

## The Bankruptcy Filing Rates Database

**SMR's Bankruptcy Filing Rates Database is the largest of its kind, updated quarterly and with historical data back to 1989.**

Our purpose was to create a database in which all geographies could be compared apples-to-apples in bankruptcy rates – defined as the number of filings per 1,000 adults over a trailing 12-month period.

**By showing bankruptcy trends this way, creditors and others can see local market trends in filings over a long time.**

**More importantly, bankruptcy rates by place can be correlated to other external statistics (unemployment, divorce rates, home values, wage garnishment rules, etc.) – [a major opportunity for risk modelers.](#)**

**The database includes:**

**1. Data for the nation, for each state and D.C., for each of 379 metro areas, and more than 3,000 county subdivisions.**

**For each of these places, we have:**

**2. Total number of personal filings over a trailing 12-month period.**

**3. Total filings broken out by Chapter 7 (liquidation) versus Chapters 13/11 (reorganization).**

**4. Filing rates per 1,000 adults: total, Chapter 7, and Chapters 13/11.**

**5. All data described above updated quarterly.**

**6. Quarterly data from 1989 through the present (late 2010, as of the date this Prospectus was written).**

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This Prospectus describes the database further, how it can be used, how we deliver it, and costs.

## Bankruptcy: The Drivers Are Different

There were nearly 1.6 million personal bankruptcy filings in 2010. They represent a very large portion of all credit losses.

**But in terms of forecasting, bankruptcy filings are very different from non-bankruptcy losses.** Different things drive the bankruptcy rate.

**One example: state laws on wage garnishment.** If you are a creditor, check your loss records in Texas, Pennsylvania, and South Carolina. You'll find few bankruptcy losses compared to non-bankruptcy losses, because these states ban wage garnishment completely.

**Memphis, TN, shows the flip side.** This city typically has normal or below-average unemployment rates, but had the highest bankruptcy rate – every quarter, among 379 cities – from 1989 through mid-2010.

In Memphis (and in some other places), bankruptcy is the entrenched way that consumers deal with financial problems, supported by word-of-mouth and lawyer advertising.

**General credit scores, of course, do not take these kinds of facts into account. But you might want to.**

A bankruptcy loss is a unique, and often more serious, form of credit problem. Collections efforts stop; negotiation ends.

**But armed with geographical filings rate data, you can do something about this.**

**New forecasting models are possible. And via marketing, you may gradually shift your customer base to areas where filing rates are consistently low.**

## More On The Numbers, And Uses

The **Bankruptcy Rates Database** computes filing rates per 1,000 adults based on the [residence location](#) of the borrower.

We use numbers of filings obtained directly from official U.S. Courts records. We compute the filings rate based on the most recently updated population data from the Census Bureau.

**Stretching back to 1989, the database recently contained more than 1.5 million statistics.**

They allow a user to separately review (and model against) Chapter 7 rates and Chapter 13/11 rates.

## **There are many uses for these data, including:**

### **1. Modeling**

You can obtain all sorts of free or low-cost geographical data on unemployment rates, divorce, and other subjects to correlate against our bankruptcy rates.

If you are a creditor, you also can observe your customers grouped into the same geographies we show and note the characteristics of those who file – against a normalized average filing rate.

### **2. Benchmarking**

For every 1,000 customers you have in Florida, Ohio, or anywhere else, you can use internal data to compute a filing rate over any period of time. But is your rate higher or lower than it should be? Simply compare your rate to those in the database to find out.

### **3. Marketing**

You have geographical choices to make when you market your products and services. If you are not taking bankruptcy rates into account, maybe you should.

Over 12 months ended September 30, 2010, there were 2.52 filings per 1,000 adults in Austin, TX. There were 17.54 filings per 1,000 in Las Vegas. One city was seven times more dangerous for creditors. And, Austin has always been better.

If you ignore these kinds of facts, you live with the results.

## **Obtaining The Database**

SMR provides the Bankruptcy Rates Database to clients in formats most can use immediately, such as delimited ASCII (easily imported into Excel, SAS, or other programs).

If you have special file format needs, let us know. We usually can accommodate.

We deliver fast – within one or two days of your order, typically.

You can purchase the entire database, or only selected portions you might want: National data, state data, metro areas, or counties.

## Fees For The Database

Our fees for the database depend on what you want.

**We can deliver all of our historical data back to 1989 on all geographies for \$9,500. Geographical subsets include:**

All historical data, national-level only:	<b>\$2,850</b>
All historical data, state-level:	<b>\$4,500</b>
All historical data, 379 metro areas:	<b>\$6,500</b>
All historical data, county-level:	<b>\$8,000</b>

**Quarterly updates:** Going forward, you can subscribe to four quarterly updates of the entire database, covering all geographies, for **\$2,975**. Or, get four quarterly updates of subsets as follows:

Quarterly updates for the nation:	<b>\$850</b>
Quarterly updates for states:	<b>\$1,250</b>
Quarterly updates for 379 metro areas:	<b>\$1,975</b>
Quarterly updates for counties:	<b>\$2,500</b>

Note: In Virginia, some cities are categorized as counties, while surrounding areas are categorized as separate subdivisions. Historically, the U.S. Courts data will sometimes err on which of these "counties" people live in. As a result, SMR combines some Virginia "city counties" with other nearby areas.

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**To make a purchase, simply fill out the Order Form.**

**Note that clients without prior established credit at SMR may be required to pay via credit card.**

**If you have questions about the database, your contact is:**

**Stephanie Rady, SMR's director of data services. Call 908-852-7677 or email her: [Stephanie.Rady@SMRresearch.com](mailto:Stephanie.Rady@SMRresearch.com).**