From Order to Chaos: How Consumers Lose Control of Risks (and of Themselves)

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Consumers are exposed to a growing array of risks in an increasingly complex and uncertain world. Prior research has shown that they can navigate and even benefit from certain risks through edgework. However, the proliferation of credit and debt has led many into over-indebtedness—a dysfunctional condition in which control over risk is lost. This study examines the narratives and lived experiences of over-indebted consumers through the lens of chaos narratives. The downward trajectory begins with the initial motivation to access credit, followed by precipitating events and aggravating factors, ultimately leading to chaotic experiences. Adopting a sociocultural perspective, we explore how consumers misperceive risks and fail in their risk management efforts. We identify four dimensions that define consumers' chaos narratives: emotional battering, unmaking the world, living on immediacy, and loss of consumption and threatened subsistence. As they transition from order to chaos, consumers encounter escalating risks that intensify in unforeseen and harmful ways. We describe this experience as spiraling down with escalating risks—a progressive, disorienting descent marked by compounding vulnerability. This process severely affects consumer identity and well-being, excluding over-indebted individuals from the consumption domain.

Keywords: escalating risks, chaotic experience, over-indebtedness, consumer credit and debt, consumer identity

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> Imagine a tsunami: you are in the middle of it, and everything is going everywhere. And you are in the middle of it, but you want to get out, and so you struggle, you try to escape from one point, to end up at another, trying to get out. You're praying for it to end. It will end at some point, and if you can get out alive, great. (Luke, over-indebted consumer)

Consumers face ever-increasing risks in contemporary societies (Beck 1992; Giddens 1991). The consequences of these risks can escalate in their capacity to overwhelm consumers. They are particularly evident in the consumption of credit and debt, which has expanded substantially over recent decades (Langley 2014; Peñaloza and Barnhart 2011). In 2022, household debt reached $6.85 trillion in the European Union (OECD 2023), and by late 2024, it hit a record $17.94 trillion in the United States (Federal Reserve Bank of New York 2024). While temporary declines or stabilizations occurred during the COVID-19 pandemic—due to stimulus payments and widespread forbearance policies—these effects were short-lived, and the long-term upward trend in household debt has persisted. This proliferation has exposed consumers to one of its most harmful consequences: over-indebtedness—a condition already visible before the pandemic and amplified by its aftermath.

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Over-indebted consumers are those expressing difficulty in making payments for such obligations as credit debt, mortgages, and hire purchases (Betti et al. 2007) and suffering unsustainable financial stress from their sum total of payment demands (Ranyard, McHugh, and McNair 2017). Previous research has reported dramatic effects of over-indebtedness for consumers, including severe physical and mental conditions such as depression, suicidal ideation and attempts, and drug and alcohol abuse (Richardson, Elliott, and Roberts 2013; Turunen and Hiilamo 2014). Over-indebtedness, financial failure, and personal bankruptcy are highly stigmatized and commonly associated with immoral behavior (Efrat 2006; Frade 2012; Thorne and Anderson 2006; Sousa 2017). Over-indebted consumers are financially overcommitted and usually unable to pay their bills, debts, and expenses without reducing their expenditures below the level of subsistence (Brennan and Gallagher 2007). Being over-indebted can involve a high payment-to-income ratio, being denied credit, experiencing payment delays, facing arrears, harassment, recurrent penalty charges, threats of legal action or court ruling, and the possibility of bankruptcy and foreclosure (Bricker and Thompson 2016; Patel et al. 2012). Thus, it is intriguing that millions of consumers take risks to this level and engage with them over prolonged periods (Custers 2018; d'Alessio and Iezzi 2013).

Over-indebtedness can also reach different social classes. However, while the middle and upper classes usually have problems with mortgages and consumer debts with financial institutions, lower-class groups typically have more issues with non-payment of utility bills, rent, taxes, fines, debts to friends, and healthcare costs (Eurofound 2020). The meteoric rise of credit in recent decades has led to a growing number of over-indebted consumers (d'Alessio and Iezzi 2013; Ranyard et al. 2017), both in developed and developing countries. According to the Eurofound report (2020), 14% of those surveyed reported that they could not make their scheduled payments. If EU consumers not yet in arrears but with difficulty making ends meet were included, 21% of surveyed consumers were at risk of over-indebtedness (Eurofound 2020). In Australia, 29% of households were classified as over-indebted (Australian Bureau of Statistics 2017). In Chile, 32% of households are considered over-indebted (Cifuentes and Martínez 2020). A similar pattern of credit expansion has emerged in Brazil. Total credit rose from 27.3% of GDP in 2000 to 54.3% in 2024, with households now accounting for approximately 66% of all credit in the financial system (Banco Central do Brasil 2024). This expansion has significantly affected household financial stability. In 2005, Brazilian families allocated approximately 18% of their income to servicing debt; by the end of 2022, this figure had risen to 27.9%, reflecting a growing financial burden on household budgets (Banco Central do Brasil 2023).

The consumer research literature examining risk from a sociocultural perspective shows consumers mostly in control, managing risks successfully and navigating them to their benefit in identity-building processes aligned with their beliefs and ideologies. In contrast, over-indebted consumers lose control of risks and become overwhelmed by their debts. However, we know little about the dynamics that take consumers from situations in which risks are assumed and managed uneventfully (Peñaloza and Barnhart 2011) to dysfunctional states marked by disorientation, vulnerability, and identity erosion. Hence, this study seeks to understand the process by which consumers fail in their risk management efforts and the consequences of this failure on their identities in the context of financial risks (credit and debt). To address this gap, we introduce a novel conceptualization of *spiraling down with escalating risks*—a process through which risks accumulate, compound, and progressively erode consumers' sense of control across emotional, symbolic, and material domains.

Our findings show that consumers lose control in a downward trajectory constituted by an initial motivation to obtain credit, precipitating events, and aggravating factors. In this trajectory, they move from an Order Stage to an In-between Stage and then to a Chaos Stage. Along this "Spiraling Down" movement, they face many uncertainties and cannot anticipate unexpected events. Impactful events can coincide; consumers make mistakes, face stigma, and can have an illusion of control and self-denial in dealing with risks. Their experiences in the Chaos Stage are theorized through chaos narratives, articulated into four experiential dimensions—(1) emotional battering, (2) unmaking the world, (3) living on immediacy, and (4) loss of consumption and threatened subsistence—which together offer a novel framework to understand the symbolic and affective dimensions of risk collapse. In this process, consumers make mistakes, misperceive, and cannot manage and mitigate risks successfully, and their identities are diminished.

This study introduces a novel theoretical model of how consumers lose control over escalating risks and identity stability. This contribution advances the sociocultural literature on risk, credit, debt, and consumer well-being in several ways. First, it extends emergent and inspiring sociocultural literature on consumer risk (e.g., Barnhart, Huff, McAlexander, and McAlexander 2018; Celsi, Rose, and Leigh 1993; Drenten and Zayer 2018; Thompson 2005; Thompson and Üstüner 2015; Wong and King 2008). While prior research shows consumers mostly in control or successfully negotiating the boundaries between control and chaos, this study uncovers how consumers lose control of risks in a downward trajectory and migrate from order to chaos. It also shows that risks can escalate in their capacity to grow unnoticed, surprise, and overwhelm consumers in unintended and negative ways. This study introduces "spiraling down with escalating risks" as a descriptive metaphor and a processual and theoretical model that captures how escalating risks accumulate, compound, and progressively erode consumers' sense of control. It theorizes a compounding dynamic in which risks intensify across emotional, symbolic, and material domains, ultimately leading to a deterioration of consumer autonomy and identity. The model also delineates the transition stages from order to chaos, offering a structured account of how disorganization unfolds across the consumer experience. It also extends the literature by showing how risk can damage consumer identity in a negative relationship. When defeated by risks, consumers experience feelings of personal diminishment, undervaluation, and failure.

Second, it extends the sociocultural literature on credit and debt consumption by adding a risk and identity perspective and showing that even high cultural-capital consumers cannot find the trajectory of freedom from debt (Bernthal, Crockett, and Rose 2005; Peñaloza and Barnhart 2011). Debt-ridden consumers face stigma, experience dysfunctionality in not managing their risks successfully, and have their identities diminished.

Third, this study critically engages with the literature on personal responsibility and risk-taking. It shows that dominant narratives of autonomy and self-management exert a double-edged influence: while they encourage consumers to take risks, they also constrain their ability to manage and recover from harmful consequences. In the context of escalating risks, these narratives become increasingly unrealistic. Overwhelmed by emotional distress and structural constraints, consumers cannot exercise the level of control and foresight these discourses demand, revealing the limits of individual autonomy in managing complex financial risks.

At the same time, this study also aligns with recent calls from the academic community to examine social problems in real settings to provide insights on improving consumer well-being (Davis and Ozanne 2019; Ozanne et al. 2015). The importance of consumer risks and the prevalence and adverse impacts of over-indebtedness on consumers and their families justify additional research on how they experience risks in this domain.

THEORETICAL BACKGROUND

Consumer Research on Risk

Scholars have conceptualized and approached the concept of risk (and uncertainty) in several ways. According to Knight (1921), risk is the possibility of alternative outcomes with known probabilities, whereas uncertainty is the possibility of alternative outcomes with no known probabilities (incapable of measurement). Mandel (2003) approaches risk as determined by some combination of the severity and probability of an outcome. Thompson (2005) approaches it as a social construction of a like-minded community of the likelihood of negative outcomes. Based on our context and participants' behavior, we approach risk as a possible negative outcome (regardless of probability) derived from consuming products, services, or experiences when used as intended (Barnhart et al. 2018). Risks can involve physical, psychological, legal, social, financial, performance, or moral harm (Barnhart et al. 2018; Mandel 2003). Many individual factors affect risk preference, including the variability of knowledge, beliefs, and habits across cultures, as well as differences in achievement motivation and locus of control, referred to as a person's belief about whether events in life result from personal behavior (e.g., effort, internal locus) or outside factors (e.g., luck, external locus) (Weber and Hsee 1998). In our contemporary liberal societies, consumers and social agents, in general, are invited to make choices as self-interested and rational individuals (Beck 1992). Despite facing risks throughout their lives, consumers have a core psychological need to see the world as orderly and less risky (Shepherd and Kay 2018), aiming at having more personal control. Personal control is "an ideal means of maintaining a view of an orderly, nonrandom world" (Shepherd and Kay 2018, 17). Being in control of one's life means that "outcomes are not random but determined by one's actions and decisions" (Shepherd and Kay 2018, 17).

