

Acclaimed Bankruptcy Attorney, Timothy McFarlin on How Personal Bankruptcy is Down 28% Compared to This Time Last Year

By *Timothy McFarlin*

LOS ANGELES, CA, UNITED STATES, October 12, 2020 /EINPresswire.com/ -- Acclaimed California Bankruptcy Attorney [Timothy McFarlin](#) brings you the shocking news that consumer bankruptcies are actually down 28% (140,000 less) in 2020 compared to the first eight months of 2019. This unexpected development can be attributed to a number of factors, most significantly the government assistance and unemployment assistance many consumers have been receiving as well as less opportunity to even spend.

Consumer spending has dropped precipitously with restaurants, bars and retail stores being closed much of the year. Quite simply, other than online, there few places even open to even spend money. This has caused an unexpected wave of not only savings by consumers, but consumer debt has actually been decreasing over the course of 2020 with consumers paying down credit cards as they save.

The big question everyone is asking is whether the trend will continue, or if we will see a spike in consumer bankruptcies as many experts expect. That question is difficult to answer as consumers begin to live a "more modest" lifestyle, have little ability to eat out, and little incentive to shop as very few stores are open or require appointments.



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Typically these things go in cycles, and we are in a down cycle for consumer bankruptcies, but it is all but inevitable that the cycle will change eventually, although it could take longer than many expect. One important factor is consumer confidence as consumers tend to spend more when they feel “confident” in their financial circumstances and the overall economy. This factor leans solidly toward less spending as approximately 68% of consumers polled expect the economy to take “more than a year” to recover. This could lead to an extended period of less spending and accordingly, less consumer bankruptcies.

Alternatively, if “things get worse” for the economy, many consumers may need to lean on credit cards to help with necessary living expenses and fall behind on those payments eventually, which would lead to the spike in consumer bankruptcies the experts have been predicting.

Overall, we are certainly living in interesting although uncertain times, but there’s never been a better time to file a consumer bankruptcy if you expect to need it. In fact, the entire matter can be handled without our clients even leaving their house due to unprecedented changes in the process.

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Timothy G. McFarlin is an attorney at McFarlin LLP who practices many areas of law, including real estate law, debt reorganization, bankruptcy, business litigation, consumer law, and mortgage litigation. Clients range from individual consumers to large national corporations.

Mr. McFarlin has previously worked for the Honorable Christopher M. Klein, Chief US Bankruptcy Court Judge, Eastern District of California as a judicial extern. Additionally, Mr. McFarlin also worked for Charles W. Daff, Chapter 7 Bankruptcy Trustee in the Central District of California, in areas of law related to Business Law, Consumer Bankruptcy, Commercial Bankruptcy, and Foreclosures. Mr. McFarlin maintains a strong working relationship with Chapter 7 Trustees as well as the US Trustee.

Mr. McFarlin is admitted to practice law before all Superior and Federal Courts in the State of California, including the Southern District of California, Central District of California, Northern District of California, and Eastern District of California. Mr. McFarlin has filed cases in, and practiced before, all Federal Courts in California.

Mr. McFarlin is a member of the Orange County Bar Association and has been a speaker at Orange County Bar Association Events, Real Estate Division on matters related to foreclosures,

mortgage litigation and short sales. McFarlin has previously been a member of National Association of Bankruptcy Attorneys and has also been cited and quoted by National Publications (including USA Today), as well as a variety of local publications such as the Orange County Register on topics related to bankruptcy and foreclosure.

Mr. McFarlin graduated from the University of California at Los Angeles (UCLA) with a B.A. degree in Economics, and an emphasis in Accounting. Mr. McFarlin received his J.D. from the University of California at Davis (King Hall). Mr. McFarlin focused specifically on reorganization and bankruptcy, litigation, and business law.

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