

Communities Count 2008

Data Updates for October 2009

- Bankruptcies
- Home Foreclosures
- Unemployment

www.communitiescount.org

Communities Count reports on a set of social and health indicators every three years. **Communities Count 2008** is the fourth such report. One strength of the report is that it contains a stable set of indicators that can show trends over time. Generally, a three year cycle for updating the report has been an efficient approach to making information available for planning, decision-making and guiding action/advocacy. However, the current economic recession, which began in December 2007, has undoubtedly had an impact on many of the indicators reported in **Communities Count 2008**. Even as it went to print, conditions in our communities were changing.

In response to the many requests we have received for more timely information and new information related to the economic downturn, we will be updating our indicators as new data become available. In addition, we will add supplemental data likely to be related to the impact of this recession. Previous data reports, along with the full 2008 report, is available online at www.communitiescount.org.

I. Updates to Communities Count 2008 Indicators

BASIC NEEDS AND SOCIAL WELL-BEING

Food Bank usage will be available in the November 2009 update report

II. Supplemental Data

Bankruptcies

Last updated: 10/18/2009

Next scheduled update: Monthly for previous month.

U.S. Bankruptcy Court-Seattle Bankruptcy Filings (All types) Year-Over-Year Comparison											
June			July			August			September		
2008	2009	% change	2008	2009	% change	2008	2009	% change	2008	2009	% change
732	1179	61%	837	1311	57%	727	1226	69%	682	1237	57%

Additional information on bankruptcies in Western Washington is available on the U.S. courts website. Bankruptcy statistics can be found at <http://www.wawb.uscourts.gov/posts.htm?f=3>

Bankruptcy Overview:

Bankruptcies in King County are generally handled through the Federal Bankruptcy Court in Seattle. Individuals can file under either Chapter 7 or Chapter 13. Businesses usually file under Chapter 11.

Chapter 7, entitled Liquidation, contemplates an orderly, court-supervised procedure by which a trustee takes over the assets of the debtor's estate, reduces them to cash, and makes distributions to creditors, subject to the debtor's right to retain certain exempt property and the rights of secured creditors. Because there is usually little or no nonexempt property in most chapter 7 cases, there may not be an actual liquidation of the debtor's assets. These cases are called "no-asset cases." If such a debtor's income is in excess of certain thresholds, the debtor may not be eligible for chapter 7 relief.

