

Weekly Bankruptcy Analysis March 8-14, 2021

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Total filings were down by about 45 percent during the second week of March.² Once again, the largest decline involved chapter 13 filings, which were down by over 55 percent from last year.

Bankruptcy Filings March 8 - 14, 2021		
Type of Case	Number Filed	Percent Change From Same Week Last Year
Total	8,681	-44.9%
- Chapter 7	6,312	-40.4%
- Chapter 11	91	-48.6%
- Chapter 13	2,220	-55.5%
- Other Cases*	58	176.2%
* Chapters 9, 12 and 15		

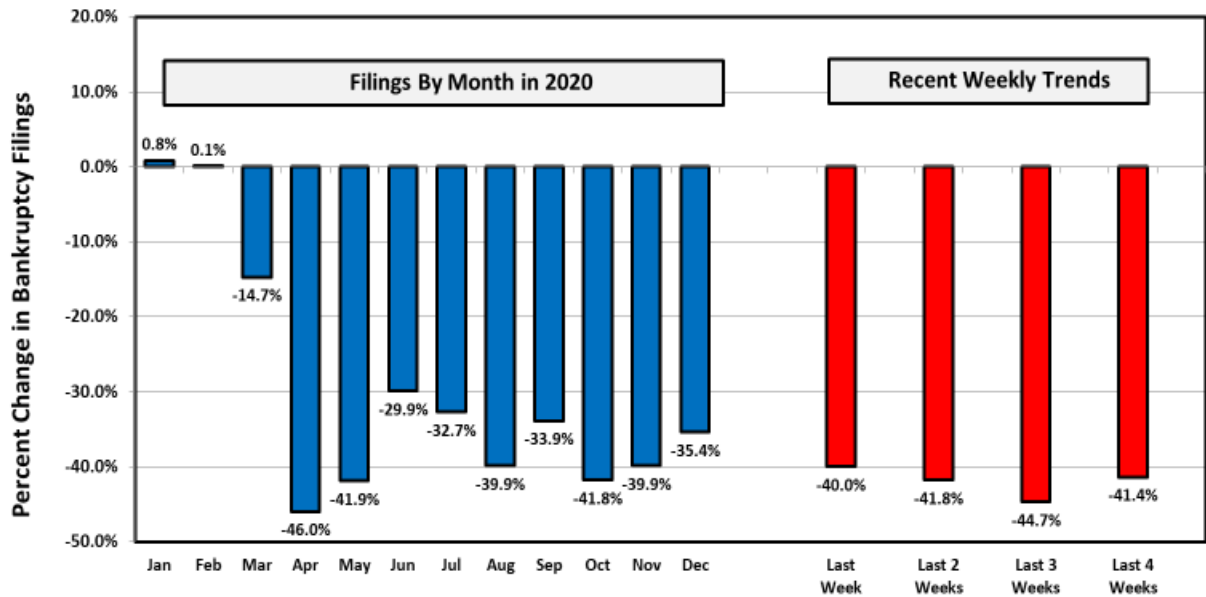
The increase in ‘other’ cases during the week was mainly due to the 48 cases filed under chapter 15 by Just Energy Group Inc., a Canadian energy retailer. The company filed in Canada and in the U.S. after receiving extremely high bills from the Electric Reliability Council of Texas after the mid-February storm that devastated Texas.

The following charts show filing trends by chapter since the beginning of 2020.

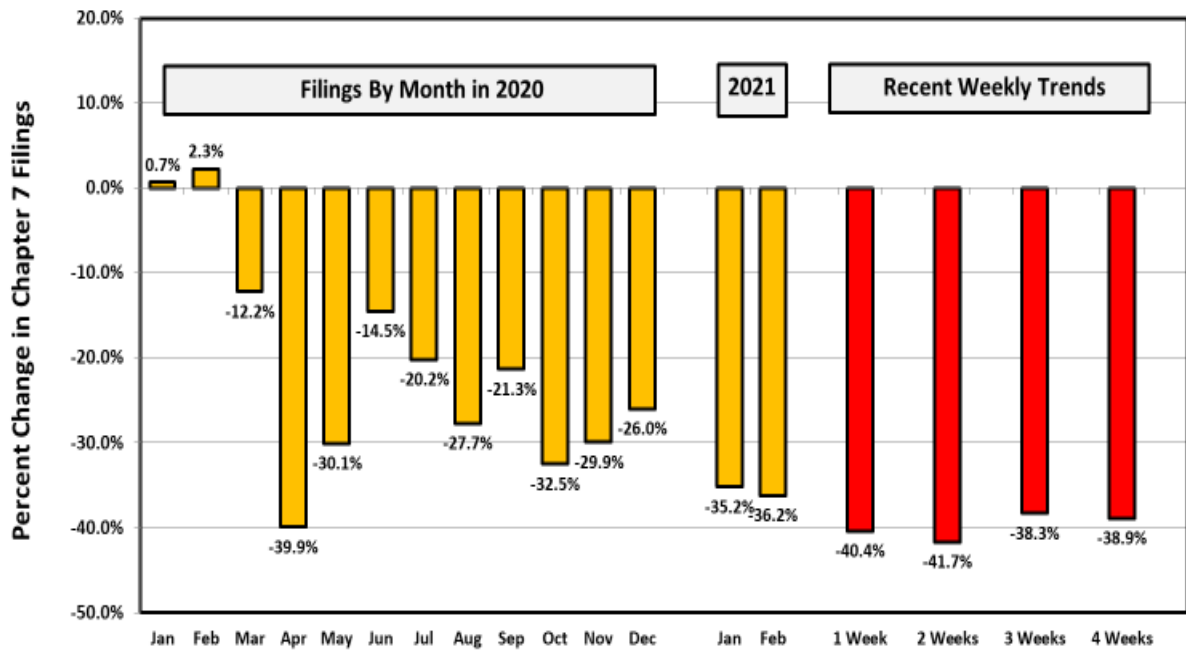
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² These figures are from PACER and are subject to change. See <https://www.pacer.gov/>.

