

# Debt Barometer 2009

## Just under nine percent more private insolvencies in 2009 / Increasingly more young people affected

### 1. Overview: Private insolvency rate 2009 on the rise / Slight decrease towards the end of the year

In 2009 130,698 German citizens filed for private bankruptcy. This corresponds to a rise by 8.65 percent in comparison with the previous year. In 2008 private persons swore an affidavit in 120,289 cases (see Chart 1). In particular younger people are increasingly hit by the wave of bankruptcy and threatened with poverty.

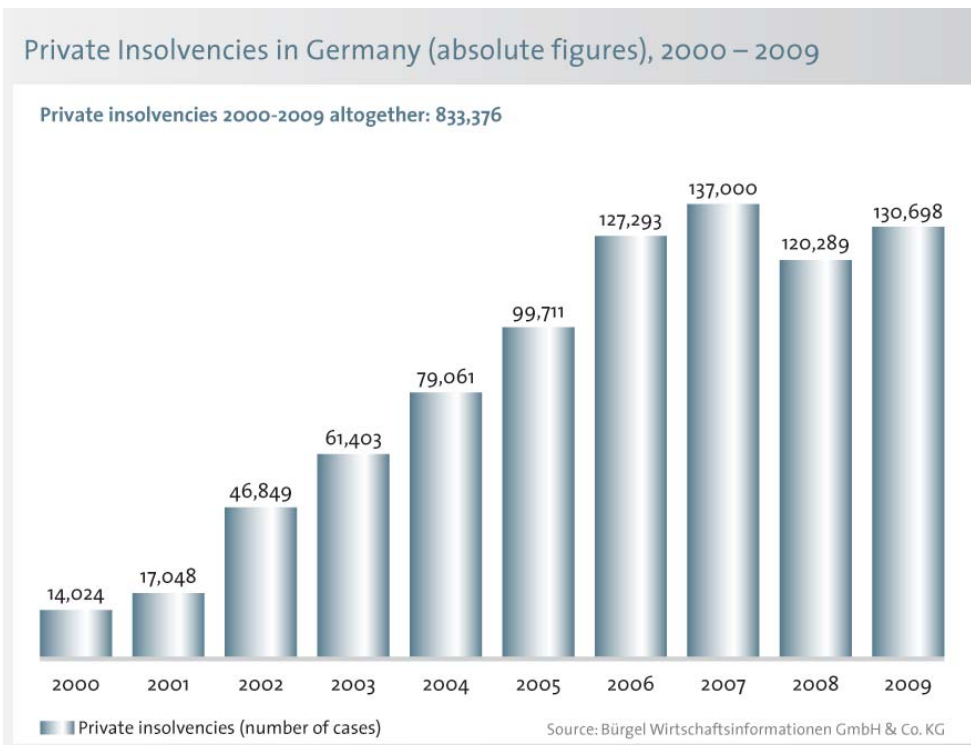


Chart 1

A current survey by the Hamburg financial information agency Bürgel produced this result. It is true that the number of cases of private insolvencies decreased towards the end of the year of the survey period 2009. In the fourth quarter of 2009 there were 33,834 consumer insolvencies (October: 11,814 cases; November 11,599 cases; December 10,421 cases). This corresponds to a decline by 4.28 percent in comparison with the previous quarter (3<sup>rd</sup> quarter 2009: 35,347).

However, Bürgel reckons with a negative development in the number of consumer bankruptcies for 2010. Altogether within the last decade, 833,376 private persons in Germany declared their insolvency.

## 2. Insolvency statistics per federal state: every fifth private insolvency in North Rhine-Westphalia / In population density figures the most cases were in Bremen

Top of the insolvency list of the absolute figures is North Rhine-Westphalia with 26,918 private bankruptcies. This means: just below 20 percent of all cases occurred in this federal state. In 2<sup>nd</sup> place is Lower Saxony with 17,605 insolvencies and in 3<sup>rd</sup> place Bavaria with 14,860 bankruptcies (see Chart 2).

