

Center for American Progress



**Rising Personal Bankruptcies:
A Sign of Economic Strains on
America's Middle Class**

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I. Introduction

America's middle class has been waiting for a strong economic revival for four years now. By December 2004, there were still fewer jobs than at the start of the recession in March 2001. Family incomes had fallen for three years in a row through 2003 and wage growth fell behind inflation in 2004.

At the same time, families experienced sharply higher costs for education, energy, housing, and health care, putting household finances in a bind. Importantly, many families faced rising costs for the debt that they have piled up amid a comparatively weak labor market. With higher interest rates, this debt could quickly become more burdensome. Starting in June 2004, the Federal Reserve began to raise interest rates.

The combination of modest income growth and rising costs has already taken a toll on America's middle class. By 2003, the personal bankruptcy rate reached a record high. Across the country, a number of states showed disproportionately high incidences of personal bankruptcy. The divergence in personal bankruptcies shows that economic distress is more closely connected to slow income growth than to other factors. Recently, personal bankruptcies have become more closely associated with job loss than in the past, and they have remained sensitive to the lack of health insurance coverage. The situation since 2003 suggests that further increases in personal bankruptcies are possible as prices have risen further amid a continuously weak labor market.

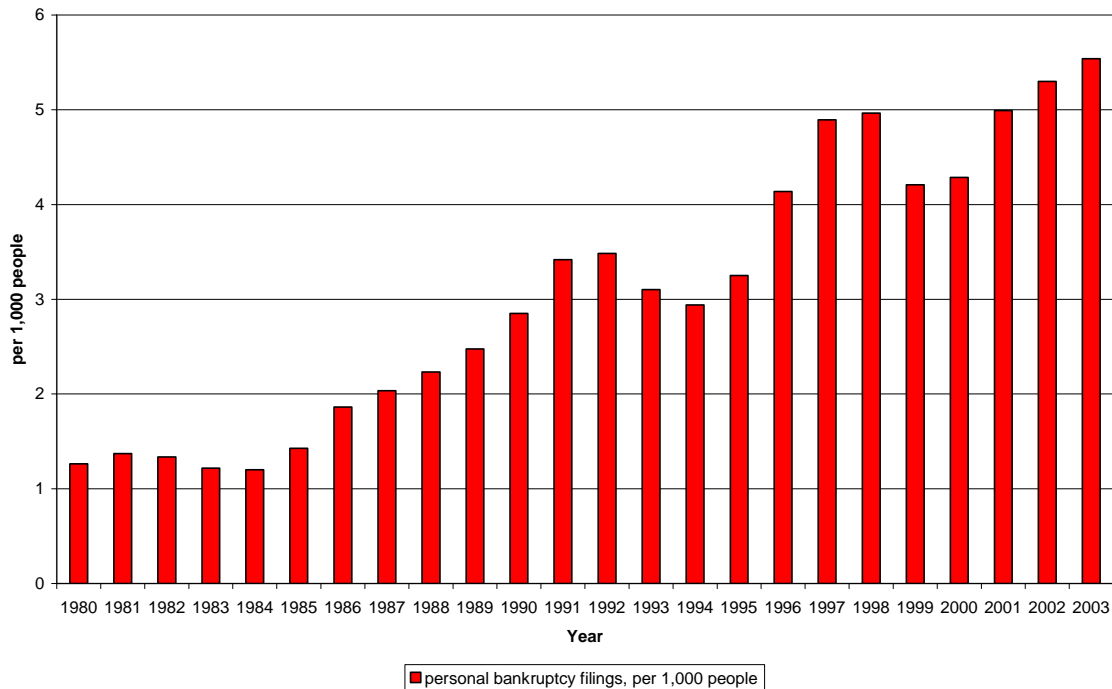
II. The State of Play

Nationwide, the number of cases of personal bankruptcy has risen in recent years. By 2003, there were a record number of 5.5 personal bankruptcy filings for every 1,000 people living in the U.S. (figure 1). The previous record of almost 5.0 filings for every 1,000 people was reached in 1998, but it was quickly surpassed when the economy entered a recession in 2001.

A variety of factors determine personal bankruptcies. Typically, the arrival of unforeseen events, such as the sickness of a family member or a lay off, coupled with low income and few savings, lead to bankruptcy. Economic research has consistently found that personal bankruptcies are a function of income growth, debt composition, particularly credit card debt, out-of-pocket medical expenditures, debt service, and unemployment, in addition to demographic characteristics (Ausubel, 1997; Chaterjee et al., 2002; Gross and Souleles, 1998; Stavins, 2000; Warren and Tyagi, 2003; Weller and Boushey, 2005). At the state level, we have data available for unemployment rates, the share of the population without health insurance, and per capita income levels (BEA, 2004; BLS, 2004a).¹

¹ See table A-1 in the appendix for detailed state-by-state data.

Figure 1: Personal Bankruptcy Filings in the U.S., per 1,000 people



Sources: ABI (2004); Census (2004); and authors' calculations.

The rise in personal bankruptcies came at a time when the labor market stayed weak for a surprising number of years. By December 2004, there were still 84,000 fewer jobs than at the start of the recession in March 2001 (BLS, 2004b). At the same time, wages have barely kept pace with inflation (BLS, 2004c). As a result of weak employment and wage growth, typical family incomes actually declined by more than \$1,600 in inflation adjusted terms from 1999 to 2003 (Census, 2004).

