



United States Bankruptcy Courts: Caseload Statistics for the 12-Month Period Ending December 31, 2020

Updated March 12, 2021

This Insight provides information and statistics related to filings in the [United States bankruptcy courts](#) for the 12-month period ending December 31, 2020 (this is the most recent reporting period for which data are available). Note that this particular 12-month reporting period corresponds to the 2020 calendar year. 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 December 31, 2020, the overall number of bankruptcy filings fell by 29.7% compared to the 12-month period ending December 31, 2019, that is, calendar year 2019—declining from 774,940 in 2019 to 544,463 for 2020. Business bankruptcy filings declined by 4.9%, while nonbusiness filings declined by 30.5% (both types of filings are discussed below). Because nonbusiness filings constitute a much larger share of overall bankruptcy filings (e.g., 96% of all bankruptcy filings during the 2020 calendar year were nonbusiness filings), the notable decline in bankruptcy filings in 2020 reflected the relatively sharp decline in nonbusiness filings.

According to the [Administrative Office of U.S. Courts \(AO\)](#), the total number of bankruptcy filings for calendar year 2020 was the lowest since 1986—when 530,438 bankruptcies were filed. The 12-month period ending on December 31, 2020, included over nine months of the Coronavirus Disease 2019 (COVID-19) [national emergency declared](#) by President Trump on March 13, 2020. However, as shown by the data above, calendar year 2020 did not reflect an increase in either business or nonbusiness bankruptcy filings as a consequence of COVID-19.

The AO [notes](#) that bankruptcy filings “fell sharply in the early months of the pandemic, starting in March 2020, when many courts offered limited access to the public.” For example, according to data evaluated by CRS, in April 2020 there were 38,032 nonbusiness bankruptcy filings—a 47% decline from the 71,267 filings in April 2019. Additionally, in April 2020 there were 1,553 business bankruptcy filings—a 22% decline from the 1,990 filings in April 2019.

Congressional Research Service

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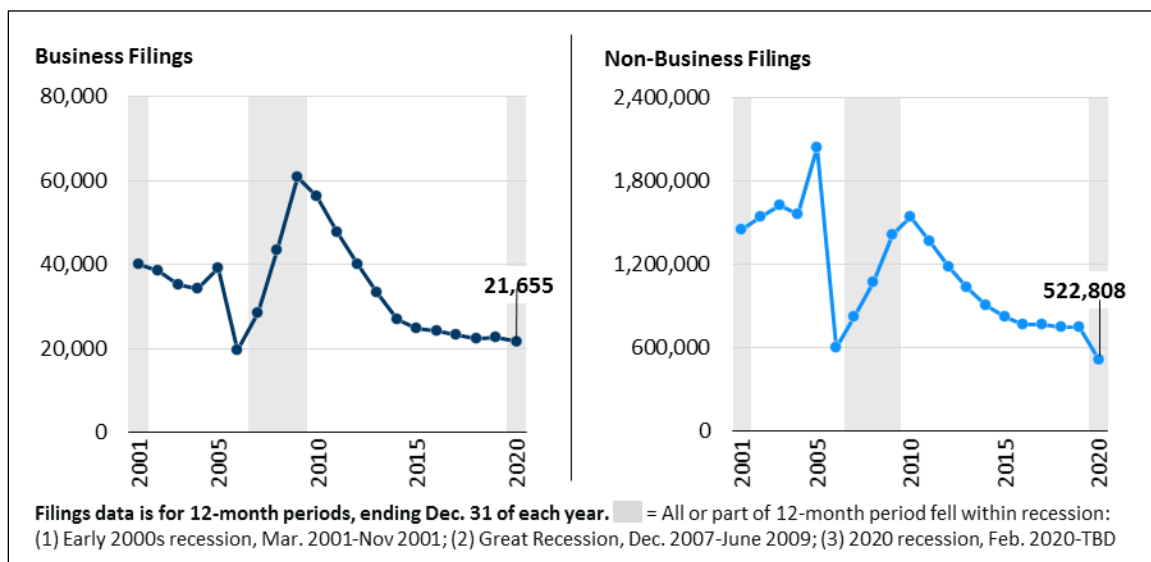
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The bankruptcy filings data for 2020 may also reflect, [in part](#), the impact of government assistance during the pandemic. For example, congressional legislation [such as](#) “the CARES Act, the Paycheck Protection Program (PPP), the Main Street Lending Program, and the extension of unemployment insurance may have helped keep businesses afloat and out of bankruptcy.” Additionally, for individuals, [an increase in unemployment benefits payments and the extension of the eligibility period of such payments](#) may have prevented, or postponed, some nonbusiness filings.

