

News
(<https://molawyersmedia.com/category/news/>)Events
(/events/)Opinions
(/legal-
opinions/)Verdicts & Settlements
([https://molawyersmedia.com/verdicts-](https://molawyersmedia.com/verdicts-settlements/)
settlements/)Classifieds
(<https://molawyersmedia.com/classified>)[Home\(/\)](#) > [Local\(https://Molawyersmedia.Com/Category/News/Local/\)](https://Molawyersmedia.Com/Category/News/Local/) >

Missouri faces rising bankruptcy filings as businesses, individuals grapple with economic pressures



Depositphotos.com image

Missouri faces rising bankruptcy filings as businesses, individuals grapple with economic pressures

Erin Achenbach

(https://molawyersmedia.com/author/erachenbach/) // January 10, 2025 //

7 Minute Read

Deconomic%20pressures)

(mailto:?subject=Missouri faces rising bankruptcy filings as businesses, individuals grapple with economic pressures&body=Business bankruptcy filings in Missouri surged from September 2023 to 2024, reflecting a national trend of rising insolvency rates as companies and individuals grapple with high interest rates, inflation and... You can read the content in details following link <https%3A%2F%2Fmolawyersmedia.com%2F2025%2F01%2F16%2Fmissouri-bankruptcy-filings-economic-pressures%2F>)

► Listen to this article

- **Missouri bankruptcy trends:** Business bankruptcy filings rose by 33.5% nationwide; personal filings increased by 15.5%.
- **Regional insights:** Missouri's Eastern District saw the most significant rise in filings at 4.6%, while Chapter 7 and 13 cases increased across both districts.
- **Key factors:** Rising interest rates, inflation, and Missouri's low homestead exemption are driving personal bankruptcies.

MOLAWYERSMEDIA.COM

SUBSCRIBE

1 MONTH FOR
ONLY \$36Get Unlimited Digital Access
to local stories, legal news,
special sections and more.

ACT NOW

DIGITAL ONLY

Latest Opinion Digests
(<https://molawyersmedia.com/digest/>)[Employer-Employee-Whistleblower...](#)[Criminal Law-Felony Murder-Silent Witnes...](#)[Civil Rights-Malicious Arrest/Prosecution-...](#)[Domestic Relations-Child Custody-...](#)[Criminal Law-Statutory Rape-Sufficiency o...](#)[Criminal Law-Post-Conviction Relief-...](#)[Criminal Law-Motion for Post-Conviction...](#)[Criminal Law-DWI-Suppression of Evidenc...](#)[Workers' Compensation-Second Injury...](#)[Domestic Relations-Juvenile Delinquency-...](#)[Domestic Relations-Child Custody-...](#)[See all digests >](#)Special Sections
(<https://molawyersmedia.com/and-special-sections/>)

Business bankruptcy filings in Missouri surged from September 2023 to 2024, reflecting a national trend of rising insolvency rates as companies and individuals grapple with high interest rates, inflation and lingering economic pressures from the pandemic.

According to the [Administrative Office of the U.S. Courts](https://www.uscourts.gov/topics/administrative-office-us-courts) (<https://www.uscourts.gov/topics/administrative-office-us-courts>), business bankruptcy filings rose by 33.5 percent nationwide between Sept. 30, 2023, and Sept. 30, 2024, totaling 22,762 filings.

The overall bankruptcy rate, including personal and business filings, climbed by 16.2 percent nationwide between September 2023 and 2024, marking the most significant year-over-year increase in over a decade. According to U.S. Courts, annual bankruptcy rates totaled 504,112 in the year ending in September 2024, compared to 433,658 cases in the same period the prior year.

Missouri Courts reported similar growth, with the Eastern District seeing the biggest increase in filings — 4.6 percent — and the Western District recording a 1.4 percent increase.

For over a decade, bankruptcy filings nationwide declined from a peak of 1.6 million cases in 2010 to a low of 380,634 in June 2022. However, filings have slowly and steadily risen each quarter since then, fueled by a combination of economic normalization post-COVID and mounting financial pressures on businesses and individuals.

