

NBKRC Monthly Bankruptcy Filings Report (August 2012)

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Summer bankruptcy filings bring new reason to think that the staggering bankruptcy filings of the recession are finally behind us. After a peak of almost 110,000 filings in May, bankruptcy filings fell sharply in June and July, with July filings of just over 90,000, the lowest monthly filings in more than three years. To put the trend in perspective, filings this July were 20% lower than last July, and filings for the entire year are down 25% from last year.

Nationwide, there have been about 3000 filings per million adults so far this year, one for every 330 adults. Four states stand out with by far the highest filing rates: Tennessee and Georgia in the Southeast and Nevada and Utah in the Southwest, all with slightly more than 5000 filings per million adults. At the more granular level of county data (Figure 1), there is a strikingly dense pattern of high filings in Georgia and Tennessee, reflecting the presence in those States of seven of the eight highest-filing counties in the Nation. The highest filing county this year remains Shelby County, Tennessee (Memphis), with a rate of more than 10,000 filings per million adults (more than three-and-a-half times the national average). The only other metropolitan area with a filing rate nearly so far above the norm is Milwaukee, Wisconsin, with more than 8,000 filings per million adults. At the other side of the spectrum, as Figure 1 suggests, low filing counties dominate a pale band running down the center of the nation from North Dakota to South Texas.

There is also considerable disparity in the rate at which overall filing rates are dropping. Every State has fewer filings this year than at the same time last year. As Figure 2 illustrates, the sharpest dropoffs are in the Pacific Southwest, which had the highest filing rates for much of 2010 and 2011. Although Figure 1 shows that filings remain at high levels in much of Southern California, Nevada, and Arizona, filings are down more than 20% this year in all three of those States, as they finally begin to fall back to nationally normal filing rates.

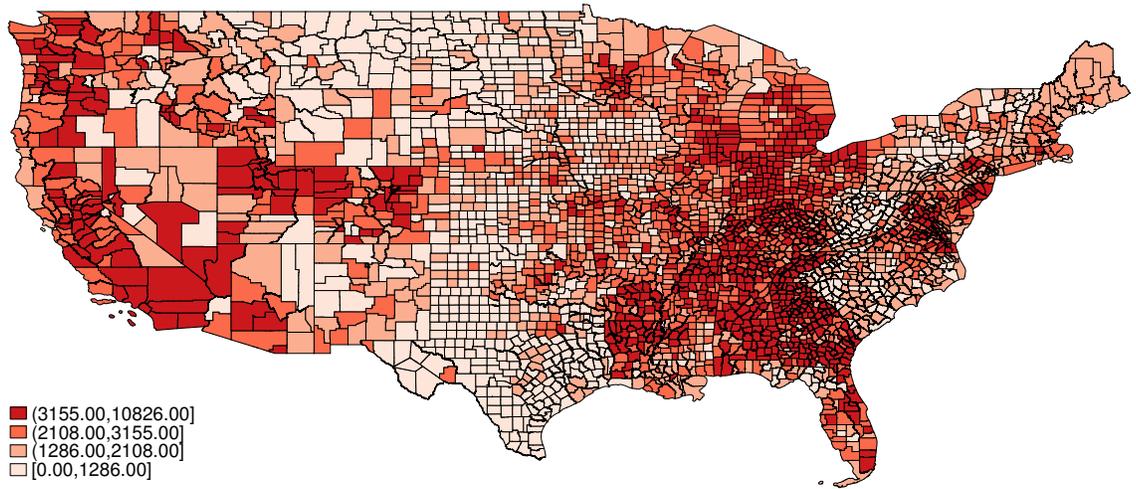


Figure 1: Filings per Million (2012 Year to Date)

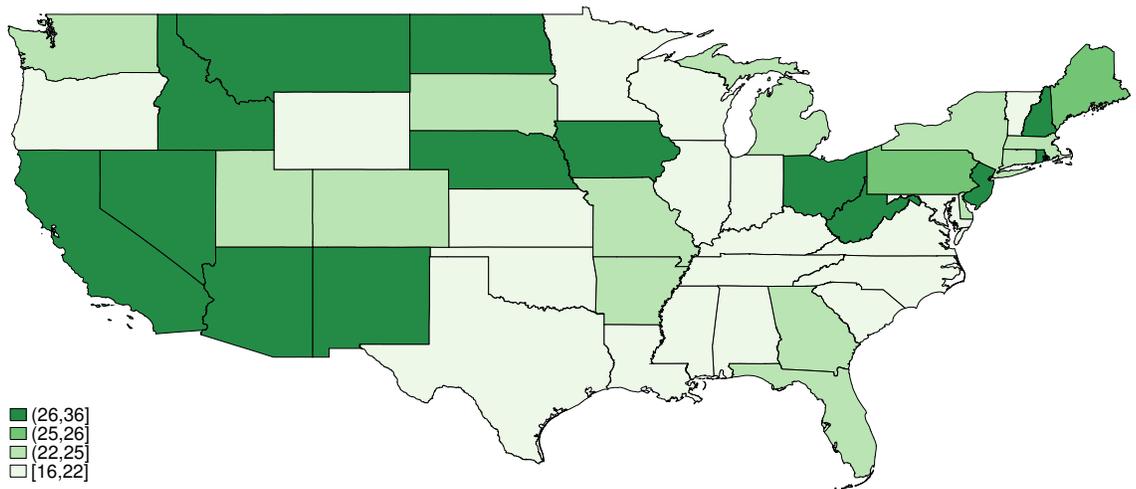


Figure 2: % Decline in Filing Rates (2012-2011)