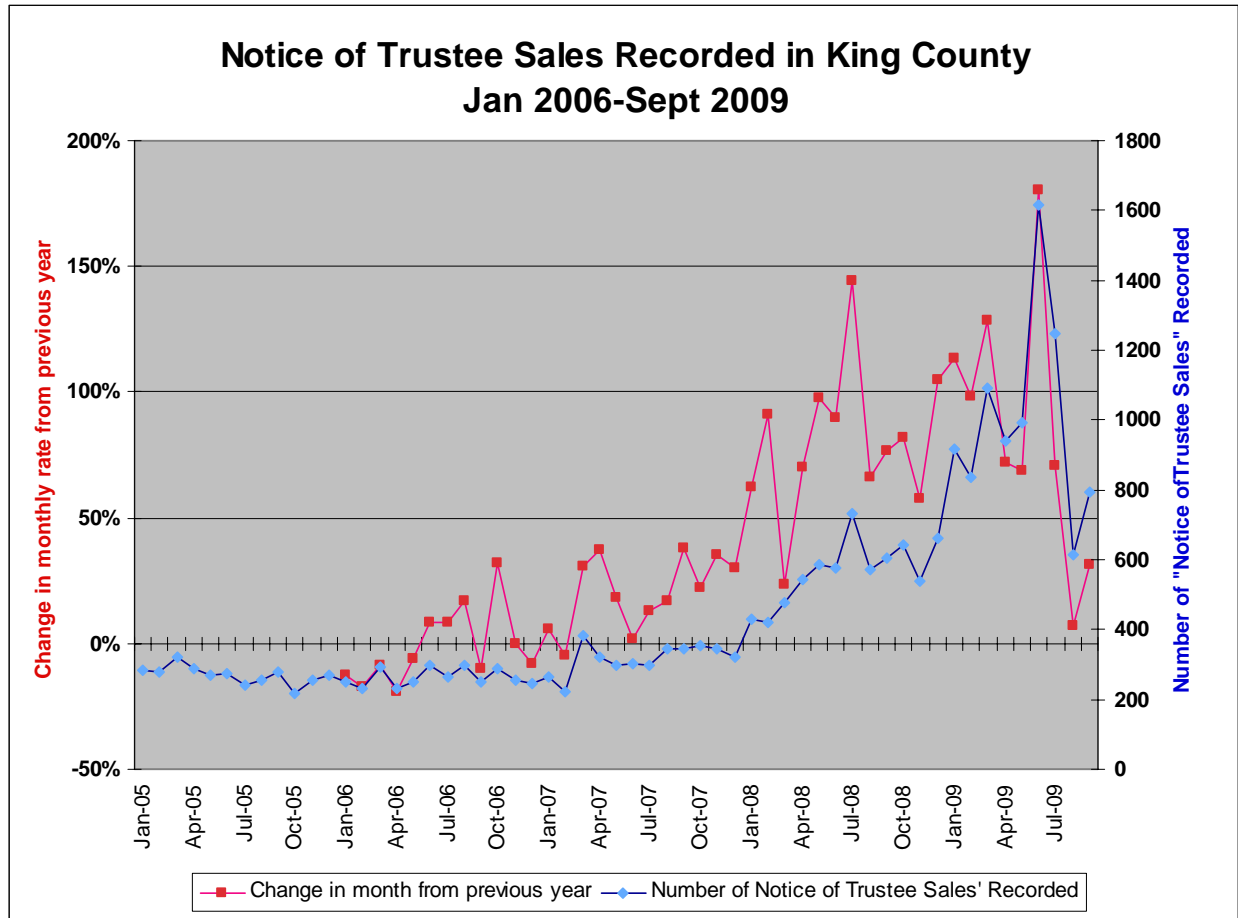
Chapter 13, entitled Adjustment of Debts of an Individual With Regular Income, is designed for an individual debtor who has a regular source of income. Chapter 13 enables the debtor to keep a valuable asset, such as a house, and to propose a "plan" to repay creditors over time – usually three to five years. Chapter 13 is also used by consumer debtors who do not qualify for chapter 7 relief under the means test.

Chapter 11, entitled Reorganization, ordinarily is used by commercial enterprises that desire to continue operating a business and repay creditors concurrently through a court-approved plan of reorganization. The debtor normally goes through a period of consolidation and emerges with a reduced debt load and a reorganized business.

Home Foreclosures

Last updated: 10/13/2009

Next scheduled update: Monthly for previous month.



- Following a decline in foreclosures (NTS) from June through August, the number rose again in September. The year-over-year increase in September was 31%.

Source: King County recorder: <http://146.129.54.93:8193/search.asp?cabinet=opr>
Data were queried monthly by 'Notice of Trustee Sale'

Foreclosure Overview & Foreclosure Process

What is Foreclosure?

Foreclosure is a process that allows a lender to recover the amount owed on a defaulted loan by selling or taking ownership (repossession) of the property securing the loan. The foreclosure process begins when a borrower/owner defaults on loan payments (usually mortgage payments) and the lender files a public default notice, called a Notice of Default. The foreclosure process can end one of four ways:

1. The borrower/owner reinstates the loan by paying off the default amount during a grace period determined by state law. This grace period is also known as pre-foreclosure.
2. The borrower/owner sells the property to a third party during the pre-foreclosure period. The sale allows the borrower/owner to pay off the loan and avoid having a foreclosure on his or her credit history.
3. A third party buys the property at a public auction at the end of the pre-foreclosure period.
4. The lender takes ownership of the property, usually with the intent to re-sell it on the open market. Properties repossessed by the lender are also known as bank-owned or REO properties (Real Estate Owned by the lender).

Major Elements of Washington Foreclosure Include:

1. Mailing and posting the Notice of Default (at least 30 days after default occurs).
2. Setting the Trustee's Sale that includes recording mailing and posting of the Notice of Trustee's Sale (must be done more than 90 days before sale date).
3. Publication - 2 times at specific intervals in the last month before sale.
4. Holding the Sale (Must be at least 190 days after date of first default, 90 days after NTS is posted)
5. Sales can be continued up to 120 days at the will of the lender.

