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Wisconsin Sees 9.5% Drop in Bankruptcies

Wisconsin state's number of bankruptcy filings has fallen by 9.5% this year. But analysts say they are not jumping for joy yet, at least not until the jobless rate in the state falls significantly. The number of bankruptcy cases in US bankruptcy court in Wisconsin fell to 21,167 year on year, mostly coming from Chapter 7 bankruptcies, according to records.

According to figures from the American Bankruptcy Institute (ABI), the trend in Wisconsin follows that of the nation as a whole. Bankruptcy filings fell by about 10% nationally through the first three quarters of this year to a little more than 1 million.

Economists concur that the downward trend of bankruptcy filings comes just after the worst of the economy which happened about two years ago. Commenting on the national decrease in bankruptcy rate, Jay Mueller, a portfolio manager for Wells Fargo Advantage Funds in Menomonee Falls said, "I don't think there is a lot to read into it other than to say there is a lag effect between a bad economy and bankruptcy filings."

However, the number of bankruptcies among certain classes of consumers has not decreased in some states. For one thing, the number of small business owners filing for bankruptcy has not fallen. This has been the case in Milwaukee, for instance.

Small business owners selling specialized services and small luxury items seem to have continued to file for bankruptcy. Demand for specialized services such as repairing hydraulic pumps in off road vehicles and small luxury items that are not necessities like costume jewelry, flowers or boutique clothing appear to have drastically fallen. This has propped up bankruptcy figures among these classes of consumers.

Furthermore, filing for bankruptcy has become more socially acceptable and less of a stigma these days simply because so many people have done it. This has also prompted a continuous flow of bankruptcy filings.

Whether you are a business owner or a wage earner, bankruptcy may be your answer to starting afresh financially. Bankruptcy is your right and can offer you protection from your creditors and elimination of certain debts. If you are contemplating filing for bankruptcy, call us at (813) 200 4133 for a free consultation.