At the same time, prices for important items have been growing rapidly. Most notably, health insurance costs rose by 14 percent from 2000 to 2003, while the share of the population without health insurance increased from 14.2 percent to 15.6 percent (BLS, 2004d, Census). This is of particular importance since lack of health insurance is often tied to personal bankruptcies.

Households have managed to maintain their consumption by borrowing increasing amounts. For the first time since the Federal Reserve started collecting these data in 1952, the average household had debt totaling more than 115 percent of disposable income (BOG, 2004a). Mortgage debt rose relative to income, while credit card debt held constant at around 10 percent of the average household's disposable income (BOG, 2004b).

With higher debt levels, families also had to dedicate more of their income to servicing their debts. Since the recession started in 2001, families had to spend at or above 13 percent of their disposable income on debt service, the highest rate since the Federal Reserve started collecting this information in 1980 (BOG, 2004c).

Across the country, personal bankruptcy rates vary widely between states and over time. Specifically, we consider the distribution of personal bankruptcy rates across the fifty states and the District of Columbia from 1980 to 2003 to see if variations in personal bankruptcies are linked to one or more of three factors: income, unemployment, and health insurance coverage. The expectation is that lower incomes, higher unemployment and greater shares of families without health insurance are all tied to greater personal bankruptcy rates.

A ranking of the 50 states plus the District of Columbia shows that there was a large variance among the states in the number of personal bankruptcies per 1,000 people in 2003 (table 1). The average number of bankruptcies per 1,000 people for the U.S. was 5.5 in 2003. Seven states had bankruptcy rates that were 50 percent greater than the average: Tennessee, Alabama, Utah, Georgia, Nevada, Indiana, and Arkansas. One state, Tennessee, even surpassed the U.S. average by 100 percent. In comparison, there were only two states that had bankruptcy rates that were 50 percent below the average: Massachusetts and Alaska. In other words, the distribution of bankruptcy rates is skewed towards states with high bankruptcy rates.

Further, the bankruptcy rates in 2003 were, not surprisingly, highly correlated with the changes in bankruptcy rates from 2000 to 2003. The correlation coefficient between bankruptcy rates in 2003 and the change in bankruptcy rates from 2000 to 2003 was 0.8.² Seven of the ten states with the highest levels of bankruptcy rates were also among the ten states with the largest increases in bankruptcy rates from 2000 to 2003: Tennessee, Utah, Nevada, Indiana, Arkansas, Ohio, and Oklahoma. That is, higher bankruptcy rates were mostly associated with larger changes in bankruptcy rates over the prior three years.

² The coefficient takes on the value of zero if there is no correlation, the value of one if there is perfect correlation, i.e. every time one price goes up the other one does, too, and the value of minus one if there is perfect negative correlation, i.e. higher bankruptcy rates are always associated with greater changes.

Table 1
Bankruptcy Rankings of 50 States and District of Columbia, 2003

Ranking	State	Bankruptcies per 1,000	Change in bankruptcies per 1,000	Ranking by Changes	Unemp. rate (%)	Share without health insurance (%)	Per capita income (\$)	Divorces per 1,000
U.S.		5.5	1.3		5.5	15.6		3.6
Top 10		8.8	2.3		5.4	17.9	26221	4.2
1	Tennessee	11.1	2.6	5	5.8	13.2	26389	5.0
2	Alabama	9.4	0.7	36	5.8	14.2	23937	4.9
3	Utah	9.2	2.6	3	5.6	12.7	22802	3.7
4	Georgia	9.2	2.0	11	4.7	16.4	26146	4.0
5	Nevada	9.0	2.3	7	5.2	18.9	28342	6.5
6	Indiana:	8.9	2.8	2	5.1	13.9	25882	n.a.
7	Arkansas:	8.8	2.6	4	6.2	17.4	22103	6.0
8	Ohio	7.7	3.1	1	6.1	12.1	26649	3.5
9	Mississippi:	7.6	1.2	27	6.3	17.9	21545	4.7
10	Oklahoma:	7.6	2.2	8	5.7	20.4	24042	n.a.
Next 10		6.6	1.8		6.3	14.2	27320	3.5
11	Kentucky:	7.2	2.1	9	6.2	14.0	23603	5.1
12	Idaho:	6.9	1.6	18	5.4	18.6	23239	5.1
13	Oregon	6.7	1.8	15	8.2	17.2	25509	4.0
14	Illinois:	6.7	1.9	13	6.7	14.4	29532	2.7
15	Missouri	6.6	2.0	12	5.6	11.0	26121	3.9
16	Washington	6.5	1.3	22	7.5	15.5	30188	4.3
17	Louisiana:	6.5	1.4	20	6.6	20.6	23796	n.a.
18	Michigan	6.2	2.6	6	7.3	10.9	27985	3.6

