

January Advisors

Wisconsin Debt Litigation

An analysis of state court data from
2018-2024

Who we are

January Advisors is a data science consulting company with extensive experience using civil and criminal court data to help policymakers improve access to justice. We've worked on projects across the country, including Minnesota, Oregon, and Michigan.

You can learn more about our work [here](#).

DEBT COLLECTION LAB

 **EVICTIO N LAB**

MICHIGAN
STATE BAR
FOUNDATION **MSBF**



What is in this presentation

This presentation contains key findings from our research engagement with the Wisconsin state court system. We collaborated with many stakeholders, including lawyers for debtors and creditors, clerks, judges, and other folks working in and around the court system. Together, we looked into:

- [Filing patterns](#)
- [Plaintiffs in debt lawsuits](#)
- [Medical debt](#)
- [Racial-ethnic disparities](#)
- [Legal representation](#)
- [Case outcomes](#)
- [Post-judgment events](#)

Data we received

We received **749,015** cases from 2018-2024. Most of these cases are small claims (87%).

We identified and filtered down to only **business-to-consumer** cases in the data (N = **639,208**).

Raw data table	Description
population	Unique case level file
dispo	Ties dispositions to cases
party	Defendants, plaintiffs, associated with a case
atty	Attorney info
civjudgment	All information on judgments and dates, satisfactions and dates, liens, and some information on interest
civjudgmentparty	Party for whom judgment was entered
courtrecord	Dates and info for garnishments, service

Case types included

Most (91%) of the cases we received were filed in Small Claims and were type 31001, Small Claim, Claim Under \$ Limit.

All sealed cases and confidential information were removed prior to our receiving the data.

Case type	Description
30203	Minor Settlement
30301	Money Judgment
30302	Garnishment - Large Claims
30303	Other-Contract
30304	Other-Debt Action
30405	Other-Real Estate
30703	Unclassified
31001	Sm Claim, Claim Under \$ Limit
31005	Garnishment - Small Claims
31006	Re: Arbitration award
31010	Tort/Personal Injury (\$5000 or less)

What fields were in the data?

The data we received was well documented and had a lot of interesting information.

- Defendant address for most cases (ballpark 85-90%)
- Defendant legal representation
- Judgment amounts for most cases
- Earnings garnishment occurrences

Missing fields:

- Data on defendant answer or participation
- Reliable service data
- Amount in controversy

Years used for this analysis

Data comes from the Wisconsin Court System and covers consumer debt cases filed between **2018-2024**. We applied additional filters to the selected case types to isolate **only cases with businesses suing individuals**.

Across this analysis, for slides related to cases filed, we look at data from **2024**.

For slides related to case outcomes and post-judgment events, we look at data from **2023** to allow for time to disposition.

Filing patterns

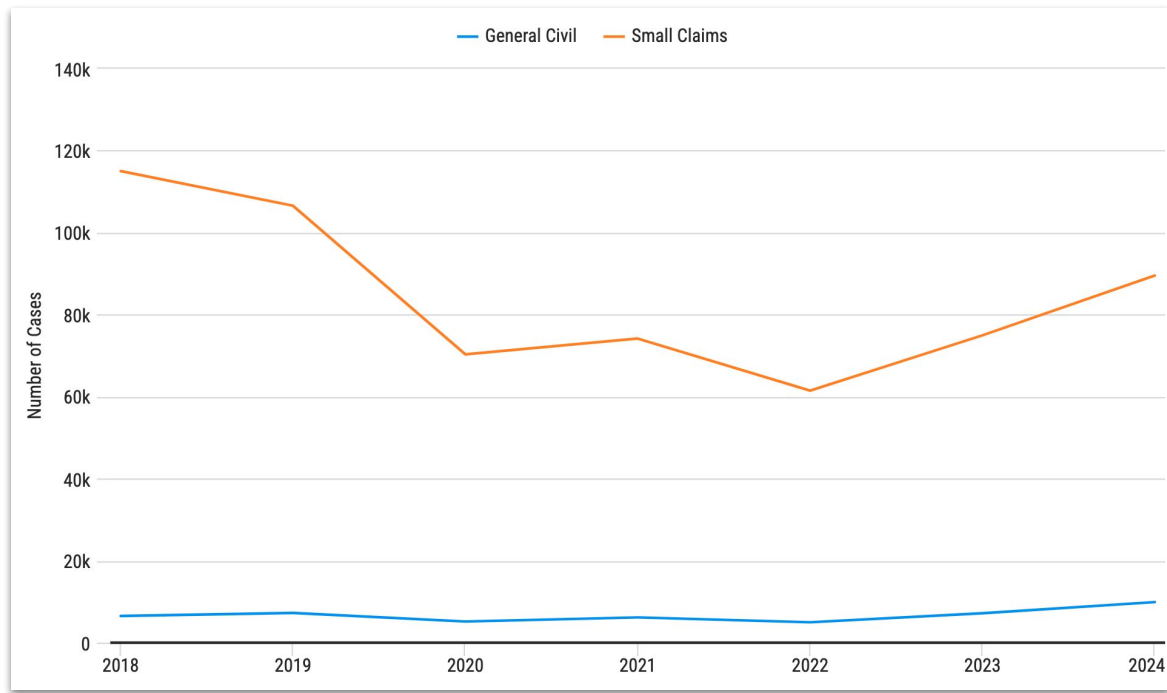
Where were cases filed, and how many?

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Case volume decreased during pandemic, but is rising since 2022

The majority of consumer debt cases are filed in small claims court in Wisconsin. In 2024, 90% of cases were filed in small claims.

Case filings declined during the pandemic but have been increasing since 2022. This is a pattern we see across the country.



Wisconsin's case volume in context (2024)

	WI	IN	MN	CT	MO	ND	TX**	OR ('22)
Debt Cases Filed (2024)	99,450	188,311	65,183	44,505	73,383	14,938	378,591	53,297
Debt Cases Per 100 Adults	2.15	3.57	1.47	1.54	1.52	2.47	1.65	1.57
% Residents with Any Debt in Collections*	16%	23%	12%	19%	24%	14%	32%	16%
Litigation rate: Cases per 100 Adults with Any Debt in Collections	13.46	15.50	12.23	8.09	6.34	17.66	5.15	9.77

*Source: Urban Institute, "[Debt in America: An Interactive Map](#)," 2024 (2022 for Oregon).

**Texas data only includes cases classified as Debt Claims; likely does not include medical debt cases.

Filing rate vs. litigation rate

These are two terms that we use to talk about debt burden in the state.

Filing rate: the number of debt cases filed *per 100 adults* in the state.

- How common are debt collection lawsuits in the state overall?

Litigation rate: the number of debt cases filed per 100 adults *with debt in collections*.

- How aggressive are debt collectors in pursuing lawsuits?

Let's look at an example.

Example scenario

Consider a community with 100 total adults, where 10 of them have debt in collections, and 3 cases are filed every year.

- 100 adults
- 15 adults with debt in collections
- 3 cases filed

Filing Rate = $(3 \text{ cases} \div 100 \text{ adults}) \times 100 = \underline{3\%}$

- Interpretation: 3% of all adults face debt litigation

Litigation Rate = $(3 \text{ cases} \div 15 \text{ adults with debt}) \times 100 = \underline{20\%}$

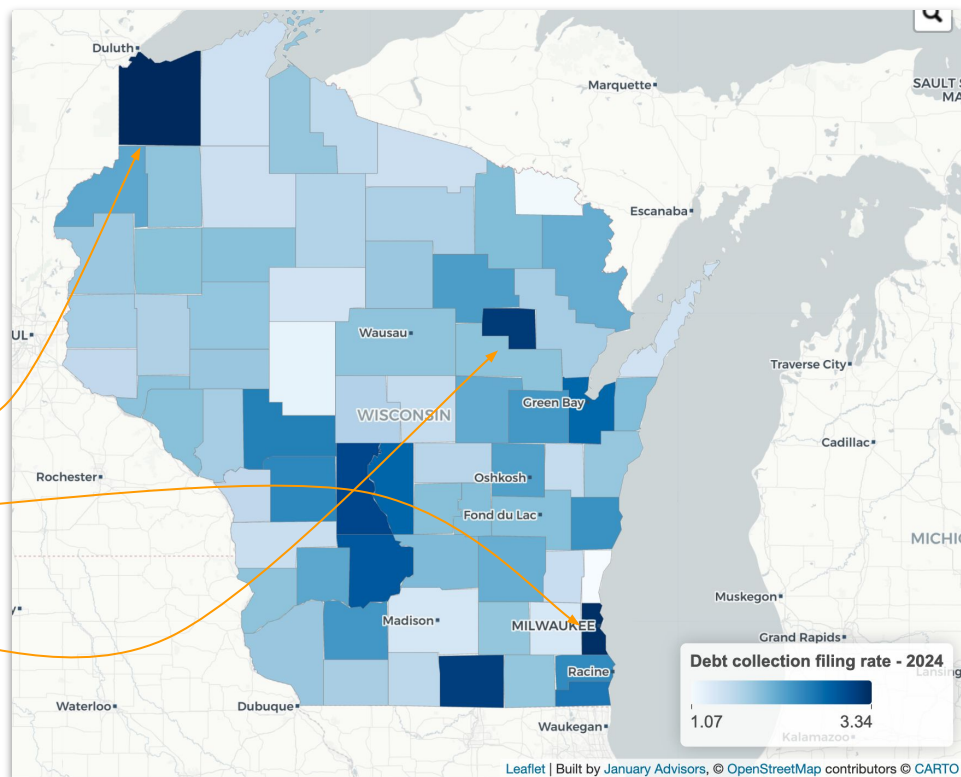
- Interpretation: 20% of adults with debt in collections face litigation

