

# Americans saw wealth plummet 40% between 2007-10, Federal Reserve says

By Ylan Q. Mui, Washington Post

The recent recession wiped out nearly two decades of Americans' wealth, according to government data released Monday, with middle-class families bearing the brunt of the decline.

The Federal Reserve said the median net worth of families plunged by 39 percent in just three years, from \$126,400 in 2007 to \$77,300 in 2010. That puts Americans roughly on par with where they were in 1992.

The data represent one of the most detailed looks at how the economic downturn altered the landscape of family finance. Over a span of three years, Americans watched progress that took almost a generation to accumulate evaporate. The promise of retirement built on the inevitable rise of the stock market proved illusory for most. Homeownership, once heralded as a pathway to wealth, became an albatross.

The findings underscore the depth of the wounds of the financial crisis and how far many families remain from healing. If the recession set Americans back 20 years, economists say, the road forward is sure to be a long one. And so far, the country has seen only a halting recovery.

"It's hard to overstate how serious the collapse in the economy was," said Mark Zandi, chief economist for Moody's Analytics. "We were in free fall."

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