

November 30, 2010



# Equifax Study Shows Small Business Bankruptcies Rise and Fall in Select Regions

## Los Angeles and Denver See Increase in Bankruptcy Petitions, Atlanta and Chicago Report Sizeable Drop-Off

ATLANTA, Nov. 30, 2010 /PRNewswire/ -- Equifax (NYSE: EFX) today announced the results of its Q3 2010 study on the state of small business bankruptcy – a key indicator of the financial health of business markets across the United States. Analyzing bankruptcy trends among the nation's more than 24 million small businesses, Equifax found that the Western regions continue to experience economic turbulence with some decrease in bankruptcy rates across select MSA's in California, Texas and Illinois. While bankruptcies have slowed in some regions, small business economic challenges continue to pressure many areas and impact the pace of recovery in certain markets.

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"Our analysis on small business bankruptcy continues to indicate ongoing uncertainty in today's marketplace," said Dr. Reza Barazesh, senior vice president, Equifax Commercial Information Solutions. "While business bankruptcies have begun to reverse course in some regions, it remains to be seen how small firms will steer through economic headwinds and sustain growth."

Focusing on the Q3 2009 to Q3 2010 timeframe, this Equifax study analyzed national bankruptcy trends by metropolitan statistical area (MSA). While bankruptcy rates remain high across the nation, 11 of the top 15 MSA's with the highest number of small business bankruptcies in Q3 2010 saw a year-over-year decline from Q3 2009. The table below shows that the Los Angeles, San Bernardino and Santa Ana MSA's experienced year-over-year bankruptcy rate increases while areas such as San Diego and Oakland reported double-digit declines year-over-year in Q3 2010 – a striking development considering California's economic challenges. Another interesting finding, the Atlanta/Sandy Springs/Marietta and Chicago/Naperville/Joliet MSA's saw a bankruptcy rate decrease of 26.75% and 16.67% respectively.

MSA	Bankruptcy Total Q3 2009	Bankruptcy Total Q3 2010	% of Change
Los Angeles-Long Beach -Glendale, CA	1051	1099	4.57%
Riverside-San Bernardino -Ontario, CA	759	835	10.01%
Sacramento-Arden-Arcade -Roseville	557	484	-13.10%

Santa Ana-Anaheim-Irvine, CA	417	428	2.64%
Denver-Aurora, CO	400	415	3.75%
Houston-Sugar Land-Baytown, TX	408	383	-6.13%
San Diego-Carlsbad-San Marcos, CA	430	379	- 11.86%
Portland-Vancouver-Beaverton, OR-WA	398	375	-5.78%
California - Rest of State	353	349	-1.13%
Dallas-Plano-Irving, TX	384	326	-15.10%
New York-White Plains-Wayne, NY-NJ	321	316	-1.56%
Chicago-Naperville-Joliet, IL	378	315	-16.67%
Atlanta-Sandy Springs-Marietta, GA	402	296	-26.75%
Oakland-Fremont-Hayward, CA	331	291	-12.08%
Oregon - Rest of State	283	279	-1.41%
Total	6870	6567	-4.41%

While the total number of bankruptcies among the top 15 MSA's with the highest number of small business bankruptcies in Q3 2010 declined 4.41% from 6,870 in Q3 2009 to 6,567 in Q3 2010, economic instability continues to impact many of these areas. Equifax data shows that 9 of the top 15 MSA's reported a year-over-year increase in bankruptcy when comparing the first three quarters of 2009 to the same time period in 2010. Further analysis of this time period revealed that the total number of petitions for these 15 MSA's dropped by 1.23% - signaling a nominal decline in overall bankruptcy rate.

