concern. Social reformers fought to limit the economic and social impact of small lenders they decried as loan sharks; reputable businesses steered clear of sales credit because of the questionable consumers they worried it would attract. By the 1970s, credit in America had been reimagined as a legitimate tool of household finance that was understood to have broad social and economic benefits. This transformation in the moral economy of credit accompanied a revolution in lending technologies and the regulatory treatment of credit. Ultimately, these changes allowed American households to amass unprecedented debt – debt that eventually precipitated the worst financial crisis of postwar America. To understand the origins of that crisis, we need to understand not just the shifting habits of consumers but also what happened to lenders as the public moved from opposing credit to embracing it. This book traces how that transformation occurred.

Research into the origins of America's enthusiasm for credit has primarily focused on household demand. Historians have emphasized the role of credit in providing financial discipline, the ability to meet real material needs during economic downturn, and the role of credit in meeting goals of social aspiration.[1] Behavioral economists have noted a pervasive tendency of consumers to favor near-term consumption. Because credit allows us to move consumption forward in time, humans seem to be hardwired to want to borrow.[2]

[1] Lendol Calder, *Financing the American Dream: A Cultural History of Consumer Credit* (Princeton: Princeton University Press, 1999); Louis Hyman, *Debtor Nation: The History of America in Red Ink* (Princeton: Princeton University Press, 2011).

[2] Richard Thaler and Cass Sunstein, *Nudge: Improving Decisions about Health, Wealth and Happiness* (New Haven: Yale University Press, 2008); Dan Ariely, *Predictably Irrational: The*

Sociologists have argued that the flattening of real wages and the decline of welfare programs in the 1970s drove households to rely more on credit for their everyday needs.[3] Whatever the precise mixture of causes, household demand for credit seemingly has always been high. Rare indeed are lender complaints about a lack of consumer demand for credit. Less scholarly attention has been applied to how that demand has historically been met: on the supply of credit, companies that competed to provide it, regulators who wrote the rules for the sector, and a range of nongovernmental groups that came to see access to consumer credit as a means to achieve their own societal goals. This does not imply that the reasons for consumer borrowing were unimportant. Lenders and their supporters have always told stories about why consumers borrow. Such accounts mattered less for their rigorous grounding in fact than for their impact on policymakers and social reformers who sought to reimagine consumer credit as economically and socially legitimate.

In addition to the overwhelming focus on credit demand, most accounts of the origins of American consumer credit have also focused on the U.S. experience in isolation. Single-country case studies have their virtues, but they do not allow the observer easily to differentiate what is unusual about the U.S. case from what is common even to countries with very different credit practices. To provide this sort of comparative leverage, this book pairs the U.S. consumer lending experience with that of France. The French case is informative in part because its lenders were highly capable. The largest consumer lender in Europe, Cetelem, emerged and consolidated in early postwar France. Cetelem's success was attributable in large part to its rapid adoption of cutting-edge lending technologies – most borrowed directly from U.S. lenders. Yet, despite similar technology, U.S. and French credit outcomes differed dramatically. American households and regulators embraced credit as a virtue. Their French counterparts warned of the dangers of credit and endorsed restrictions on lending. We observe the impact of these different approaches in the level of household borrowing in the two countries. In 2007, at the height of consumer credit extension, French households still held less debt, measured as a share of disposable income, than American families did almost two generations earlier, in 1950. This book seeks to explain why.

Indebted America, Frugal France

Like the United States, France was an early mover in consumer credit. It boasted one of the first large-scale consumer credit registries – created by the

Hidden Forces that Shape our Decisions (New York: Harper Collins, 2008), 145; David Laibson, "Golden Eggs and Hyperbolic Discounting," *The Quarterly Journal of Economics* 112/2 (1997), 443–477.

[3] Monica Prasad, *The Land of Too Much: American Abundance and the Paradox of Poverty* (Cambridge, MA: Harvard University Press, 2012), 235–238; Waltraud Schelke, "In the Spotlight of Crisis: How Social Policies Create, Correct, and Compensate Financial Markets," *Politics and Society* 40/1 (2012), 3–8.