“Bankruptcy filings plummeted during COVID ... and since then, in the last maybe year and half, two years, the filings have kind of been inching back up ... It certainly shows a trend in increased filings, but the filing volume is nowhere near what it was prior to COVID,” said Ryan D. Kiliany, a bankruptcy attorney with Troppito Miller Griffin in Kansas City. “Generally, I’ve seen a bit more activity for foreclosure and collection from creditors ... and of course, that pushes people to use the bankruptcy process. During COVID, a lot of that was really paused.”

While business bankruptcy filings led the charge nationwide, personal filings increased 15.5 percent to 481,350. In Missouri, Chapter 7 and Chapter 13 cases made up the majority of filings, with the Eastern District reporting 5,600 cases and the Western District recording 3,902 cases across the two chapters.

Rising interest rates and inflation have been major contributors to personal bankruptcy filings. High interest rates on auto loans also placed additional strains on consumers. Kiliany also pointed to Missouri’s unusually low homestead exemption, \$15,000, which limits the amount of equity homeowners can protect during bankruptcy, as another key factor driving individuals to file.

“Because of the rising cost of house values, I think a lot of people have been forced to file for Chapter 13, because they have a lot more equity in their house than they did before,” he said. “I see people with a lot higher interest rates, and terms of loans ... I’m starting to see 72 to 84-month loans on vehicles ... Certainly mortgage rates have increased, that’s no surprise.”

Altogether, personal reorganization cases saw a slight decrease from the previous year, with the Eastern District seeing a 1.4 percent drop and the Western District declining by 0.6 percent. However, Chapter 7 liquidation cases, which can be used by both individuals and businesses,



Top stories
(<https://molawyersmedia.com/news/>)

Diversity & Inclusion 2025: Honoree
publicist's letter

The individuals we honor through the 2025 Diversity & Inclusion awards do the right thing. They [...]

Plaintiff obtains multimillion dollar award i...

Day spa settles for millions after massage...

Runaway defendant in class-action lawsui...

Suit against state senator moves forward...

Supreme Court refuses to let defense call...

IRS can't tax parent on royalties foreign...

[See more news >](#)

showed increases across both districts — rising 8.3 percent in the Eastern District and 3.3 percent in the Western District.

Kiliany, who has also worked on some Chapter 7 cases, said that he has seen those filings also steadily increasing since COVID.

The most dramatic surge came in Chapter 11 business filings in the Eastern District, which jumped 206.7 percent. The Eastern District saw 15 filed cases from September 2022 to 2023, and 46 filed cases from September 2023 to 2024. The Western District saw a modest increase from 17 to 19 Chapter 11 filings in that same period.

“The phone has been ringing ... starting early spring, late winter in 2024 ... I think Chapter 11 that are actually filed have increased, and also, we’re getting more calls for potential chapter 11,” said Chapter 7 and Chapter 11 attorney Robert E. Eggmann of Carmody MacDonald in St. Louis. “It’s a busy time right now for bankruptcy lawyers.”

Eggmann said among those Chapter 11 filings, he has seen an increase in transportation, real estate, senior care facilities filings and COVID emergency disaster relief loans, and he expects those trends to continue in 2025.

“I think the trend with all those industries ... is going to continue, and I think the consumer cases ... are going to rise also,” Eggmann said. “(Those loans) are going to come due and people are really struggling with those. If you had a struggling business to begin with and it hasn’t recovered, people are really struggling to pay those personal disaster loans.”

Uncertainty under the incoming administration

Eggmann believes that the incoming administration under President-elect Donald Trump could change the debt limitation of Subchapter 5 of Chapter 11 filings — designed to help small businesses reorganize their debts more easily — back to a higher limitation like that during his first administration. The Small Business Reorganization Act of 2019 created Subchapter 5, allowing small businesses with debts under \$2.75 million to use a simplified bankruptcy process. In March 2020, the debt limitation was increased to \$7.5 million under the CARES Act. That higher limitation was continually extended until June 2024, when the extension was blocked and the threshold decreased to \$3.024 million.

