

Bankruptcy Cases Filed by State: Fiscal Year 2010

North Dakota bankruptcy cases filed in federal court totaled 1,651 in fiscal year 2010 (the 12-month period ending September 30, 2010), which is up 4 percent from the 1,590 filings in 2009 (Figure 2).

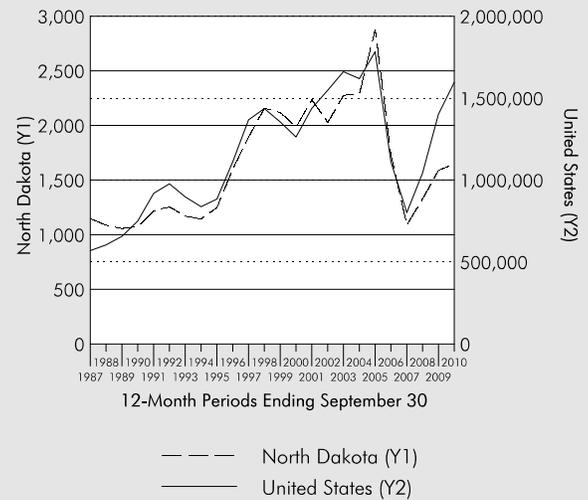
North Dakota's trend in bankruptcy filings closely follows the national pattern of change from the late 1980s through 2007 (Figure 1). Bankruptcy filings in North Dakota grew approximately 6 percent per fiscal year from 1987 to 2005. On April 20, 2005, President Bush signed into law the Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA), which made substantial changes to the bankruptcy code (most provisions took effect in October 2005). As a result, bankruptcy filings dropped abruptly during 2006.

Currently, national filings have nearly returned to pre-BAPCPA levels. Within North Dakota, filings have increased, but at a slower pace.

Non-business filings, which represent the majority of North Dakota bankruptcy cases, totaled 1,586 in fiscal year 2010, which is up from 1,523 in 2009. Business filings for North Dakota totaled 65 in fiscal year 2010, which is down slightly from 67 in 2009.

Bankruptcy is defined as a legal recognition that a company or individual is insolvent and must restructure or liquidate. "Cases filed" refers to the commencement of a proceeding through the presentation of a petition to the clerk of court.

Figure 1. Bankruptcy Cases File in ND and the U.S.: Fiscal Years 1987 to 2010



Note: The federal Judiciary's fiscal year is the 12-month period ending September 30. Source: Administrative Office of the U.S. Courts, Statistical Tables for the Federal Judiciary at <http://www.uscourts.gov/bnkrpctystats/bankruptcystats.htm>

Figure 2. Percent Change in the Number of Bankruptcy Cases Filed by State: FY 2009 to FY 2010

Source: Administrative Office of the U.S. Courts, Statistical Tables for the Federal Judiciary at <http://www.uscourts.gov/bnkrpctystats/bankruptcystats.htm>