Administration Dufayel in 1882 – which by the end of the century had amassed records for 3.5 million French households. The 1920s saw a boom in French auto lending companies – both industry captives and independent lenders – that paralleled the rise of the General Motors Acceptances Corporation and other non-captive auto finance companies in the United States. Following World War II, however, patterns of credit use in France and the United States diverged. Across every measure, American families out-borrowed their French counterpart by large margins. Indeed, France has consistently had among the lowest levels of consumer indebtedness of European countries with well-developed financial sectors.

In the immediate wake of World War II, as credit-driven consumption boomed in the United States, French families faced credit rationing. In 1949, the first year for which we have reliable comparative data, consumer credit represented nearly 10 percent of gross domestic product (GDP) in the United States, but just 0.2 percent of GDP in France.[4] Even as rationing was relaxed, however, French consumer lending remained low. Between 1955 and 1985, American households consistently carried consumer (non-mortgage) debt equal to 15–20 percent of their disposable income.[5] During the same period, French household debt rose gradually from 1 percent to 3 percent of disposable income. Household debt levels rose in both countries with financial deregulation in the early 1980s, but still France's lending deficit persisted. At its peak, in 2005, U.S. consumer debt had risen to 30 percent of disposable income, compared to 11 percent in France.[6] (See Figure 1.1.)

A similar pattern emerges when we consider the share of families that carried debt in the two countries. In the United States, surveys conducted in the 1950s found that between 45 percent and 60 percent of families reported outstanding consumer debt.[7] Interestingly, that share did not rise significantly even with the run-up of credit use in the 1990s and 2000s. A nationwide survey in 2008 found

4 Cetelem Historical Archives (CHA), Paris, France. UFB, "Notes sur le Financement des Ventes à Crédit aux États-Unis," December 1952, 1–2. These uncataloged archives were accessed at the Cetelem offices in Paris in 2008. They were later incorporated into the archives of BNP Paribas. Some of the documents used in this research were, at the time of publication, no longer accessible.

5 Early estimates of consumer indebtedness were measured against GDP. By the 1960s, observers began reporting indebtedness as a share of household disposable income. Where possible, I report debt as a share of disposable income.

6 The U.S. figure for household indebtedness includes home equity extraction used either for new consumption or to pay off consumer debt. Alan Greenspan and James Kennedy, "Sources and Uses of Equity Extracted from Homes," *Oxford Review of Economic Policy* 24/1 (2008), 120–144.

7 Marius Allègre, "Étude du Crédit à la Consommation," *Conseil Économique*, March 4, 1954, 267–279; Jean Chicoye, "Les Achats à Crédit," *Revue de l'Action Populaire* 140 (July–August 1960), 787; Richard L. D. Morse Papers (RLDM), Consumer Movement Archives, Kansas State University Department of Special Collections, Manhattan, Kansas. Collection name box 58, folder 8; V. Alonzo Metcalf and Lorene S. Wilson, "Consumer Credit – A Commodity," Publication of the University of Missouri, Extension Division, 1960, 3; George Katona, consumer credit surveys.