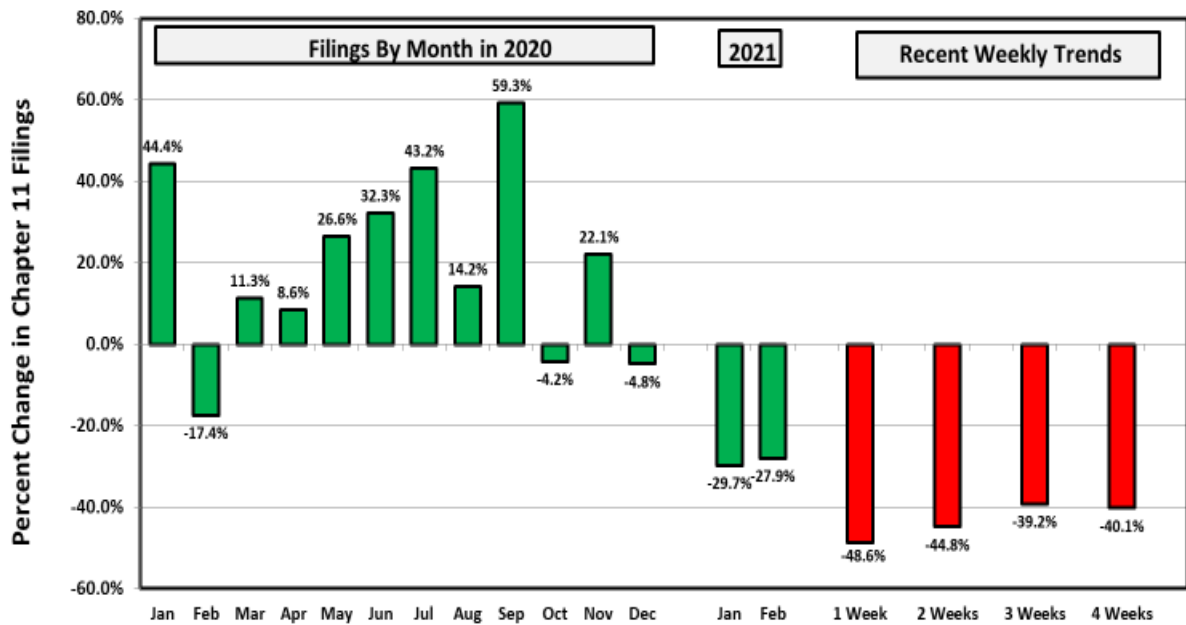
Bankruptcy Filing Trends (All Chapters) Percent Change From One Year Prior



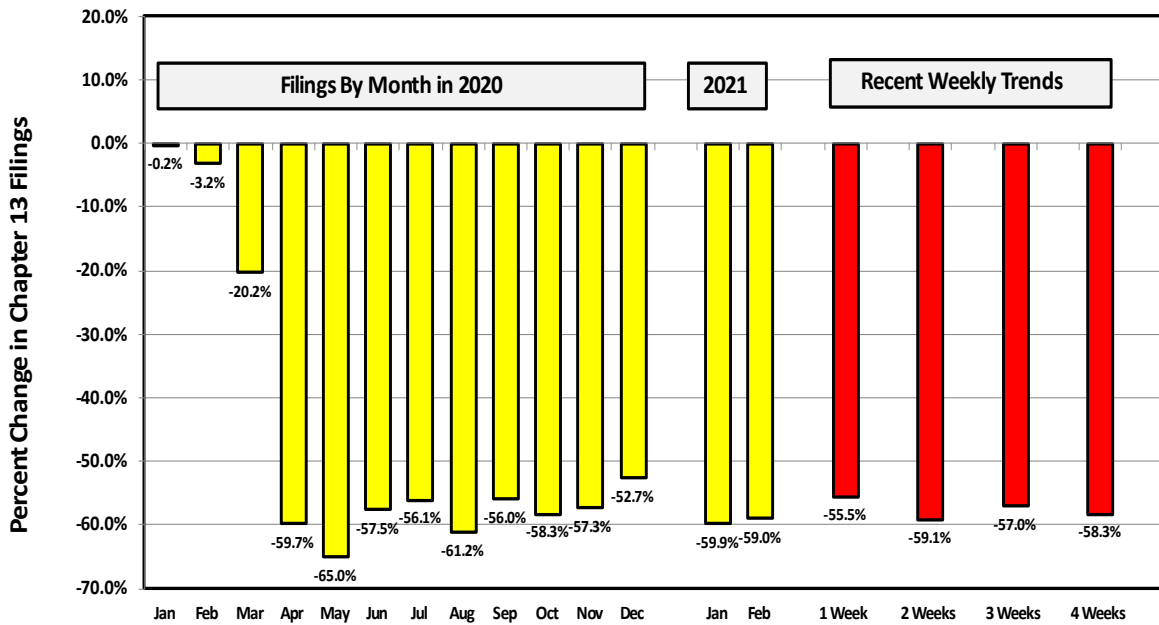
Chapter 7 Filing Trends (Percent Change From One Year Prior)