Ranking	State	Bankruptcies per 1,000	Change in bankruptcies per 1,000	Ranking by Changes	Unemp. rate (%)	Share without health insurance (%)	Per capita income (\$)	Divorces per 1,000
19	Maryland	6.1	0.5	41	4.5	13.9	32659	2.9
20	West Virginia	6.0	1.3	23	6.1	16.6	22521	4.9
Middle		5.3	1.5		5.3	14.7	28291	3.8
21	Kansas:	5.8	1.7	16	5.4	11.0	26602	3.3
22	Virginia	5.8	0.8	35	4.1	13.0	29604	4.0
23	Colorado:	5.6	2.1	10	6.0	17.2	30694	4.2
24	Arizona	5.6	1.7	17	5.6	17.0	24324	4.3
25	Florida:	5.5	1.0	32	5.1	18.2	27089	5.0
26	Wisconsin	5.0	1.8	14	5.6	10.9	27295	3.2
27	Nebraska:	4.8	1.6	19	4.0	11.3	27404	3.4
28	New Jersey	4.8	0.5	42	5.9	14.0	34967	3.2
29	Wyoming	4.8	0.7	37	4.4	15.9	28991	5.6
30	New Mexico	4.8	1.2	26	6.4	22.1	23234	3.4
31	Pennsylvania:	4.7	1.2	25	5.6	11.4	28266	3.0
Next 10		4.2	1.0		5.7	14.0	27770	3.2
32	Montana	4.7	1.1	30	4.7	19.4	23356	3.3
33	North Carolina	4.6	1.3	24	6.5	17.3	25306	4.4
34	Rhode Island	4.2	0.0	48	5.3	10.2	28325	3.1
35	Delaware:	4.2	0.0	49	4.4	11.1	29420	4.9
36	Iowa:	4.2	1.4	21	4.5	11.3	25725	2.7
37	Texas	4.0	1.2	28	6.8	24.6	26582	3.6
38	DC	4.0	1.2	29	7.0	14.3	41143	2.1
39	Minnesota:	3.9	1.1	31	5.0	8.7	29965	2.9
40	South Carolina	3.9	0.9	33	6.8	14.4	23720	3.2
41	California	3.9	-0.2	50	6.7	18.4	29458	n.a.

Ranking	State	Bankruptcies per 1,000	Change in bankruptcies per 1,000	Ranking by Changes	Unemp. rate (%)	Share without health insurance (%)	Per capita income (\$)	Divorces per 1,000
Bottom 10		3.3	0.3		4.8	10.7	28381	3.4
42	New York	3.8	0.8	34	6.3	15.1	31188	3.2
43	South Dakota	3.6	0.2	46	3.6	12.2	26188	3.3
44	Maine	3.5	0.5	43	5.1	10.4	25963	4.4
45	Connecticut:	3.5	0.4	45	5.5	10.4	36774	2.9
46	North Dakota	3.5	0.6	40	4.0	10.9	26248	2.7
47	New Hampshire	3.3	0.6	38	4.3	10.3	31197	3.6
48	Hawaii:	3.0	-0.7	51	4.3	10.1	27466	n.a.
49	Vermont	2.9	0.6	39	4.6	9.5	27486	4.4
50	Massachusetts	2.8	0.4	44	5.8	10.7	34088	2.5
51	Alaska	2.1	0.1	47	8.0	18.9	30272	4.9

Notes: Sources are ABI (2004), Census (2004), Munson and Sutton (2004), BEA (2004), BLS (2004c). Group averages are population weighted averages.

Personal bankruptcies appear to be linked to lack of health insurance and personal disposable income, but not to unemployment. States with higher bankruptcy rates also tended to have a larger share of their population without health insurance. For the ten states with the highest bankruptcy rates, the share of the population without health insurance averages 17.9 percent. This compares to an average of 10.7 percent of the population in the ten states with the lowest bankruptcy rates (table 1).

An even stronger link seems to exist between per capita income and bankruptcy rates. Specifically, per capita disposable income seems on average to rise to the middle of the distribution of bankruptcy rates and then level off around \$28,000.

In comparison, there does not appear to be a clear link across states between the unemployment rate and the bankruptcy rate, at least not in 2003.

What does this mean for the typical household? Let's compare it to another family phenomenon that receives a fair amount of attention, divorce. Bankruptcy rates were higher than divorce rates in 40 states in 2003. On a population weighted basis, bankruptcy rates were 37 percent greater than divorce rates for all states and the District of Columbia. In other words, people had a 37 percent higher chance of declaring bankruptcy than of going through a divorce.

III. Changes in the States

There is a fair amount of fluidity in bankruptcy rates. This is confirmed when we look at the biggest movements in states' position in the bankruptcy rate rankings over time. We look at the ten biggest movements up or down over the course of a business cycle, starting in 1980. In fact, there is very little overlap between business cycles and some states can be found in both lists. For example, Texas was among the top ten states with the largest deteriorations in bankruptcy rates in the 1980s and in the most recent business cycle, but it was also among the ten states with the biggest improvements in the 1990s. The opposite movement was true for the District of Columbia, first improving, then deteriorating and finally improving again (table 2).

States moved the most in the bankruptcy rating during the 1990s. As before, a higher position in the ranking indicates a larger number of personal bankruptcies for every 1,000 people. The average drop for the improving states was 16.2 and the average rise in ranking position for the deteriorating states was 13.6 (table 2). The greater movement in bankruptcy rankings in the 1990s than in the 1980s may indicate a greater sensitivity with respect to income and health insurance.

