

Distress Indices Hold Near Record Highs in Q1 of 2025 and Show Little Signs of Slowing

(April 29, 2025) The latest [Polsinelli-TrBK Distress Indices Report](#) shows that distress levels remain elevated across the U.S. economy. Although distress levels dipped slightly across the board last quarter, all indices are near their highest levels since 2010 and signal significant distress when compared with the last few years.

“Distress remains elevated across sectors and continues to trend near multi-year highs,” said Jeremy R. Johnson, a restructuring attorney at Polsinelli and co-author of the report. “Real estate and health care are showing particularly sustained pressure, with both sectors hitting distress levels we haven’t seen in over a decade. The broader environment remains unstable, and the high level of uncertainty in the market continues to drive distress across the board.”

The report, released by Polsinelli, includes the following updates:

The Chapter 11 Distress Research Index was 82.06 for the first quarter of 2025. The Chapter 11 Index decreased over 3 points since the last quarter. Compared with the same period one year ago, the Index has decreased over 2 points and compared with the benchmark period of the first quarter of 2010, it is down nearly 18 points.

The Real Estate Distress Research Index was 52.31 for the first quarter of 2025. The Real Estate Index decreased over 3 points since the last quarter. Compared with the same period one year ago, the Index is over 4 points higher and compared with the benchmark period of the first quarter of 2010, it is down over 47 points.

The Health Care Services Distress Research Index was 1,271.67 for the first quarter of 2025. The Health Care Index decreased over 66 points since the last quarter. Compared with the same period one year ago, the Index has increased over 358 points and compared with the benchmark period of the first quarter of 2010, it is up by over 1,171 points. This is the highest the Health Care Index has registered since the Indices started tracking the data 13 years ago.

On a trailing four-quarter average, the percentage of real estate filings among all index Chapter 11 filings decreased from 12.91% to 12.74% this quarter. The percentage of health care filings has decreased slightly from 17.60% to 17.51%.

The Polsinelli-TrBK Distress Indices are research indices based on Chapter 11 bankruptcy filing data. The Chapter 11 Distress Research Index serves as the primary index and is based on filings by entities with assets scheduled at greater than \$1 million dollars as represented on initial Chapter 11 petitions.

About Polsinelli

Polsinelli is an Am Law 100 firm with more than 1,000 attorneys in over 20 offices nationwide. Recognized as one of the top firms for excellent client service and client relationships, Polsinelli is committed to meeting our clients’ expectations of what a law firm should be. Our attorneys provide value through practical legal counsel infused with business insight, offering comprehensive corporate,

transactional, litigation and regulatory services with a focus on health care, real estate, finance, technology, private equity and life sciences. Polsinelli PC, Polsinelli LLP in California, Polsinelli PC (Inc) in Florida.

<<Reference Number>>

101658028.5