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High-earner bankruptcies up

- **Lawyers: More filings** from six-figure earners
- **Loss of overtime** and bonuses seen part of trend

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While the number of local bankruptcy filings was slightly lower in September compared to a year ago, several bankruptcy lawyers say more and more Long Islanders who file are coming from an unlikely group: those earning six-figure incomes.

According to court data, 901 Long Islanders filed for bankruptcy in September, the most recent month for which statistics are available. That's a 3.7 drop compared with September 2009 but nearly 19 percent higher than two years ago.

"I'd say there's been an explosion of Long Island consumers with incomes over \$100,000 that need bankruptcy help," said bankruptcy lawyer Craig

Robins of Woodbury. "I have many double-income households where the income could easily be \$150,000 to \$200,000 or more, yet these people need bankruptcy assistance," which he said was unusual before this recession.

On the bankruptcy petition listing estimated assets, a growing number mark the box for more than \$100,000, attorneys say. Two Nassau residents reached by Newsday — one with assets of more than \$100,000 and nearly \$80,000 in credit card debt, and another with assets of more than \$500,000 and nearly \$124,000 in credit card debt — declined to be interviewed.

Another Woodbury bankruptcy attorney, Heath Berger, also has seen a "substantial uptick" in such cases from several years ago. "My ZIP codes are changing dramatically," he said. "We're seeing a lot more filings from people from Syosset, Jericho, Dix Hills — what you'd consider to be the more affluent areas."

Professionals who depended



Lawyer Craig Robins

heavily on overtime or large year-end bonuses have watched those sources of income disappear, Berger said. "You're used to living on \$150,000 a year and you lost your overtime; now you're only taking in \$100,000 — it's a major lifestyle change. You start relying more on the credit cards."

Bankruptcy lawyer Richard S. Feinsilver of Deer Park estimated that more than a quarter of his clients now fit into this high-income, high-debt category,

Bankruptcy filings

Down 3.7% from Sept. 2009

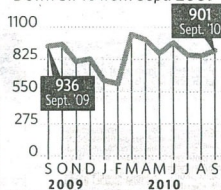


PHOTO BY ED BETZ, 2009

FIGURES REFLECT OVERALL FILINGS; SOURCE: U.S. BANKRUPTCY COURT, EASTERN DISTRICT N.Y.

adding, "In 22 years this is something I've never seen before. People are just saddled with an inordinate amount of unsecured debt."

Before this recession, professionals and high-income earners "were able to afford their way out" of their debt problems, Feinsilver said. But because mortgage payments and other costs of living are so high, "it just puts people over the top." Even for those who haven't lost their jobs, he said, "they're just stretched to the limit."