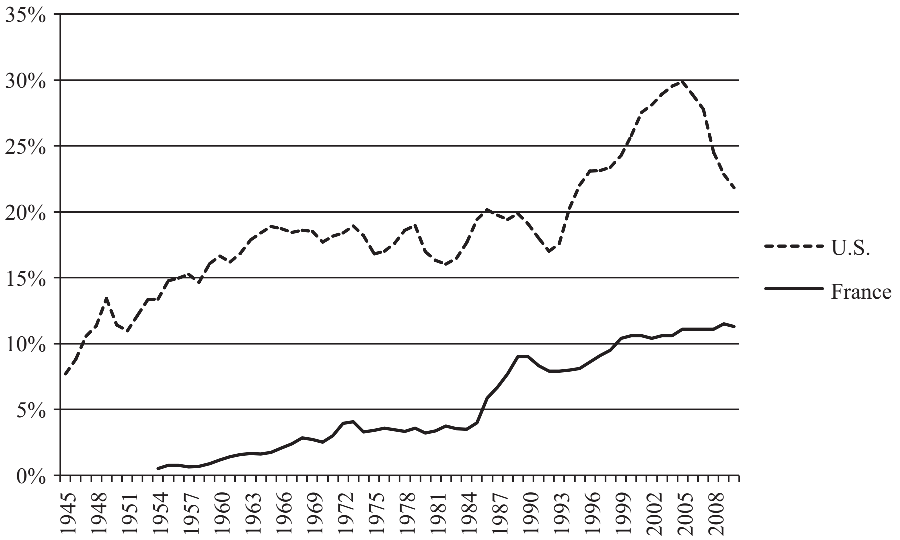

FIGURE 1.1. Household Non-Mortgage Debt in France and the United States, 1945–2005 (Share of Disposable Household Income)[8]

that 61 percent of U.S. households reported non-mortgage debt.[9] In France, a lower share of households relied on credit. A series of surveys conducted between the early 1950s and late 1970s all found that between 20 percent and 25 percent of surveyed families reported holding non-mortgage debt.[10] With financial deregulation, the share of households carrying debt increased somewhat. Surveys conducted in the 1980s and 1990s found that roughly a third of all families carried non-mortgage debt.[11] These results suggest that roughly half as many French households relied on non-mortgage credit at any given moment than did American households.

These data are consistent with information we have on the share of sales that were made on credit in each country. Surveys from the 1950s show that roughly 60 percent of all consumer durable sales in the United States were

[8] U.S. data from 1994 to 2008 have been adjusted to include equity extraction that took the form of consumer credit, as calculated by Alan Greenspan and James Kennedy. This includes the share of home equity loans and cash-out mortgage refinancing that went to consumption, including home renovation, and the discharge of existing consumer debt. At its peak, in 2005, home equity extraction for consumption accounted for an additional 5 percent of consumer credit as a share of disposable household income, over conventional consumer credit.

[9] Retrieved from http://emergingminds.org/Poll-Unpaid-Credit-Card-Bills-Worrying-American-Families.html (accessed August 14, 2009).

[10] Serge Jeanneteau, "La Vente à Tempérament," *Économie*, September 20, 1956; *Les Échos*, May 28, 1973; *Maintenant*, May 7, 1979.

[11] *La Croix*, May 20, 1988; Paul Defourny and Josette Bienfait, *Données d'Image sur le Crédit* (Paris: Cetelem-BVA, 1992); Hubert Balaguy, *Le Crédit à la Consommation en France* (Paris: Presses Universitaires de Paris, 1996), 23.

made on credit.[12] For cars, the share was as high as 85 percent.[13] In France, credit sales as a share of total retail sales were significantly lower. Surveys in the 1950s and early 1960s show that roughly 20–30 percent of all consumer durable sales were on credit.[14] For automobiles, the share increased from about 20 percent in the early 1950s to around 40 percent in the mid-1960s.[15] By the 1990s, the proliferation of revolving credit accounts had made it difficult to distinguish which particular products were being sold on credit. Nevertheless, the broad cross-national pattern of credit sales seems to have been the same. In 1995, 22 percent of all household goods, durable and perishable, were being sold on credit in the United States, compared to 9 percent in France.[16]

Although the French relied less on consumer credit than did their American counterparts, this does not seem to have reflected a disproportionate objection to buying on credit. In fact, French households were surprisingly open to using credit. When the founders of one of France's early credit cards, the Carte d'Or, surveyed the French public in 1968, 60 percent of respondents said that they would appreciate access to credit.[17] Three of four Renault workers surveyed in 1969 reported viewing consumer credit favorably.[18] In the United States, where credit was more pervasive, consumer opinion of credit was, if anything, slightly more negative. A survey in 1954 found that half of American households thought buying on installment credit was a good idea, versus 37 percent who opposed it.[19] A survey of farm-operator families in 1959 found that only 54 percent thought it was acceptable to buy household equipment on credit.[20] It would be a mistake to place too much weight on such surveys, given differences in exposure to credit in the two countries. Nonetheless, they suggest that the French had no greater moral, ethical, or religious objection to the principle of consumer credit than did Americans.