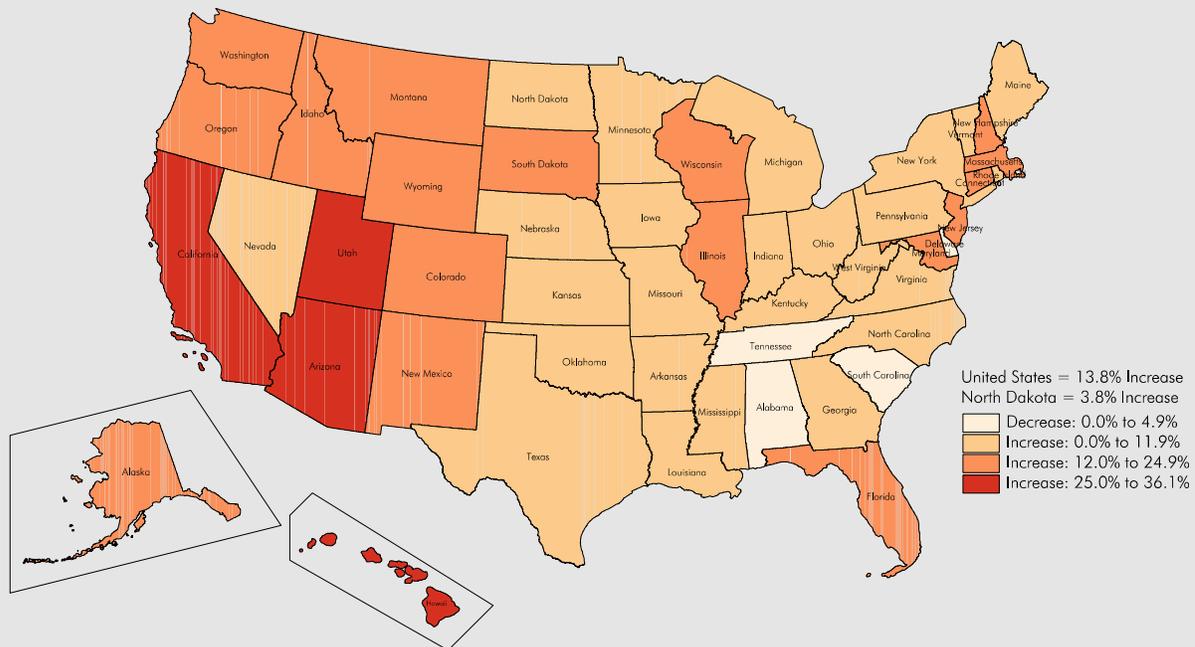


Table 1. Bankruptcy Cases Filed by State: Fiscal Year 2000 to 2010

Notes: ¹Includes outlying areas not shown separately. The federal Judiciary's fiscal year is the 12-month period ending September 30.

Source: Administrative Office of the U.S. Courts, Statistical Tables for the Federal Judiciary at <http://www.uscourts.gov/bnkrpctstats/bankruptcystats.htm>