Measuring/Indicating Foreclosure

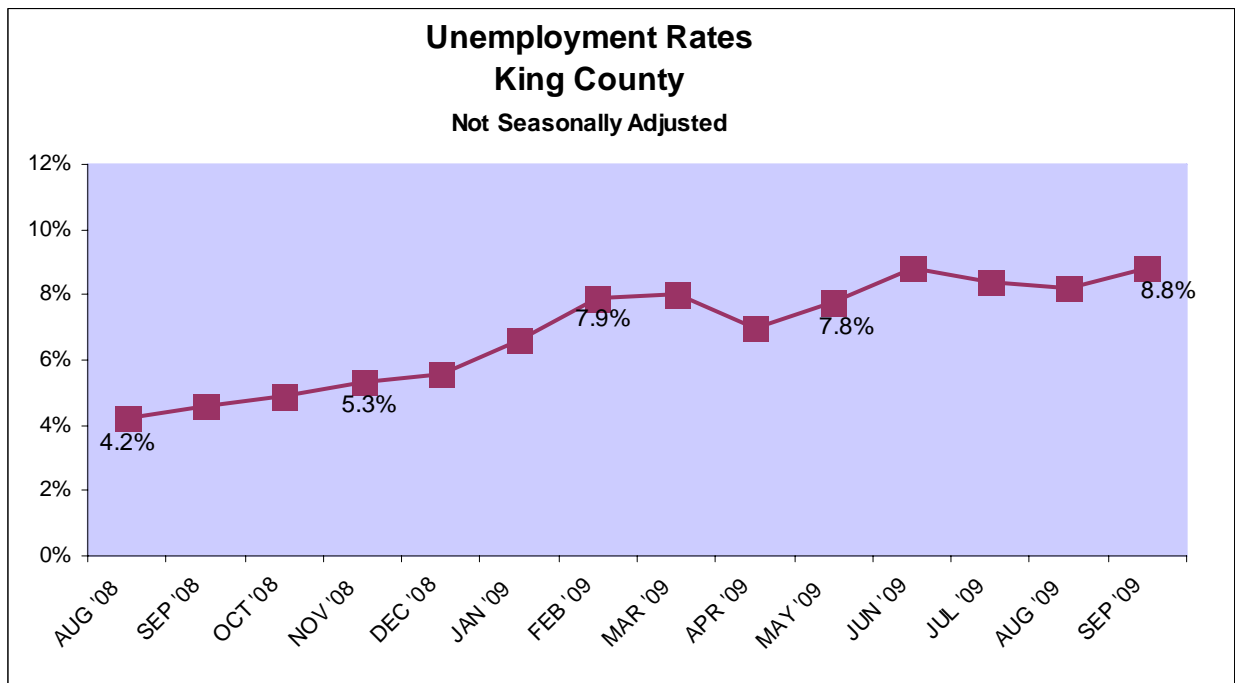
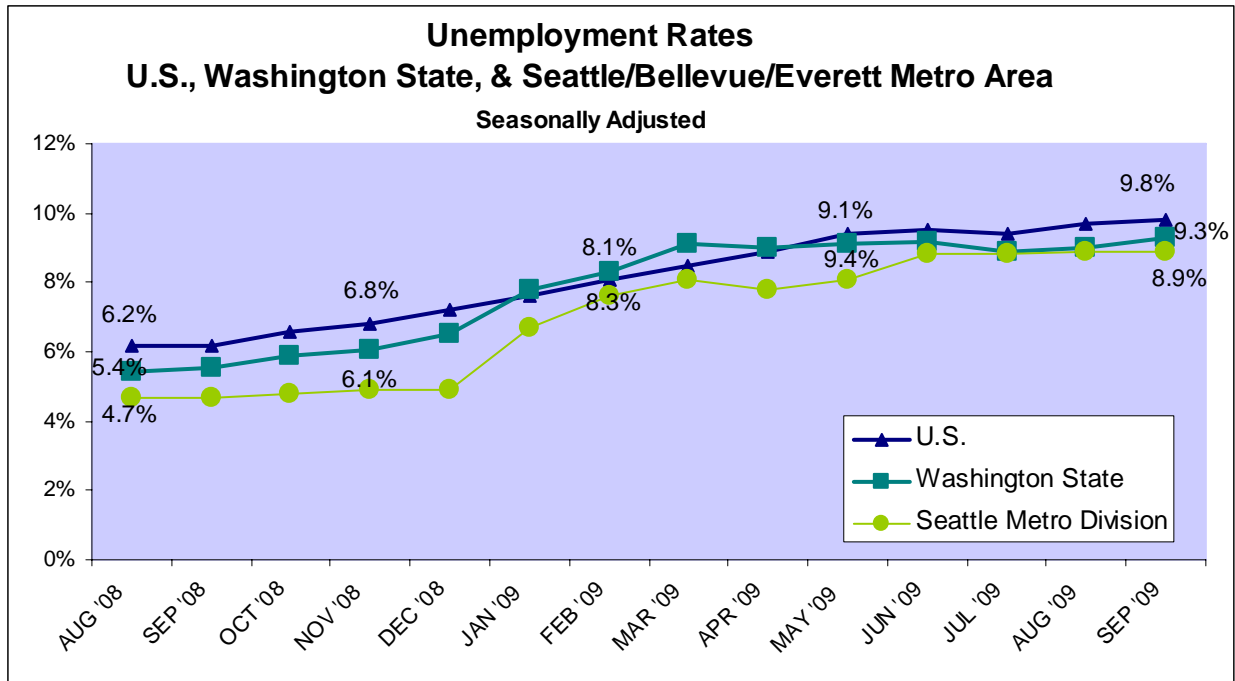
The Notice of Trustee Sale (NTS) is filed at least 30 days after the notice of default. There is no single point in the process that the experts call "a foreclosure". All NTS must be recorded with the King County Recorder's Office, but preliminary steps don't have to be. Therefore NTS is usually regarded as the best available marker of foreclosure: it indicates a default that will turn into loss of the property unless something big and costly happens. In Washington, the sale takes place no sooner than 90 days after the NTS is filed, and can be called off at any point if the debt is paid or restructured.