Filing patterns (2024)

This map shows the rate of cases filed per 100 adults. **Overall, the filing rate in WI is 2.15 cases per 100 adults.**

The 3 counties with the highest filing rates are:

- Douglas: 3.3 cases per 100 adults
- Milwaukee: 3.3 cases per 100 adults
- Menominee: 3.2 cases per 100 adults



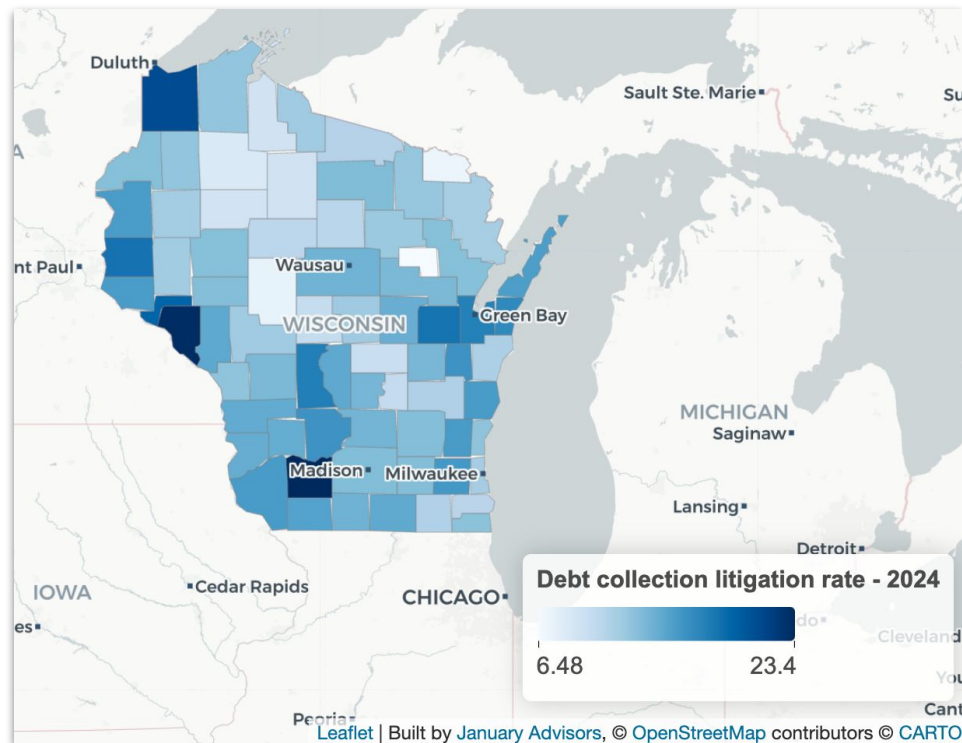
Litigation patterns (2024)

This map shows the rate of cases litigated per 100 adults that have some sort of debt in collections.

Overall, the litigation rate in WI is 13.46 cases per 100 adults.

The 3 counties with the highest litigation rates are

- Iowa: 23.4 cases per 100
- Buffalo: 23.1 cases per 100
- Douglas: 21.1 cases per 100

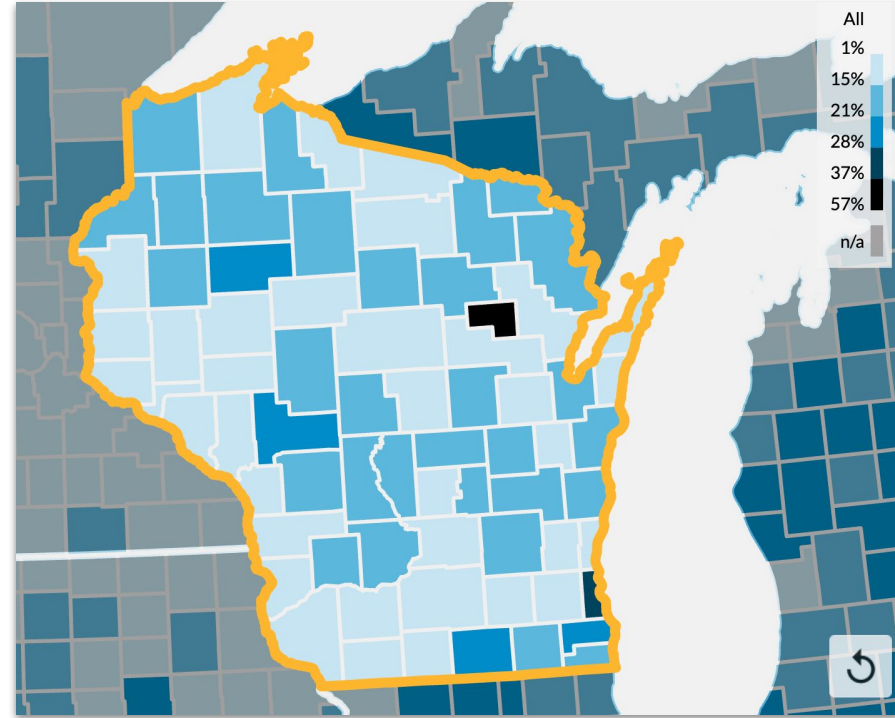


A closer look at Menominee

Almost half of Menominee County's population have some form of debt in collections.

Around 70% of the county's population live on the Menominee Reservation, and 2023 census data estimates that 78% of the population is American Indian or Alaskan Native.

18% of families live below the poverty line (21% of all residents).



Source: Urban Institute, "[Debt in America: An Interactive Map](#)," 2024

Plaintiffs in debt lawsuits

Who is filing cases?

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Top filers (2018-2024)

Between 2018 and 2024, these 20 plaintiffs filed 51.4% of all cases.

The top filers of debt collection lawsuits in Wisconsin include many large, national debt buyers and banks.

Plaintiff name	Plaintiff type	Total Cases Filed	Percent
Midland Funding	Debt collector / buyer	56,449	8.8%
LVNV Funding	Debt collector / buyer	53,592	8.4%
Portfolio Recovery Associates	Debt collector / buyer	34,725	5.4%
Capital One	Bank/credit card	30,095	4.7%
Discover Bank	Bank/credit card	21,521	3.4%
Short Term Financial	Personal / payday loan	17,275	2.7%
Cottonwood Financial	Bank/credit card	13,307	2.1%
Cavalry SPV	Debt collector / buyer	12,248	1.9%
Aurora Health Care	Medical	10,949	1.7%
BCG Equities	Debt collector / buyer	10,781	1.7%
Citibank	Bank/credit card	10,557	1.7%
Heights Finance Corp	Personal / payday loan	8,382	1.3%
City of Milwaukee	Municipal or utilities	7,234	1.1%
OneMain Financial	Personal / payday loan	6,609	1.0%
Jefferson Capital Systems	Debt collector / buyer	6,546	1.0%
Synchrony Bank	Bank/credit card	5,950	0.9%
Summit Credit Union	Bank/credit card	5,767	0.9%
Bank of America	Bank/credit card	5,745	0.9%
TD Bank USA	Bank/credit card	5,287	0.8%
Salander Enterprises	Debt collector / buyer	5,270	0.8%

Most cases are filed by debt collectors (2024)

We sorted the **top 200 plaintiffs** into types to understand what types of debt are most commonly filed.

(Note: Next section is a deep dive into medical debt and explores all filers, not just top 200.)

Plaintiff Type	Number of cases filed	Percent
Debt collector / buyer	41,909	47.6%
Bank/credit card	25,098	28.5%
Medical	9,059	10.3%
Personal / payday loan	8,185	9.3%
Auto	1,734	2.0%
Municipal or utilities	1,614	1.8%
Education	280	0.3%
Other	123	0.1%

In 2024, 48% of all cases were filed by 10 plaintiffs

Plaintiff	Total Cases Filed	Percent
LVNV Funding	14,898	15%
Midland Funding	7,130	7%
Discover Bank	5,548	6%
Capital One	5,129	5%
Portfolio Recovery Associates	3,822	4%
Citibank	2,878	3%
Short Term Financial	2,805	3%
BCG Equities	2,459	2%
Cavalry SPV	1,950	2%
Velocity Investments	1,903	2%

Future work could dive deeper into plaintiff-specific filing patterns over time and across geographies.

Medical debt

How many lawsuits are filed by hospitals
and medical providers?

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Identifying medical debt

Identifying all medical debt-related lawsuits in court data is hard due to some medical providers using third-party debt collectors or debt buyers.

In this analysis, we were only able to identify medical debt lawsuits filed by original creditors (hospitals, providers, etc), as well as one that pays medical bills up front and then collects the patient liability, [Health Payment Systems](#). We removed veterinary providers from our analysis.