Private Insolvencies per Federal State (in absolute figures), 2009

Federal state	1. quarter	2. quarter	3. quarter	4. quarter	Total per federal state
Baden-Wuerttemberg	3,258	3,280	3,584	3,707	13,829
Bavaria	3,622	3,591	3,860	3,787	14,860
Berlin	1,174	1,256	1,492	1,443	5,365
Brandenburg	1,228	1,172	1,582	1,304	5,286
Bremen	471	452	514	445	1,882
Hamburg	902	843	866	961	3,572
Hesse	2,283	2,241	2,561	2,431	9,516
Lower Saxony	4,352	4,298	4,424	4,531	17,605
Mecklenburg-Western Pomerania	615	679	738	714	2,746
North Rhine-Westphalia	5,867	6,040	7,822	7,189	26,918
Rhineland-Palatinate	1,524	1,577	1,754	1,734	6,589
Saarland	457	592	562	579	2,190
Saxony	1,650	1,729	1,901	1,602	6,882
Saxony-Anhalt	1,025	1,251	1,217	1,217	4,710
Schleswig-Holstein	1,571	1,490	1,642	1,515	6,218
Thuringia	492	535	828	675	2,530
<b>Total</b>	<b>30,491</b>	<b>31,026</b>	<b>35,347</b>	<b>33,834</b>	<b>130,698</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

Chart 2

In relation to the population figure pro federal state a differentiated picture is shown in the insolvency rate. In this category Bremen leads with 284 insolvencies per

100,000 head of population, followed by Lower Saxony (222), Schleswig-Holstein (219), the Saarland (213), Brandenburg (210) and Hamburg (202).

On a federal average, private persons had to apply to the Bankruptcy Court in 159 cases per 100,000 head of population. The lowest number of private insolvencies during the survey period 2009 was registered in Thuringia with 112 cases per 100,000 head of population, Bavaria (119) and Baden-Württemberg (129) – see Charts 3 and 4.



