

BANKRUPTCY BY THE NUMBERS
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GEOGRAPHIC FILING TRENDS: Total bankruptcy filings have increased by about 73% over the last four years. Unlike prior periods when bankruptcies increased, there has been little geographic pattern to the most recent increase.

For example, between 1987 and 1992 the bankruptcy courts experienced a period of increased filings comparable to what has occurred during the last four years. Nationwide, filings were up by 69%, but there were strong regional differences. This is illustrated by separating filing trends within the nine divisions as used by the Bureau of the Census.

Filings were up by 383% in the New England division, and filings in the other states along the East Coast more than doubled. During the same period filings in the Mountain States were up by only about one-third, and the West South Central division had an increase of less than 20%.

PERCENT CHANGE IN FILINGS BY TIME PERIOD

CENSUS DIVISION	STATES IN DIVISION	1987 - 1992	1992 - 1994	1994 - 1998
NEW ENGLAND	CT, MA, ME, NH, RI, VT	382.9%	[-16.5%]	70.4%
MID-ATLANTIC	NJ, NY, PA	162.2%	[-10.8%]	87.6%
EAST NORTH CENTRAL	IL, IN, MI, OH	50.3%	[-17.6%]	79.2%
WEST NORTH CENTRAL	IA, KS, MN, MO, ND, NE, SD	52.8%	[-17.2%]	68.8%
SOUTH ATLANTIC	DC, DE, FL, GA, MD, NC, SC, VA, WV	115.5%	[-13.8%]	83.2%
EAST SOUTH CENTRAL	AL, KY, MS, TN	56.9%	[-13.7%]	54.8%
WEST SOUTH CENTRAL	AR, LA, OK, TX	19.7%	[-15.4%]	80.8%
MOUNTAIN	AZ, CO, ID, MT, NM, NV, UT, WY	33.6%	[-19.5%]	80.3%
PACIFIC	AK, CA, HI, OR, WA	59.4%	[-10.9%]	54.8%
NATIONAL AVERAGE		69.0%	[-14.3%]	73.2%

^{1/} All views expressed in this article are those of the author, and do not necessarily represent the views of the Executive Office for United States Trustees.

The geographic pattern of filing trends largely disappeared after 1992. Between 1992 and 1994 bankruptcy filings decreased by about 15% nationwide. During this period each of the nine Census divisions had a decrease of between 10% and 20%.

For the past four years filings have risen by 73% nationwide. Unlike the 1987-1992 period, there has been relatively little geographic variability in this most recent increase. Bankruptcy filings in each of the nine divisions have increased between 54% and 88% during this time-a much narrower range than existed during the 1987 - 1992 period. Of course, there is still considerable variation in filing trends within the Census divisions. The most notable exception during the last four years has been Hawaii, where filings have increased by 264% since 1994.

Economic downturns do not affect equally all regions of the country. The recession of 1991 had its greatest impact in New England. The U.S. economy has been quite healthy since 1992, around the time that the geographic pattern to bankruptcy filing trends disappeared. The rather uniform rate of increase for the past four years is probably the result of various national phenomena, such as expanded use of credit cards and the movement towards a cashless society. If differences arise in regional economic conditions, they likely will be reflected in regional bankruptcy filing patterns.