For more information on the challenges of isolating medical debt lawsuits in court data, read this [article by The Pew Charitable Trusts](#).

Medical debt in Wisconsin

10% of all consumer debt lawsuits filed in 2024 were by hospitals and other medical providers.

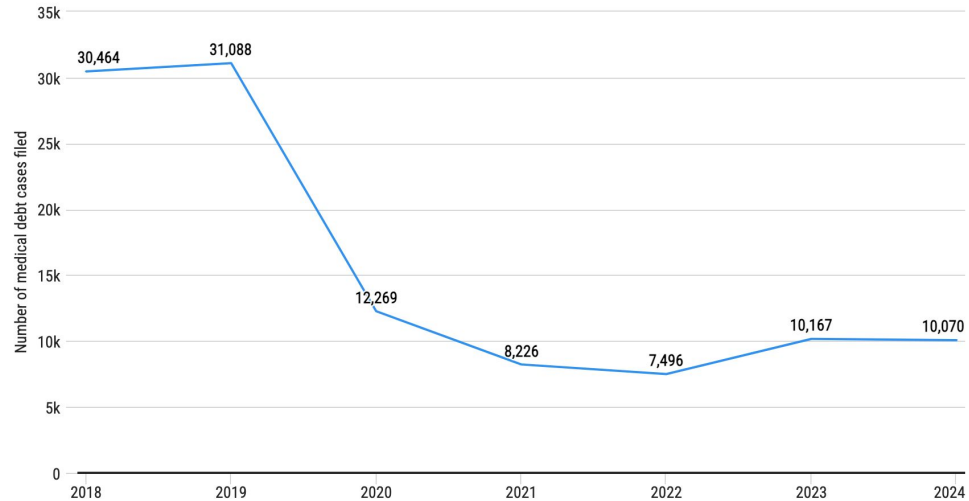
The number of medical debt lawsuits dropped dramatically during the pandemic and has remained below 30% of 2019 filings.

This is in contrast to [Minnesota](#), where medical debt lawsuits are on the upswing in recent years.

The median judgment in medical debt cases in Wisconsin is **\$1,700**, with 75% of judgments under \$3,100.

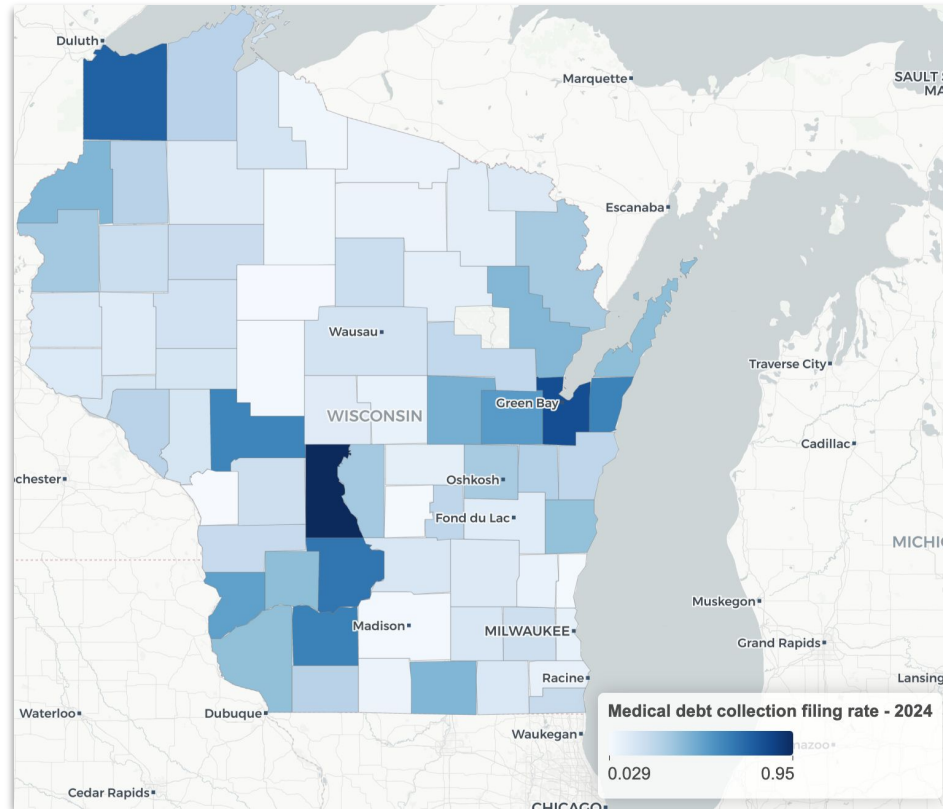
Medical debt lawsuit filings in Wisconsin fell during pandemic and stayed low through 2024.

Annual number of medical debt lawsuits filed in Wisconsin. This is likely an underestimate given unknown number of medical-related debt lawsuits filed by third-party debt buyers and debt collectors.



Source: January Advisors analysis of Wisconsin Court System consumer debt lawsuits filed in district and small claims courts.

Where medical debt cases are filed, 2024



Medical debt cases filed per 100 adults.

Top filers of medical debt in Wisconsin (2018-2024)

The top 20 filers account for 38% of medical debt lawsuits filed during this period.

The vast majority of the top filers are large hospital systems, as well as a few anesthesiologists located inside hospitals.

However, many of these providers are no longer or rarely filing lawsuits in 2024. See next slide.

Plaintiff name	Total Cases Filed	Percent of medical debt filed
Aurora Health Care	10,949	9.9%
Froedtert Hospital	5,118	4.6%
Health Payment Systems	3,979	3.6%
Prevea Health	3,677	3.3%
Aspirus Health	3,568	3.2%
Marshfield Clinic Health System	3,145	2.8%
Reedsburg Area Medical Center	2,691	2.4%
BayCare Health Systems	2,557	2.3%
University of Wisconsin Medical Foundation	2,525	2.3%
Agnesian HealthCare	2,288	2.1%
Bellin Health Systems	2,123	1.9%
Hess Memorial Hospital	2,123	1.9%
Infinity HealthCare	1,642	1.5%
SSM Health Monroe Clinic Medical Group	1,639	1.5%
Bellin Anesthesia Associates	1,618	1.5%
Green Bay Anesthesia Associates	1,495	1.4%
Midwest Physicians Anesthesia Service	1,348	1.2%
Appleton Emergency Services	1,300	1.2%
Waukesha Health System	1,246	1.1%
Children's Hospital Of Wisconsin	1,245	1.1%

Many top filers have reduced filings in recent years

Many of the top filers in 2018-2024 period have drastically reduced the number of filings in recent years, with many filing none.

More research is needed to understand why. Some hospitals could have closed or merged with others. Some might be selling debt rather than filing in court. Others may be reforming practices and renewing efforts around charity care.

Plaintiff name	<u>2018 Total cases filed</u>	<u>2024 Total cases filed</u>
Aurora Health Care	4,108	0
Froedtert Hospital	2553	0
Marshfield Clinic Health System	1698	6
Aspirus Health	1098	90
University of Wisconsin Medical Foundation	957	0
Agnesian HealthCare	705	0
Children's Hospital of Wisconsin	674	0
Health Payment Systems	630	906
Infinity HealthCare	508	3
Waukesha Health System	498	0
BayCare Health Systems	485	237
Bellin Health Systems	479	555
Reedsburg Area Medical Center	411	287
Hess Memorial Hospital	358	89
SSM Health Monroe Clinic Medical Group	280	0
Green Bay Anesthesia Associates	257	362
Midwest Physicians Anesthesia Service	238	261
Bellin Anesthesia Associates	214	370
Prevea Health	213	1094
Appleton Emergency Services	1	292

Additional research topics to explore

More can be done with the data to understand the scope of medical debt in Wisconsin and how it's been changing in recent years.

For instance, researchers could dive deeper into the documents filed by debt buyer companies to understand what share of their filings are for medical debt.

Another avenue could be to examine the business ties between different filers, potentially revealing debt collection practices and business interests shared across seemingly distinct plaintiffs.

Similarly, a deeper examination of filers is needed to understand different practices of large and small medical providers. The current data is not sufficient to easily distinguish between these groups.

A full list of medical-related plaintiffs can be found [here](#).

Race-ethnic disparities

Who is being sued?

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Race-ethnic disparities

Key finding: Black and Hispanic/Latino communities face disproportionate debt filings compared to white communities across all analyzed jurisdictions.