Chart 3

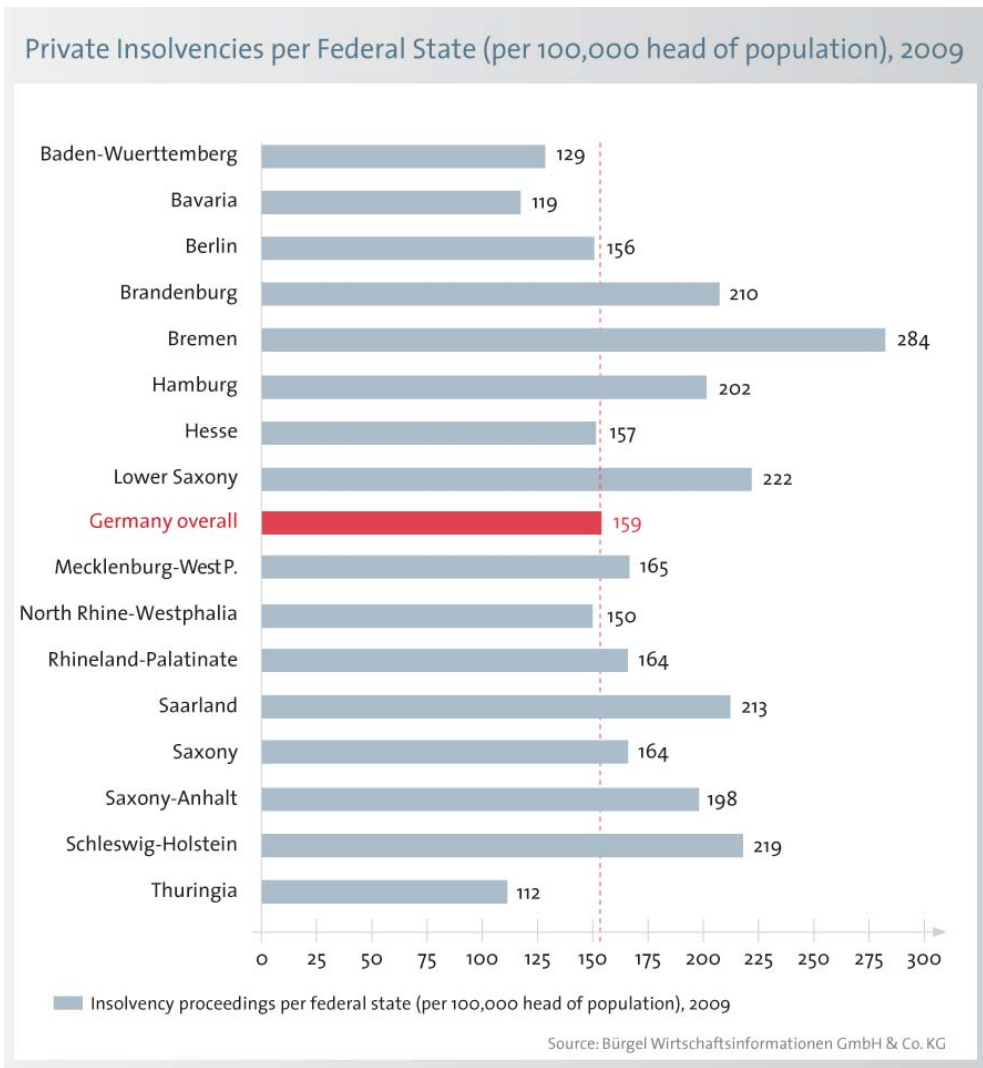


Chart 4

### 3. Changes at federal state level: strongest rise in the Saarland

In comparison with the previous year the figures of private bankruptcies in 2009 are only on the decline in three federal states (see Charts 5 and 6). Here, Thuringia comes out best with minus 23.1 percent (2009: 2,530; 2008: 3,290 cases). The rates are also falling in North Rhine-Westphalia with minus 5.67 percent (2009: 26,918; 2008: 28,537) and in Berlin with a minus of 4.26 percent (2009: 5,365; 2008: 5,604).

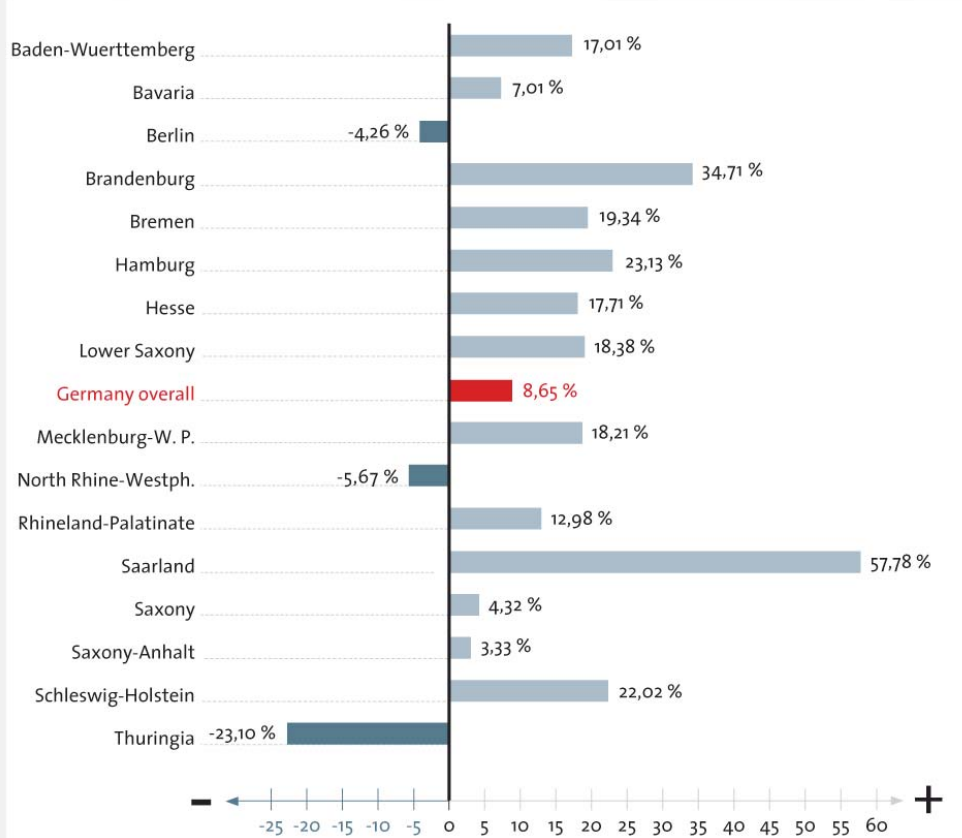
### Percentual Change in Private Insolvencies per Federal State (2008-2009)