“I think because it was bipartisan and it’s not an election year ... I think they will take that debt limitation back up to a higher level ... (It will) give more cost-effective relief to small to medium-sized businesses,” Eggmann said. “I think when the debt limit was up at that higher level, most entities locally were choosing that Subchapter 5 category. It now obviously is a little harder ... it was very popular while the debt limitation was up.”

The new administration could also bring disruptions to various industries, potentially leading to a rise in bankruptcies. During his campaign, Trump highlighted plans to implement large-scale tariffs, reduce financial regulations and enact stricter immigration policies, all of which could affect the economy in both Missouri and the nation.

According to a news analysis from Kansas City-based law firm Stinson, Trump’s proposed tariffs, particularly those affecting goods sourced from Asia, are a major risk for industries such as consumer electronics, automotive and manufacturing. Missouri businesses relying on global supply chains could face higher costs and other financial hardships. For companies unable to absorb or adapt to these challenges, bankruptcy risks will likely grow.

Additionally, deportations of undocumented workers could also impact the agricultural, dairy and meatpacking sectors. In Missouri, where much of the economy relies on agricultural and farming, this policy could lead to labor shortages, increased operational costs and an increase in Chapter 12 filings, a type of bankruptcy filing typically used by family farms.

On the financial side, reduced regulatory oversight may ease access to credit, which tax attorney Patrick Wiesner of Wiesner & Frackowiak in Overland Park, Kansas, pointed out as one of the causes of financial hardships that ultimately lead to bankruptcy.

“We’re generally seeing an uptick in credit card debt lately,” Wiesner said. “They go take on credit card to make ends meet, and then those get maxed out and that’s the end of that, and they have to file bankruptcy.”

The long-term effects of deregulation could lead to riskier lending practices, increasing the likelihood of defaults and bankruptcies in the future. Non-traditional lenders, such as those offering cryptocurrency-backed loans, are also expected to expand, according to Stinson.

Amendment 2, the sports betting measure that [passed in November](https://molawyersmedia.com/2024/12/05/sports-betting-wins-narrow-approval-in-missouri-after-high-dollar-campaign/) (<https://molawyersmedia.com/2024/12/05/sports-betting-wins-narrow-approval-in-missouri-after-high-dollar-campaign/>), could also have an impact on future insolvency filings, at least that’s something bankruptcy attorney Maxwell Groswald of Groswald Law in St. Louis believes.

“I’m already seeing ... some young men who are filing because of gambling debts. I think that’s going to increase more ... because there are more young men who are going to be able to gamble their life away from their smart phone,” he said.

Related Content



8th Circuit BAP reverses on dismissal of personal injury claim in bankruptcy

Claims in bankruptcy for physical injury and trauma arising from assault and battery constitute personal injur[...]
November 3, 2025

(<https://molawyersmedia.com/2025/11/03/8th-circuit-assault-claim-personal-injury-tort/>)



Summary judgment denied for insurer on breach of cooperation clause

A Missouri federal court denies Liberty Mutual's summary judgment, ruling the insurer failed to prove a mate[...]
October 30, 2025

(<https://molawyersmedia.com/2025/10/30/liberty-mutual-cooperation-clause-summary-judgment/>)



Runaway defendant in class-action lawsuit results in plaintiff settlements

A \$2.75M insurance settlement was reached after a defendant fled the country, leaving class-action tenants unp[...]
October 23, 2025

(<https://molawyersmedia.com/2025/10/23/runaway-defendant-insurance-settlement/>)



Suit against state senator moves forward over online post

A federal court in Missouri allows false light privacy claim against a state senator for an online post falsel[...]
October 22, 2025

(<https://molawyersmedia.com/2025/10/22/missouri-senator-false-light-lawsuit/>)