Why race-ethnic disparities should matter to courts:

- Fairness and equal treatment
- Public trust
- Social and economic justice
- Catalyst for change

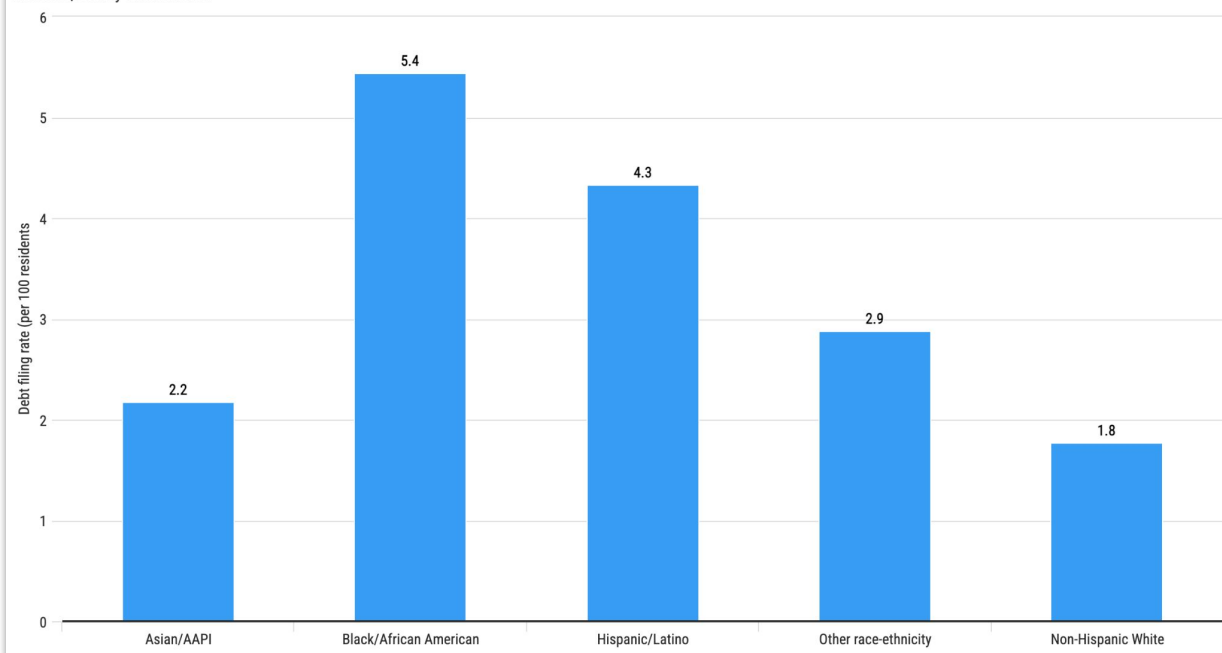
Filing rates (2024) are higher against Black and Hispanic residents

Statewide, Black residents have **1.86x** the filing rate of Non-Hispanic White residents.

Black residents face higher filing rates even in larger counties with large Black populations.

Milwaukee has **3.4x** Black/White disparity (6.2 vs. 1.8 cases per 100).

Number of debt lawsuits filed per 100 residents by race-ethnicity of defendant in 2024. Defendant's race-ethnicity estimated using surname and race-ethnicity of tract or, if not available, county of residence.



See methodology slide 31 about why Native Americans not included.

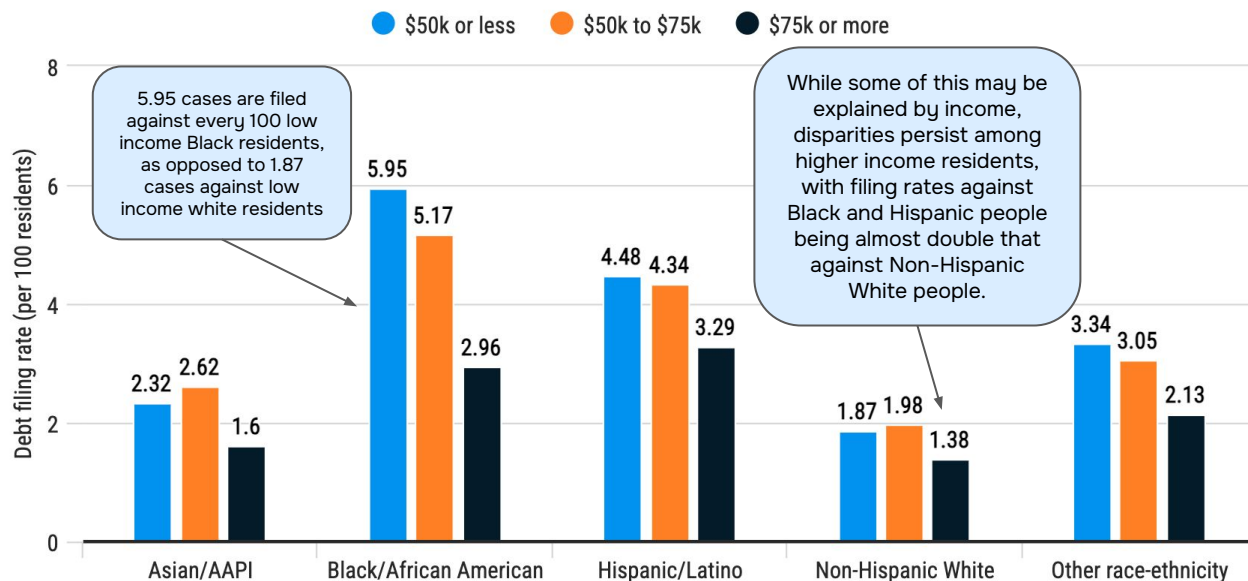
More cases are filed against Black and Hispanic residents across low and high income neighborhoods.

In general, higher income neighborhoods have lower filing rates.

Additionally, racial disparities are starkest in the lowest-income communities.

Nevertheless, racial disparities persist even in higher income neighborhoods.

Number of debt lawsuits filed per 100 adults by race-ethnicity of defendant and neighborhood median household income, 2024.



Defendant's race-ethnicity estimated using first defendant's surname and race-ethnicity of census tract or county of residence

See methodology slide 31 about why Native Americans not included.

How did we do this? Estimating race-ethnic disparities

The model gives the estimated probability that a defendant is each of the five race-ethnic categories. For instance, a defendant might be estimated to be 40% White and 59% Hispanic/Latino.

We preserve this uncertainty. Our goal is not to know exactly which defendants are White, Black, Latino, or Asian. Instead, we're interested in the **aggregate racial disparities**.

Read more about our methodology [here](#). Note that this method does not accurately estimate **Native American names** due in part to variability in names and the limited representation of Native Americans in the datasets BISG uses. But see slide 15 about Menominee County.

	Prob. White	Prob. Black	Prob. Latino	Prob. Asian	Prob. Other
Defendant #1	0.4	0.01	0.59	0.0001	0.0001
	N of Cases				
Defendant #1	0.4				
Defendant #1	0.01				
Defendant #1	0.59				
Defendant #1	0.0001				
Defendant #1	0.0001				

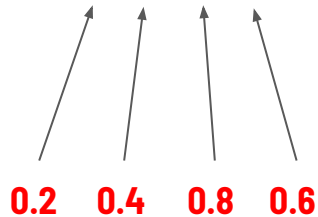
Each case becomes a % of a case based on their race-ethnic probability.

This methodology is in line with the Eviction Lab's [approach](#).

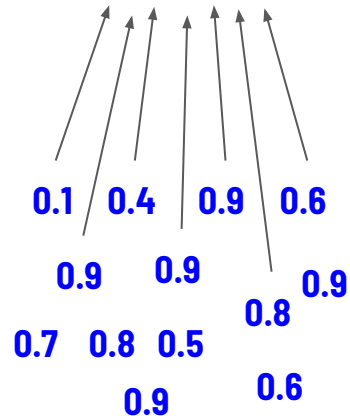
We use these probabilities to understand aggregate disparities

In this example, each of the probabilities below represents a fraction of a case estimated to be associated with a given race-ethnic group. While any one estimate may be wrong, they should add up to be closer to the truth.

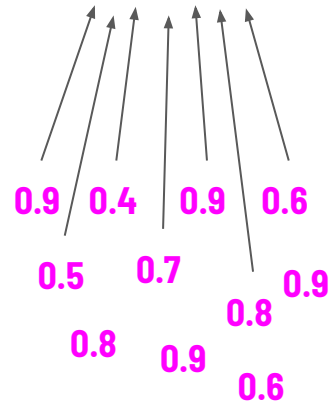
**2 cases filed
against White
defendants**