Federal state	2008	2009	percentual change
Baden-Wuerttemberg	11,819	13,829	17.01 %
Bavaria	13,887	14,860	7.01 %
Berlin	5,604	5,365	-4.26 %
Brandenburg	3,924	5,286	34.71 %
Bremen	1,577	1,882	19.34 %
Hamburg	2,901	3,572	23.13 %
Hesse	8,084	9,516	17.71 %
Lower Saxony	14,872	17,605	18.38 %
Mecklenburg-Western Pomerania	2,323	2,746	18.21 %
North Rhine-Westphalia	28,537	26,918	-5.67 %
Rheinland-Pfalz	5,832	6,589	12.98 %
Saarland	1,388	2,190	57.78 %
Saxony	6,597	6,882	4.32 %
Saxony-Anhalt	4,558	4,710	3.33 %
Schleswig-Holstein	5,096	6,218	22.02 %
Thuringia	3,290	2,530	-23.10 %
<b>Germany</b>	<b>120,289</b>	<b>130,698</b>	<b>8.65 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

Chart 5

### Percentage Change in Private Insolvencies per Federal State (Comparison 2008-2009)



Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

Chart 6

Meanwhile the Saarland, with a high plus of 57.78 percent more private insolvencies, records the strongest increase from 1,388 to 2,190 cases. Also in Brandenburg (plus 34.71 percent; 2009: 5,286; 2008: 3,924 cases), Hamburg (plus 23.13 percent; 2009: 3.572; 2008: 2.901 cases) and Schleswig-Holstein (plus 22.02 percent; 2009: 6,218; 2008: 5,096 cases) the number of cases rose in 2009.

#### 4. Genders: Men more often affected by private insolvency

Altogether during the past year 58.59 percent of all private bankruptcies lay on the shoulders of men. This means 76,571 cases (see Chart 7). This trend is predominant, with only one exception, in all age groups – especially in the age group of 36 to 45-year-olds. In this segment the men even have a share of 61.43 percent. Only in the youngest age group of the under 25-year-olds mainly women are hit by a private insolvency with a share of 54.23 percent. This corresponds to 3,817 cases.

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	3,221	45.77 %	3,817	54.23 %	7,038	5.38 %
26 – 35 years	16,637	55.69 %	13,237	44.31 %	29,874	22.86 %
36 – 45 years	25,615	61.43 %	16,080	38.57 %	41,695	31.90 %
46 – 60 years	24,628	59.35 %	16,871	40.65 %	41,499	31.75 %
> 60 years	6,470	61.08 %	4,122	38.92 %	10,592	8.10 %
<b>Total</b>	<b>76,571</b>	<b>58.59 %</b>	<b>54,127</b>	<b>41.41 %</b>	<b>130,698</b>	<b>100%</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

Chart 7

#### 5. Age groups: insolvency risk highest among young people

The Bürgel survey described the most private insolvencies in 2009 as being among the 36-to 45-year-olds. The share of this age group lies at 31.9 percent. That corresponds to 41,695 bankruptcies (see Chart 7). The second strongest group with 41,499 are the 46- to 60-year-olds with a share of 31.75 percent. Only 8.1 percent of the private affidavits can be allocated to the over 60s.

The group of the 18- to 25-year-olds seems to present problems. There 7,038 private insolvencies occurred last year, i.e. 34.49 percent more cases than in 2008 (5,233 cases) – see Chart 8. Also the second-youngest age group managed a double-digit rise by plus 15.03 percent to 29,874 private insolvencies (2008: 25,970

cases). Only with the over-60s does Bürgel report decreasing tendencies by minus 0.5 percent. In this segment the number of cases fell from 10,647 (2008) to 10,592 (2009).

