



INDIANA
COMMUNITY ACTION
POVERTY INSTITUTE
Research and Public Policy

Senate Insurance and Financial Institutions

1/14/2026

Chairman Baldwin and members of the Committee,

I'd like to start today by telling you about Deborah Fisher. A while ago, we were working on a project together focused on the health of new mothers. I shared findings from one of the Institute's past needs assessments showing that among nearly 6,000 low-income respondents, 47% reported that they had medical debt, and nearly a third reported medical debt in collections. She said something like, "Oh I know all about that. The medical bills pile up, and then they come after your paycheck."

People don't usually like to talk about falling behind on bills, so I credit her for having the courage to share her story. She had a premature baby – a miracle baby, she said – and while her daughter was fighting for her life in the NICU, she lost her job and the bills piled up. As soon as she returned to work, debt collectors came after her paycheck. Her family fell further and further behind, lost their housing, and declared bankruptcy.

I've carried her story with me as we've continued to work on this issue. There's a lot that can be done to address health care costs or even rising costs in other spaces, but here's a simple one; our wage garnishment exemption – the amount that's protected in someone's

paycheck – has not been updated since 2009 because it was written into code as “30 times the minimum wage.” It only took our team a couple of interviews in which we asked specifically about garnishments to find someone who was trying to live on \$217.50/week – she was couch surfing, borrowing money to make her car payment, not sleeping from the stress. It’s harder to find good quantitative data on garnishments, but a study by ADP, the payroll processing company, puts Indiana among the top states for garnishments, with as many as one in ten workers experiencing garnishment of some kind. As their report, which looks at this from the employer perspective, notes, decreasing the impact of garnishments not only benefits the employee, but “employers benefit from a lighter administrative burden and fewer workers who are stressed, humiliated, and distracted from taking home a garnished paycheck.”

Our state exemption laws are intended to help a person keep their head above water in the face of rising costs and a struggle to keep up; thank you for considering this bill to give families like Deborah’s the ability to maintain financial stability through these challenges.