The literature examining risk as culturally perceived and understood considers risky consumption in risk-laden contexts (Lamberton and Hill 2018). Our interest is in the literature analyzing how consumers take, manage, and mitigate risks and the relationship between risk and identity. Celsi et al. (1993) explored skydivers who purposely seek physical and psychological risk through voluntary high-risk consumption. Managing risks successfully, skydivers embrace the experience of "edgework," a type of voluntary risk-taking whereby individuals develop and use their skills to negotiate the boundary between chaos and order (Lyng 1990). Through intensive planning and training, they seek to exercise control over a situation, master its risks, and obtain intense pleasure from this mastery (Celsi et al. 1993; Lyng 1990). In a less visceral context, but one also involving experiences with pleasurable risk and edgework, Drenten and Zayer (2018) examine how consumers engage with digital virtual consumption (DVC) to negotiate the tensions related to risk through the pursuit of pleasure and a renewed state of desire while maintaining control of the risks and coping with them. Through DVC, consumers seek to transform fragmented life experiences into coherent life stories. Together, these studies (Celsi et al. 1993; Drenten and Zayer 2018) illuminate our understanding of high-risk consumption, edgework, and how consumers develop skills to exercise control and transform risk into something positive and desirable. Thompson and Üstüner (2015) draw on the concept of ideological edgework to explore marketplace performances in the context of women's flat-track roller derby. They show that self-identified "derby grrrls" resignify their performances of femininity, pushing the boundaries of the normative constraints of their original gender socialization (Thompson and Üstüner 2015). They face the risks through personal empowerment and collective solidarity (Thompson and Üstüner 2015). These studies, which build on the edgework concept, illuminate our understanding of consumers exerting control of risks and successfully performing risk management with their skills. They inspire us to understand a different situation in which consumers take unplanned and uncalculated risks and cannot negotiate the risk-related tensions, crossing the boundaries between order and chaos.

Exploring risk mitigation, Barnhart et al. (2017) examine gun ownership in the context of self-defense. They show that armed consumers face several risks when keeping and carrying guns and the legal, moral, and psychological perils of permitting family members access to firearms. Risk mitigation is performed in routinized and consistent patterns, and equipment, training, and mental preparation contribute to the mitigation process. For gun owners, the feeling of "responsible ownership" is essential, as well as the sense of security that comes from compliance with social norms and the self-enhancing practices of mental routines (Barnhart et al. 2018). In contributing to our understanding of risk mitigation practices, this study compels us to understand what happens when risk mitigation is unsuccessful and consumers cannot reduce risks, losing control over them.

The sociocultural literature on consumer risks also approaches the relationship between risk and identity. The marketplace offers symbolic and mythic resources for consumers to develop their narratives of identity (Arnould and Thompson 2005). Extant research has shown that successful management of risks can be a resource for consumers' identity work. It shows a positive relationship between risk and identity and indicates that consumers can face and manage risks to their benefit through identity-building and reinforcement. Skydivers, for instance, in their progressive way of managing risks, acculturate to high-risk identities. Initially, they are motivated by curiosity, thrill-seeking, adventure, and social influence. As they gain experience, their intention to continue is more related to efficacy motives, group camaraderie, heightened experience, and new identity construction. Finally, when consumers become experienced skydivers, their motivation becomes more abstract, leading to a transcendent feeling of "flow," "*communitas*," and "phatic communion," in which participants consider themselves extraordinary and special (Celsi et al. 1993, 11). In DVC, consumers experience intense emotions in identity construction, reaffirmation, and transformation (Drenten and Zayer 2018). The self-identified "derby grrrls" reinforce their identities when the resignification processes succeed. They strengthen their sense of personal empowerment and collective solidarity, maintaining sociocultural legitimacy (Thompson and Üstüner 2015).

Another informative stream of literature on the relationship between risk and identity is the research examining how consumer risk perceptions are socially constructed according to dominant or anti-establishment cultural narratives. Examining the context of natural childbirth, Thompson (2005) shows that communities of reflexive doubt adopt shared narratives that help them engage in identity work through an anti-institutional construction of the self. These consumers do not align with the risk approaches associated with socially sanctioned experts and authorities but with communities that cast reflexive doubt on scientific rationality and mainstream approaches to risk. In a study showing that risk understanding can be influenced by socially dominant narratives, a similar positive relationship between risk and identity is identified (Wong and King 2008). Studying women treated for breast cancer, Wong and King (2008) show that, imbued with the narrative of individual responsibility, these women can transform themselves from patients to successful survivors (Ehrenreich 2001; Wong and King 2008). Instead of being stigmatized, the risks they take are glorified in their narratives. This prior research (Thompson 2005; Wong and King 2008) sheds light on the influence and force of social narratives on consumers' risk perceptions and risk understandings in health-related decisions. Like in Celsi et al. (1993), Drenten and Zayer (2018), and Thompson and Üstüner (2015), these alternative risk models can be part of an identity-building and self-enhancement process for consumers. However, risks are fundamentally negative outcomes and involve physical, psychological, legal, social, financial, performance, or moral harms (Barnhart et al. 2018; Mandel 2003). Thus, this important literature has little to say about the relationship between risk and identity when risks become unmanageable and overwhelming, leading to consumers' loss of control and failure in risk management.

Consumer Credit, Debt, and the Stigma of Over-Indebtedness

From a sociological perspective, Bernthal et al. (2005) have approached credit card practices as regulators of different consumer lifestyles. Analyzing consumers' possession and use of credit cards, the authors identified that consumers more influenced by a protestant ethic tend toward an "achieving" lifestyle, and consumers more influenced by an entitlement ideology tend toward a "coping" lifestyle. The authors define a metaphorical debtor's prison as "a lifestyle space imbued with meaning by credit card practices associated with the accumulation of substantial debt relative to the ability to repay" (Bernthal et al. 2005, 137). With a focus on credit card practices as a matter of control of consumer lifestyles, their study understandably does not examine the experience of debt-ridden consumers in-depth. Peñaloza and Barnhart (2011) further elucidate that credit has become normalized in US capitalism, positing that the possession of credit is part of the "package" of being middle-class in the United States. The authors approach credit and debt consumption as cultural phenomena, delineating the cultural meanings associated with them (e.g., "doing the right thing" and "managing debt") and identifying two consumer trajectories: into or out of credit/debt. These meanings and trajectories explain the normalization of credit and debt, its cultural production, and the different consumer subject positions. These studies examining the regular consumption of credit and debt inspire a more profound approach to dysfunctional situations where stigmatized risks become too high for debt-ridden consumers and affect their identities.

Previous literature also examines the association between excessive indebtedness and stigma. Financial failure and bankruptcy have been linked to immoral, criminal, and sinful behavior (Frade 2012). Bankrupt individuals were often subjected to public degradation and severe punitive measures, including the forfeiture of all property, surrender of children to slavery, imprisonment, and death. They were labeled as "deceivers," "frauds," "cheaters," and "squanderers" (Efrat 2006, 366). Bankruptcy was perceived as fraudulent conduct or a disregard for the moral obligation to repay debts, leading individuals to conceal it from others (Efrat 2006). The creditor–debtor relationship has always been associated with notions of morality that force the debtor to be both accountable and guilty, whereby solvency is a kind of measurement of virtue (Lazzarato 2012). The idea that paying one's debts is a matter of morality is pervasive (Graeber 2012). The message from the media, politicians, and economists to over-indebted people is that they are at fault and guilty (Lazzarato 2012). Despite the evident strong association between excessive indebtedness and stigma in the literature, less research was dedicated to investigating the influence of stigma on the experience of consumers attempting to exert control, navigate, and manage risks unsuccessfully.

Understanding how consumers face risks in consumer research has primarily focused on those predominantly in control, successfully preparing for and managing risks. This prior research shows consumers transforming risks into something positive, desirable, and aligned with their beliefs, ideologies, and identity projects. However, we know little about the dynamics in which consumers lose control and are unsuccessful in managing risks, mainly in a highly stigmatized context. At the same time, and different from prior research, we would not expect a positive relationship between risk and identity. This discussion leads to our research question: What is the process by which consumers fail in their risk management efforts, and what are the consequences of this failure on their identities in the context of financial risks (credit and debt)? To address this overlooked area of study, we investigate the narratives and experiences of over-indebted consumers.

RESEARCH CONTEXT

Our primary research site is a public agency specializing in consumer protection, identified here as ProConsumer, located in the largest metropolitan area of Brazil. Acting as an intermediary between debtors and creditors, ProConsumer offers a support program for over-indebted consumers, providing orientation and financial education and promoting the renegotiation of debts with all creditors while ensuring subsistence. Creditors give better conditions to debtors in deals mediated by the agency, offering relief such as discounts, interest exemptions, and extended payment deadlines. If the deal agreement is not closed, consumers should seek free public defense services or go to court. In Brazil, debtors who have their insolvency records reported in the national credit bureaux are considered bad payers and referred to as consumers whose names are "soiled" ("*nome sujo*"). Thus, they seek to avoid having their names included in these "blacklist" databases (Cordeiro et al. 2019). A "soiled name" means someone lacks honesty and respectability, has less status and less distinction, and is in a stigmatized position of semi-marginality (de Queirós Mattoso 2005).

The Brazilian context is well suited to our research due to the high number of consumers using credit and facing arrears, insolvency, and over-indebtedness. As of January 2025, 76.1% of Brazilian families had some form of debt (CNC 2025), while the number of defaulted consumers reached 73.5 million in December 2024 (Serasa Experian 2024). These figures reflect the enduring debt burden on Brazilian households and the structural financial vulnerability of a large portion of the population.

METHOD

We conducted a multi-sited study with complementary data sources that permitted a deeper understanding of the phenomenon. Before fieldwork, we received approval from our institution's Ethics Committee, following the protocols to ensure participant safety and well-being. We recruited 37 individuals for in-depth interviews and conducted non-participant observation in 6 ProConsumer lectures during subsequent months in the second half of 2018 and the first half of 2019. We also recruited two employees working on the program as interviewees. In parallel, identified as an academic researcher (first author), we participated in six 2-hour weekly meetings at Debtors Anonymous (DA) after approval from their Chapter Coordinator. DA is a non-profit organization that supports individuals whose use of unsecured debt causes problems and suffering (Debtors Anonymous 2023). To better understand the context of the phenomenon under study, we also participated in eight other events, seminars, and roundtables related to credit and over-indebtedness offered by diverse institutions. Secondary data were collected from institutional websites, including the ones from ProConsumer and DA. The data of interest from websites were printed as booklets and analyzed with all the data. Table 1 provides a summary of our data sources and purposes of usage.