#### Comparison of age groups (2008-2009)

	2008	2009	Percentage change
18 – 25 years	5,233	7,038	34.49 %
26 – 35 years	25,970	29,874	15.03 %
36 – 45 years	39,751	41,695	4.89 %
46 – 60 years	38,688	41,499	7.27 %
> 60 years	10,647	10,592	-0.52 %
<b>Total</b>	<b>120,289</b>	<b>130,698</b>	<b>8.65 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

Chart 8

The uneven distribution of private debts in the individual age groups is connected with an unfavourable expenditure-income ratio in the case of the younger groups and consequentially with a higher rise in insolvencies because: in this segment investments in setting up homes and starting a family have to be managed from a relatively low income. In addition, from a statistical point of view younger consumers have less saved capital that could help them to overcome financial bottlenecks in times of crisis. Furthermore in the case of the younger citizens, sometimes the consumer behaviour and the income situation do not go together. Older people, on the other hand, with higher incomes are confronted with lower investments.

## 6. The main reasons for private indebtedness and the outlook: negative forecast for 2010

According to Bürgel the rise in the private insolvency rate by 8.65 percent is particularly connected with the fact that it has become much more difficult to obtain new loans from banks: Regarding the securities as forerunners to the granting of loans financial service-providers are applying far stricter standards than in previous years.

Besides these, there are the classical reasons for private insolvencies: unemployment and changes in the personal circumstances due to separation, divorce or death of a partner. In addition, the causes can be illnesses, accidents and the failure of self-employment. When obligations pile up – under certain circumstances paired with unemployment – consumers often and rapidly get into financial difficul-

ties. If this happens to debtors, many have no choice but to take the step of filing for consumer insolvency.

In addition to the above-mentioned causes, in particular in the case of younger citizens, there are failed property financing and a consumer behaviour that is not appropriate to the income situation. Apart from these the rising numbers of corporate insolvencies – headed by the spectacular Arcandor and Woolworth bankruptcies as well as the collapses of companies in the automobile supply industry – lead to a growing risk of becoming unemployed. This is underlined by the current unemployment statistics: whereas in November 2009 the unemployment rate was at around 7.6 percent, in December the figures climbed, not only for seasonal reasons, to 7.8 and in January even to 8.6 percent.

“With this background the outlook for 2010 continues to be negative,” Bürgel managing director, Dr. Norbert Sellin, forecasts. During the current year private insolvencies could amount to over 137,000. If this was the case, the insolvency case figures would surpass the situation in 2007. A current survey by the German Institute for Economic Research (DIW) also supports this trend. According to the survey, in 2008 about 11.5 million people – especially young adults – were considered as being under the threat of poverty.

*With 60 offices in Germany Bürgel Wirtschaftsinformationen GmbH & Co. KG is one of the leading companies for financial and solvency information as well as for debt collection services. BÜRGELE is a subsidiary of the Euler Hermes Kreditversicherungs-AG (Allianz Group) and the KG EOS Holding GmbH & Co. KG (Otto Group).*

The following charts show the private insolvency figures in the various federal states in 2009.

### Private Insolvencies in Baden-Wuerttemberg, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	301	48.31 %	322	51.69 %	623	4.51 %
26 – 35 years	1,823	56.93 %	1,379	43.07 %	3,202	23.15 %
36 – 45 years	2,975	63.15 %	1,736	36.85 %	4,711	34.07 %
46 – 60 years	2,610	61.53 %	1,632	38.47 %	4,242	30.67 %
> 60 years	658	62.61 %	393	37.39 %	1,051	7.60 %
<b>Total</b>	<b>8,367</b>	<b>60.50 %</b>	<b>5,462</b>	<b>39.50 %</b>	<b>13,829</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

### Private Insolvencies in Bavaria, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	335	48.76 %	352	51.24 %	687	4.62 %
26 – 35 years	1,984	55.47 %	1,593	44.53 %	3,577	24.07 %
36 – 45 years	2,971	62.10 %	1,813	37.90 %	4,784	32.19 %
46 – 60 years	2,763	59.99 %	1,843	40.01 %	4,606	31.00 %
> 60 years	743	61.61 %	463	38.39 %	1,206	8.12 %
<b>Total</b>	<b>8,796</b>	<b>59.19 %</b>	<b>6,064</b>	<b>40.81 %</b>	<b>14,860</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