Table 2
Top Ten Gainers and Losers in Personal Bankruptcy Rate Rankings

1980 to 1989		1990 to 2000		2001 to 2003	
State	Change in Ranking	State	Change in Ranking	State	Change in Ranking
Top 10 Bankruptcy Rate Improvements					
NY	16	CO	28	HI	19
NC	16	MN	28	CA	15
NE	11	AZ	22	DC	11
MI	11	TX	17	RI	11
ME	11	NH	15	MD	10
IL	11	AK	14	SD	8
OH	10	CA	11	VA	7
HI	10	NE	10	CT	6
DC	10	IA	9	NJ	6
IA	9	KA	8	FL	4
Avg.	11.5		16.2		9.7
Top 10 Bankruptcy Rate Deteriorations					
NH	-7	WA	-8	MO	-5
GA	-7	LA	-9	DE	-6
AK	-9	ME	-9	MN	-7
UT	-10	NJ	-13	TX	-8
OK	-11	PA	-14	CO	-10
MN	-12	AR	-15	NE	-10
WY	-13	DC	-15	OH	-10
AZ	-16	WV	-17	IA	-11
TX	-21	HI	-22	MI	-12
FL	-22	MD	-25	WI	-12
Avg.	-11.8		-13.6		-8.8

Note: In each year, states are ranked by bankruptcy rate, with the highest bankruptcy rate receiving a ranking of “1” and the lowest a ranking of “51.” A positive change indicates a higher ranking number in the later years, i.e. an improvement in the state’s bankruptcy rate relative to the other 50 entities.

To look at changes in bankruptcy rates more formally, we calculate the population weighted averages for bankruptcy rate changes for the five groupings of states by bankruptcy rates for five-year intervals (table 3). Interestingly, bankruptcy rate increases are especially pronounced among the states with the highest bankruptcy rates (“top 10”). The average bankruptcy rate for these states rose by 6.0 percentage points, compared to 2.5 percentage points for the ten states with the lowest bankruptcy rates. This confirms our earlier point that bankruptcy rates have become more concentrated among the states with high bankruptcy rates. Put differently, the rise in bankruptcy rates was not uniform, as it was systematically skewed towards the states with already high bankruptcy rates.

Table 3
Bankruptcy Rate Changes by 5-Year Intervals and Bankruptcy Rate Groupings

Group of States	1980-1984	1985-1989	1990-1994	1995-1999	2000-2003	Change (2000/03-1980/84)
Bottom 10	0.5	0.8	1.6	2.6	3.0	2.5
Next 10	0.7	1.1	2.1	3.3	3.9	3.2
Middle	1.0	1.8	2.7	3.8	4.7	3.7
Next 10	1.5	2.7	3.4	4.8	5.9	4.4
Top 10	2.1	3.4	5.0	6.0	8.1	6.0

Notes: All figures are in percentages. All data are population weighted averages.

IV. Links to Health Insurance, Unemployment Rate, and Personal Income

As bankruptcy rates rose and became unusually high in some states, the question arises whether this can be linked to particular reasons for personal bankruptcy that have already been identified by researchers. We consider the relationship between changes in the bankruptcy rate and changes in other economic variables in each of the five groupings of states during the most recent business cycle from 2000 to 2003 (table 4).

The clearest connection between personal bankruptcies and the underlying economic situation is between bankruptcy and disposable income. For almost all group averages, higher income levels and larger income gains (in inflation adjusted terms) were associated with a lower incidence of personal bankruptcy and smaller changes in personal bankruptcy rates. However, the link was far from perfect as the correlation coefficients were relatively small (table 4). The figures do not show a systematic relationship between the lack of health insurance coverage and personal bankruptcies and between unemployment rates and personal bankruptcies.

Table 4
Correlation with Changes in Bankruptcy Rates, by State Groupings, 2000 to 2003

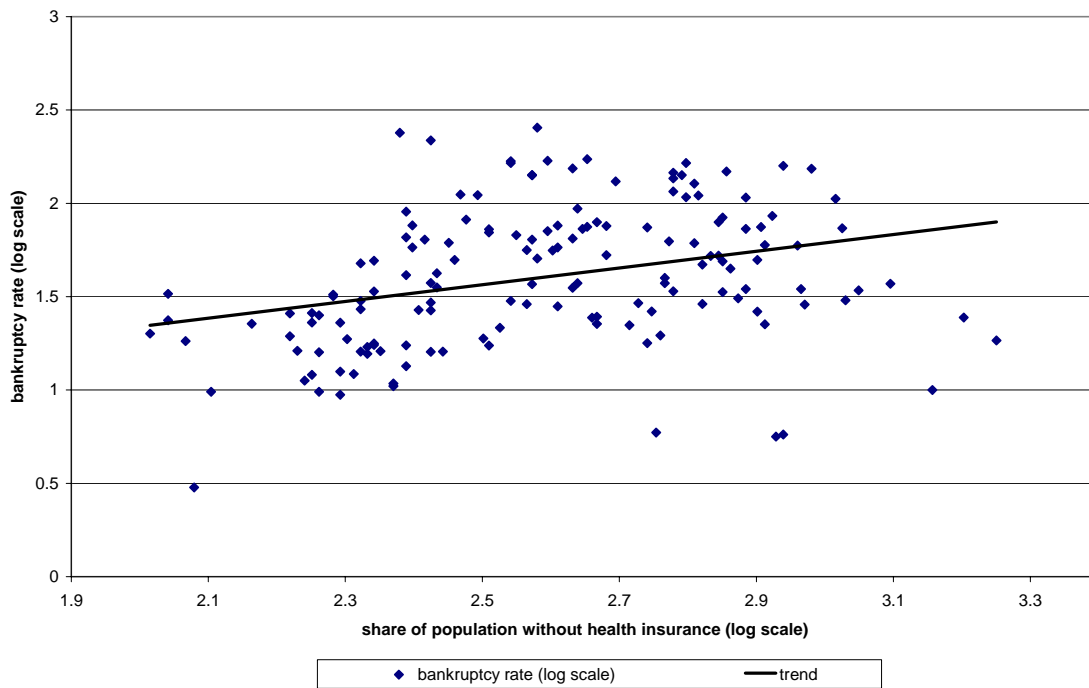
	Changes in Share Without Health Insurance	Changes in Unemployment Rate	Changes in Per Capita Disposable Income
Levels			
top 10	-0.42	-0.29	0.32
next 10	0.15	0.09	-0.32
middle 11	-0.01	-0.09	-0.11
next 10	0.21	-0.34	-0.38
bottom 10	-0.38	-0.53	-0.10
National	0.24	0.12	-0.43
Changes			
top 10	0.84	0.15	-0.35
next 10	0.39	0.53	-0.38
middle 11	-0.18	0.06	-0.28
next 10	0.08	0.45	-0.30
bottom 10	0.26	0.08	-0.37
National	0.27	0.19	-0.35