MSA	Q1 - Q3 2009 Total Bankruptcies	Q1 - Q3 2010 Total Bankruptcies	% of Change
Los Angeles-Long Beach-Glendale, CA	2922	3338	14.24%
Riverside-San Bernardino-Ontario, CA	2180	2379	9.13%
Sacramento-Arden-Arcade-Roseville	1624	1548	-4.68%
Santa Ana-Anaheim-Irvine, CA	1178	1210	2.72%
Denver-Aurora, CO	1111	1247	12.24%
Houston-Sugar Land-Baytown, TX	1163	1230	5.76%
San Diego-Carlsbad-San Marcos, CA	1169	1175	0.51%
Portland-Vancouver-Beaverton, OR-WA	1076	1153	7.16%

California - Rest of State	965	1057	9.53%
Dallas-Plano-Irving, TX	1146	1024	-10.65%
New York-White Plains-Wayne, NY-NJ	1039	896	-13.76%
Chicago-Naperville-Joliet, IL	1554	945	-39.19%
Atlanta-Sandy Springs-Marietta, GA	1162	884	-23.92%
Oakland-Fremont-Hayward, CA	985	855	-13.20%
Oregon - Rest of State	858	943	9.91%
Total	20,132	19,884	-1.23%

As part of the study, Equifax also analyzed the 15 metro areas with the fewest small business bankruptcy filings in the third quarter of 2010. Our research showed that 10 out of these 15 MSA's experienced a decrease in the number of bankruptcy petitions from Q2 2010 to Q3 2010 as well as year-over-year. The table below shows that all of these MSA's reported 11 bankruptcies or less during Q3 2010.

MSA	Bankruptcy Total Q3 2009	Bankruptcy Total Q2 2010	Bankruptcy Total Q3 2010
Lynchburg, VA	13	5	11
Huntington-Ashland, WV-KY-OH	17	8	11
Davenport-Moline-Rock Island, IA-IL	12	15	11
Corpus Christi, TX	21	24	11
Alaska - Rest of State	6	11	11
Lafayette, LA	8	17	10
Clarksville, TN-KY	13	10	10
Gainesville, FL	3	9	8
Durham, NC	26	10	8
Trenton-Ewing, NJ	10	13	7
Shreveport-Bossier City, LA	13	12	7
Charleston, WV	3	7	7
South Bend-Mishawaka, IN-MI	3	15	6
Kingsport-Bristol, TN-VA	7	10	6

Amarillo, TX	10	6	5
Total	165	172	129

For this study, Equifax applied analytics to identify the total number of small businesses and define the MSA's within the sample population. Equifax classifies a small business as a commercial entity of less than 100 employees. As part of the study, Equifax analyzed Chapter 7, 11 and 13 filings. Chapter 7 is a liquidation proceeding in which a debtor receives a discharge of all debts, while Chapters 11 and Chapter 13 are reorganization bankruptcies that allow individuals and companies to pay off debt over a set period of years. To learn more about Equifax Small Business Solutions, visit [www.equifaxsmallbusiness.com](http://www.equifaxsmallbusiness.com).

### **About Equifax ([www.equifax.com](http://www.equifax.com))**

Equifax empowers businesses and consumers with information they can trust. A global leader in information solutions, we leverage one of the largest sources of consumer and commercial data, along with advanced analytics and proprietary technology, to create customized insights that enrich both the performance of businesses and the lives of consumers.

With a strong heritage of innovation and leadership, Equifax continuously delivers innovative solutions with the highest integrity and reliability. Businesses – large and small – rely on us for consumer and business credit intelligence, portfolio management, fraud detection, decisioning technology, marketing tools, and much more. We empower individual consumers to manage their personal credit information, protect their identity, and maximize their financial well-being.

Equifax Commercial Information Solutions is the leading provider of small business intelligence. We provide the information and expertise necessary for companies to best understand and manage their dealings with small business customers, prospects and suppliers. Our best-in-class commercial credit risk data, combined with highly predictive scoring, corporate linkage, and innovative technology, enables companies to make quick, confident credit decisions and minimize potential losses. Leveraging our EFX ID® keying and linkage technology, companies can also gain greater visibility into their supply chain as well as improve the precision of their sales and marketing efforts – from customer acquisition to retention and expansion.

Headquartered in Atlanta, Georgia, Equifax Inc. operates in the U.S. and 14 other countries throughout North America, Latin America and Europe. Equifax is a member of Standard & Poor's (S&P) 500® Index. Our common stock is traded on the New York Stock Exchange under the symbol EFX.

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