**6 cases filed
against Black
defendants**



**5 cases filed
against Latino
defendants**



**1.3 cases filed
against Asian
defendants**

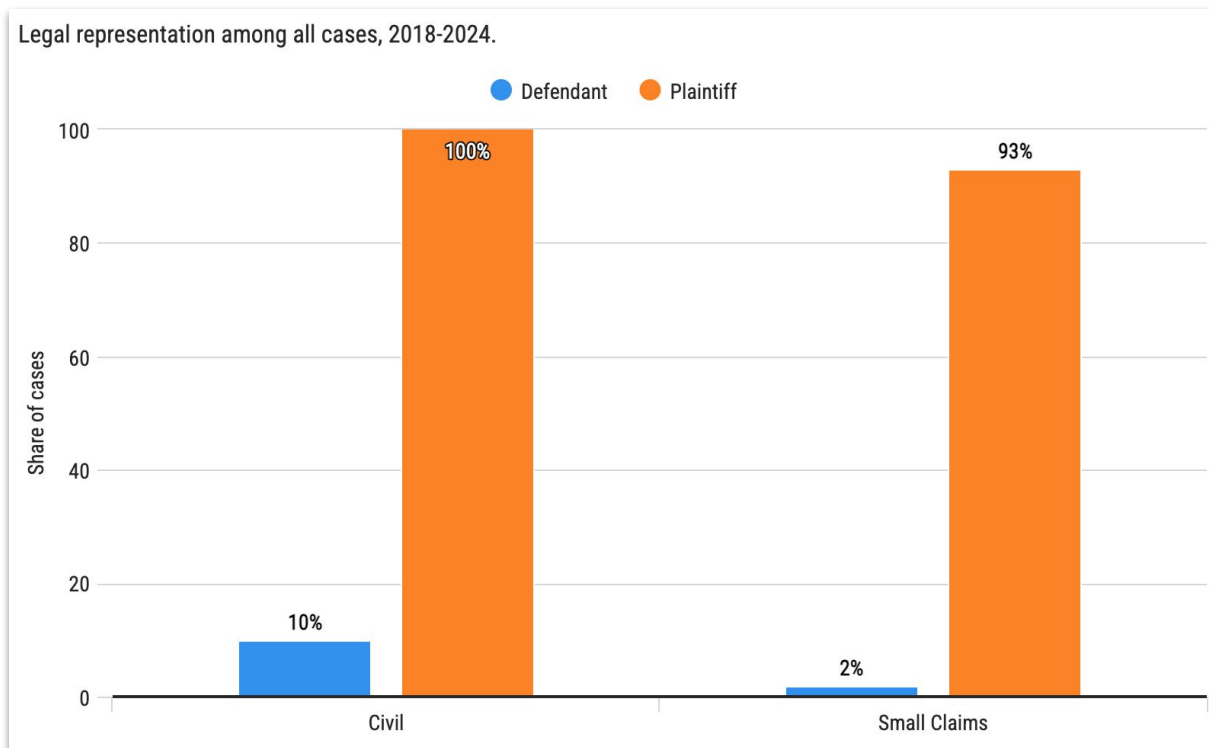


Legal representation

Who is being represented?

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Defendants rarely have legal representation, most plaintiffs do

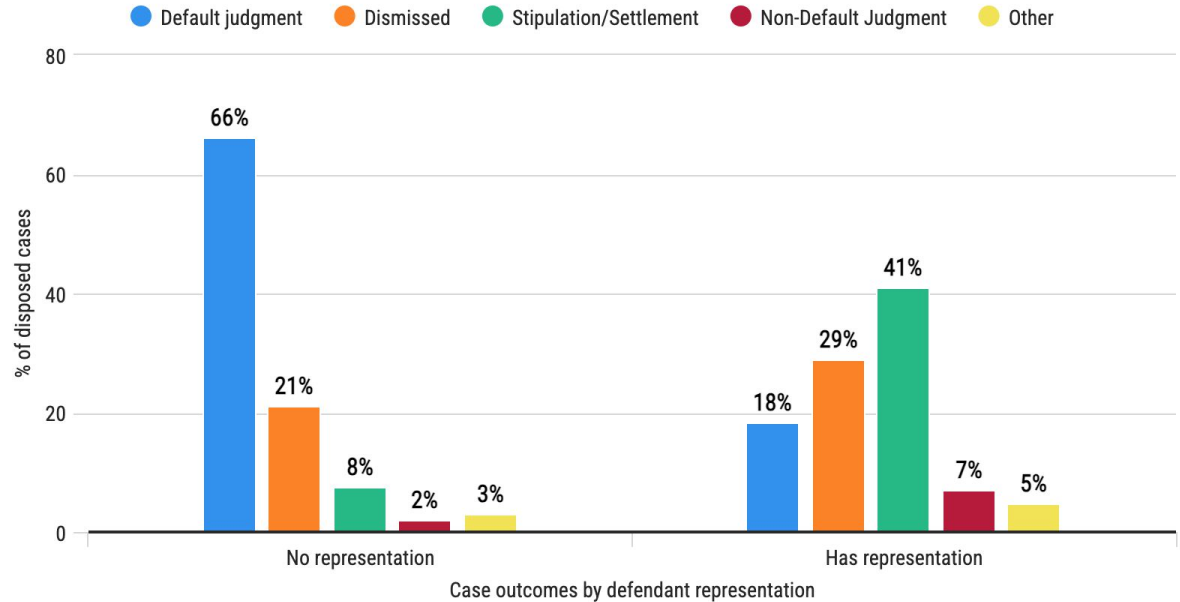


Case outcomes by legal representation

When consumers with legal representation are much less likely to default and more likely to reach a settlement.

It is important to keep in mind, however, that cases where defendants seek legal representation are likely to be different from those that don't that may impact the outcome. For instance, the amount of money at stake, or the strength of the case against the lawsuit.

Case outcomes by level of defendant representation. Cases filed in 2023 and disposed by end of 2024.



Source: WI Court Data, 2023.

Case outcomes

How do cases end?

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Our method

Typically, we exclude cases that were dismissed for non-service from our denominator when calculating case outcomes. That way, we're comparing cases in which the person sued has been notified that they've been sued.

That way, when we talk about say, default judgment rates, we're showing you what share of cases default that **would have been eligible** for a judgment in the first place. This means that the default rate in Wisconsin is actually likely higher than it is reported in these slides.

In Wisconsin, we can't do this due to some data limitations we'll go over on the next slide.

Proof of service (2018-2024)

The data around proof of service *isn't very reliable*. Service events are missing among 45.3% of cases.

This means we cannot identify and remove cases “dismissed for non-service.”

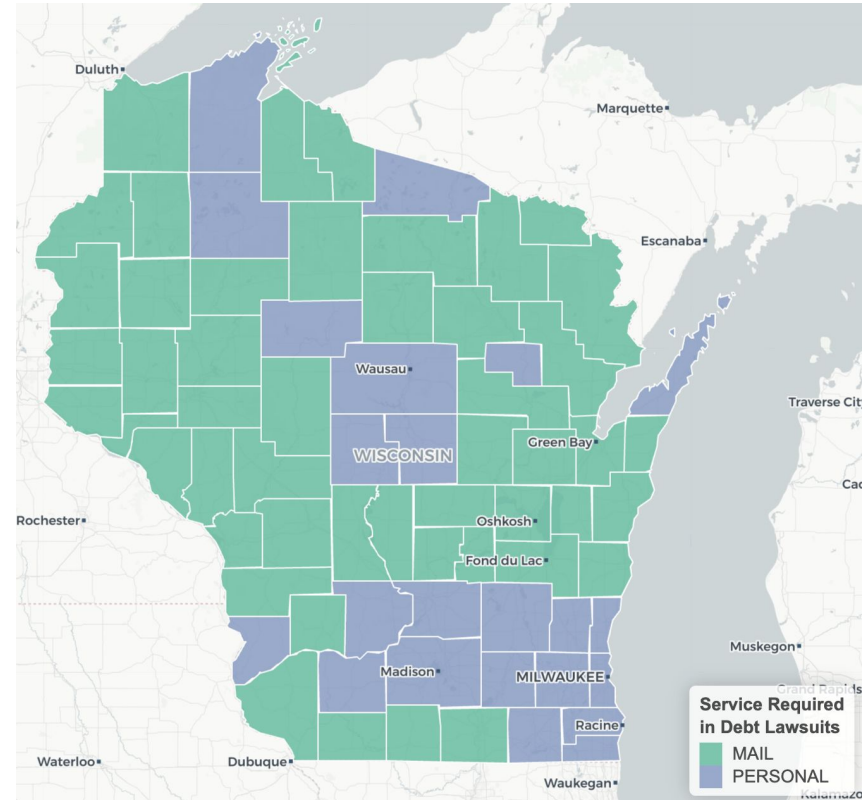
Service Type	Percent
<i>Missing</i>	45.3%
Summons and complaint-service by mail	41.1%
Affidavit/Declaration of substitute service	5.1%
Attempted service	4.1%
Certificate of service	2.8%
Summons and complaint-service by private process	0.6%
Summons and complaint-service by certified mail	0.4%
Admission of service	0.2%
Proof of service	0.2%
Certificate of substitute service	0.1%
Summons and complaint-service by sheriff	0.1%

Service requirements in small claims vary by county

In two-thirds of counties (49 of 72), service by mail is allowed in debt lawsuits. In the remaining 23 counties, including the Milwaukee area, only personal service is allowed.

Default judgment rates vary by service requirements: counties with personal service have lower default rates than those with mail service (**63% vs 72%**).

(Data on requirements provided by The Kohn firm.)