The interviews were conducted with participants recruited in the lectures and scheduled based on their convenience. Most were conducted in public spaces that offered anonymity, except for three, conducted online, and another three at participants' homes. A semi-structured interview guideline was developed based on the literature and research interests (McCracken 1988; Spradley 2016). The interviews were audio-recorded and transcribed. Each lasted from 45 to 158 minutes, with an average length of 103 minutes. Over-indebtedness is overly sensitive for consumers due to suffering, frustration, and other negative emotions, so we sought to be empathic to establish a good rapport with all participants. Most participants cried more than once when talking about their feelings and experiences. Table 2 summarizes the participants' profiles. In our sample, twenty participants are female, and seventeen are male. Of the total, 3 are up to 30 years old, 11 are between 31 and 45 years old, 16 are between 46 and 60, and 7 are over 60. Regarding marital status, nineteen are married, 10 are single, 6 are divorced, and 2 are widowed. Regarding time with problem debts, 10 participants experienced the problem for up to 2 years, 19 between 2 and 5 years, and 8 for more than 5 years. We estimate their current and previous income, considering that 59.5% of the participants either became unemployed, lost income, or suffered an income decrease as a starting point of their problems. We also estimate how much of their current monthly income corresponds to the total amount of their debts owed. These consumers have already committed one hundred percent or more of their monthly incomes to the payment of their obligations and basic expenses ("over-commitment").

We started our analysis data-driven and then searched for a theoretical lens to help us understand our participants' experiences and narratives and express ways of dealing with risks in situations of losing control. Considering that risk perceptions, experiences, and actions can be understood through personal narratives (Wong and King 2008), we found a very appropriate lens that best fits our data in Frank's chaos narratives (1998, 2013). Frank's conceptualization of illness (and chaos) narratives (1998, 2013) provides an effective lens for examining individual risk experiences and understandings (Wong and King 2008). Frank (1998, 2013) developed narratives based on stories of those he called "deeply" ill that can be critical or chronic, immediately life-threatening or long term (Frank 1998, 2013). He considers that "illness is 'deep' when perceived as lasting, as affecting virtually all life choices and decisions, and as altering identity" (197). Frank proposes three basic illness narrative types: the restitution story, the quest story, and the chaos story. The restitution story is the most common, culturally accepted, and socially preferred illness narrative. Its narrative follows "getting sick, suffering, being treated, and being restored to health" (200). This narrative shows confidence in the treatments, the medical

TABLE 1.

TYPES OF DATA SOURCES

Source	Types of data	Purpose of usage
Non-participant observation in ProConsumer lectures	Field notes (23 pages), booklets, leaflets/guides, and support material for over-indebted consumers (19 pages)	Obtain access to, knowledge about, and intimacy with over-indebted consumers' contexts and challenges
In-depth interviews with over-indebted consumers	37 interviews (transcribed verbatim, 635 single-spaced pages)	Understand debtors' motivations, narratives, trajectories, lived experiences, and consumer meanings
In-depth interviews with counselors/experts	Three interviews (transcribed verbatim, 36 single-spaced pages); Lectures, presentations, and statistics (78 single-spaced pages)	Understand the perspective of specialists and experts to complement the views of consumers
Non-participant observation with Debtors Anonymous	60 testimonials (78 single-spaced pages), field notes (5 single-spaced pages), program orientations to debtors (22 single-spaced pages)	Understand debtors' motivations, narratives, trajectories, lived experiences, and consumer meanings
Participation in events related to credit and over-indebtedness	Eight events, seminars, and roundtable field notes (10 single-spaced pages)	Increase the understanding of the market contexts and the perspective of market players
Secondary data	21 reports (685 single-spaced pages); Ten booklets, manuals, articles, and leaflets about credit, debt, over-indebtedness, and regulation (677 single-spaced pages); a documentary on consumer over-indebtedness (video and 10 single-spaced pages of verbatim transcript)	Enrich the understanding of consumers and experts; analyze statistics and triangulate among various sources of data; gain the perspective of consumer protection agencies and market players

TABLE 2.

PROFILE OF PARTICIPANTS

Name	Age	Gender	Education	Occupation	Marital status	Children	**Social position ([a])**	Debt/current monthly income estimated	Recent income variation	Length of time with problem debts (years)
Caroline	46	Female	Bachelor's	Public employee	Married	1	High middle class	7×	Same	20
Rick	28	Male	Bachelor's	Parking lot operator	Married	2	Low middle class	9.5×	Decreased	7
Robert	32	Male	Master's degree	Intern	Single	0	Average middle class	2.6×	Same	15
John	48	Male	High school	Cook	Married	0	Low middle class	2.8×	Same	1.5
Russel	64	Male	Doctorate	Professor (retired)	Single	0	High middle class	11.9×	Increased	11
Louis	23	Male	Bachelor's	Uber driver	Single	0	Lower class	10.7×	Increased	6
Paula	41	Female	Bachelor's	Auditor (unemployed)	Married	0	High middle class	21×	Decreased	1.5
Claire	55	Female	High school	Realtor	Widowed	2	Low middle class	34.5×	Same	8
Sandra	59	Female	Bachelor's	Administrator (retired)	Divorced	2	Low middle class	53.6×	Decreased	3
Luke	44	Male	High school	Small business owner	Married	2	Average middle class	2.5×	Same	3
Mary	56	Female	High school	Assistant nurse (retired)	Married	0	Average middle class	18×	Same	1.5
Raimond	72	Male	High school	Metallurgist (Retired)	Married	4	Low middle class	23.7×	Same	10
Philip	42	Male	Bachelor's	Uber driver & realtor	Single	0	Average middle class	15.2×	Decreased	2
Angela	42	Female	Post-graduate	Nurse & administrator (unemployed)	Married	0	Average middle class	–	Decreased	1
Neil	56	Male	Bachelor's	High school teaching coordinator	Married	0	Average middle class	2.6×	Same	4
Evan	45	Male	High school	Former salesperson (disability pension)	Married	3	Average middle class	4×	Decreased	1
Ellen	49	Female	Post-graduate	Pedagogue & entrepreneur	Married	1	Average middle class	22.2×	Same	2
Owen	65	Male	Bachelor's	Public employee (retired) & entrepreneur	Married	1	High upper class	8.2×	Same	3
Joe	47	Male	Bachelor's	Former marketing manager (unemployed)	Married	0	Low upper class	8.8×	Decreased	1
Faith	56	Female	Bachelor's	Occupational therapist	Divorced	0	Low upper class	10.8×	Same	4
Adam	45	Male	Bachelor's	Industrial chemist (unemployed) and martial arts instructor	Single	0	High middle class	12×	Decreased	2
Daisy	36	Female	Bachelor's	Legal intern	Single	0	High middle class	2.9×	Same	4
Naomi	65	Female	Bachelor's	Institutional relations consultant (retired)	Divorced	0	High middle class	5.1×	Decreased	2
Garret	46	Male	Bachelor's + Specialization	Engineer	Married	1	High middle class	3×	Decreased	3
Fabio	29	Male	Bachelor's	Sales manager	Married	3	Average middle class	40×	Decreased	1
Valerie	49	Female	High school	Unemployed (disability pension)	Single	0	Low middle class	41.2×	Decreased	5
Lucy	37	Female	High school	Uber driver (former auditor)	Married	1	Low middle class	16.6×	Decreased	2
Ed	71	Male	High school	Military (retired)	Married	3	Average middle class	21.7×	Decreased	4
Carly	51	Female	Bachelor's	Administrator	Married	1	Low middle class	60×	Decreased	5
Farrah	55	Female	Doctorate	Architect	Divorced	0	High middle class	18×	Decreased	4
Fae	51	Female	Bachelor's + specialization	Marketing manager (unemployed)	Married	0	Low upper class	5.1×	Decreased	1
Marlon	38	Male	Bachelor's	Freelance journalist	Single	0	Average middle class	20×	Decreased	2.5
Cecilia	57	Female	High school	Realtor (unemployed)	Divorced	2	Average middle class	–	Decreased	1
Anne	40	Female	Bachelor's	Psychologist & secretary	Single	0	Average middle class	15×	Decreased	4
Marlene	61	Female	High school	Pensioner	Widow	1	Low middle class	6×	Same	10
Ella	59	Female	Bachelor's	Arts/design painter	Divorced	2	Lower class	6.25×	Decreased	0.5
Emily	78	Female	High school	Accountant (retired)	Single	0	Lower class	9×	Decreased	4

[a] Kamakura and Mazzon (2016).

system, and the physicians. Restitution stories are optimistic and involve showing control and confidence in improvement (Wong and King 2008). In the quest story, restitution can no longer be imagined. However, there is an acknowledgment of some learning in the process. There is a recognition of a complicated situation with the illness, but at least it made possible some meaningful learning or change in life. Thus, illness is seen as making possible new qualities for the self or new insights not experienced before. In the quest story, illness is neither accepted nor welcomed but is presented as a quest (Frank 1998). Contrary to the restitution story, which hinges on the ideas of remedy and progress, chaos stories are marked by vulnerability, impotence, and a lack of control. Individuals feel that there is no way out. There is an overdetermination of the situation in which chaos reaches bottomless depths, a condition where troubles multiply and everything seems wrong (Frank 1998, 2013). The syntactic structure of the narrative is based on holes, silences, interruptions, lack of continuity, and repetitions. A chaos narrative is, in some ways, a non-narrative, a non-story (Frank 1998). A coherent narrative requires past, present, and future, but chaos narratives lack any pursuit of purpose or sense of future (Frank 1998). Other characteristics are the emotional battering and consequent suffering of individuals, making chaos stories challenging to hear and anxiety-provoking (Frank 1998, 2013). Frank (1998) observes an "unmaking of the person's world" in which the disembodied subject of the story loses subjectivity almost entirely. The individual immersed in chaos is overwhelmed by the present and the immediate. The story of chaos cannot be told from within chaos, only retrospectively (Frank 1998, 2013).

We conducted a hermeneutic, iterative analysis of the data (Spiggle 1994; Thompson 1997). Initially, the materials, field notes, and transcripts were read entirely, and then an intra-textual analysis was conducted. Each interview was examined individually to understand each participant's experiences and narratives. In the second stage, we conducted an inter-textual analysis of all interviews and triangulated the data from the different data sets to find common emerging themes. We analyzed how each informant's data separately related to the whole in continuous part-to-whole interaction with the various sources of data (Thompson, Locander, and Pollio 1989). We then set out to iterate between data and literature and coded the data based on the theoretical framework of chaos narratives (Frank 1998, 2013). Emergent themes were challenged continuously until a final interpretation was reached through multiple iterative movements between theorization and re-readings of the data.