[12] CHA, UFB, "Notes sur le Financement des Ventes à Crédit aux États-Unis," December 1952, 1–2; François des Aulnoyes, "Le Crédit à la Consommation," *Combat*, January 30, 1954; Michel Drancourt, *Une Force Inconnue: le Crédit* (Paris: Hachette, 1961), 26.

[13] Union Fédérale de la Consommation, *Bulletin Mensuel d'Information* 29 (1955), 48; Michel Drancourt, *Une Force Inconnue: Le Crédit* (Paris: Hachette, 1961), 26.

[14] André Malterre, "Problème du Crédit à la Consommation," *Journal Officiel* 20, August 11, 1961, 770; "Le Crédit à la Consommation en France," *Agence Économique et Financière*, June 9, 1959.

[15] Marius Allègre, "Étude du Crédit à la Consommation," *Conseil Économique*, March 4, 1954, 269; Gerard Constant, "La Vente à Crédit," *Les Cahiers Français*, April 1965, 18.

[16] Hubert Balaguy, *Le Crédit à la Consommation en France* (Paris: Presses Universitaires de Paris, 1996), 22.

[17] Maurice Roy, "La Guerre des Cartes est Déclarée," *L'Express*, March 4, 1968.

[18] Michael Seidman, *The Imaginary Revolution: Parisian Students and Workers in 1968* (Wilmington: University of North Carolina Press, 2004), 264.

[19] Jan Logeman, "Different Paths to Mass Consumption: Consumer Credit in the United States and West Germany during the 1950s and 1960s," *Journal of Social History* 41/3 (2008), 544.

[20] RLDM, box 152, folder 32, Robert L. D. Morse, "Credit and its use: Attitudes and practices of Kansas farm-operator families, 1955," draft article, May 14, 1959.

As they looked across the Atlantic, French observers seem to have been both fascinated and repelled by the American credit culture. They noted the popularity in the United States of wallets with a large number of slots for credit cards, but also coveted the elaborate kitchen equipment that even middle-class American families purchased on credit. For opponents of credit liberalization in France, the United States stood as a cautionary tail. A labor union representative to France's National Consumer Council, arguing against the liberalization of consumer credit, admonished his colleagues in 1954: "We are not from across the Atlantic, where people are born on credit."[21] Although French accounts of American credit culture were frequently exaggerated, it was hard to overstate the extent of credit use in the United States. A 1957 survey of Kansas farm-operator families showed that 5 percent of those who had children did in fact use credit to pay for the birth.[22]

Such anecdotes point to the place of credit in a broader policy discourse in the two countries. In France, where the government provided costly social services such as medicine and a minimum income support, the high interest rate associated with consumer credit came to be seen as an additional burden on the working class and poor. In the United States, where such social services were not generally available, credit allowed the working class and poor to gain access to social services even if they could not at the moment afford them. Credit attitudes also emerged against a backdrop of different postwar economic models in the two counties. In France, a focus on promoting exports led policymakers to view consumer credit as risky because domestic demand could drive inflation that would hurt sales abroad. In the United States, growth focused on serving large and largely unmet domestic demand made the liberal use of consumer credit look like a reasonable way to stimulate demand, increase scale, and raise wages.

These economic and social dimensions of consumer credit are important for understanding how the French and U.S. credit markets emerged, and diverged, in the postwar era. They made it possible for Americans to imagine that borrowing was useful, and for French to view it as a risky indulgence. But they are not sufficient to explain why American lenders offered credit so generously, and why policymakers and other societal actors allowed them – indeed encouraged them – to do so.

