

A recent "Los Angeles Times" article reported that more than 50,000 small businesses in California had to seek out the help of a [California bankruptcy attorney](#) and file for bankruptcy. Los Angeles itself was especially hard-hit; Equifax told the "Times" that bankruptcy filings for businesses jumped 57% in 2009. 2010 isn't expected to be much better; every

Los Angeles bankruptcy lawyer

is bracing for a projected 25% rise in bankruptcies (Source: Los Angeles Times, April 12, 2010).

The Downward Spiral of the Californian Economy

The ripple effect of the economic meltdown that started late in 2007 seems like will never end – especially not in California. With so many companies, big and small, closing their doors forever, their now out-of-work employees are tightening their belts. All that belt-tightening means even less spending, and a significant number of home foreclosures.

Less spending and more home foreclosures means less revenue for the government. Less revenue for the government means thousands of state employees, such as public school teachers, losing their jobs. Losing their jobs means less spending; less spending means more bankruptcies. More bankruptcies mean even more belt tightening, foreclosures, and lost tax revenue... and so the vicious cycle continues "ad infinitum"

To contact a Los Angeles bankruptcy lawyer to talk about your financial situation call (877) 427-2752.

Breaking the Cycle through Bankruptcy

In some cases, however, bankruptcy for individuals and small businesses may be the best way to break the cycle. A business that files for a Chapter 11 bankruptcy, or an individual filing for a Chapter 13 bankruptcy, has a chance to reorganize their business / personal finances under the guidance of the court.

A skilled **Los Angeles bankruptcy lawyer** can help businesses and / or individuals reorganize their debt in such a fashion that they can actually save their business, or in the case of an individual, save their home and other possessions. With the help of a

[California bankruptcy lawyer](#)

, a successful Chapter 11 or Chapter 13 bankruptcy can finally break the cycle of drowning in debt and allow the company or the individual the breathing room they require to get back on steady financial ground.

A Second Chance Isn't Always Easy

Los Angeles businesses and individuals filing for a reorganization bankruptcy should understand that bankruptcy doesn't work on the "three strikes, you're out" rule. For most people, the second chance is the last chance, and as the "Times" article states, the economy's horrible shape means that there's no "margin for error".

Los Angeles bankruptcy lawyer, Michael Gottfried, agreed. In the same “Los Angeles Times” article, he states that for most companies, when it comes to Chapter 11, “It’s hard to come out of it alive.”

Yet many savvy small business owners and individuals well-prepared by their **Los Angeles bankruptcy lawyer** do emerge from bankruptcy “alive”. When they stick to the repayment and reorganization plan designed with the help of the court and their [bankruptcy attorney in California](#), companies can rebound. What’s the difference between a company that survives and a company that eventually goes under? There are many factors, but a strong [bankruptcy lawyer in California](#) is one of the best indicators.

Getting a chance at organizing your debts and getting your business or financials in order through bankruptcy is not easy. However, an experienced Los Angeles bankruptcy lawyer can greatly increase your chances.