FINDINGS

As the study progressed, we detected a persistent narrative of consumers losing control of their debts and lives over time. With increasing indebtedness, they took more risks, underestimated and did not manage them successfully, lost control, and reached over-indebtedness. The most common expressions used by consumers were "snowballing" (or the variant "spiraling") and "hitting rock bottom." Consumers' perception of losing control can happen gradually or suddenly (when problems escalate quickly), but losing control occurs in an evolving downward trajectory. The findings are organized in a diagram, exhibited in figure 1, with three layers that occur in parallel: "Motivations, Events and Factors," "Transition Stages," and "Consumer Identity." In the first layer, we show the initial consumption motivation, the precipitating events, and the aggravating factors. We show consumers starting to use credit and then precipitating events that trigger situations of risk and vulnerability. Some control may still be possible (e.g., consumers who become insolvent for a brief period but can pay their debts later). Then, additional factors aggravate the consumer's status quo. Events can precipitate simultaneously, overwhelming consumers unprepared for this challenge. Consumers start to feel the effects of stigma, resulting in some inaction that can often paralyze them in their attempts to solve their problems. They may also ponder whether they are still in control and deny to themselves (and others) the complexity of such a condition. To avoid insolvency, they frequently try to solve the problem with more debts, renegotiating to postpone the payments. In the second layer, we show consumers' experience with escalating risks ("spiraling down") and the transition stages from in-control (order stage) to out-of-control (chaos stage). When consumers are out of control, they critically undergo a chaotic experience that compounds the problem in which increasing risks relate to increasingly negative consequences. In the third layer, we document how consumer identity evolves throughout the trajectory. The findings, condensed in the diagram, explain how consumers make mistakes, misperceive and mismanage risks, and fail to manage them successfully.

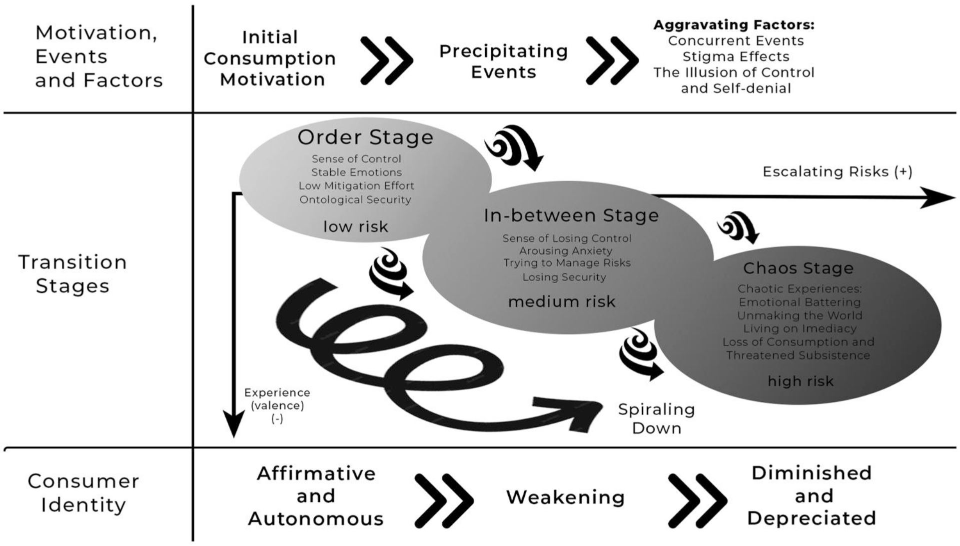
Initial Consumption Motivation (to Obtain Credit) and Precipitating Events

The initial use of credit pushes consumers toward risky situations. Participants describe multi-causal reasons for obtaining credit and then precipitating events collaborate to increase the risks. A prevalent reason is income loss or decrease, mostly unexpected and unpredictable, related to sudden unemployment or contract losses for freelance workers. Philip, for example, lost his fixed-term job as a teacher and found only temporary freelance jobs receiving a tiny fraction of his previous income:

> It is a cycle of unemployment. I left my job because my contract expired. I used to teach in a technical school . . . and that was a moment when the crisis was already a bit

FIGURE 1.

THE EXPERIENTIAL TRAJECTORY OF LOSING CONTROL OF ESCALATING RISKS



> harsher... So, at that moment, I looked for other solutions, which did not work. (Philip)

As in retirement, income loss could have been anticipated in some cases. Nevertheless, in cases where participants do not plan well for the loss, they rely on credit to restore their income. Unexpected expenses associated with life events such as illness, death in the family, or divorce also trigger indebtedness. Angela had to borrow money to help her husband pay alimony to his former wife and their son and help him with unexpected health expenses.

> I didn't become over-indebted because I wanted to go to the mall and buy a Louis Vuitton bag, do a lot of shopping, shoes, clothes, and travel. I became over-indebted because I had to help my husband pay for alimony, or he would go to jail. I became over-indebted because I had to buy medicine. I became over-indebted because I had to pay house bills, water, electricity, and telephone bills. I became over-indebted, and I had to make ends meet. (Angela)

Angela feels terrible about her current situation. She understands she had a sudden necessity, and the only option readily available in this emergency was to use credit. Consumers generally do not have emergency savings. When they do, such savings are limited and are quickly spent. We also identified situations of borrowing/lending amongst family and friends (Cordeiro, Wong, and Ponchio 2019). Some participants acquired credit for student loans for themselves or family members and for purchasing or improving their houses with unsecured credit. Other participants made decisions about life projects that were unsuccessful or regrettable or managed their money by intuition without a controlled budget. Some participants also engaged in excessive spending and consumption, as Louis and Joe describe:

> I've been shopping on impulse. Like, I felt like I wanted to do something and said to myself: "Oh, yeah, you only live once." (Louis)
>
> I spent more money. Because I had a lot of free time, then I started consuming. I started having lunch in restaurants to talk to people, and I started dining out as well. (Joe)

Their expenses grow unnoticed, eventually leading to a budget deficit. Some participants reported a tendency toward impulsive buying (as Louis), but only three reported being compulsive buyers (O'Guinn and Faber 1989). Four of our participants who were small entrepreneurs (or economically dependent on a family entrepreneur) reported having experienced business failure or bankruptcy. Taken as a whole, the reasons for starting to use credit (or continuing to use it) and the precipitating events are multicausal, diverse, and sometimes uncertain and unpredictable, showing the complex nature of consumer risks. Nevertheless, at this point, the risk still seems manageable to most participants.

Aggravating Factors

In the progression of losing control, consumers migrate from low to increasing risk levels. Over-indebtedness is not characterized by short-term insolvency but by persistent difficulty in paying the bills and the experience of debts as a heavy burden. One pattern of credit use identified is the accumulation of different kinds of debts leading to overcommitment. Consumers try to avoid insolvency, which they fear, and the stigmatized position of being over-indebted. However, they are postponing and increasing the problem for the future. Our data showed less use of secured credit, such as mortgages and car loans, and the predominance of high-cost, short-term, unsecured credit, such as credit cards, consumer credit, cash loans, and overdrafts. This pattern of accumulation can also occur straight to high-cost or from low-cost, such as borrowing from family and friends or payroll loans ("crédito consignado," low cost in Brazil), to high-cost types (credit card revolving, overdraft, or loan sharks, for example). These patterns aggravate the risks, transforming short-term debts into enduring over-indebtedness. Critical factors that move consumers to higher levels of risk are multiple concurrent events, the effects of stigma, the illusion of control, and self-denial.

Multiple Concurrent Events. The simultaneous occurrence of multiple precipitating events contributes to the aggravation of consumers' risk situation. It often includes unexpected events that generate an adverse economic shock (Aristei and Gallo 2016; Patel et al. 2012). As in John's report:

> It started with the construction. I bought the land and began the construction, and everything was going okay. Everything was fine; I took a loan and paid it back. Then, I took another loan. Then, a year and a few months later, my partner got sick and had to leave his job, so I was alone [paying back the loans], and the debt was made considering both of us' income. But then I had to pay for it alone. (John)

John's partner suffered from a chronic disease and lost his job because he could not work anymore. Thus, the couple lost part of their revenue stream and began facing medical expenses. After a short time, John's father-in-law also became sick, and John and his partner had to help him with additional medical costs. These findings show the complex and multifaceted nature of over-indebtedness, with no single set of factors (e.g., economic, situational, or psychological) sufficient to explain it (Stone and Maury 2006). Another participant, Farah, lost her job as an assistant professor of architecture, lost some of her contracts as a private architect, and divorced. In addition, she did not manage her budget well and reported a tendency toward occasional overconsumption and impulsive buying. Multiple events occurring in parallel aggravated the risks for both John and Farah. Consumers face uncertainty in the form of unanticipated events out of their control and thus fail to manage risks. It reinforces the complex, ambiguous, and unpredictable nature of risks taken.

Stigma Effects. Stigma plays a significant role in the process of consumers facing escalating risks. Stigmatized individuals can be seen as different from the perceived norm and devalued (Dovidio, Major, and Crocker 2000; Mirabito et al. 2016). This can aggravate the risk, making consumers feel ashamed, paralyzed, and less prepared to develop successful coping strategies. Participants of this study are strongly marked by shame and attempt to hide the problem from family, friends, and others while trying to solve it on their own, without any support from their social circle or specialized professionals. Commonly, they try to hide their problems because they are afraid of being criticized, of facing conflicts, and of feeling that they have failed to live up to the expectations of family members (Efrat 2006):

> So, I blame myself for having screwed up things at a moment when I didn't need to have done that. Damn, I was 64 and had a good life, a calm one. (And then) to be worn down like this; you don't know what this has done to me. You don't know... First, I couldn't tell anyone, even my girlfriends; I didn't let my brothers know about it. My girlfriends are wealthy. (Naomi)

In addition to hiding her debt problems and not seeking help from family and friends, Naomi blames herself for her bad decisions. Other participants recall hiding their debts for some time before the rest of the family discovered the problem. Rick's mother received collection calls and then told his father and wife that he was facing issues with debts:

> I: Is the most difficult part to tell the family?
>
> Rick: The most difficult of everything is to tell anyone. When the phone rings, when you answer, and it's your phone ... you usually never give only one phone number; you always provide two numbers. And you give your home number, and then, as I have already had a financial problem, it is still more difficult. To err is human, but to persist in error is diabolical. When the phone rang, and they identified it as being from Bank "X," my mother said: "But what is it?" "It's debt." "You can tell them to contact me." Then she told my father. My father: "I can't believe he owes money again. That's why he's been nervous; that's why he's been stressed." Then they told my wife, who said: "He's been really strange lately."

Like Rick, other participants thought people would not understand why they were in that situation and would judge them as wrong, immoral, or guilty. They feared becoming insolvent with a "soiled name" and feeling humiliated, undervalued, and inadequate. Louis, who became unemployed and started to work informally as an Uber driver, shares his concerns over how he could be seen by others (and by society in general):

> Some people don't understand, and some people think it's unacceptable. And some people are more understanding.