Two broad classes of theories have most commonly been evoked to explain differences in lending behavior, both across time and across countries. Liberal theories have focused on the role of deregulation and credit scoring in

[21] Archives of the Conseil National de Crédit (CNC) of the Banque de France, Paris, France, 1427200301, box 283, Comité national du Crédit, Comité du Crédit à Court Terme, December 1953–June 1961, Meeting of the Comité du Crédit à Court Terme, January 9, 1954, 13.

[22] RLDM, box 152, folder 32, "Proposed Testimony of Richard L. D. Morse, at the Hearings on S.2755, before the Subcommittee on Production and Stabilization," Committee on Banking and Currency, April 13, 1960, 4.

promoting lending. Sociological theories have emphasized the link to a culture of consumerism and the idea of credit as a form of private-sector welfare. Yet these accounts, described in more detail in the next section, do a poor job of accounting for the postwar trajectory of consumer credit in the United States and France. The research presented in this book points instead to the causal importance of policy coalitions that shaped what both lenders and policymakers considered legitimate small lending.[23] In France, a coalition of lenders and regulators came to emphasize goals of consumer protection over credit access. In the United States, a coalition of lenders and nongovernmental organizations emphasized goals of credit access over consumer protection. The remainder of this book examines how those coalitions emerged and evolved, and the impact they had on both lenders and policymakers.

We should note that this research focuses specifically on non-mortgage consumer credit. Consumer credit includes a range of loan types: personal loans, installment sales loans, secured auto loans, and revolving credit of the sort offered by credit cards. It does not include home mortgages, for two reasons. First, mortgages are distinct from consumer credit in that they represent real investments. In acquiring a mortgage, new homeowners save on future rent payments. Mortgages are, in this way, far closer to business loans, for which the economic logic of borrowing is less ambiguous. Second, the market for mortgages has been driven overwhelmingly by government policies that have insured, securitized, and subsidized them. Although the political drivers behind these policies are of great interest, they obscure rather than clarify the link between credit and other economic transformations in American society.

Theories of Consumer Credit

Existing accounts of consumer credit have rested on either liberal or sociological foundations. Liberal theories of consumer credit treat these markets as emerging naturally, subject to conditions of supply and demand. Given the seemingly stable and high demand for consumer credit, the liberal approach has mainly focused on the impact of new lending technologies and the loosening of credit market regulations to explain the growth in credit supply. Among technological drivers, academic attention has focused on the growth of firm-level credit scoring and the sharing of lending data via independent credit rating agencies. The theoretical roots of this explanation date to a theory propounded by economists Joseph Stiglitz and Andrew Weiss, in which they argued that lenders would ration credit to risky borrowers even if those borrowers are willing to pay a premium for the risk.[24] Unable to

[23] Gunnar Trumbull, *Strength in Numbers: The Political Power of Weak Interests* (Cambridge, MA: Harvard University Press, 2012).

[24] Joseph E. Stiglitz and Andrew Weiss, "Credit Rationing in Markets with Imperfect Information," *American Economic Review* 71/3 (1981): 393–410.

distinguish between risky-but-honest borrowers and others who accepted the requirement to pay a high interest rate because they never intended to repay, lenders would hold back from making higher-interest-rate loans. In empirical tests of the Stiglitz-Weiss thesis, researchers have found that the presence of credit rating bureaus – which allow lenders to measure credit quality independent of price – has a positive effect on credit extension in cross-national comparisons.[25]

The pattern of credit rating in the United States and France fits with the pattern of credit extension in the two countries. Postwar America boasted hundreds of local credit bureaus. By the 1970s, these had consolidated nationally and computerized their records. By the 1980s, many advanced industrialized countries had converged on a system of centralized credit rating that mirrored the American system. But French lenders eschewed centralized credit data. In fact, the French government banned consumer lenders from sharing positive credit rating information, such as outstanding loans and loan applications. In its place, the Banque de France ran a more limited "black" list of borrowers that had already defaulted on loans. The logic of the ban focused on concerns about data privacy. But the lack of centralized, positive credit data also made it hard for new lenders to break into the market, and this earned it support from the majority of French lenders.