Despite the decline in bankruptcy filings during the 2020 calendar year, there could be a future increase in business and nonbusiness bankruptcy filings as a result of the COVID-19 pandemic. AO, for example, [states](#) that some “bankruptcy filings can lag behind other economic indicators,” and that “following the Great Recession, which began in 2007, new [nonbusiness] filings escalated until they peaked in 2010.” The relatively greater numbers of both business and nonbusiness bankruptcy filings during the Great Recession and its aftermath are shown in [Figure 1](#).

Figure 1. Number of Business and Nonbusiness Bankruptcy Filings

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



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

Business Filings

For the 12-month period ending December 31, 2020, the number of business bankruptcy filings declined by 4.9% compared to the 12-month period ending December 31, 2019—decreasing from 22,780 filings to 21,655.

Although overall business bankruptcies declined from calendar year 2019 to 2020, [Chapter 11](#) business bankruptcy filings rose by 24.9% from 2019 to 2020 (going from 6,052 filings to 7,561). In contrast, business bankruptcy filings under [Chapters 7](#) and [13](#) declined by 14.2% and 37.9%, respectively, from 2019 to 2020. Types of bankruptcy filings are discussed in greater detail in the final section.

Nonbusiness Filings

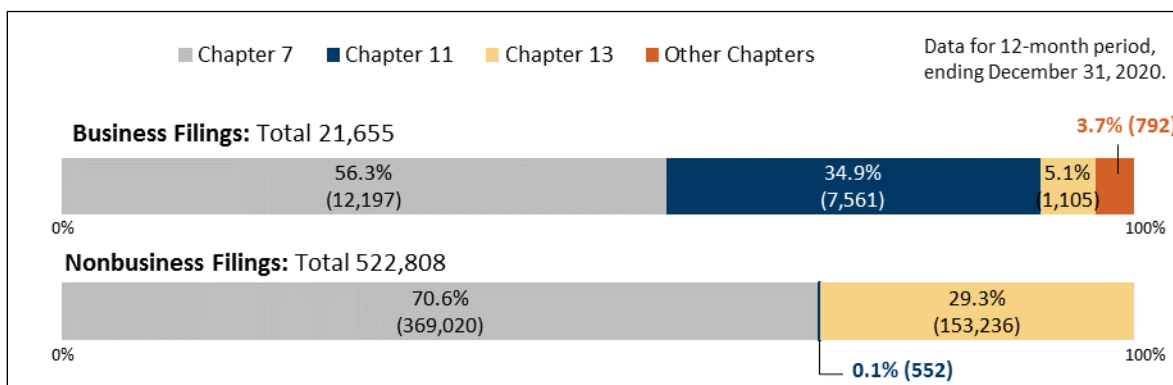
For the 12-month period ending December 31, 2020, the number of nonbusiness filings fell by 30.5% compared to the 12-month period ending December 31, 2019—declining from 752,160 to 522,808.

Nonbusiness filings declined from 2019 to 2020 under each of the three major chapters of the Bankruptcy Code—declining by 20.8% under [Chapter 7](#), 43.0% under [Chapter 11](#), and 46.3% under [Chapter 13](#).

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

Figure 2 provides, for the year ending December 31, 2020, the number and percentage of business and nonbusiness filings 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 56.3% of business filings and 70.6% of nonbusiness filings). 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 December 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 34.9% of all filings during calendar year 2020. Under [Chapter 11](#), an individual or, more typically, a business reorganizes its debt while continuing to operate. The third most common chapter for business filings, [Chapter 13](#) (representing 5.1% of all filings in 2020), 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 29.3% 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.

Author Information

Barry J. McMillion
Analyst in American National Government

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