> Many people in our society see it as a dirty thing, as something wrong with you, I don't know. They see it as a disease. . . as a chronic disease . . . that you will never get out of that situation. (Louis)

As they are emotionally affected, over-indebted consumers seldom can solve their debt problems alone. While hiding debt from family and friends and not looking for external support, the difficulty increases. Neil explains:

> You don't sleep, you don't eat, you don't relax, you get angry, you don't want to see people, you don't want to talk to anyone. Until you admit, "Oh my God, I need help," you look for all the diverse ways [to solve it] individually because people act individually, and then they get in trouble! Because you don't accept anyone else . . . this is my case. Most people want to solve it alone because you will feel like a failure if you don't. It affects your self-esteem; this affects . . . your anxiety. You must solve it. And then you enter a period of such emotional instability that you cannot make it. And then you do crazy things. You mortgage this, and you sell that, and you take on something else. (Neil)

It is not only the debt itself but the stigma and isolation surrounding it that lead indebted consumers down the spiral of "emotional instability" and bad decisions that plunge their financial and personal situation to the point of crisis. As being over-indebted and insolvent is seen very negatively and unacceptable, consumers try to avoid defaulting:

> Yeah. In the beginning, this was my mistake 'cause I got scared of insolvency, so I was getting new loans to avoid bankruptcy. (Owen)

Owen incurred additional debts to avoid the stigma of insolvency, but the problems increased later. Participants often report entering a snowball or "spiraling of debts." They also commonly renegotiate, decreasing the monthly payments in exchange for an extended repayment period. Whereas this kind of arrangement represents a short-term solution, it postpones and increases the problem for the future with the additional effect of compounded interest rates. Fae also took on new debts to pay for older ones to avoid insolvency:

> We ended up like this, with a lot of loans; we ended up trying to be able to pay everything and not looking for help or taking too long to look for help; that's what happened with me, right? We feel so guilty and even ashamed to be in this situation. I think that's why we, too, people with a profile like mine, demand too much of ourselves and try to pay for everything they must pay. And they rely on the financial system, the account manager, and whoever is onthe other side of the counter. And we feel guilty as if we hadn't managed our resources well, (and) now we must be able to pay. For you not to become insolvent with a "soiled name" because it's shameful. And then you try to renew your loans and pay for everything. And you sacrifice your health, make new loans, and look for further alternatives. You sell your car and apartment and are still in the same situation. To stop paying is shameful, you know? (Fae)

Fae tried to solve the problem alone and postponed seeking support. The effects of stigma contribute to consumers' misperception and mismanagement of risks. Full of anxiety and concerns, the reports from Owen and Fae also show the dynamic and changing nature of the risks they have taken. The original credit they once took, normalized, and socially approved is now a dysfunctional and socially stigmatized debt, harming their well-being.

The Illusion of Control and Self-Denial. Other crucial factors contributing to increased risks are the illusion of control and self-denial. With the illusion of control, individuals tend to consider that their probability of success is higher than it really is (Langer 1975). The risk of over-indebtedness increases with the accumulation of debts. Interest rates, high for short-term unsecured credit, also play a critical role in the speed of debt growth, surprising consumers. Despite this increased risk, consumers' perceptions do not necessarily follow. Louis, for instance, thought he was in control of his debts but had lost control:

> I think it was at that moment that I stopped controlling my expenses. I stopped controlling my expenses at some point and thought everything was under control. And it was not in control at all; everything was already lost. I stopped . . . monitoring the amount (of money) I would make and how much I would have to pay. (Louis)

The illusion of control is a way to misperceive risk. Participants tend to believe that they will be able to solve it later. The report from Louis shows he was inattentive to the progression of increasing indebtedness and, like other participants, described an illusion of control and a feeling of confidence. As Langer (1975) observed, individuals tend to see luck or chance activities as controllable and manageable with their skills. Participants also seem incapable of acting during the debt accumulation process, failing to manage risks, possibly due to the belief that they will be able to solve the problem later, as Ella reports:

> Yes. It's too late because the therapist asks me, "Why did you wait until the last minute to make a decision?" That's it. I waited for too long. I didn't decide with my kids; I didn't decide with the bank; I didn't make a good investment. Otherwise, this money would yield something. I thought I could manage it, but I wasn't. I failed. That's it. (Ella)

Frequently, this process seems to move from the illusion of control to self-denial. Caroline's debt accumulation is taken to the extreme of over-commitment, hampering her from paying any single bill:

> I: So . . . for how long did this. . . For how long have you felt this is a problem that makes you suffer and bothers you?

> Caroline: [pause] . . . I think I started . . . to be conscious of it when I couldn't get money from anywhere else. When I got . . . when they took away all the . . . options from me.
>
> I: But did you know that the debts could reach this level? That they could do all of this to you?
>
> Caroline: No. I always thought it would work. It's unbelievable, isn't it?

A similar denial process, which aggravates the risk situation, has been evidenced in patients with diseases or disorders, as in the case of breast cancer patients who deny illness, resulting in a reluctance to participate in treatments (Phelan et al. 1992). In patients with eating disorders, the denial of illness and attempts to conceal it manifest as a refusal to self-disclose in specific personal contexts (Vandereycken and Van Humbeeck 2008). The perception of Laura, a financial counselor from ProConsumer, provides further insights:

> It is intuition. But the person does not know what it is. All these symptoms and the consequences of over-indebtedness are psychological, social, and family-related, and the person does not predict. Nobody imagines. No way! And nobody knows how to calculate the line at which they will not be theoretically managing that debt anymore and becoming over-indebted . . .. As long as the person can transfer one credit to another and keeps doing it on and on, they still think they are on this side [of the line]. (Laura)

The illusion of control and self-denial show that it is difficult for consumers to perceive, interpret, and manage risks accurately. It is done subjectively in a distinctive way, contributing to the uncertainty and ambiguity of risks. The quote from Laura shows that consumers easily fool themselves into believing they still have a hold of their debt. Moreover, the aggravating factors described here can occur in different combined ways, and consumers are not necessarily aware of their occurrence or their impacts. When they finally figure it out, they are well beyond the point of regaining control.

Consumer Transition Stages (from Order to Chaos)

Table 3 summarizes how consumers progress from stasis to out of control. We theoretically characterize consumers' trajectories in three consecutive, continuous, and overlapping stages: order, in-between, and chaos. In the initial stage (order), consumers face low levels of risk and have a sense that they are in control of the situation. They also feel stable and have their emotions under control. In the In-between Stage, with increasing indebtedness, the risk of becoming over-indebted increases. Anxiety and negative emotions arise, and consumers feel they could lose control. In the Chaos Stage, risks are high and materialize, bringing chronic feelings of no control and a storm of negative emotions, such as stress, shame, guilt, regret, etc. In the Order Stage, consumers feel they are in a situation of regular consumption. If they think they have a problem, this problem is manageable, solutions are available, and they do not require significant mitigation efforts. In the In-between Stage, they sense that issues are escalating and try to manage and mitigate the risks. However, risks are already relatively higher than before, and consumers are affected by the precipitating and aggravating events. Despite all their efforts, they are not successful in managing risks. Sometimes, they dedicate much effort and struggle to overcome the problem but remain unsuccessful. When they feel that risks are overwhelming, they fail to manage them, and when no more options are available, they reach the Chaos Stage. They think they are definitively defeated and become paralyzed, most of the time giving up remaining trying to overcome the situation. Consumers lose their ontological security in transitioning from order to chaos. This stable mental state comes from a sense of continuity for the events in their lives (Giddens 1991). In the Order Stage, in which ontological security is present, consumers can give appropriate or acceptable responses to their problems. After first attempts to deal unsuccessfully with their problems, with a sense of losing control and increasing anxiety, they lose the original

TABLE 3.

CONSUMER TRANSITION STAGES

	Order stage	In-between stage	Chaos stage
Level of risk	Low	Medium and increasing	High
Consumer sense of control	Sense of control	Sense of losing control	Chronic feelings of no control
Emotions	Stable and under control	Anxiety arousing	Storm of negative emotions
Perspectives of solution	Available	Trying different options to solve the problem	No more options seem to be available
Consumer efforts	Low	Medium to High (Struggling to solve the problem)	Low (Passivity and giving up in the face of failure)
Risk management and mitigation	Low mitigation efforts (no perceived need to mitigate)	Trying to manage and mitigate risks (unsuccessfully)	Failing to manage risks effectively
Ontological security	Present and Stable	Sense of Losing Security	Mostly lost (existential anxiety)
Consumer identity	Affirmative and Autonomous	Weakening	Diminished and depreciated
Metaphor	Order	Snowballing	Rock Bottom

security in the In-between Stage. Then, in the Chaos Stage, with intense feelings of powerlessness and stress, they lose their ontological security, no longer having a positive view of self, the world, and the future. As we will explain in deeper detail in the next section, in this transition process, consumer identities are also transformed from affirmative and autonomous in the Order Stage to diminished and depreciated in the Chaos Stage. Three metaphors reported often by participants can help us explain each of the stages: "order," "snowball," and "rock bottom."

We observed whether the trajectories of consumers facing risks due to actions mostly within their control (e.g., buying a new pair of shoes, overconsumption) differed from those of consumers facing risks primarily out of their control (e.g., job loss, healthcare event). A difficulty in finding a difference here is that events within and out of participants' control may occur together (multiple concurrent events). Our data show that these trajectories can start differently, depending on the initial motivation to obtain credit and the precipitating events. However, despite potentially different starts, the trajectories tend to unify in the aggravating factors, chaotic experiences, and diminished identities. To a greater or lesser extent, all participants face escalating risks and experience migration from some form of order to some level of chaos. Multiple concurrent events, stigma effects, the illusion of control, and self-denial tend to happen to all participants to a greater or lesser extent.

Chaotic Experiences

At some point in increasing indebtedness, which varies according to the individual but typically coincides with the aggravation of financial challenges, our participants perceived that they had lost control of the situation and migrated to chaos. Frank (1998) affirms that chaos stories presuppose a lack of control and give the sense that no one is in control. Building on Frank's conceptualization of chaos narratives, we shed light on the lived chaotic experiences of our participants, evidencing four key elements of these experiences: (1) emotional battering, (2) unmaking the world, (3) living on immediacy, and (4) loss of consumption and threatened subsistence.