### Private Insolvencies in Berlin, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	73	37.63 %	121	62.37 %	194	3.62 %
26 – 35 years	589	58.20 %	423	41.80 %	1,012	18.86 %
36 – 45 years	1,027	61.64 %	639	38.36 %	1,666	31.05 %
46 – 60 years	1,119	58.16 %	805	41.84 %	1,924	35.86 %
> 60 years	329	57.82 %	240	42.18 %	569	10.61 %
<b>Total</b>	<b>3,137</b>	<b>58.47 %</b>	<b>2,228</b>	<b>41.53 %</b>	<b>5,365</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

### Private Insolvencies in Brandenburg, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	195	45.99 %	229	54.01 %	424	8.02 %
26 – 35 years	753	58.01 %	545	41.99 %	1,298	24.56 %
36 – 45 years	851	59.18 %	587	40.82 %	1,438	27.20 %
46 – 60 years	1,019	58.63 %	719	41.37 %	1,738	32.88 %
> 60 years	231	59.54 %	157	40.46 %	388	7.34 %
<b>Total</b>	<b>3,049</b>	<b>57.68 %</b>	<b>2,237</b>	<b>42.32 %</b>	<b>5,286</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

### Private Insolvencies in Bremen, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	62	50.82 %	60	49.18 %	122	6.48 %
26 – 35 years	266	56.24 %	207	43.76 %	473	25.13 %
36 – 45 years	382	62.11 %	233	37.89 %	615	32.68 %
46 – 60 years	290	55.45 %	233	44.55 %	523	27.79 %
> 60 years	89	59.73 %	60	40.27 %	149	7.92 %
<b>Total</b>	<b>1,089</b>	<b>57.86 %</b>	<b>793</b>	<b>42.14 %</b>	<b>1,882</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

### Private Insolvencies in Hamburg, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	67	36.81 %	115	63.19 %	182	5.10 %
26 – 35 years	449	58.16 %	323	41.84 %	772	21.61 %
36 – 45 years	708	62.21 %	430	37.79 %	1,138	31.86 %
46 – 60 years	679	59.04 %	471	40.96 %	1,150	32.19 %
> 60 years	205	62.12 %	125	37.88 %	330	9.24 %
<b>Total</b>	<b>2,108</b>	<b>59.01 %</b>	<b>1,464</b>	<b>40.99 %</b>	<b>3,572</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

### Private Insolvencies in Hesse, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	192	47.88 %	209	52.12 %	401	4.21 %
26 – 35 years	1,194	58.07 %	862	41.93 %	2,056	21.61 %
36 – 45 years	1,958	62.32 %	1,184	37.68 %	3,142	33.02 %
46 – 60 years	1,953	61.90 %	1,202	38.10 %	3,155	33.15 %
> 60 years	479	62.86 %	283	37.14 %	762	8.01 %
<b>Total</b>	<b>5,776</b>	<b>60.70 %</b>	<b>3,740</b>	<b>39.30 %</b>	<b>9,516</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

### Private Insolvencies in Lower Saxony, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	512	44.79 %	631	55.21 %	1,143	6.49 %
26 – 35 years	2,268	55.82 %	1,795	44.18 %	4,063	23.08 %
36 – 45 years	3,426	60.51 %	2,236	39.49 %	5,662	32.16 %
46 – 60 years	3,080	58.43 %	2,191	41.57 %	5,271	29.94 %
> 60 years	896	61.12 %	570	38.88 %	1,466	8.33 %
<b>Total</b>	<b>10,182</b>	<b>57.84 %</b>	<b>7,423</b>	<b>42.16 %</b>	<b>17,605</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

### Private Insolvencies in Mecklenburg-Western Pomerania, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	95	46.34 %	110	53.66 %	205	7.47 %
26 – 35 years	392	55.45 %	315	44.55 %	707	25.75 %
36 – 45 years	441	59.76 %	297	40.24 %	738	26.88 %
46 – 60 years	512	58.92 %	357	41.08 %	869	31.65 %
> 60 years	129	56.83 %	98	43.17 %	227	8.27 %
<b>Total</b>	<b>1,569</b>	<b>57.14 %</b>	<b>1,177</b>	<b>42.86 %</b>	<b>2,746</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