Although the focus on credit rating is fruitful, such institutions have not always been historically decisive for lenders. In both the United States and France, successful early lenders developed a range of alternative strategies for managing consumer nonpayment. Morris Plan Banks, which made small loans in the interwar period in the United States, relied exclusively on cosigners to ensure repayment. Installment lenders in early postwar France relied primarily on their retail partners to assess the creditworthiness of their customers. In both cases, repayment rates were unusually high.

A survey of company financial accounts reveals that borrower nonpayment during these periods was an important but relatively low-priority cost for lenders in both countries. Far more important for their bottom line were the more mundane administrative costs associated with registering new loan contracts, tracking those contracts through to their duration, managing bill

[25] Tullio Jappelli and Marco Pagano, "Information Sharing in Credit Markets," *Journal of Finance* 48/5 (1993), 1693–1718; Tullio Jappelli and Marco Pagano, "Information Sharing, Lending and Defaults: Cross-Country Evidence," *Journal of Banking and Finance* 26/10 (2002), 2017–2045; Akos Ronas-Tas, "Consumer Credit in Transition Economies," in Victor Perez-Dias, ed., *The European Experience in Comparative Perspective* (London: Berghahn Books, 2009); Bruce G. Carruthers and Barry Cohen, "Noter le Crédit: Classification et Cognition aux États-Unis," *Genèses* 79 (2010), 48–73; Alya Guseva, *Into the Red: The Birth of the Credit Card Market in Postcommunist Russia* (Palo Alto: Stanford University Press, 2008); Peter L. McCorkell, "The Impact of Credit Scoring and Automated Underwriting on Credit Availability," in Thomas A. Durkin and Michael E. Staten, eds., *The Impact of Public Policy on Consumer Credit* (Boston: Kluwer, 2002).

mailings, and processing timely follow-ups in case of late payment. Accordingly, those technologies that most transformed the supply of credit came not primarily from centralized credit scoring, but from computerization, innovations in telecommunications, and back-office mechanization. Successful consumer lenders in both France and the United States invested heavily to stay at the forefront of new information technologies.

The second driver of lending in the liberal account was the degree and kind of government regulation, and deregulation, of consumer lending. Without question, the liberalization of lending regulations in the 1980s caused an increase in lending volumes at the time in both France and the United States. Most significant in the United States was the relaxing of state usury laws triggered by the 1978 *Marquette v. First of Omaha* Supreme Court ruling. In France, regulators in the early 1980s relaxed restrictions both on credit volumes and on the down payment and repayment period for installment loans. In both cases, liberalization was followed by credit growth.

But the broader pattern of consumer lending in the two countries fits poorly with the liberalization thesis. In the United States, consumer borrowing expanded most rapidly during the 1950s, at the peak of small loan regulation. U.S. states at the time applied highly restrictive usury caps, even as interest rates went largely unregulated in France. Prior to deregulation in the 1980s, American credit markets were arguably *more* regulated than their counterparts in France. Nor can we treat regulation as fully independent of societal perceptions of credit. In France, for example, the experiment with credit deregulation in the 1980s generated a heated public debate about the social costs of overindebtedness. This debate in turn caused a backlash that led policymakers to significantly reregulate the sector. Any meaningful account of credit regulation must also explain differences in public perceptions of the benefits and risks associated with liberal household access to credit.

A second, sociological set of theories attributes the development of financial markets to underlying societal institutions and norms. In the case of consumer credit, these sociological arguments have taken two broad forms. The first interprets consumer credit as an outgrowth of American consumerism. These accounts emphasize the role of early installment credit as a means to "push" consumption, stabilize demand for mass-produced products, and attract and retain customers.[26] The mass marketing of early household equipment and automobiles clearly depended on credit.[27] Credit was also useful for the consumers of mass-produced goods. Foremost, it allowed purchasing without first saving. Equally important, by providing a monthly bill that had to be paid,

[26] Donncha Marron, *Consumer Credit in the United States: A Sociological Perspective from the 19th Century to the Present* (New York: Palgrave, 2009); Martha L. Olney, *Buy Now, Pay Later: Advertising, Credit and Consumer Durables in the 1920s* (Chapel Hill: University of North Carolina Press, 1991); Rowena Olegario, *A Culture of Credit: Embedding Trust and Transparency in American Business* (Cambridge, MA: Harvard University Press, 2006), 35.