Source: <http://www.realtytrac.com/foreclosure/overview.html>

Unemployment

Last updated 10/13/2009

Next scheduled update: Monthly for previous month



- Employment in King County rose in September to 8.8%, an increase from the previous month's rate of 8.2%. The number of unemployed workers grew by 6,670 in September. Unemployment in the county continues to be slightly below the national and state levels.
- The state unemployment rate increased from 9.0% to 9.3% in September. The U.S. unemployment rate reflected a similar increase, shifting upwards from 9.7% in August to 9.8% in September.

Note: Rates are adjusted for previous months when revised figures become available.

Source: Washington State Employment Security Department, Labor Market and Economic Analysis Branch.

What does SEASONALLY ADJUSTED mean?

Over the course of a year, the size of the state's labor force and the levels of employment and unemployment undergo sharp fluctuations due to such seasonal events as changes in weather, reduced or expanded production, harvests, major holidays, and the opening and closing of schools. The effect of such seasonal variation can be very large; seasonal fluctuations may account for as much as 95 percent of the month-to-month changes in unemployment at the national level.

Because these seasonal events follow a more or less regular pattern each year, their influence on statistical trends can be eliminated by adjusting the statistics from month to month. These adjustments make nonseasonal developments, such as declines in economic activity, easier to spot. For example, the large number of youth entering the labor force each June is likely to obscure any other changes that have taken place relative to May, making it difficult to determine if the level of economic activity has risen or declined. However, because the effect of students finishing school in previous years is known, the statistics for the current year can be adjusted to allow for a comparable change. The adjusted figure provides a more useful tool with which to analyze changes in economic activity.

Source: U.S. Bureau of Labor Statistics

Websites and Reports with Recession-relevant Data and Analysis

United Way of King County

Community Assessment: Basic Needs

<http://www.uwkc.org/kcca/BasicNeeds/BasicNeeds.asp>

Examining the Health Consequences of the 2008-09 Recession

<http://www.gwumc.edu/sphhs/about/rapidresponse/Recession.cfm>

PolicyLink

[Reclaiming Foreclosed Properties for Community Benefit](#) highlights promising practices that are already underway for localities looking to stabilize their local housing market and prevent blight from spreading.

Demos and the Center for Responsible Lending

The Plastic Safety Net: The Reality Behind Debt in America, Tamara Draut, October 2005, http://www.demos.org/pubs/psn_7_28_09.pdf

Have you ever wondered why Communities Count reports data by educational level and what this means for health outcomes? To learn more about how education and health are linked, see this report from the Robert Wood Johnson Foundation:

Issue Brief 6: Education and Health, Education Matters for Health

<http://www.commissiononhealth.org/>

Look for other briefs on housing, work, the economy and other topics in this RWJ series: **What Drives Health?**

<http://www.commissiononhealth.org/WhatDrivesHealth.aspx>