### Private Insolvencies in North Rhine-Westphalia, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	511	42.06 %	704	57.94 %	1,215	4.51 %
26 – 35 years	3,186	53.24 %	2,798	46.76 %	5,984	22.23 %
36 – 45 years	5,317	59.71 %	3,588	40.29 %	8,905	33.08 %
46 – 60 years	5,058	57.87 %	3,683	42.13 %	8,741	32.47 %
> 60 years	1,255	60.54 %	818	39.46 %	2,073	7.70 %
<b>Total</b>	<b>15,327</b>	<b>56.94 %</b>	<b>11,591</b>	<b>43.06 %</b>	<b>26,918</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

### Private Insolvencies in Rhineland-Palatinate, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	168	51.06 %	161	48.94 %	329	4.99 %
26 – 35 years	795	54.71 %	658	45.29 %	1,453	22.05 %
36 – 45 years	1,276	59.35 %	874	40.65 %	2,150	32.63 %
46 – 60 years	1,308	60.92 %	839	39.08 %	2,147	32.58 %
> 60 years	331	64.90 %	179	35.10 %	510	7.74 %
<b>Total</b>	<b>3,878</b>	<b>58.86 %</b>	<b>2,711</b>	<b>41.14 %</b>	<b>6,589</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

### Private Insolvencies in Saarland, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	89	50.57 %	87	49.43 %	176	8.04 %
26 – 35 years	292	55.20 %	237	44.80 %	529	24.16 %
36 – 45 years	386	58.48 %	274	41.52 %	660	30.14 %
46 – 60 years	375	56.14 %	293	43.86 %	668	30.50 %
> 60 years	98	62.42 %	59	37.58 %	157	7.17 %
<b>Total</b>	<b>1,240</b>	<b>56.62 %</b>	<b>950</b>	<b>43.38 %</b>	<b>2,190</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

### Private Insolvencies in Saxony, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	259	46.92 %	293	53.08 %	552	8.02 %
26 – 35 years	971	56.98 %	733	43.02 %	1,704	24.76 %
36 – 45 years	1,222	64.21 %	681	35.79 %	1,903	27.65 %
46 – 60 years	1,295	60.26 %	854	39.74 %	2,149	31.23 %
> 60 years	346	60.28 %	228	39.72 %	574	8.34 %
<b>Total</b>	<b>4,093</b>	<b>59.47 %</b>	<b>2,789</b>	<b>40.53 %</b>	<b>6,882</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

### Private Insolvencies in Saxony-Anhalt, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	156	48.90 %	163	51.10 %	319	6.77 %
26 – 35 years	612	55.99 %	481	44.01 %	1,093	23.21 %
36 – 45 years	897	64.21 %	500	35.79 %	1,397	29.66 %
46 – 60 years	900	58.67 %	634	41.33 %	1,534	32.57 %
> 60 years	202	55.04 %	165	44.96 %	367	7.79 %
<b>Total</b>	<b>2,767</b>	<b>58.75 %</b>	<b>1,943</b>	<b>41.25 %</b>	<b>4,710</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

### Private Insolvencies in Schleswig-Holstein, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	135	44.55 %	168	55.45 %	303	4.87 %
26 – 35 years	706	52.41 %	641	47.59 %	1,347	21.66 %
36 – 45 years	1,278	62.25 %	775	37.75 %	2,053	33.02 %
46 – 60 years	1,156	58.65 %	815	41.35 %	1,971	31.70 %
> 60 years	340	62.50 %	204	37.50 %	544	8.75 %
<b>Total</b>	<b>3,615</b>	<b>58.14 %</b>	<b>2,603</b>	<b>41.86 %</b>	<b>6,218</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG

### Private Insolvencies in Thuringia, 2009

	male		female		overall	percentage share of the age group
	absolute figures	in % per age group	absolute figures	in % per age group		
18 – 25 years	70	42.68 %	94	57.32 %	164	6.48 %
26 – 35 years	337	56.17 %	263	43.83 %	600	23.72 %
36 – 45 years	480	64.86 %	260	35.14 %	740	29.25 %
46 – 60 years	478	59.68 %	323	40.32 %	801	31.66 %
> 60 years	125	55.56 %	100	44.44 %	225	8.89 %
<b>Total</b>	<b>1,490</b>	<b>58.89 %</b>	<b>1,040</b>	<b>41.11 %</b>	<b>2,530</b>	<b>100 %</b>

Source: Bürgel Wirtschaftsinformationen GmbH & Co. KG