Notes: Figures are correlation coefficients. In each case, correlation coefficients between the changes in the respective variable and changes in the bankruptcy rate are calculated.

A graphical representation, though, shows that for the most recent business cycle, a higher unemployment rate, larger shares of the population without health insurance, and lower incomes tended to be associated with more personal bankruptcy cases relative to population. Specifically, bankruptcy rates tend to be higher in states with smaller shares of people having health insurance (figure 1). Each 1 percent increase in the share of the population without health insurance is associated with a 0.5 percent increase in the personal bankruptcy rate (figure 1).³ The responsiveness of the personal bankruptcy rate is the same with respect to unemployment rates than it is with respect to the lack of health insurance coverage. Each 1 percent increase in the unemployment rate is associated with a half percent increase in the personal bankruptcy rate (figure 2).

The strongest responsiveness in the personal bankruptcy rate can be observed with respect to per capita disposable income. A 1 percent increase in the inflation adjusted per capita disposable income lowers the bankruptcy rate by 1.1 percent. That is, bankruptcy rates were more than twice as sensitive to changes in disposable income as they were to changes in health insurance coverage and to changes in the unemployment rate from 2000 to 2003 (figure 3).

Figure 1: Bankruptcy Rates and Health Insurance Coverage



³ Technically speaking, the slope is the elasticity of the bankruptcy rate with respect to the unemployment rate or the health insurance coverage.

Figure 2: Bankruptcy Rates and Unemployment Rate

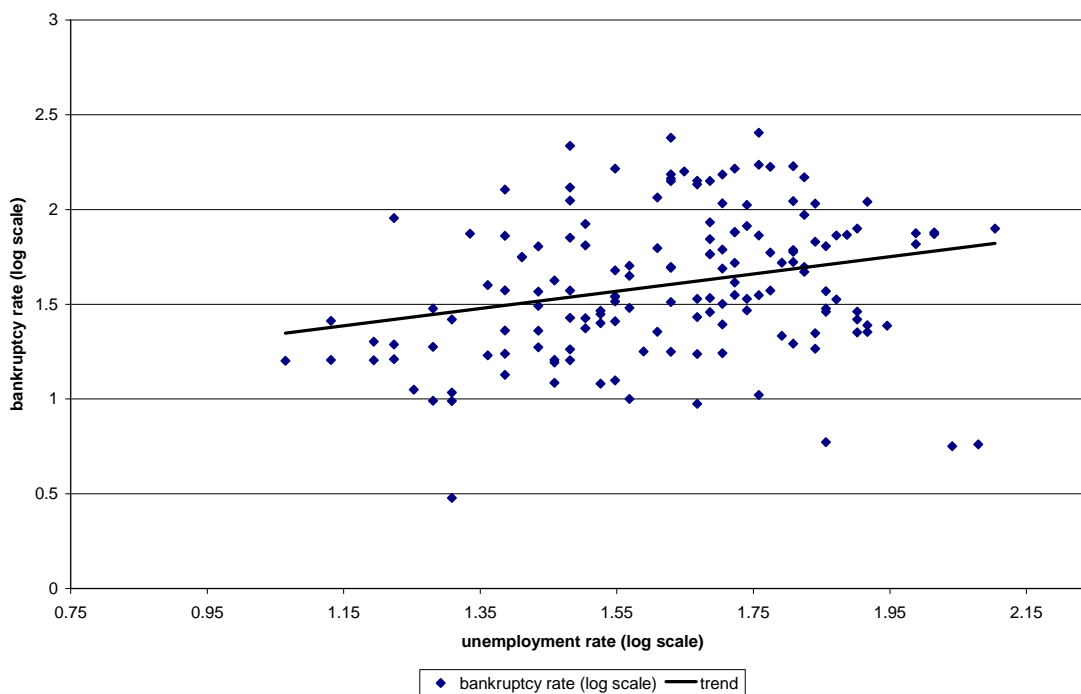
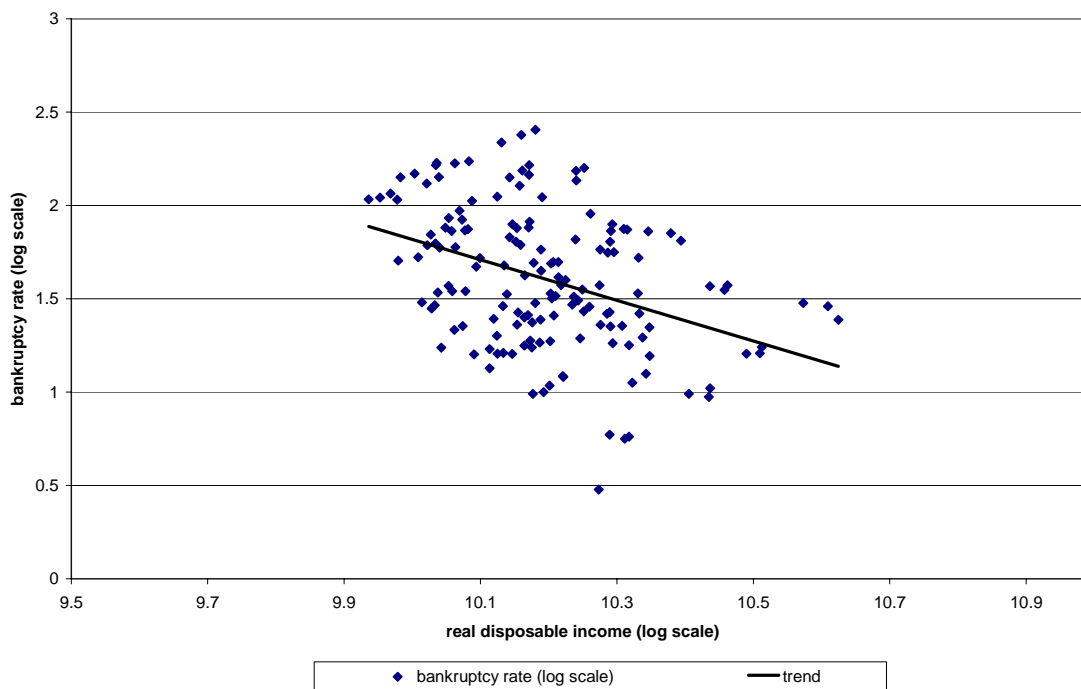