Chapter 11 Filing Trends (Percent Change From One Year Prior)



Chapter 13 Filing Trends (Percent Change From One Year Prior)



Chapter 11 Cases

Chapter 11 case filings were fairly low during the week, down by nearly one-half from the same week last year.

Types of Chapter 11 Cases Filed		
	March 8 - 14	
	2021	2020
Total Filed	91	177
Solo Cases	59	98
Parent cases	10	10
Child cases	22	69
<i>Filed By Individuals</i>	16	39
Subchapter V Cases	44	45

The 44 subchapter V cases filed during the week was the highest weekly total in over four months.

Notable Case Filings

Four large cases were filed last week, including three energy-related cases and a plastics recycler. Two of the large cases were filed in Delaware and two were filed in the Southern District of Texas.

Notable Case Filings March 8 - 14, 2021				
Company Name	Industry	Date Filed	Court of Filing	Number of Related Cases
CarbonLite Holdings LLC	Plastics recycler	3/8/2021	Delaware	10
Sundance Energy, Inc.	Oil and gas	3/9/2021	Texas Southern	3
Just Energy Group Inc.	Energy retailer	3/9/2021	Texas Southern	48 (Chapter 15 cases)
HighPoint Resources Corp	Shale oil producer	3/14/2021	Delaware	2

Impact of the Pandemic After One Year

The pandemic has now lasted for a full year. Total bankruptcy filings have been down by 37 percent since that time. Will filings stay at these levels, or will they spike to where they were during the Great Recession (about three times current levels)? Various economic measures give conflicting signals.

Employment & Unemployment

The number of full-time employees in the country has decreased by nearly 6 million over the past year. Part of the decline is due to a shrinking active labor force, and the rest is due to increased unemployment.

Employment Comparison - February 2021 vs. February 2020			
	February 2021	February 2020	Percent Change
Civilian Labor Force (Millions)	160.21	164.45	-2.6%
Full-Time Employees (Millions)	123.98	129.73	-4.4%
Unemployment Rate	6.2%	3.5%	+2.7%
Source: U.S. Bureau of Labor Statistics			

Household Debt

Total household debt increased by about three percent during the year, which is consistent with the prior six years. Total non-mortgage debt was actually down slightly during the year. Of particular note is the fact that consumers were able to reduce their credit card debt by more than \$100 billion during 2020.

Household Debt Comparison - December 2020 vs. December 2019			
	December 2020	December 2019	Percent Change
Total Debt (\$ Trillion)	\$14.559	\$14.145	2.9%
- Mortgage	\$10.043	\$9.557	5.1%
- Auto	\$1.374	\$1.331	3.2%
- Credit Card	\$.819	\$.927	-11.7%
- Student Loan	\$1.555	\$1.508	3.1%
- Other	\$.768	\$.822	-6.6%
Source: New York Federal Reserve			

Other Economic Measures

A variety of other economic measures of developments during the pandemic are available. Some are fairly positive:

- The stock market closed at 32,778 on March 12, nearly 11 percent above the pre-pandemic high of 29,551 on Feb. 12, 2020.
- The Zillow Home Index rose from \$246,000 in January 2020 to \$269,000 in January 2021.
- The Federal Reserve reports that total household wealth increased by 10 percent (nearly \$12 trillion) during 2020.

Others are more negative:

- Apartment rent delinquencies rose from 4.9% in February 2020 to 6.5% in February 2021.

- The poverty rate rose slightly, from 10.8 percent in January 2020 to 11.3 percent in January 2021.
- FeedingAmerica.org estimates that about 50 million Americans faced food insecurity during 2020. (Food insecurity occurs when households “lack access to enough food for an active, healthy life for all household members.”)
- GDP fell by 3.5 percent in 2020, which was more than the decrease of 2.5 percent in 2009 during the Great Recession.

Overall, the household debt and wealth figures look fairly positive, and would point to continued low bankruptcy levels. However, the employment, rent-delinquency, food-insecurity and GDP figures seem troublesome, and would seem to indicate much higher bankruptcy filings. Taken together, they make it difficult to predict where bankruptcy filing levels will go in the coming months and years.

See the ABI Headlines for news of the latest filings at <https://www.abi.org/newsroom/headlines>.