Bankruptcy Filings in 2010 Continued to Increase but at a Slower Pace than 2009

January 5, 2011 - In 2010, there were 1.55 million new bankruptcy filings. This is the largest number since 2005, when congress made it more difficult for people to declare bankruptcy. Even so, the pace of the increase in bankruptcy filings was down dramatically when compared to 2009.

(function() {
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s.type = 'text/javascript';
s.src = 'http://widgets.digg.com/buttons.js';
s1.parentNode.insertBefore(s, s1);
})();

The number of people filing for bankruptcy in 2010 was up 8% over the prior year. That's a staggering difference from 2009 and 2008 in which bankruptcy filings increased at 32% and 33% respectively over each prior year. In December, overall bankruptcy filings were actually down 3% when compared to the same period in 2009.

While the new trend is good, it is not evenly spread across the country. Thirteen states actually saw year over year declines in the number of bankruptcy filings. This trend was led by Virginia which saw a 10% reduction over 2009 levels. This is probably due to the fact that a large portion of Virginia's economy is tied to federal spending around the Washington, DC area. While the economy has shed millions of private sector jobs since 2008, the government has added more than 500,000 positions. Many of these are located in Washington and many of those employees actually live in Virginia.

Other states, including Hawaii, California, Utah and Arizona continued to see year over year increases in bankruptcy filings. It is no surprise that that some of these states were hit particularly hard in the recession and continue to face high unemployment numbers. For instance, California currently has 12.8% unemployment and had a 25% increase in the number of bankruptcy filings on a year over year basis. Overall, the southwestern states saw the largest increase in the number of bankruptcies while states in the southeast saw declines.

To see how your state did in 2010, take a look at the following list which is organized alphabetically by state:

Personal bankruptcy filings by state

2010 Change from 2009

Alabama

-2.3%

Alaska

13.3%

Arizona

23.9%

Arkansas

0.0%

California

25.0%

Colorado

17.4%

Connecticut

12.5%

Delaware

10.6%

Florida

16.5%

Georgia

6.1%

Hawaii

28.9%

Idaho

8.9%

Illinois

11.7%

Indiana

-1.1%

Iowa

-3.6%

Kansas

2.8%

Kentucky

-2.7%

Louisiana

2.2%

Maine

9.0%

Maryland

15.2%

Massachusetts

13.9%

Michigan

-0.9%

Minnesota

4.5%

Mississippi

-2.1%

Missouri

6.8%

Montana

14.3%

Nebraska

5.2%

Nevada

1.1%

New Hampshire

7.4%

New Jersey

15.3%

New Mexico

8.7%

New York

-0.4%

North Carolina

-2.5%

North Dakota

4.0%

Ohio

0.1%

Oklahoma

5.8%

Oregon

10.2%

Pennsylvania

5.0%

Rhode Island

7.3%

South Carolina

-4.1%

South Dakota

8.3%

Tennessee

-7.2%

Texas

6.2%

Utah

24.4%

Vermont

5.2%

Virginia

2.7%

Washington

9.3%

Washington DC

10.5%

West Virginia

-7.1%

Wisconsin

10.4%

Wyoming

17.3%

byJim Malmberg
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