



TAMPA BAY BANKRUPTCY CENTER, P.A.

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## **Dismal Bankruptcy Figures**

Bankruptcy figures continued to soar despite many big US corporations reporting positive financial results. The number of filings jumped to 1.57 million (1,572,597 to be exact), up by 20% in the year ended June 30, 2010. This figure is the highest in four years when the number of cases was 1.48 million in 2006. At the same point of time last year, the number of bankruptcies stood at 1,306,315 cases, according to the Administrative Office of the US Courts. The number of cases in July this year were up 9% over last July.

Bankruptcy continues to be the last resort for many Americans seeking financial relief from household debt, unemployment and the economic downturn. Bankruptcy attorneys say that many people who were laid off at the start of the recession nearly three years ago are now filing for bankruptcy after failing to find work, depleting their savings and retirement funds and accumulating credit card bills to pay for their expenses while they hunted for jobs. Small businesses especially those in the financial and construction sectors have failed resulting in more middle- to upper-income families seeking bankruptcy protection.

After two years in which the bankruptcy filings dipped below a million, in 2009 the number of filings rose to 1.31 million. At this rate, the American Bankruptcy Institute predicts that the number of bankruptcies could rise above 1.6 million by the end of this year.

As for business bankruptcies, the numbers rose by 8% to 59,608 in the year ended June 30, 2010 compared to 55,021 year on year. On the other hand, personal or non-business bankruptcies as at June 30, 2010 came up to 1,512,989 cases compared to 1,251,294 cases at the same period last year. This represents a rise of 21% according to the Administrative Office.

At the same time, U.S. Labor Department figures indicate that claims for unemployment benefits rose unexpectedly over the past few weeks. This data that shows the pace of a national economic recovery may be slowing despite the government's stimulus packages and indicates many employers are still hesitant to add new workers.

The biggest obstacle to economic recovery is unemployment that results in loss of income. The national unemployment rate is currently 9.5%. Besides this, the other two most common reasons people file for bankruptcy are divorce and high medical bills.

Nevertheless, many people have found bankruptcy to be a blessing that saved their homes from foreclosure and discharged many if not all of their debts. You can enjoy the benefits of bankruptcy, too. Call us at (813) 200 4133 for a free consultation or visit <http://tampabankruptcy.pro>.