Emotional Battering. When consumers finally perceive that they have lost control of their debts and are migrating from an ordered existence to a chaotic one, they report a barrage of negative emotions. Their well-being is severely affected, and they look at the past with regret, resentment, and self-blame, criticizing themselves for some of the things they have done. They feel oppressed, scared, and threatened, sometimes sinking into despair and panic. In his development of chaos narratives, Frank (1998, 2013) explores the emotional battering and consequent suffering of individuals, which makes the stories challenging to hear and anxiety-provoking. Angela shows her extreme suffering in despair:

> I've even considered killing myself. I often felt despair in my house; I've broken many things out of desperation. I haven't been able to sleep at night; I wake up in the middle of the night with my heart racing because of those matters. Isn't it damaging me? (Angela)

Angela is an unemployed nurse who had to obtain credit to pay for sudden health costs incurred by her husband, who was also unemployed then. She comes from a family that considers it unacceptable to be over-indebted and insolvent. The consequences can be severe: she is not the only participant admitting to having contemplated suicide. Immense fear and anxiety permeate the entire process. They fear creditors, collectors, phone calls, being criticized by others, having their accounts debited by the banks, losing their houses and properties, going to court, or even going to jail. They also report feeling ashamed, frustrated, humiliated, and vulnerable, crying very often, all through an emotional process marked by pessimism, negativity, sadness, depression, and grief. Scholars have shown the association of indebtedness and insolvency with anxiety and mental health problems (Drentea and Reynolds 2012; Richardson et al. 2013). Several studies also report associations between debt and depression (Reading and Reynolds 2001; Richardson et al. 2013; Turunen and Hiilamo 2014). One participant defined the process as a "psychological disaster." For Philip, long-lasting unemployment and consequent over-indebtedness and insolvency led him into a state of depression, as he lived a very constrained, complicated life.

> You get kind of depressed; you become a little more down. That idea of sometimes wanting to do something and not being able to do it, not having the money. Yes, it's awful. (Philip)

Some participants occasionally report feeling angry, aggressive, and full of rage and self-destructiveness, which can sometimes lead to suicidal ideation. Prior research in health sciences has already found evidence of the association between indebtedness and suicidal attempt and completion (Richardson et al. 2013; Turunen and Hiilamo 2014), as well as with problem drinking, drug dependence, and neurotic and psychotic disorders (Richardson et al. 2013). Rick describes being emotionally battered to such a point.

> At first, I cried alone; I said, "I think now I'm at the end." And then, you . . . can't see anything positive in your head. You think about shit. But among them, I believe that thinking about killing yourself is worse. It's worse because you are gonna leave behind a bigger problem. (Rick)

As Rick is his family's breadwinner, he reflects on the harmful consequences that his death could generate for his spouse and two young sons. His contemplation of being "at the end" reveals the despair and hopelessness his financial woes have upon him.

Unmaking the World. The life and world of over-indebted participants in the middle of chaos start to fall apart. They experience a sequence of losses, evaporating certainties, and deteriorating circumstances. The original financial problem spreads out to other life domains, like metastasis. Besides physical and mental health issues, family conflicts and social isolation are prevalent among family members and between the family and the outside world. Professional life can also be affected negatively. Problems related to over-indebtedness assume a centrality in the life of the participants, becoming inexorably entangled with the different pillars of their lives. This experience reflects what Frank (1998) denominates as an "unmaking of the person's world." There is an overdetermination of the situation in which chaos goes down to bottomless depths, where troubles multiply, and everything seems wrong (Frank 1998, 2013). All participants followed a downward trajectory during the process of over-indebtedness. Louis, for instance, left a job where he was unhappy and had difficulty finding another one. He had not told his girlfriend and parents about his over-indebtedness because he feared rejection and criticism. He became an Uber driver to find a new source of income after unemployment. His experience reveals a subsequent life deterioration that keeps worsening until it reaches rock bottom:

> Suppose I could separate every six months, like, to analyze each semester. I got worse, worse, and worse until the moment when I found myself at rock bottom. (Louis)

Robert's experience shows the deterioration of the entire lives of his indebted family:

> If my parents could make ends meet, and if they didn't have to ... if they were independent financially, I could live my life in my place. Of course, these are thoughts (that I have) in my moments of most significant resentment and selfishness. I know that nowadays, I can't think this way; otherwise, life becomes impossible. But in the moments of greatest frustration, and being sincere with you, it causes me frustration, tiredness, and anger ... the worst possible things. I'm telling you this without any reservations ... including in some moments, more extreme moments, I have already said this kind of thing to them. It was very ... there are times when you can't stand it; the resentment makes you put these things on the table. "I don't want to be here," I have already said this to them. Then ... you can imagine, for my father, this has caused strong internal anguish. Now, for my mother, this is very evident. For my mother, who used to be extremely social and family-oriented, frustration with life in general, and with what family life has become is permanent, permanent. (Robert, 32, intern, representative of his indebted family)

After a lengthy career as an employee of a big company, with a good salary and excellent financial situation, Robert's father was fired and started a small company. A few years later, his company went bankrupt, and Robert's father, who was once the family breadwinner, became over-indebted. After many family conflicts, Robert's mother became depressed and developed a panic disorder through this traumatic process. Robert's report reveals the decay and disintegration of his family's life: what was once a happy family is now full of resentment, sadness, isolation, and frustration. Risks faced by the family spread out to dominate different arenas of its lives.

Living on Immediacy. The individual immersed in chaos is overwhelmed by the present and the immediate (Frank 1998, 2013). Russel exemplifies a situation of a present beset by lasting pain, preoccupation, and worries:

> These last two years were really painful. Very painful. Because that was something that appeared in peaks of preoccupation, and suddenly, the anxiety became permanent. (Russel)

No participant claimed not to want to pay their debts, despite normally disagreeing with the exact amount owed, which was always overestimated in their opinion. However, their obligations are already extremely high when they try to pay, mainly due to the effects of compounded interest rates for more extended periods. Such is the case with Ella:

> I want to pay the amount of the debt. If they take a look and calculate the debt amount and say, "Look, the loan amount was R$20,000," I would pay R$20,000. We could think of some additional interest rates or something else. But not R$47,000 and not R$80,000. (Ella)

They may borrow from family and friends, renegotiate with creditors, cut expenses, and generate additional income, but they are mostly unsuccessful. They struggle, but they do not find a way out. After snowballing, they report reaching rock bottom. They enter an endless present in which all their attempts are frustrated. The experiences of Paula and Sandra show the existence of a present plagued by worries and no plans for the future:

> Today, I only think about paying what I owe. (Paula)
>
> My preoccupation with debt consumes 99% of my time. 99% because there are no thoughts other than debts. In the mornings, nights, and dreams. There are no other thoughts. (Sandra)

As the problem is perceived as impossible, consumers are overwhelmed by this excess of the present and rarely think about the future with any good perspective. Most of the time, they report that they only want to get out of their situation. There are references to the past, remembered with regret, guilt, and self-blame, but their narratives are mainly about this disturbing and lasting present. A coherent narrative requires past, present, and future, but chaos narratives, with their holes, silences, and interruptions, lack any pursuit of purpose and any sense of future (Frank 1998, 2013).

Loss of Consumption and Threatened Subsistence. Over-indebted consumers typically have a budget with a deficit in which all their commitments are higher than their earnings (when existent), and thus, they cannot pay all their bills. They start to cut their expenses to balance their budgets, but most start doing so when it is too late. Even after drastic cuts to their expenses, the deficit remains. They must adapt to a new living standard that precludes leisure, compensatory, or superfluous consumption. Consumption can be a way in which consumers exercise some form of control, and it can work as an anchoring mechanism for them to cope with threats and uncertainty (Pavia and Mason 2004). Over-indebted consumers lose this mechanism of control and the pleasure associated with it, often experiencing a life bordering on subsistence. Usually, due to insolvency, they lose access to credit products, such as credit cards and overdrafts, making things even more difficult. Marlon shares his constraints in adapting to a new life of decreasing living standards:

> And what else? It was common. This is one thing; what I have done is very subtle. My lunch: I used to have lunch in the same café with a "dish of the day" that cost me some twenty-something bucks [Brazilian real]. And [as] things were becoming more complex, I had to change, and nowadays, my lunch is a juice in a smaller cafeteria that will cost me eight bucks. Then, what do I say? I am exchanging. I have this small dinner made of fruit juice at lunchtime, and I cook myself a complete meal at dinner. Why? I do it to save money because my living standard has been falling. When I moved to the city, I used to enjoy it; at least once a month, I used to do something cool, like going to a museum, a theater, or a nice restaurant, but currently, I don't do it anymore. (Marlon)

Marlon is a journalist who used to work in website content development with two other partners. Their small business started to lose revenue due to market competition, and the partnership fell apart. Then, he began to work as a freelancer with a much lower income. He currently has five credit cards in rotation (i.e., being insolvent in some of them) and uses overdraft money from his bank account, all with high interest rates. He still has the financial support of his girlfriend and mother, but he fears that his over-indebtedness could also reach them. Even after cutting all possible expenses, he has a deficit in his budget and had a drop in his standard of living. He says his "life became sadder and emptier." His case is consistent with the evidence in the literature of a decline in spending after financial difficulties, a reduction in well-being, and increased poverty (Gutiérrez-Nieto et al. 2017; Kukk 2018) . Mary, for example, suffered a decrease in income after her retirement because she lost the extra shifts she used to work. At the same time, she borrowed money to buy a machine for her current partner to work on. However, the machine is not working, and her partner is not generating revenue to pay her back.

> I don't even have money to buy a pair of glasses [or] fix my teeth. My tooth is broken. I don't have money; I only pay bills. I live to pay the bills. (Mary)

Mary now must pay the living costs for both her and her partner, the loan payments for the machine, and other related expenses. She says this situation is leading to a potential divorce. In addition, she has had to take care of her sick father in another city for two years. All of this has made her experience with over-indebtedness one of the absolute restrictions to the most basic consumption levels. The possibility of acquiring goods, services, and experiences is an integral part of the identity projects of contemporary consumers, and lacking these resources can exacerbate marketplace stigma for them (Arnould and Thompson 2005; Mirabito et al. 2016). The consumption of possessions and experiences can also be a way of coping with life-challenging situations (Pavia and Mason 2004). However, in the case of participants in this study, the loss of consumption compounds their chaotic experience. Overall, the chaotic experiences overwhelm consumers and make it much more difficult, if not impossible sometimes, to take rational actions to manage risks adequately.

Escalating Risks

The risks faced by this study's participants differ from those studied before. Prior literature examined risks that were mostly controllable, manageable, and mitigated by consumers. Despite their potential harms, consumers purposely searched for these risks for self-enhancement. Before these risks were faced, consumers engaged in extensive planning and training to exert control and obtain pleasure. These risks were transformed into something desirable that could allow consumers to perform risk management with their skills successfully (Barnhart et al. 2018; Celsi et al. 1993; Drenten and Zayer 2018; Thompson 2005; Thompson and Üstüner 2015; Wong and King 2008). Contrary to previous scholarship, the risks examined in our study overwhelmed and defeated consumers. Our participants did not plan or train to manage risks that surprised them and caused adverse consequences. The nature of these risks is one reason consumers fail in their risk management efforts. Participants took and managed risks unsuccessfully in a highly dysfunctional and disempowering process. Contrary to prior scholarship, consumers did not successfully navigate these serious risks as part of identity construction.