Figure 3: Bankruptcy Rates and Disposable Income



Has the relationship between personal bankruptcy rates and economic variables changed over time? Because households have more debt and because they have to pay more for debt service out of their disposable income, they should become more vulnerable to unexpected economic events. Unfortunately, there are no state data on household debt. However, household debt across the country has reached record highs in recent years. This should make families more susceptible to unforeseen events and more likely to declare bankruptcy earlier than they were in the past.

This is true with respect to the unemployment rate. Although bankruptcies still rise in response to higher unemployment rates (figure 2), lower average unemployment rates are now associated with higher bankruptcy rates than was the case in the past (table 5). The most recent business cycle, which was characterized by higher bankruptcy rates, was also characterized by lower unemployment rates (table 5). Households have become more vulnerable to job loss than in the past,⁴ possibly because the chance of re-entry after job loss has been substantially reduced in the most recent business cycle, as all measures of long-term unemployment reached twenty-year highs (Weller and Chaurushiya, 2004).

Table 5
Economic Trends over Time, by Business Cycle

Explanatory variables	1980-1989	1990-2000	2001-2003	Change 1990s to 2000s (%)	Change 1980s to 2000s (%)
Top 10					
Unemployment rate	7.3	6.0	5.2	-0.8	-2.1
Percent without h.i.	n.a.	16.8	14.3	2.5	n.a.
Disposable income (\$)	20,997	23,937	25,114	4.9	19.6
Next 10					
Unemployment rate	7.5	5.5	5.8	0.3	-1.7
Percent without h.i.	n.a.	14.6	13.8	-0.8	n.a.
Disposable income (\$)	21,992	25,205	27,359	8.5	24.4
Middle					
Unemployment rate	7.4	5.7	5.3	-0.4	-2.1
Percent without h.i.	n.a.	14.8	15.4	0.6	n.a.
Disposable income (\$)	21,024	25,590	28,185	10.1	34.1
Next 10					
Unemployment rate	7.0	5.4	5.9	0.5	-1.1
Percent without h.i.	n.a.	14.7	15.9	1.2	n.a.
Disposable income (\$)	22,072	25,115	28,059	11.7	27.1
Bottom 10					
Unemployment rate	5.5	5.0	5.2	0.2	-0.3
Percent without h.i.	n.a.	12.5	16.1	3.6	n.a.
Disposable income (\$)	23,522	25,293	29,708	17.5	26.3

Notes: All figures are in percent, unless otherwise indicated. Dollar amounts are in 2003 dollars. All averages are population weighted averages.

⁴ Formal statistical tests show that the elasticity of bankruptcy rates with respect to the unemployment rate was higher in the most recent business cycle than in previous ones.

It does not seem to be the case that households have necessarily become more sensitive to the loss of health insurance over time. Typically, the share of people without health insurance coverage rose from the 1990s to the most recent business cycle, along with personal bankruptcy rates (table 5). At the same time, higher bankruptcy rates tended to be associated with larger shares of the population without health insurance (figure 2), although the group averages disguise this trend (table 5).

Lastly, in all three business cycles, higher bankruptcy rates were associated with lower incomes. The dispersion of disposable incomes has become larger (table 5), just like the dispersion of personal bankruptcy rates has (table 3). While states with the lowest bankruptcy rates in the 1980s had 12 percent more income than the states with the highest bankruptcy rates, they had on average 18 percent more income in the most recent business cycle (table 3).