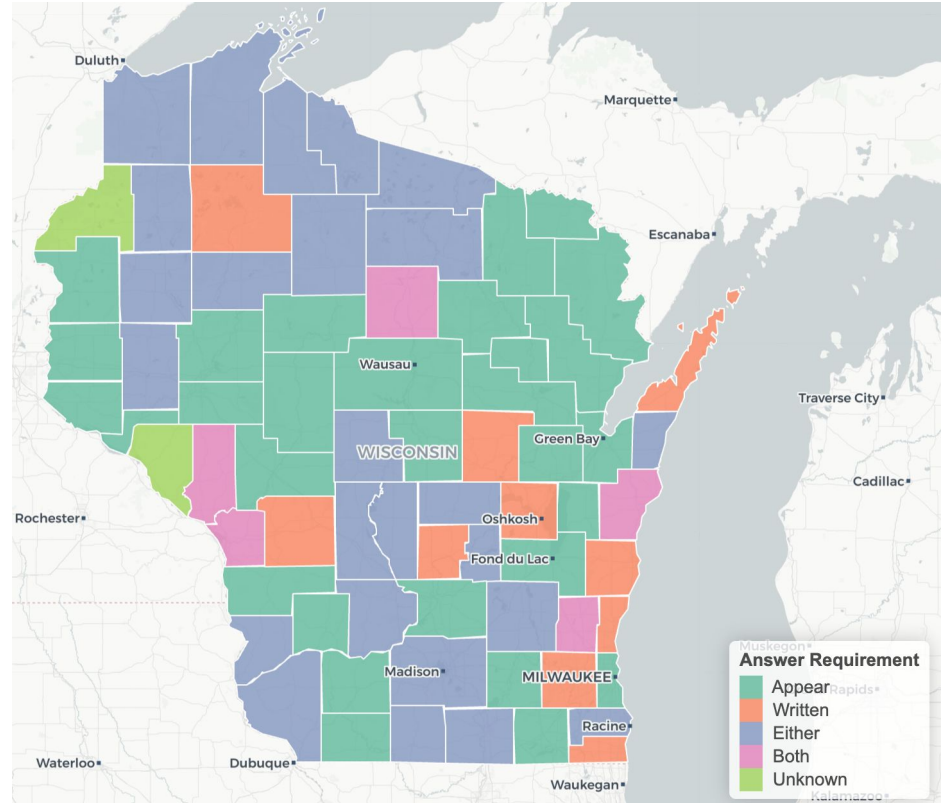
Answer requirements in small claims vary by county

In most counties (55 of 72), appearing at the initial hearing is allowed without a written response (“Appear” or “Either” on map). People being sued can show up to their hearing to participate in the case and avoid a default judgment.

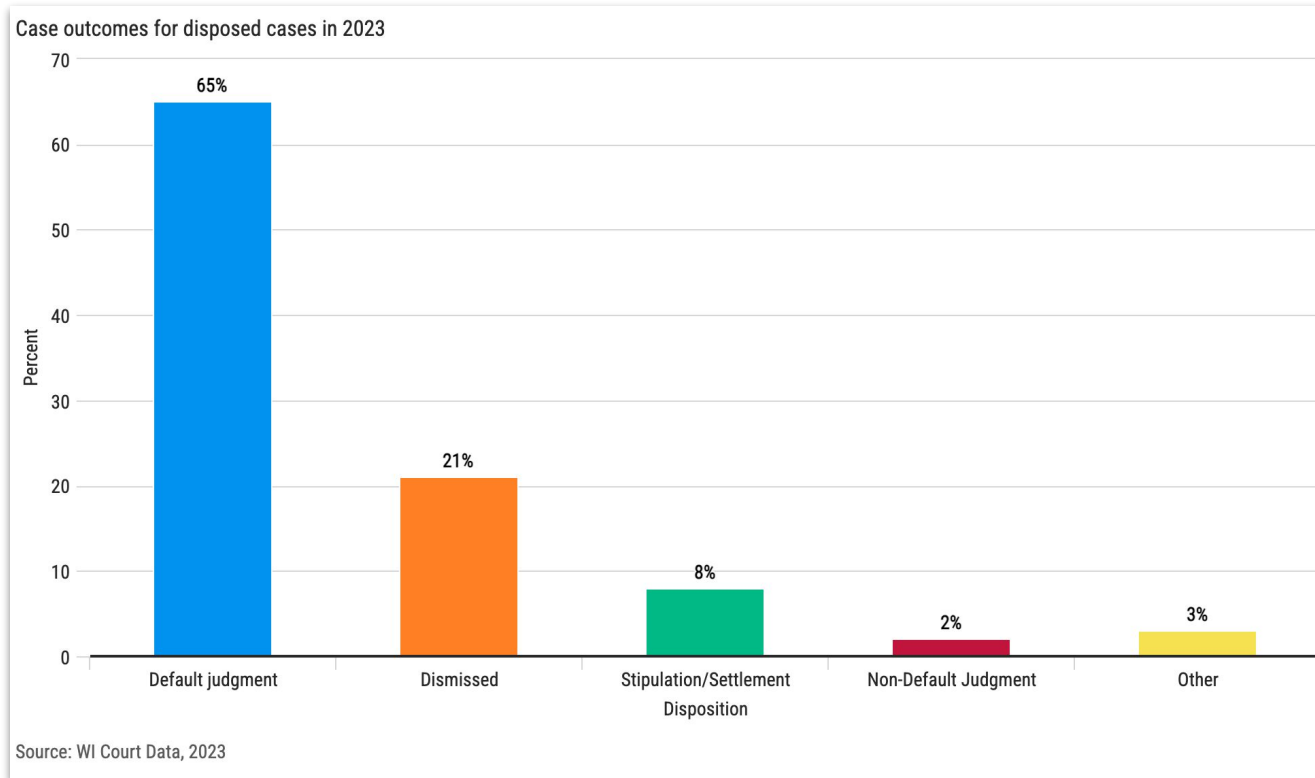
Other counties, either only allow a written response or require a written and appearance to answer and participate in the lawsuit. If you don’t provide a written answer, a default judgment can be issued against you.

Default rates are similar in counties with and without an answer requirement, although more research is needed to determine why. Other research in Minnesota, for instance, show stark differences in

(Data on requirements provided by LIFT Wisconsin.)

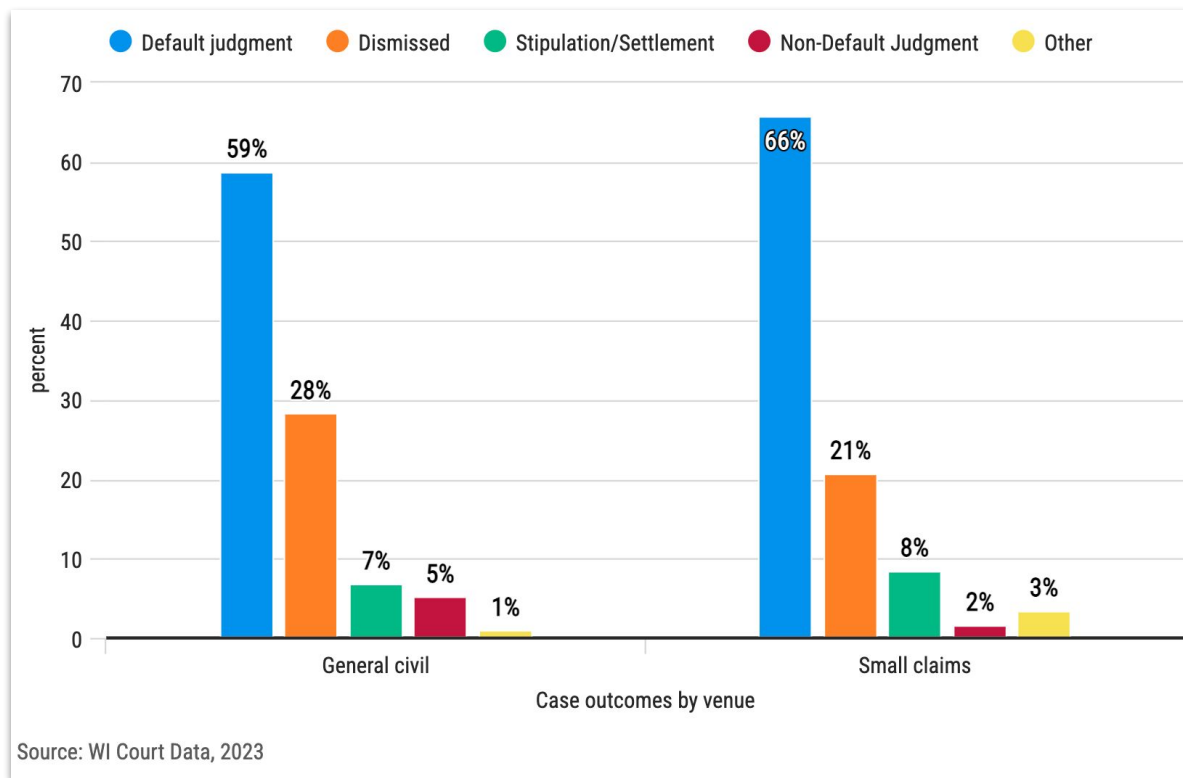


65% of disposed cases in 2023 ended in default judgment



Case outcomes are similar across venues

The rate of default judgments in both general civil and small claims cases is similar, which may point to complex processes in both.