Thus, based on what emerged from the data, we propose the concept of *escalating risks*: those that can grow, surprise, overwhelm, and affect consumers in unintended and negative ways. Based on the data analysis and inspired by prior research on risk, we characterize escalating risks with some conditions. They are (1) *complex*, in that they are multi-causal and threaten multiple adverse effects; (2) *dynamic* due to their changing nature, transforming from normalized and socially approved risks into dysfunctional and socially stigmatized risks, and revealing themselves to consumers gradually through a continuous process; (3) *ambiguous* because they are uncertain, difficult to interpret, and subjectively perceived; (4) *unpredictable* due to their capacity to increase and transform, which makes an accurate assessment of both the adverse outcomes and their probabilities of occurrence almost impossible, and requires consumers to improvise using limited information and a semi-reliable memory; (5) *severe* due to their potential harm to well-being (Campbell et al. 2020); (6) *metastatic* due to their capacity to spread out to different risk arenas and life domains; and (7) *psychologically close* due to their proximity to the person experiencing their effects and the felt involvement (Campbell et al. 2020).

Spiraling Down versus Edgework

It is well documented in the literature the phenomenon of edgework in which individuals demonstrate their ability to maintain control over a situation that verges on chaos, enhancing themselves based on their risk management skills and acquiring a heightened sense of self and omnipotence, self-determination, and self-actualization (Celsi et al. 1993; Drenten and Zayer 2018; Thompson and Üstüner 2015). Whereas successful edgeworkers demonstrate the agility to control a situation that borders on chaos (Lyng 1990), most over-indebted consumers cannot edge out of their chaotic life experience. In a counterpoint to the concept of edgework, we propose the concept of "spiraling down with escalating risks" to describe what happens to over-indebted consumers. It implies that individuals misperceive and mismanage risks, unsuccessfully negotiate control, and migrate from order to chaos. This process also involves substantial life deterioration and a sense of frustration, despair, shame, guilt, isolation, and personal failure, among other negative feelings and emotions. In edgework, consumers knowingly seek and prepare for risks, performing and learning to be risk managers. In contrast to edgework, individuals spiraling down with escalating risks take risks in an unplanned way and underestimate them with the illusion of control and self-denial. They do not show the skills to mitigate them successfully and, as such, cannot negotiate the boundaries between order and chaos. They reach chaos, become overwhelmed, and are highly unsuccessful in their experience with risks.

Diminished Identities

The stigma associated with over-indebtedness, the chaotic experiences, the adverse psychological effects, and the harm to personal well-being strongly affect consumers' identities. The emotional battering, the life deterioration, the social isolation from family and friends, all the losses on consumption patterns, and the countless other difficulties they face make them ashamed, vulnerable, and constantly depressed. They feel "inferior," "isolated," "undervalued," "diminished," "excluded," "inadequate," and "humiliated." The downward trajectory they experience takes them to rock bottom, where they feel the despair of not being able to get out. The consequences are severe, and their identities are diminished and lowered to a more negative, "failed" version of themselves, as in Neil's report:

> You become like this; you feel like a failure. You lose your self-esteem, and you start to underappreciate yourself. "Oh, I don't . . .," you begin to . . . start not paying attention anymore; you isolate yourself, you know? It is a process of self-isolation. You focus so much on [the over-indebtedness] that you forget about other things. When you perceive that it is not only you anymore, when you perceive that alone you don't have this autonomy anymore, you look for support. But then you are already emotionally destroyed; you are being . . . you have already gone to the psychiatrist, you had to, you must be medicated. (Neil)

Neil, a teaching coordinator for a public elementary school, remained for 4 years without any increase to his salary during a time of considerable inflation. He and his wife did not adjust their expenses and standard of living, and it took a long time to recognize the problem and seek external help. Living on immediacy and experiencing emotional battering and self-isolation, he perceives lacking self-esteem and developing a devalued identity as one of personal failure. Caroline shares a similar experience:

> I feel like I . . . I . . . I failed. Failure. I feel like a failure. I don't show it to my dad, mom, or husband. They think I am strong, but I am collapsing. (Caroline)

Participants like Caroline do not feel they have only failed to pay their debts; they think they have personally failed in life, and thus, their whole identity is affected. It is a loss of dignity. Caroline suffers alone, in isolation, feeling that she has fallen short of her family's expectations. A quote from Debtors Anonymous (the Brazilian website) shows some of these impacts on consumer identity:

> When we participated in our first meeting of DA, we were lost for so many losses: loss of salary that was swallowed by debts and compulsive spending, loss of faith, loss of self-respect and peace of mind, loss of friendships, sometimes loss of health, job, and family. Many of us were looking for the support of individuals or organizations, but we always felt as if nobody could understand our problem. Our loneliness made us more and more introspected in ourselves. We lost vitality and interest in life. Many of us got to the point of becoming paralyzed by fear and lacking courage. We could not work or care for ourselves or our loved ones

appropriately. Some of us thought we were becoming mad, and some thought about suicide. (Debtors Anonymous 2023)

Individuals must reflexively develop their biographies and a coherent narrative of identity (Beck 1992). The chaos narrative of over-indebted individuals is a downward trajectory, a progression of losses marked by increasing risk and forfeiture of control, where problems multiply, and there are no solutions. Individuals cannot either think of a viable future or find a sense of purpose. Altering identity is one of the characteristics of deep illness narratives (Frank 1998, 2013), and individuals strongly fear a diminished self and living a diminished life (Broyard 1993; Frank 1998, 2013). In the end, the identity of the participants suffers from a process of diminishment and depreciation.

Over-indebted individuals are a kind of “flawed consumers” whom Bauman (2007) defined as those “lacking resources that socially approved consumer activity requires” (25). Over-indebtedness operates as a process of downgrading consumers, who have their lives deteriorated and their identities diminished. Flawed consumers can be seen as a collective victim of the “multiple collateral damage” of consumerism and considered an “underclass,” “people without a role, making no useful contributions to the lives of the rest, and in principle beyond redemption” (Bauman 2007, 30). As our contemporary societies engage their members primarily as consumers, people in the underclass are regarded as useless; they are failed consumers because they were unable to “engage in a fully-fledged consumer activity” and instead become “non-consumers” (31). Over-indebted individuals suffer exclusion from the realm of consuming freedom (Marron 2012).

DISCUSSION

This study reveals the lived realities of consumers experiencing the harmful effects of escalating risks, their unknown and unintended consequences, and how their perceptions, behaviors, and identities are affected. It introduces a novel conceptual model—*spiraling down with escalating risks*—that redefines how consumer loss of control unfolds under conditions of financial vulnerability. Our data show how risky consumption can lead to overwhelmed consumers who migrate from ordered lives to experiences of chaos. Participants from diverse socioeconomic backgrounds described their loss of safety, security, and a sense of ordered existence. In this situation, risk mitigation becomes increasingly difficult, if not impossible—especially as risks escalate beyond consumers’ emotional, cognitive, and structural capacity to respond.

How Consumers Try to (Unsuccessfully) Navigate Escalating Risks

This study advances the sociocultural literature on consumer risk by moving beyond the dominant focus on risk navigation and control. First, it uncovers how consumers lose control of risks in a downward trajectory constituted by precipitating events, aggravating factors, and chaotic experiences. In this trajectory, consumers face a lot of uncertainties, and they cannot anticipate events that are out of their control. Impactful adverse events can occur simultaneously; consumers face stigma and can have an illusion of control and self-denial in dealing with risks. Second, this study develops an original typology of chaos narratives that theorizes the symbolic and affective breakdown consumers endure as escalating risks unfold. Together, four experiential dimensions form a conceptual framework that theorizes how escalating financial risks disrupt affect, agency, and identity across the consumer experience. In this process, consumers make mistakes, misperceive risks, and cannot manage and mitigate them successfully. The challenge is that when consumers need to manage risks in their more advanced stages, they are already emotionally battered, vulnerable, and disempowered. Third, we show that risks can escalate in their capacity to grow unnoticed, surprise, overwhelm, and affect consumers in unintended and negative ways. We characterize escalating risks as complex, dynamic, ambiguous, unpredictable, severe, metastatic, and psychologically close. Consumers do not seem to acculturate to these risks and are debilitated in constant personal defeat. Fourth, we propose *spiraling down with escalating risks* as a novel theoretical model that challenges the dominant narrative of consumer risk-taking as agentic and controlled. In contrast to edgework, our model captures how risks escalate and erode consumer autonomy across emotional, symbolic, and material domains. This model articulates how control over risk erodes through compounding and nonlinear forces, capturing consumers’ lives’ emotional, symbolic, and material disintegration. In addition, we establish the consumer transition stages, theoretically, from order to chaos. Fifth, this study contributes to the literature on the relationship between risk and identity. Previous literature examining consumers successfully negotiating the boundaries between control and chaos brings considerable evidence of identity-building processes through risk navigation (Celsi et al. 1993; Drenten and Zayer 2018; Thompson and Üstüner 2015). However, in the context under study, we found the opposite: identity processes lead to diminished identities. We show the severe consequences of loss of control, mismanagement, and misperception of risks on consumer identities. They lose the mythic ideal of autonomy and self-respect that can be regarded as a “primary good” (Henry 2010; Rawls 1971). Their identities suffer from a process of disintegration parallel to their life’s deterioration and chaotic experiences. Their meanings become more abstract over time, leading to a feeling of personal failure in life and an absence of future projects and perspectives.

The Impact of Over-Indebtedness on Credit and Debt Consumption

This study also extends the sociocultural consumer research literature on credit and debt. Bernthal et al. (2005) demonstrate that credit cards can work as lifestyle facilitators in the practices of "achieving" and "coping" lifestyles. Our study examining debt-ridden consumers shows they can get lost in many credit products beyond credit cards. Their lifestyles become restricted and constrained by debt, depriving them of what Bernthal et al. (2005) call the "trajectory of freedom." These authors also theorize that consumers with high cultural capital and adherents of the protestant ethic would tend to remain in the position of achieving lifestyles. However, this study extends their work by showing that risks can escalate, and even disciplined consumers with high cultural capital, who are financially educated, savings-oriented, and have a protestant ethic, can lose control of risks and become over-indebted. The combination of risky consumption, risk-laden unexpected events, stigma, and chaotic experiences can represent traumatic threats to consumers' well-being.

We also extend the work of Peñaloza and Barnhart (2011) on credit/debt consumption, introducing a risk and identity perspective and showing that debts can become unmanageable, and overwhelmed consumers cannot return to their original patterns just by learning their lessons. Debt-ridden consumers face stigma, lose control, and spiral into debt, experiencing traumatic dysfunctionality in not managing their risks successfully. They become overwhelmed by risks, and a fresh start (Price et al. 2018) may not be possible. This study also contributes new cultural meanings relating to credit/debt consumption, such as isolation, exclusion, vulnerability, impotence, and personal failure.