The trends show that households have become more sensitive to unemployment than in the past, that higher personal bankruptcies are also associated with a growing lack of health insurance and that a growing dispersion of personal disposable income may also explain the dispersion in bankruptcy rates over time.

V. Conclusion

Another year of rising consumption and growing debt levels amid a weak labor market has passed. This likely gave rise to increases in already record high personal bankruptcy rates in 2003. A state-by-state analysis shows that in a number of states personal bankruptcies reached especially high levels. Generally, personal bankruptcy rates were associated with a lack of disposable income. At the same time, families have become more vulnerable to job loss as the weak labor market has created the highest long-term unemployment in two decades. That is, it has become increasingly hard for those who have lost their jobs to find new employment. Amid the weak labor market, families have also been losing their health insurance coverage, which has contributed to rising bankruptcy rates in recent years.

The state-by-state numbers suggest that boosts to disposable income can be most beneficial in terms of reducing the chance of personal bankruptcies in the states. This could be done through better benefits for the long-term unemployed as well as through higher minimum wages for those who still have their jobs. In addition, improved health insurance coverage would reduce the economic distress for middle-class Americans and lower their vulnerability to economic changes.

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Table A-1
State-by-State Data on Personal Bankruptcies, Unemployment, Health Insurance Coverage and Personal Disposable Income

State	Bankruptcy rate per 1,000				Unemployment rate				Share without health insurance			Personal disposable income			
	1980	1990	2000	2003	1980	1990	2000	2003	1990	2000	2003	1980	1990	2000	2003
AL	2.4	6.0	8.6	9.4	8.8	6.9	4.5	5.8	17.9	13.3	14.2	\$15,555	\$19,775	\$22,492	\$23,937
AK	0.5	1.8	2.1	2.1	9.7	7.0	6.7	8.0	15.4	18.7	18.9	\$28,911	\$28,363	\$28,233	\$30,272
AZ	1.2	4.3	3.9	5.6	6.7	5.5	4.0	5.6	15.5	16.7	17.0	\$18,887	\$21,301	\$23,857	\$24,324
AR	1.0	2.8	6.2	8.8	7.6	7.0	4.4	6.2	17.4	14.3	17.4	\$14,970	\$18,283	\$20,705	\$22,103
CA	1.7	3.4	4.1	3.9	6.8	5.8	4.9	6.7	19.1	18.5	18.4	\$23,319	\$26,567	\$28,549	\$29,458
CO	1.7	4.7	3.5	5.6	5.9	5.0	2.8	6.0	14.7	14.3	17.2	\$20,812	\$24,216	\$30,171	\$30,694
CT	0.6	1.6	3.1	3.5	5.9	5.2	2.2	5.5	6.9	9.8	10.4	\$23,641	\$32,550	\$35,676	\$36,774
DE	0.7	1.4	3.0	4.2	7.7	5.2	3.9	4.4	13.9	9.3	11.1	\$20,030	\$26,008	\$28,080	\$29,420
DC	0.9	1.6	4.0	4.0	7.3	6.6	5.7	7.0	19.2	14.0	14.3	\$23,335	\$32,180	\$35,673	\$41,143
FL	0.5	2.6	4.4	5.5	5.9	6.0	3.6	5.1	18.0	17.7	18.2	\$19,570	\$24,672	\$26,512	\$27,089
GA	1.8	6.1	7.2	9.2	6.4	5.5	3.7	4.7	15.3	14.3	16.4	\$16,544	\$21,770	\$25,702	\$26,146
HI	0.6	0.7	3.7	3.0	4.9	2.9	4.3	4.3	7.3	9.4	10.1	\$22,346	\$27,127	\$26,539	\$27,466
ID	1.8	3.7	5.3	6.9	7.9	5.9	4.9	5.4	15.2	15.4	18.6	\$17,237	\$19,692	\$22,396	\$23,239
IL	2.1	3.1	4.8	6.7	8.3	6.2	4.3	6.7	10.9	13.9	14.4	\$21,133	\$25,577	\$29,293	\$29,532
IN	2.2	4.1	6.1	8.9	9.6	5.3	3.2	5.1	10.7	11.2	13.9	\$18,284	\$21,635	\$25,270	\$25,882
IA	1.0	1.7	2.8	4.2	5.8	4.3	2.6	4.5	8.1	8.8	11.3	\$18,579	\$21,637	\$24,992	\$25,725
KA	1.6	3.3	4.1	5.8	4.5	4.5	3.7	5.4	10.8	10.9	11.0	\$19,269	\$22,484	\$25,696	\$26,602
KY	2.0	3.6	5.1	7.2	8.0	5.9	4.1	6.2	13.2	13.6	14.0	\$16,163	\$19,176	\$22,809	\$23,603
LA	1.0	2.7	5.0	6.5	6.7	6.3	5.5	6.6	19.7	18.1	20.6	\$17,150	\$19,271	\$21,986	\$23,796
ME	0.7	1.2	3.0	3.5	7.8	5.2	3.5	5.1	11.2	10.9	10.4	\$16,667	\$21,662	\$24,032	\$25,963
MD	0.8	1.9	5.6	6.1	6.5	4.7	3.8	4.5	12.7	10.4	13.9	\$21,238	\$27,580	\$30,774	\$32,659
MA	0.5	1.4	2.4	2.8	5.6	6.0	2.6	5.8	9.1	8.7	10.7	\$20,215	\$27,867	\$32,388	\$34,088
MI	1.4	2.0	3.6	6.2	12.4	7.6	3.5	7.3	9.4	9.2	10.9	\$20,059	\$23,329	\$27,179	\$27,985
MN	1.0	3.0	2.8	3.9	5.9	4.9	3.3	5.0	8.9	8.1	8.7	\$19,735	\$24,361	\$29,050	\$29,965
MS	1.8	4.2	6.4	7.6	7.5	7.6	5.6	6.3	19.9	13.6	17.9	\$14,079	\$16,767	\$20,235	\$21,545
MO	1.3	2.6	4.6	6.6	7.2	5.8	3.4	5.6	12.7	9.5	11.0	\$18,183	\$21,872	\$25,299	\$26,121
MT	1.1	2.2	3.5	4.7	6.1	6.0	5.0	4.7	14.0	16.8	19.4	\$17,764	\$19,421	\$21,623	\$23,356
NE	1.5	2.3	3.2	4.8	4.1	2.2	3.0	4.0	8.5	9.1	11.3	\$17,898	\$22,569	\$25,742	\$27,404
NV	2.3	5.0	6.8	9.0	6.2	4.9	4.0	5.2	16.5	16.8	18.9	\$23,000	\$25,152	\$28,127	\$28,342
NH	0.6	1.9	2.7	3.3	4.7	5.7	2.8	4.3	9.9	8.4	10.3	\$19,423	\$25,752	\$30,526	\$31,197