| Area | 12-Month Periods Ending September 30 | | | | | | | | | | |
|----------------------------|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| United States ¹ | 1,262,102 | 1,437,354 | 1,547,669 | 1,661,996 | 1,618,987 | 1,782,643 | 1,112,542 | 801,269 | 1,042,993 | 1,402,816 | 1,596,355 |
| Alabama | 32,345 | 37,504 | 41,322 | 42,360 | 41,907 | 44,884 | 27,738 | 23,176 | 27,572 | 34,714 | 34,689 |
| Alaska | 1,412 | 1,467 | 1,432 | 1,541 | 1,468 | 1,885 | 1,300 | 696 | 851 | 933 | 1,132 |
| Arizona | 21,205 | 24,001 | 28,738 | 31,994 | 31,686 | 35,570 | 17,457 | 9,749 | 16,908 | 31,017 | 42,216 |
| Arkansas | 16,683 | 20,476 | 22,694 | 24,346 | 24,396 | 27,608 | 15,762 | 11,494 | 13,241 | 16,223 | 16,818 |
| California | 150,870 | 150,311 | 149,954 | 146,130 | 127,864 | 135,872 | 85,223 | 62,951 | 116,979 | 190,838 | 255,115 |
| Colorado | 15,458 | 18,117 | 20,303 | 25,243 | 27,879 | 34,772 | 22,207 | 14,238 | 19,692 | 26,608 | 32,636 |
| Connecticut | 10,968 | 11,523 | 11,456 | 12,272 | 11,644 | 12,777 | 8,895 | 5,572 | 7,706 | 9,710 | 11,554 |
| Delaware | 4,849 | 3,951 | 3,966 | 3,978 | 3,740 | 3,798 | 2,562 | 1,897 | 2,827 | 4,592 | 4,459 |
| Dist. of Col. | 2,501 | 2,522 | 2,521 | 2,381 | 1,987 | 1,951 | 1,313 | 670 | 863 | 1,095 | 1,286 |
| Florida | 73,438 | 83,585 | 90,330 | 95,478 | 88,370 | 93,898 | 52,146 | 36,572 | 61,095 | 90,947 | 111,550 |
| Georgia | 58,574 | 67,436 | 75,067 | 79,985 | 79,299 | 79,245 | 50,462 | 48,104 | 57,858 | 73,632 | 78,793 |
| Hawaii | 4,667 | 4,975 | 4,684 | 3,908 | 3,237 | 3,716 | 2,233 | 1,281 | 1,810 | 2,941 | 3,862 |
| Idaho | 7,155 | 8,124 | 8,686 | 9,630 | 9,445 | 10,462 | 5,865 | 3,716 | 4,740 | 7,203 | 8,392 |
| Illinois | 61,953 | 70,750 | 80,197 | 86,802 | 80,665 | 91,160 | 57,023 | 39,147 | 52,610 | 69,695 | 82,511 |
| Indiana | 37,587 | 45,142 | 52,686 | 55,605 | 55,681 | 63,158 | 44,906 | 29,656 | 37,538 | 46,888 | 48,443 |
| Iowa | 8,245 | 10,547 | 11,473 | 12,577 | 12,988 | 16,083 | 9,123 | 6,660 | 7,818 | 9,892 | 10,154 |
| Kansas | 11,509 | 13,329 | 14,519 | 16,177 | 16,401 | 18,936 | 12,179 | 7,730 | 8,642 | 10,588 | 11,379 |
| Kentucky | 20,895 | 25,233 | 26,839 | 29,659 | 28,555 | 33,103 | 22,494 | 16,216 | 20,436 | 24,723 | 25,652 |
| Louisiana | 22,832 | 26,447 | 26,840 | 29,164 | 29,985 | 32,134 | 19,735 | 13,534 | 15,412 | 18,268 | 19,236 |
| Maine | 4,036 | 4,400 | 4,467 | 4,593 | 4,637 | 5,459 | 3,096 | 2,143 | 2,800 | 3,761 | 4,149 |
| Maryland | 30,833 | 34,610 | 34,963 | 35,173 | 30,438 | 30,448 | 18,608 | 12,509 | 16,926 | 24,179 | 29,938 |
| Massachusetts | 16,125 | 17,455 | 17,069 | 18,174 | 18,054 | 21,952 | 15,181 | 13,011 | 15,636 | 19,805 | 23,485 |
| Michigan | 36,575 | 44,048 | 52,529 | 62,305 | 63,882 | 75,760 | 53,354 | 43,806 | 53,340 | 67,005 | 69,970 |
| Minnesota | 15,320 | 17,812 | 19,655 | 20,483 | 18,451 | 22,025 | 13,631 | 11,139 | 15,556 | 20,490 | 22,628 |
| Mississippi | 18,220 | 21,475 | 22,099 | 22,856 | 21,351 | 21,842 | 13,117 | 10,789 | 11,816 | 14,454 | 14,572 |
| Missouri | 25,978 | 29,584 | 32,808 | 38,000 | 37,646 | 43,981 | 28,865 | 20,141 | 24,419 | 30,025 | 33,487 |
| Montana | 3,358 | 3,823 | 4,102 | 4,345 | 4,376 | 4,929 | 3,246 | 1,934 | 1,894 | 2,593 | 3,167 |
| Nebraska | 5,552 | 6,888 | 7,443 | 8,555 | 8,906 | 10,515 | 6,678 | 5,204 | 6,431 | 7,347 | 7,924 |
| Nevada | 14,182 | 17,265 | 19,095 | 20,689 | 18,397 | 18,220 | 12,759 | 9,445 | 16,756 | 27,560 | 30,637 |
| New Hampshire | 3,784 | 3,869 | 3,903 | 4,390 | 4,573 | 5,341 | 3,214 | 2,804 | 3,676 | 4,976 | 5,671 |
| New Jersey | 37,956 | 41,059 | 40,708 | 42,921 | 41,262 | 42,829 | 25,982 | 18,702 | 24,764 | 34,070 | 40,775 |
| New Mexico | 7,039 | 8,426 | 8,975 | 9,967 | 9,360 | 10,921 | 5,559 | 3,232 | 4,268 | 5,765 | 6,659 |
| New York | 60,002 | 67,537 | 70,004 | 75,349 | 80,854 | 90,648 | 57,686 | 38,823 | 45,113 | 55,402 | 57,941 |
| North Carolina | 26,315 | 32,146 | 35,917 | 38,811 | 37,339 | 39,917 | 24,523 | 19,420 | 21,606 | 26,917 | 27,358 |
| North Dakota | 1,988 | 2,236 | 2,028 | 2,276 | 2,294 | 2,878 | 1,726 | 1,090 | 1,330 | 1,590 | 1,651 |
| Ohio | 53,592 | 67,757 | 76,122 | 87,833 | 90,556 | 109,413 | 72,603 | 48,527 | 54,638 | 69,615 | 72,507 |
| Oklahoma | 19,082 | 22,799 | 23,833 | 26,737 | 27,236 | 31,222 | 19,519 | 8,966 | 10,470 | 13,605 | 15,228 |
| Oregon | 18,040 | 22,008 | 24,034 | 25,723 | 24,589 | 27,909 | 16,236 | 8,993 | 11,615 | 17,200 | 20,460 |
| Pennsylvania | 44,096 | 50,611 | 53,481 | 58,493 | 59,566 | 67,087 | 43,282 | 29,111 | 32,240 | 36,765 | 39,471 |
| Rhode Island | 4,702 | 4,790 | 4,830 | 4,712 | 4,222 | 4,855 | 3,047 | 2,521 | 3,919 | 5,096 | 5,365 |
| South Carolina | 11,725 | 13,506 | 15,531 | 16,335 | 15,632 | 15,209 | 8,527 | 7,139 | 7,988 | 9,739 | 9,559 |
| South Dakota | 2,099 | 2,565 | 2,673 | 2,867 | 2,862 | 3,530 | 1,920 | 1,302 | 1,459 | 1,790 | 2,018 |
| Tennessee | 48,138 | 57,488 | 62,810 | 65,974 | 62,461 | 63,058 | 40,785 | 37,779 | 45,187 | 54,281 | 51,597 |
| Texas | 61,809 | 72,736 | 79,745 | 89,469 | 93,703 | 104,815 | 65,474 | 42,487 | 43,761 | 52,889 | 58,118 |
| Utah | 14,738 | 18,522 | 21,444 | 22,444 | 21,312 | 20,611 | 10,015 | 6,182 | 8,403 | 13,660 | 17,888 |
| Vermont | 1,497 | 1,754 | 1,774 | 1,919 | 1,773 | 1,948 | 1,498 | 849 | 1,155 | 1,527 | 1,676 |
| Virginia | 36,509 | 40,431 | 42,650 | 43,842 | 41,329 | 40,587 | 22,958 | 17,893 | 26,381 | 35,368 | 37,684 |
| Washington | 31,325 | 35,763 | 38,408 | 40,907 | 39,215 | 40,536 | 23,764 | 14,632 | 19,900 | 29,520 | 34,142 |
| West Virginia | 8,447 | 10,142 | 10,021 | 11,102 | 11,511 | 14,482 | 8,173 | 4,230 | 5,077 | 6,352 | 6,489 |
| Wisconsin | 17,901 | 21,170 | 24,242 | 28,415 | 27,444 | 32,718 | 19,831 | 14,952 | 20,295 | 26,538 | 30,228 |
| Wyoming | 2,010 | 2,489 | 2,232 | 2,513 | 2,438 | 2,733 | 1,611 | 784 | 774 | 1,249 | 1,560 |