This study also shows that over-indebtedness goes far beyond the issue of impulsive and compulsive buying. Despite the commonalities of the outcomes in the experiences of over-indebtedness and compulsive buying—such as anxiety and frustration, a sense of loss of control, and domestic dissension—compulsive consumption is characterized as pathological, repetitive, normally excessive and ritualistic (Faber and O'Guinn 1992; O'Guinn and Faber 1989. On the contrary, over-indebted individuals do not necessarily have psychological traits of compulsion. In general, they migrate from everyday situations of consumption to over-indebtedness. Hence, while compulsive buyers have a higher tendency to become over-indebted, this research brings additional evidence to Faber and O'Guinn's (1988) observation that "the problem of compulsive consumption is likely to represent only a small fraction of credit abusers" (107).

Over-Indebtedness and Consumer Responsibilization

Most study participants demonstrated a sense of personal responsibility. They started as autonomous consumers obtaining credit in the market and felt responsible for their debts. Contemporary Western-oriented societies value the cultural norms of personal responsibility, control, and self-management, according to which individuals should take charge of their own lives (Fischer, Otnes, and Tuncay 2007; Wong and King 2008). These cultural norms exerted a double-edged influence: they incentivized consumer risk-taking but, at the same time, hindered resolution, as participants attempted to solve their problems independently. Participants, then, were unsuccessful in paying off their debts and, feeling responsible for that, became emotionally battered with feelings of personal failure. Consequently, it became much more difficult for them to recover from problem debts.

Prior research has often approached over-indebtedness by focusing on individual-level antecedents—such as impulsivity, low financial literacy, or poor self-control—thereby reinforcing narratives of personal failure. This perspective tends to overlook the role of creditors, marketing strategies, and structural market dynamics in the genesis and perpetuation of over-indebtedness, contributing to a dominant discourse of consumer responsibilization (Leandro and Botelho 2022). Perceptions of being responsible for one's stigmatized condition can also exacerbate the power of social stigmas (Mirabito et al. 2016).

Research has shown that obligations and responsibilities, such as those surrounding consumer debt, have been shifted from the state and corporations to consumers by dominant discourses (Giesler and Veresiu 2014). The dominant political ideology also influences consumers' opinions and responsibilities (Henry 2010). Responsibility and blame depend on whether the loci of control are considered internal or external (Henry 2010). Academic research with data from a consumer panel conducted in the credit card domain has shown that consumer responsibility beliefs are prevalent when the locus of control is placed on consumers, whereas consumer protection beliefs are stronger when the locus of control is assigned to service providers (Henry, Garbarino, and Voola 2013).

Individuals today can also be held responsible for broader social issues based on their consumption choices (Eckhardt and Dobscha 2019). Dominant discourses of consumer responsibilization require an optimized, rational, and financially literate consumer capable of managing risks effectively (Giesler and Veresiu 2014). At the same time, due to regulatory lag, risks can accumulate in the market as producers create increasingly risky products and consumers adopt them while remaining collectively inattentive and unaware of their long-term consequences (Pellandini-Simányi and Barnhart 2024).

We argue that placing the full burden of avoiding over-indebtedness solely on the consumer entails unrealistic expectations: high levels of financial literacy, constant budget monitoring, psychological resilience in the face of stigma, foresight to anticipate income loss or expense surges, and control over life's uncertainties. Yet, our study shows that over-indebted consumers are often emotionally battered, anxious, depressed, and paralyzed by their circumstances. Anxiety is not a sound foundation for rational action (Beck 1992). As Frank (1998, 2013) argues, individuals cannot enact personal responsibility from within chaos. Contemporary risks are complex, and responsibility and accountability can be difficult to assign (Beck 1992). This study shows that participants rarely overcome the situation on their own. Some are over seventy years old, unable to generate new sources of income, and have lived in debt for many years. They have no alternative but to live out the remainder of their lives over-indebted—trapped in a state of unresolved risk collapse. Their experiences underscore a critical societal failure to recognize that personal responsibility cannot be exercised within chaos.

Implications for Consumers, Policymakers/ Regulators, Government and Creditors

Our findings reveal several structural and behavioral challenges faced by participants:

> (i) most began using credit to meet basic needs or supplement insufficient income, placing them in financial vulnerability from the outset; (ii) due to stigma, many tried to resolve debt problems alone—hiding their situation and delaying help-seeking; (iii) limited financial knowledge, denial, and a misplaced sense of control left them unprepared to manage risks; (iv) frequent income shocks and sudden expenses occurred without sufficient savings to absorb them; (v) emotional distress and chaos, compounded by the lack of psychological support, further undermined their ability to respond; (vi) they were unequipped to navigate escalating risks that were complex, unpredictable, and psychologically destabilizing. The daily realities captured in our study show that consumers face financial uncertainty with limited control, uneven resources, and social isolation. Most lack financial education, consistent budgeting habits, emotional resilience to confront stigma, or the means to absorb shocks without severe consequences.

This study contributes to consumer welfare by introducing the concept of *spiraling down with escalating risks*, which helps consumers—and those who support them—recognize how risks gradually intensify and overwhelm. Making this process visible enables earlier recognition of warning signs, reduces self-blame, and encourages timely help-seeking. It also equips educators, counselors, policymakers, regulators, and creditors with a grounded framework for improving support systems, designing targeted interventions, and developing public policies informed by research. The typology of chaos narratives highlights the emotional and symbolic toll of over-indebtedness, revealing identity-based challenges often overlooked in financial interventions. These insights can inform more compassionate, context-sensitive strategies across education, counseling, and mental health services. Based on our findings, we propose evidence-based recommendations to help consumers recognize, avoid, and manage escalating risks (table 4). While rooted in individual experience, these recommendations underscore broader systemic responsibilities and align with academic calls to promote consumer well-being (Davis and Ozanne 2019; Ozanne et al. 2015).

Our findings provide compelling evidence that placing the full burden of risk management on consumers is unrealistic and ethically problematic, especially when risks are complex, cumulative, and socially amplified. We argue that consumers need at least three sources of external support to overcome the problem: financial advisory, legal, and psychological support. As an additional and original contribution, we integrate interdisciplinary literature to propose, in the Web Appendix, a multi-level framework for action, articulating a continuum of recommendations spanning prevention, mitigation, and rehabilitation—thus broadening the scope of consumer protection strategies. Addressing this challenge requires institutional

TABLE 4.

CONSUMER-FOCUSED INTERVENTIONS FOR MANAGING ESCALATING RISKS

Observed problem (from findings)	Suggested response
Use of credit to meet current needs or supplement income	Avoid relying on credit for subsistence. Use credit only for financially sustainable purposes (e.g., investments with positive returns or essential goods within one's means).
Attempting to solve debt problems alone due to stigma	Acknowledge the issue early. Seek support from trusted individuals and specialized institutions before the problem escalates.
Accepting unknown and unmanageable risks due to a lack of financial literacy and illusion of control	Only take on understandable and manageable risks in the event of negative surprises. Avoid risk under conditions of denial or limited comprehension.
Exposure to unpredictable income loss and sudden expenses without a safety net	Build an emergency savings buffer to absorb financial shocks and reduce dependency on credit in vulnerable moments.
Emotional battering and chaos diminishing consumers' ability to respond	Seek psychological support to rebuild emotional resilience and regain capacity to cope with financial strain.
Being overwhelmed by complex, compounding risks	Engage with legal and financial advisors to navigate institutional processes and access viable solutions beyond individual effort.

engagement and shared responsibility among policymakers, regulators, creditors, and consumers. The severity and social complexity of escalating risks demand systemic responses that go beyond the limits of individual agency.

Limitations and Future Research

This study does not offer a comprehensive account of consumer over-indebtedness. A fuller understanding requires examining how structural and cultural forces interact to shape both credit demand and supply (Braucher 2006). Future research should investigate macro- and market-level influences—including the roles of creditors, collectors, regulators, governments, and intermediaries—in enabling, exacerbating, or mitigating over-indebtedness. While prior work has emphasized individual-level antecedents such as impulsivity, low financial literacy, or poor budgeting, systemic and institutional contributors to financial vulnerability remain underexplored (Leandro and Botelho 2022). Our participants had all engaged with institutional support, having acknowledged their debt problems, overcome some stigma, and sought help. Yet fewer than 20% of over-indebted individuals in the United Kingdom do so (Kempson 2002). Future research could examine those who remain outside formal safety nets—exploring how they manage (or avoid managing) escalating risks and how social isolation, denial, or informal coping strategies shape their trajectories. A longitudinal approach would also be valuable. Like health-related uncertainty, financial distress may unfold across stages—from acute focus on the present to sustained uncertainty to long-term adaptation (Pavia and Mason 2004). While our study captures the first two, many participants had been over-indebted for over a decade or had aged into persistent vulnerability. Further research could theorize how consumers adapt emotionally, cognitively, and behaviorally to this enduring stage of risk collapse. Finally, future studies could apply our model to other high-risk consumption domains—such as gambling, addiction, infertility, plastic surgery, or healthcare—where consumers similarly shift from control to disorientation. These contexts often involve intertwined financial, physical, and emotional risks. In addition, digital lending and buy-now-pay-later platforms deserve scrutiny. Future studies should explore how these technologies reshape perceptions of risk and affordability, drive debt accumulation, and introduce new mechanisms of responsibilization.

DATA COLLECTION STATEMENT

Our primary research site is a public agency specializing in consumer protection, anonymously identified as ProConsumer. It has a program for supporting over-indebted individuals, in which we recruited 37 individuals for interviews and conducted non-participant observation, all with informed consent. We also recruited two employees working on the program as interviewees. In parallel, the first author participated in six 2-hour weekly meetings at Debtors Anonymous (DA) after receiving approval from their Chapter Coordinator. The first author conducted all of the in-person fieldwork himself during subsequent months, in the second half of 2018 and the first half of 2019, in São Paulo, Brazil, under the guidance of the second author, who acted as confidante throughout the process. Secondary data were collected from institutional websites, including the ones from ProConsumer and Debtors Anonymous. The data of interest from websites were printed as booklets and analyzed with all the data. The first and second authors, on multiple occasions, jointly discussed and analyzed the data and materials collected by the first author. Table 1 of the article summarizes all of the data and materials that were collected. This study is part of the Doctoral Dissertation from the first author, supervised by the second author, at FGV-EAESP (Fundação Getúlio Vargas, São Paulo, Brazil). The final ethnography was jointly authored. All materials and data are stored in a project folder at the Qualitative Data Repository ("Data for Article From Order to Chaos JCR"), under the management of the first author. They are also stored in a Dropbox drive and on the first author's personal computer.

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