NJ	0.6	1.8	4.3	4.8	7.2	5.1	3.7	5.9	10.0	12.2	14.0	\$22,518	\$30,100	\$34,209	\$34,967
NM	1.0	2.5	3.6	4.8	7.5	6.5	5.0	6.4	22.2	24.2	22.1	\$16,710	\$18,883	\$20,919	\$23,234
NY	1.1	1.7	3.0	3.8	7.5	5.3	4.6	6.3	12.1	16.3	15.1	\$21,044	\$28,414	\$30,862	\$31,188
NC	1.2	1.7	3.3	4.6	6.6	4.2	3.6	6.5	13.8	13.6	17.3	\$16,015	\$21,393	\$25,001	\$25,306
ND	0.6	1.4	2.9	3.5	5.0	4.0	3.0	4.0	6.3	11.3	10.9	\$15,479	\$20,353	\$24,147	\$26,248
OH	2.2	3.5	4.6	7.7	8.4	5.7	4.0	6.1	10.3	11.2	12.1	\$19,584	\$23,153	\$25,927	\$26,649
OK	1.4	4.3	5.3	7.6	4.8	5.7	3.1	5.7	18.6	18.9	20.4	\$18,487	\$20,103	\$22,994	\$24,042
OR	1.6	3.9	4.9	6.7	8.3	5.6	4.9	8.2	12.4	12.7	17.2	\$19,496	\$22,276	\$25,545	\$25,509
PA	0.5	1.4	3.5	4.7	7.8	5.4	4.1	5.6	10.1	8.7	11.4	\$19,581	\$24,417	\$27,328	\$28,266
RI	0.8	2.0	4.2	4.2	7.2	6.8	4.1	5.3	1.4	7.4	10.2	\$18,927	\$24,832	\$26,777	\$28,325
SC	0.3	1.5	2.9	3.9	6.9	4.8	3.8	6.8	16.2	12.1	14.4	\$15,287	\$19,843	\$22,976	\$23,720
SD	0.6	1.6	3.4	3.6	4.9	3.9	2.3	3.6	11.6	11.0	12.2	\$16,339	\$20,866	\$24,751	\$26,188
TN	2.6	7.2	8.5	11.1	7.3	5.3	3.9	5.8	13.7	10.9	13.2	\$16,538	\$21,289	\$25,014	\$26,389
TX	0.4	2.2	2.8	4.0	5.2	6.3	4.2	6.8	21.1	22.9	24.6	\$19,121	\$21,994	\$26,675	\$26,582
UT	1.4	4.0	6.6	9.2	6.3	4.3	3.3	5.6	9.0	12.5	12.7	\$16,935	\$18,579	\$22,227	\$22,802
VT	0.3	0.9	2.3	2.9	6.4	5.0	2.9	4.6	9.5	8.6	9.5	\$16,987	\$22,186	\$25,655	\$27,486
VA	1.5	3.0	5.0	5.8	5.0	4.3	2.2	4.1	15.7	11.6	13.0	\$19,584	\$25,160	\$28,008	\$29,604
WA	1.5	2.9	5.1	6.5	7.9	4.9	5.2	7.5	11.4	13.5	15.5	\$21,182	\$24,884	\$29,181	\$30,188
WV	0.7	1.8	4.6	6.0	9.4	8.4	5.5	6.1	13.8	14.1	16.6	\$15,919	\$18,252	\$20,875	\$22,521
WI	0.9	1.9	3.2	5.0	7.2	4.4	3.6	5.6	6.7	7.6	10.9	\$19,619	\$22,245	\$26,179	\$27,295
WY	0.8	2.8	4.1	4.8	4.0	5.5	3.9	4.4	12.5	15.7	15.9	\$22,812	\$22,735	\$26,179	\$28,991

Sources: ABI (2004); Census (2004); BEA (2004), BLS (2004c)

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