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North Dakota Bankruptcy Cases Up in 2010

North Dakota bankruptcy cases filed in federal court totaled 1,651 in fiscal year 2010 (the 12-month period ending September 30, 2010), which is up 4 percent from the 1,590 filings in 2009.

This month's "Economic Brief," a monthly publication from the North Dakota State Data Center at North Dakota State University, focuses on the number of bankruptcy cases filed by state as reported by the Administrative Office of the U.S. Courts.

North Dakota's trend in bankruptcy filings closely follows the national pattern of change from the late 1980s through 2007. Bankruptcy filings in North Dakota grew approximately 6 percent per fiscal year from 1987 to 2005, growing from 1,148 filings to 2,878. On April 20, 2005, President Bush signed into law the Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA), which made substantial changes to the bankruptcy code (most provisions took effect in October 2005). As a result, bankruptcy filings dropped abruptly during 2006 to a low of 1,090 in fiscal year 2007.

Currently, national filings have nearly returned to their pre-BAPCPA levels. Within North Dakota, filings have increased, but at a slower pace than the nation overall.

"The recession may have played a significant role in the rapid rise in bankruptcies. Overall, bankruptcies in the U.S. doubled from 2007 to 2010, the time period that roughly frames the major economic recession from which we are still recovering. However, during this period, North Dakota's bankruptcies increased by half the national rate which demonstrates how our state was buffered by the recession," said Richard Rathge, director of the State Data Center.

Non-business filings, which represent the majority of North Dakota bankruptcy cases, totaled 1,586 in fiscal year 2010, which is up from 1,523 in 2009. Business filings for North Dakota totaled 65 in fiscal year 2010, which is down slightly from 67 in 2009.

Total chapter 7* filings grew 3 percent to 1,460 in fiscal year 2010, from 1,418 in 2009. Chapter 13* filings for North Dakota grew 10 percent to 181 in fiscal year 2010, from 164 in 2009.

***Chapter 7** of the Bankruptcy Code is available to both individual and business debtors. Its purpose is to achieve a fair distribution to creditors of the debtor's available non-exempt property. Unsecured debts not reaffirmed are discharged, providing a fresh financial start. **Chapter 13** of the Bankruptcy Code is available for an individual with regular income whose debts do not exceed specific amounts; it is typically used to budget some of the debtor's future earnings under a plan through which unsecured creditors are paid in whole or in part.

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