

# United States Bankruptcy Courts: Recent Caseload Statistics

July 15, 2020

This Insight provides information and statistics related to filings in the [United States bankruptcy courts](#) for the 12-month period ending March 31, 2020 (this is the most recent 12-month period for which data are available). This Insight provides information and data analysis related to judicial caseload statistics, but does not provide legal analysis.

## Number of Filings

For the 12-month period ending March 31, 2020, the overall number of bankruptcy filings fell by 1.1% compared to the 12-month period ending March 31, 2019—declining from 772,646 to 764,282. Business bankruptcy filings, however, increased during the 12-month period ending March 31, 2020, while nonbusiness bankruptcy filings declined (both types of filings are discussed below). Because nonbusiness bankruptcy filings constitute a much larger share of overall bankruptcy filings (e.g., 97% of all bankruptcy filings for the most recent 12-month period were nonbusiness filings), the overall number of bankruptcy filings declined during this period.

The 12-month period ending on March 31, 2020, included the first 18 days of the Coronavirus Disease 2019 (COVID-19) [national emergency declared](#) by President Trump on March 13, 2020. The reporting period ended “[just as new unemployment claims began spiking to historic levels.](#)” Consequently, increases in bankruptcy filings as a result of COVID-19 may be reported in future periods. As [noted](#) by the Administrative Office of U.S. Courts, the “Great Recession [from December 2007 to June 2009] triggered a surge in new bankruptcies over time, reaching a peak of nearly 1.6 million new filings” by October 2010 (more than a year after the formal end of the recession). The notable increases in business and nonbusiness bankruptcy filings during the Great Recession and its immediate aftermath are shown in **Figure 1**.

Many observers anticipate an increase in bankruptcy filings as a result of the COVID-19 pandemic. In terms of business filings, it has been [reported](#) that “already, companies large and small are succumbing to the effects of the coronavirus.” One finance expert, who created [a method](#) of predicting business failures, has “[estimated that this year](#) will easily set a record for so-called mega bankruptcies” (i.e., companies that are \$1 billion or more in debt) and also “[expects the number of](#) ... large bankruptcies—at least \$100 million” to increase.

**Congressional Research Service**

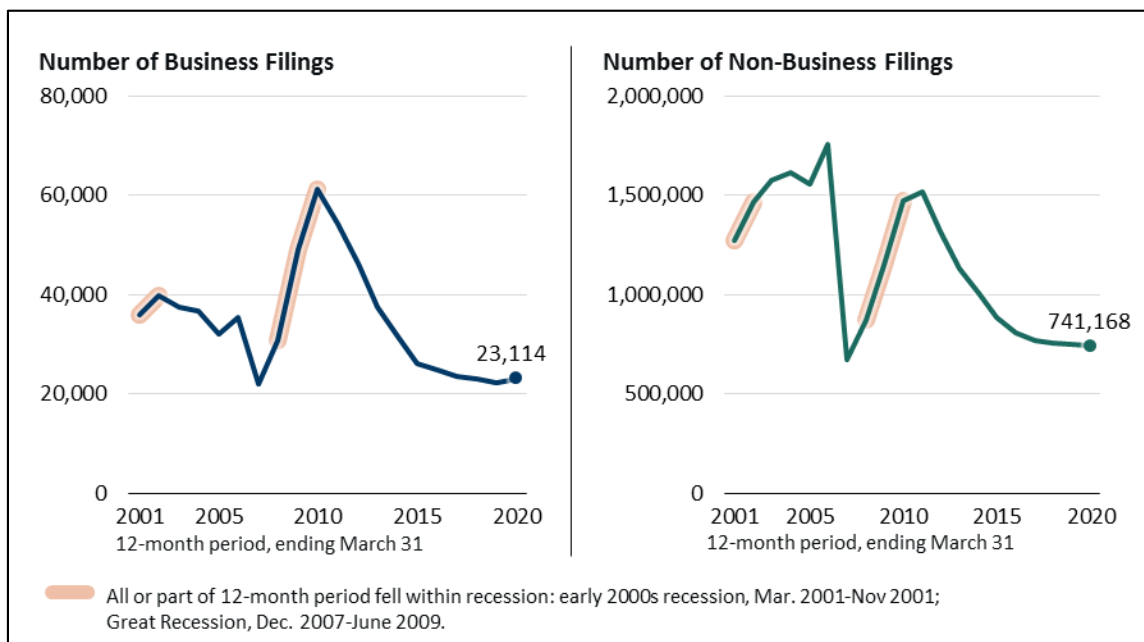
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A similar upward spike is expected by [some observers](#) for nonbusiness bankruptcy filings, as “more Americans lose all or part of their incomes and struggle with mounting debts.” Such a spike may continue after the peak of the pandemic has passed, as “historically, there has always been [a lag](#) between economic difficulties and surges in bankruptcy filings.”