Wisconsin's default rate in context

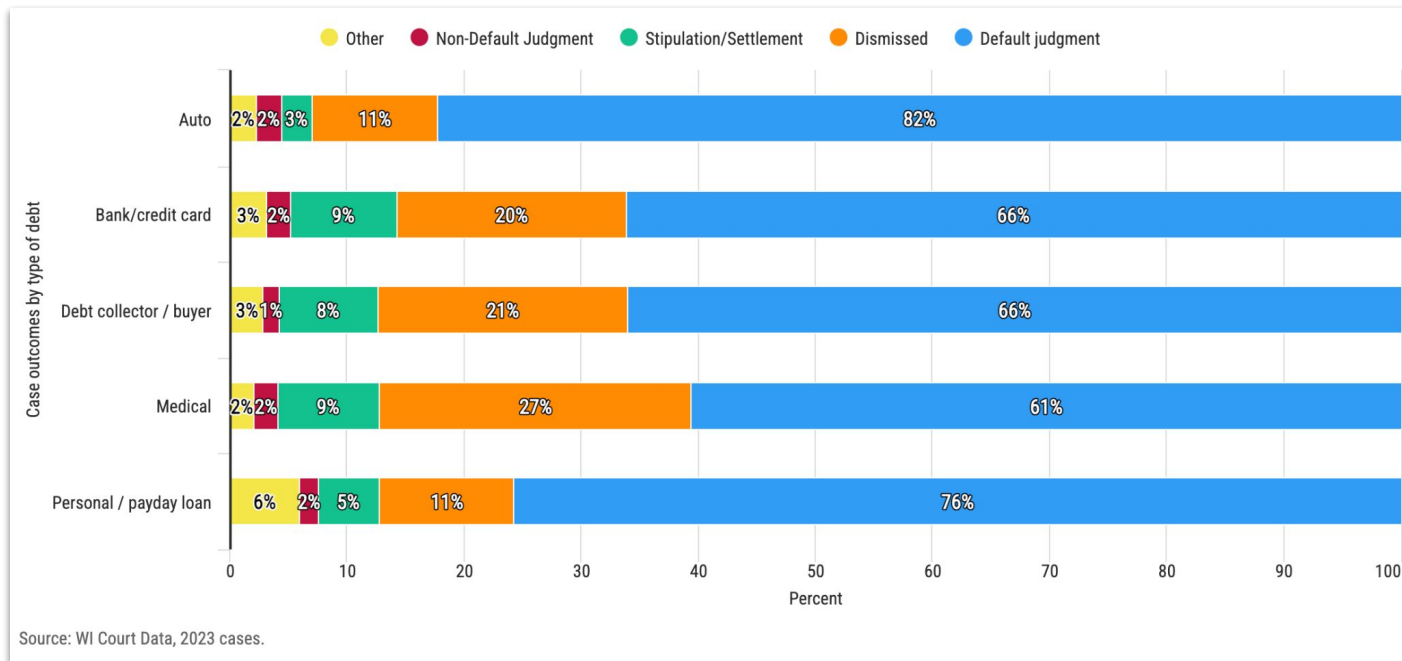
Wisconsin has a similar rates of default judgments as Oregon in both general civil and small claims courts.

However, these comparisons are not 1:1 because we were not able to remove cases that were dismissed for non-service.

*In these states, small claims are appearance courts and don't have an answer requirement.

State	General civil	Small Claims
Wisconsin	59%	66%
Oregon	65%	68%
Minnesota *	82%	54%
Michigan	68%	--
Utah *	71%	29%
Hamilton County, TN *	--	56%

Default rates vary by type of debt (2023)

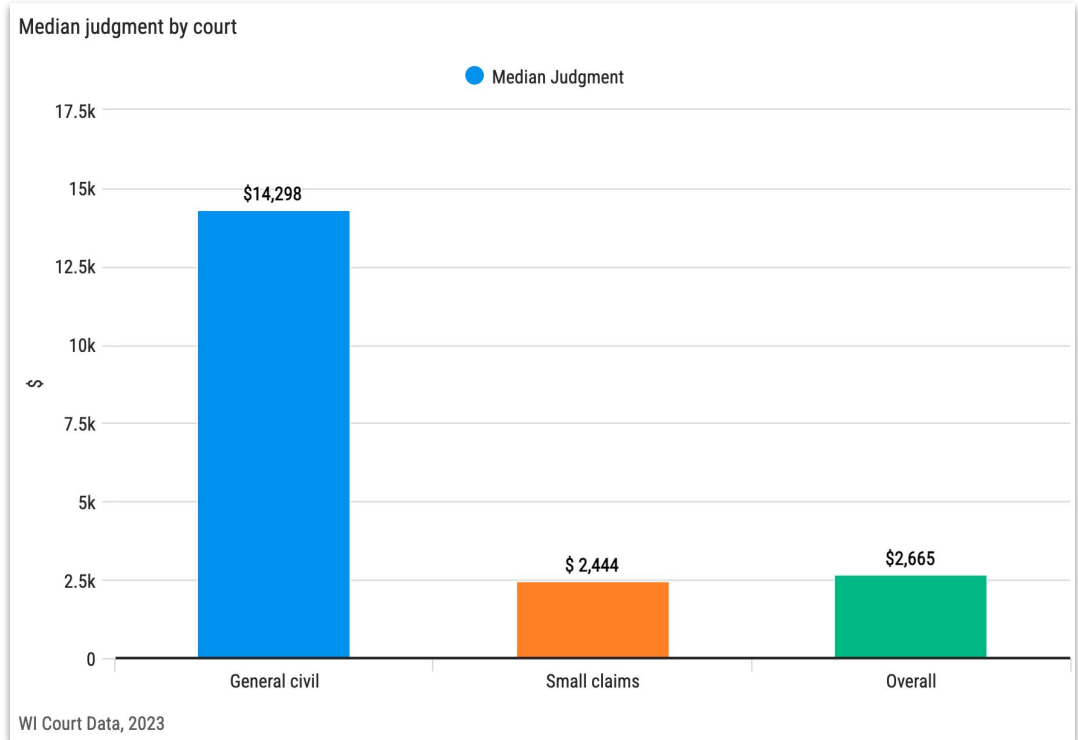


Some types of debt, like auto and personal loan debt, default at much higher rates than others. As shown on a later slide, auto loans also are for higher dollar amounts.

Large differences between venues in judgment amount (2023)

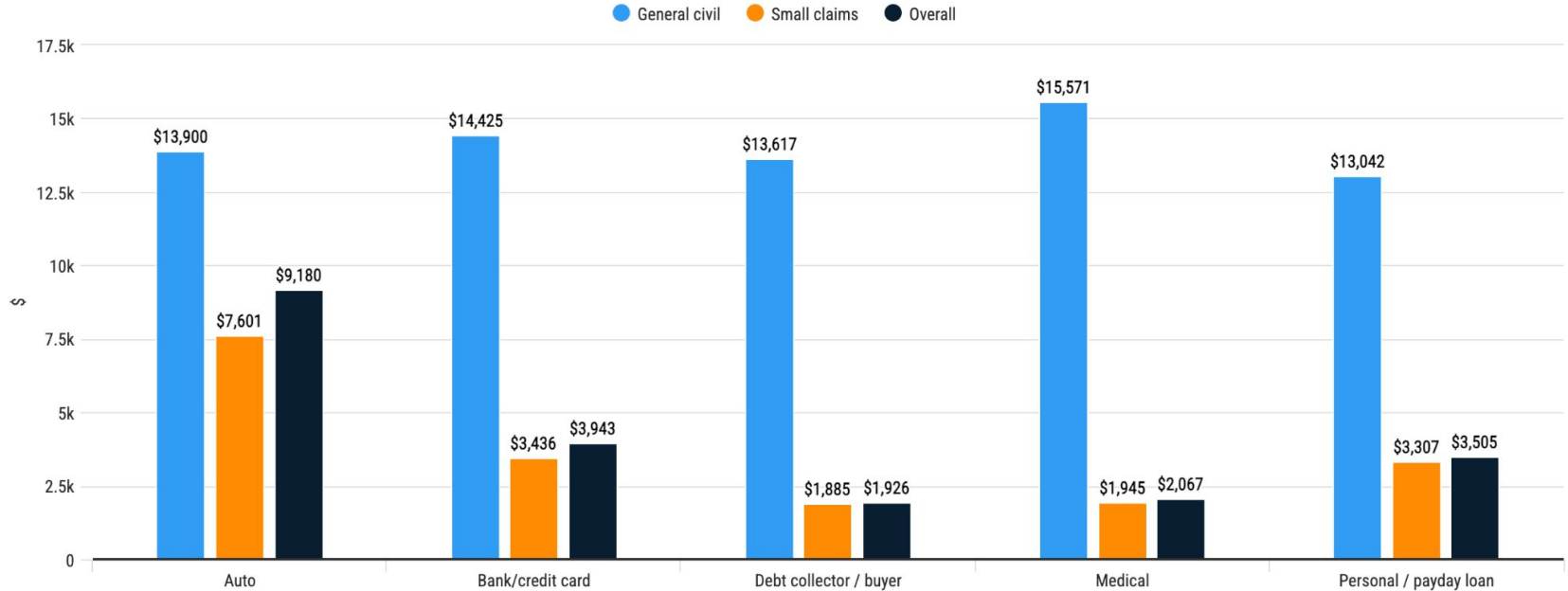
Overall, the median judgment in Wisconsin for consumer debt is ~\$2,700. This is higher than in many other states we've tracked (~\$1,500), potentially due to costs and fees tacked on to money judgments in the state that we cannot pull out.

Small claims generally has jurisdiction of cases under \$10,000 and under \$5,000 for third-party claims.



