

BANKRUPTCY BY THE NUMBERS

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DEMOGRAPHICS OF CHAPTER 7 DEBTORS:

As part of its ongoing research effort, the Office of Research and Planning of the Executive Office obtained a sample of 1,452 recently closed no-asset chapter 7 cases, most of which were originally filed in late 1998 or early 1999. The cases were gathered from 60 of the 84 federal judicial districts served by the United States Trustee Program in proportion to the number of chapter 7 cases filed in each district during 1997. We reviewed the petitions to determine the gender, marital status and family size of each of the debtors. The results are as follows:

	FEMALE (INDIVIDUAL)	MALE (INDIVIDUAL)	JOINT FILING	UNKNOWN	TOTAL
<u>TOTAL CASES</u>	<u>502</u>	<u>428</u>	<u>507</u>	<u>15</u>	<u>1,452</u>
-- MARRIED	74	82	484	-	<u>640</u>
-- SEPARATED	32	29	22	-	<u>83</u>
-- DIVORCED	126	86	1	2	<u>215</u>
-- SINGLE*	241	226	-	13	<u>480</u>
-- WIDOWED	29	5	-	-	<u>34</u>

* It is likely that some of the debtors who reported themselves as single were actually separated, divorced or widowed.

Filings by females and joint filings each account for about 35% of the total, while filings by males accounted for the remaining 30% of cases. About 44% of the debtors were married, 23% were previously married (separated, divorced or widowed), and the remaining 33% reported themselves as single.

There are significant financial differences among the male, female, and joint debtors. Joint debtors have more dependents, much higher combined incomes, higher unsecured debt levels, and are much more likely to be homeowners than either individual male or female filers. Their debt-to-income ratios¹ tend to be a little lower than

¹

individual filers.

Individual male debtors have higher incomes than individual female filers. Individual female debtors are far more likely to have dependents than male debtors. However, one-quarter of the individual male filers reported alimony or child support payments on schedule J of their petitions.

	FEMALE	MALE	JOINT
AVERAGE FAMILY SIZE	2.01	1.51	3.59
PERCENT WITH DEPENDENTS (OTHER THAN SPOUSE)	47.0%	23.1%	75.0%
PERCENT DISABLED OR RETIRED	13.7%	11.4%	9.6%
PERCENT HOMEOWNERS	27.7%	26.9%	51.3%
<u>GROSS INCOME</u>			
AVERAGE	\$19,716	\$23,928	\$37,992
MEDIAN	\$18,012	\$21,420	\$34,632
<u>UNSECURED DEBT</u>			
AVERAGE	\$29,503	\$39,464	\$44,527
MEDIAN	\$19,613	\$21,925	\$27,725
MEDIAN UNSECURED + PRIORITY DEBT-TO INCOME RATIO	1.23	1.04	.91
<u>CHILD SUPPORT/ALIMONY</u>			
PERCENT PAYING	2.8%	22.2%	8.7%
AVERAGE AMOUNT PAID/YEAR	\$78	\$1,176	\$417

The following chart shows the same information for three sub-groups of unmarried chapter 7 debtors: males with no dependents, females with no dependents and females with dependents.

	UNMARRIED MALES - NO DEPENDENTS	UNMARRIED FEMALES - NO DEPENDENTS	UNMARRIED FEMALES WITH DEPENDENTS
NUMBER OF CASES	303	239	189
PERCENT OF ALL CASES	20.9%	16.5%	13.0%

and F divided by 12 times gross monthly income from all sources listed on schedule I.

PERCENT DISABLED OR RETIRED	12.9%	21.3%	7.9%
PERCENT HOMEOWNERS	25.4%	28.5%	25.4%
<u>GROSS INCOME</u>			
AVERAGE	\$21,912	\$17,112	\$20,760
MEDIAN	\$19,800	\$15,792	\$19,236
<u>UNSECURED DEBT</u>			
AVERAGE	\$35,996	\$34,172	\$24,953
MEDIAN	\$21,700	\$20,639	\$17,970
MEDIAN UNSECURED + PRIORITY DEBT-TO INCOME RATIO	1.14	1.51	.94
<u>CHILD SUPPORT/ALIMONY</u>			
PERCENT PAYING	25.4%	2.5%	3.2%
AVERAGE AMOUNT PAID/YEAR	\$1,387	\$53	\$94

As a group the females with no dependents had lower incomes, higher debt-to-income ratios, and were more likely to be disabled or retired. The income levels of the unmarried females with dependents were about the same as the unmarried male debtors. Home-ownership rates were comparable among the three sub-groups.

More than one-quarter of the unmarried male debtors report making child support or alimony payments. These payments amount to 6.3% of this group's total income, and 19.9% of the income of those who are required to make payments.

Most unmarried debtors would be eligible for chapter 7 under pending means testing proposals. Only about 12% of the unmarried debtors in our sample exceed the gross income threshold in H.R. 833; and application of the IRS expense Guidelines would allow many of the higher income debtors to remain eligible for chapter 7.