[27] Isabelle Gaillard, "Télévisions et Crédit à la Consummation: Une Approche Comparative France-Rfa 1950–1970," *Entreprises et Histoire* 59/2 (2010), 102–111.

credit promoted a kind of budget discipline that helped consumers rationalize their purchases.[28] French sociologist Jean Baudrillard has argued that it was in part credit that made the newly emerging culture of mass consumption, with its lure to excess, compatible with the parallel culture of hard work and self-discipline.[29]

The problem with this link between credit and consumerism is that the causal direction is difficult to detect. Did liberal access to credit make Americans' consumerist culture possible? Or did a pre-existing culture of consumerism make credit seem acceptable and even attractive? Given the challenge of disentangling the causal thread, attributing high levels of consumer debt to the impact of a consumerist culture seems like a tendentious claim. At the very least, we would want to understand in greater detail how one translated into the other.

A second form of sociological argument has focused on the link between credit and social class. Historians have tended to emphasize a relatively benign relationship between credit and class. Louis Hyman argues in *Debtor Nation* that credit allowed poorer American families in the 1950s and 1960s to look like wealthier families. By expanding access to the trappings of suburban consumerism, credit promoted social integration and a blurring of class lines.[30] Lizabeth Cohen notes in *A Consumers' Republic* that the struggle by women and urban blacks in the 1960s and 1970s to gain access to credit served as a productive vehicle for pursuing social justice.[31] Others have tended to view the link between credit and class more critically. A range of scholars have noted the role that credit seemed to play in the United States as an ersatz welfare policy.[32] In these accounts, U.S. wage stagnation and welfare retrenchment beginning in the early 1970s drove a growing wedge between family incomes and expenditures.[33] As consumers relied on credit to fill the gap, credit scores

[28] Lendol Calder, *Financing the American Dream: A Cultural History of Consumer Credit* (Princeton: Princeton University Press, 1999).
[29] Jean Baudrillard, *The Consumer Society: Myths and Structures* (London: Sage, 1970), 81.
[30] Louis Hyman, *Debtor Nation: The History of American in Red Ink* (Princeton: Princeton University Press, 2011), 172.
[31] Lizabeth Cohen, *A Consumers' Republic: The Politics of Mass Consumption in Postwar America* (New York: Random House, 2003), 383.
[32] Elizabeth Warren, "The Vanishing Middle Class," in J. Edwards, M. Crain, and A. L. Kalleberg, eds., *Ending Poverty in America: How to Restore the American Dream* (New York: The New Press, 2007); Monica Prasad, "The Credit/Welfare State Tradeoff: Toward a Demand-Side Theory of Comparative Political Economy," *SSRN Working Paper*, December 16, 2010; Monica Prasad, *The Land of Too Much: American Abundance and the Paradox of Poverty* (Cambridge, MA: Harvard University Press, 2012); Waltraud Schelke, "In the Spotlight of Crisis: How Social Policies Create, Correct, and Compensate Financial Markets," *Politics and Society* 40/1 (2012), 5; Jan Logemann, "From Cradle to Bankruptcy: Credit Access and the American Welfare State," in Jan Logemann, ed., *The Development of Consumer Credit in Global Perspective: Business, Regulation, and Culture* (New York: Palgrave, 2012).
[33] Raghuram Rajan, *Fault Lines: How Hidden Fractures still Threaten the World Economy* (Princeton: Princeton University Press, 2010); Robert Reich, *After Shock: The Next Economy and America's Future* (New York: Knopf, 2010); Hyman, *Debtor Nation*, 219; Herman