Judgment amount also varies by type of debt

Median judgment amount by type of debt.



WI Court Data, 2023

Post-judgment events

What happens after disposition?

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Garnishments occurs more in cases that end in default

There's only one field for garnishment in the court data: "Earnings garnishment notice". We have dates associated with the garnishment notice, so we can tell how often wages are garnished.

49% of judgments have a garnishment notice.

Outcome	Cases with garnishment	Number of cases	Garnishment rate
All judgments	188,955	385,252	49%
Default judgments	178856	355,962	50%
Other judgments	10,099	29,290	34%

Certain kinds of plaintiffs file for garnishment more often than others

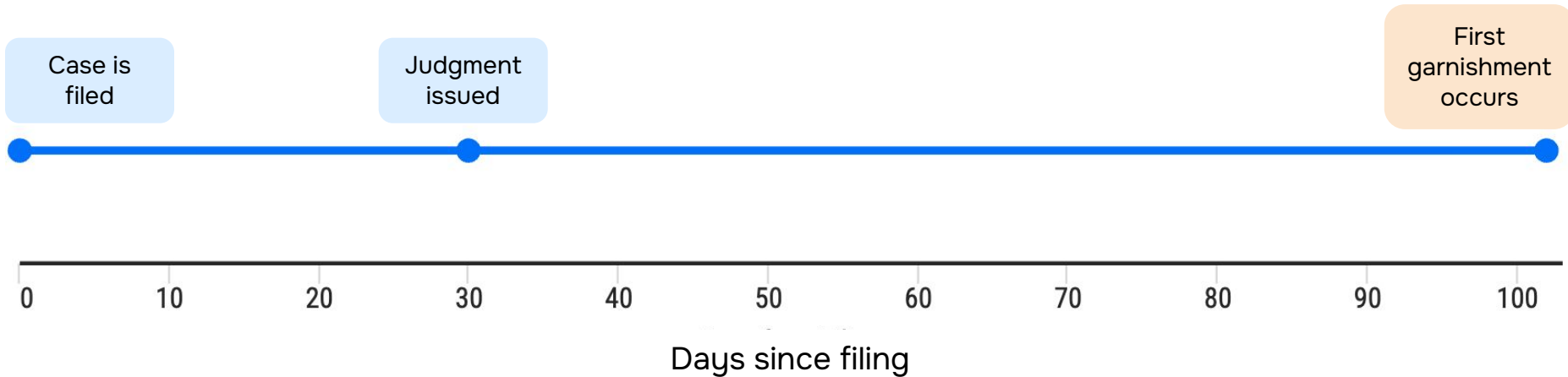
These are the share of judgments that have some sort of garnishment event recorded in the data, by plaintiff type.

Plaintiff type	Share of judgments with garnishment
Personal / payday loan*	65%
Auto	52%
Medical	46%
Debt collector / buyer	45%
Other	41%
Bank/credit card	39%
Municipal or utilities	24%
Education	20%

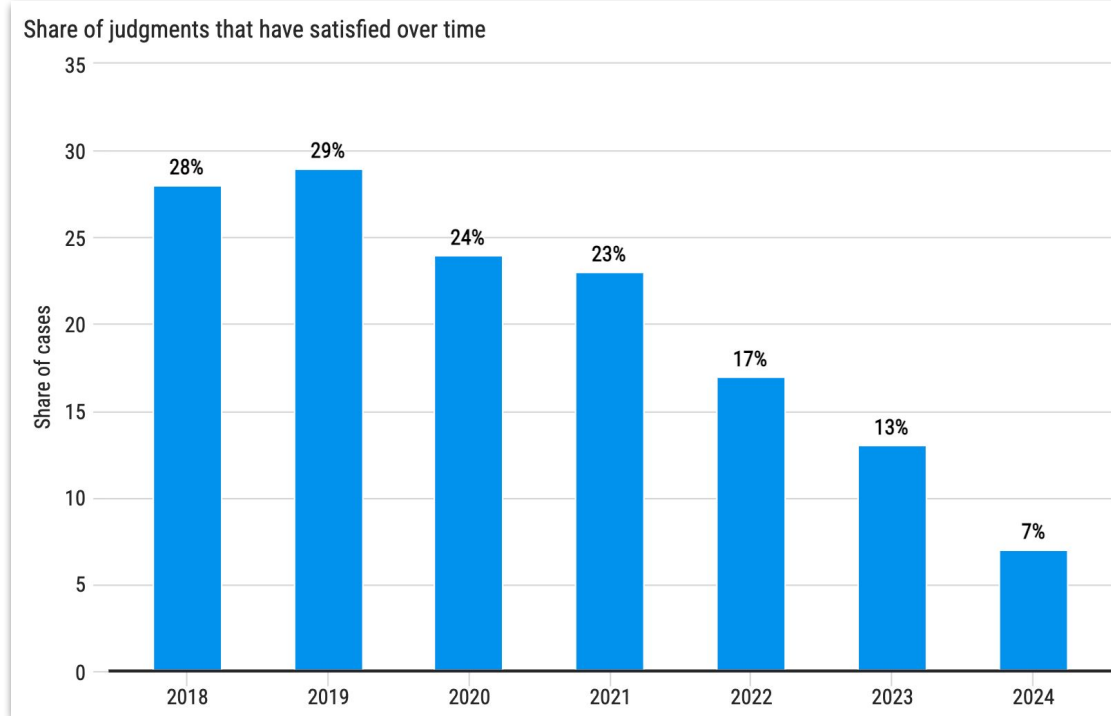
**Wisconsin law prohibits wage garnishment for statutorily-defined payday loans (under 90 days), but lenders circumvent this protection by offering "personal loans" with longer terms and unlimited interest rates.*

Median time to garnishment is almost 2.5 months

In cases with a judgment, garnishment typically occurs 100 days after a case is filed, and on average, 71 days after a case disposes.

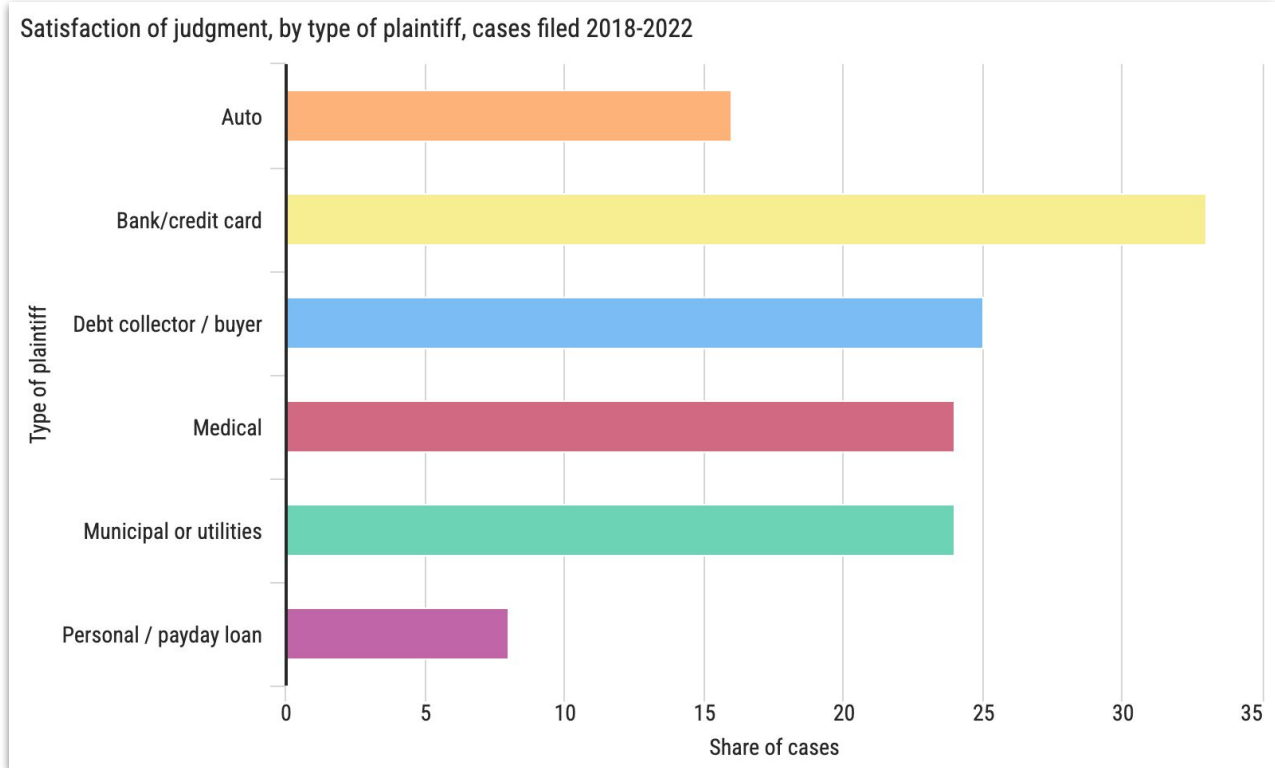


Most judgments are not satisfied



Satisfaction by plaintiff type

Certain kinds of debt have higher rates of satisfaction:



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