**Figure 1. Number of Business and Non-Business Bankruptcy Filings**

(For 12-month periods ending on March 31 from 2001 to 2020)



**Source:** CRS compilation of data provided by the Administrative Office of U.S. Courts.

Congress has responded, through the CARES Act (P.L. 116-136), to the anticipated increase in bankruptcy filings by making [certain temporary changes](#) to the federal bankruptcy rules. For example, receipt of a stimulus check as a result of COVID-19 would not affect a debtor’s eligibility to file under certain chapters of the [Bankruptcy Code](#).

Additionally, on April 28, 2020, the Judicial Conference of the United States, in anticipation of increased workload for bankruptcy courts as a result of COVID-19, [requested](#) that Congress convert 14 temporary [bankruptcy judgeships](#) to permanent status.

## Business Filings

For the 12-month period ending March 31, 2020, the number of business bankruptcy filings rose by 4.3% compared to the 12-month period ending March 31, 2019—increasing from 22,157 to 23,114. This was the first time business filings increased for a 12-month period ending on March 31 since March 31, 2010.

Additionally, for the month of March 2020, business bankruptcy filings (under [Chapter 11](#)) [rose 17%](#) compared with the same month in 2019.

## Nonbusiness Filings

For the 12-month period ending March 31, 2020, the number of nonbusiness filings fell by 1.2% compared to the 12-month period ending March 31, 2019—declining from 750,489 to 741,168. This was,

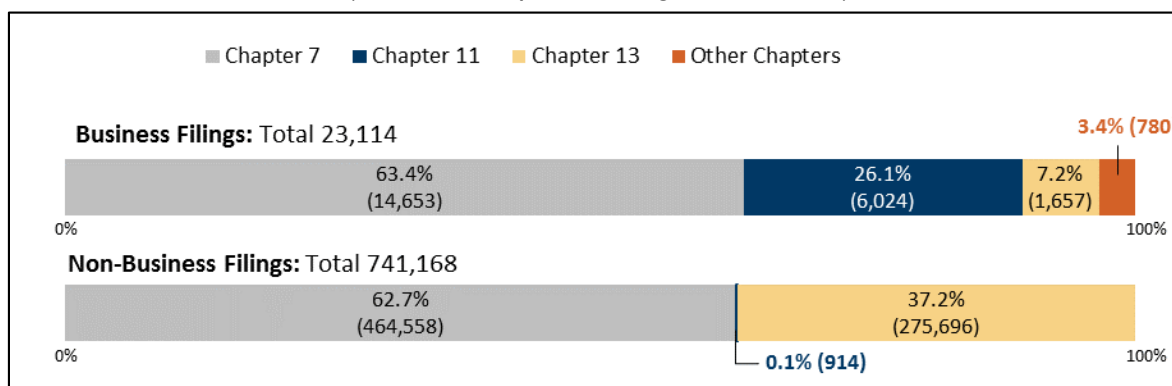
for 12-month periods ending on March 31, the ninth consecutive decline in nonbusiness bankruptcy filings since March 31, 2011 (which **Figure 1** shows was the most recent high mark for such filings).

For the month of March 2020, nonbusiness bankruptcy filings (under [Chapters 7, 11, and 13](#)) fell by 15% compared to the same month in 2019.

## Filings by Bankruptcy Chapter (for 12-Month Period Ending March 31, 2020)

**Figure 2** provides, for the year ending March 31, 2020, the number and percentage of business and nonbusiness filings that were filed under each chapter of the Bankruptcy Code. For both business and nonbusiness filings, [Chapter 7](#) was the most common chapter used by [debtors](#) during this period (comprising approximately 63% for each). Under Chapter 7, any assets of a debtor not exempt from [creditors](#) are [reduced to money](#) and the proceeds are distributed to creditors. A consumer who files under Chapter 7 can receive complete discharge of his or her debt (except for certain debts prohibited from discharge by the Bankruptcy Code).

**Figure 2. Filings by Bankruptcy Chapter**  
(For 12-month period ending March 31, 2020)



**Source:** CRS compilation of data provided by the Administrative Office of U.S. Courts.

For business filings, [Chapter 11](#) was the second most common bankruptcy chapter—representing 26.1% of all filings during the 12-month period ending March 31, 2020. Under [Chapter 11](#), an individual or business (usually a business) reorganizes its debt while continuing to operate. The third most common chapter for business filings, [Chapter 13](#), can be used [when](#) an individual is the [sole proprietor](#) of a business.

For nonbusiness filings, [Chapter 13](#) was the second most common bankruptcy chapter—representing 37.2% of all filings during the same period. [Chapter 13](#) (sometimes called “wage-earner bankruptcy”) is typically used by an individual consumer to reorganize his or her finances and to adopt a repayment plan that is required to be completed within three to five years.

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