FRIDAY, JUNE 11, 2010 THE GREENVILLE NEWS

Americans wealthier for 4th straight

Stocks drove most of gain; most still well below pre-recession levels

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THE ASSOCIATED PRESS

WASHINGTON — Americans saw their wealth increase at the start of this year as the recovery boosted stock portfolios.

The Federal Reserve reported Thursday that household net worth rose by 2.1 percent in the first three months of this year to $54.6 trillion. It marked the fourth consecutive quarter that Americans' wealth grew.

Stock portfolios were the biggest force lifting net worth in the first quarter. However, since then, Wall Street has slumped — the Standard & Poor's 500, which measures the 500 biggest stocks, has lost nearly a tenth of its value.

Net worth is the value of assets such as home, checking accounts and investments minus debts.

Even with the first-quarter gain, Americans' net worth would have to rise an additional 21 percent to get back to its pre-recession peak of $65.9 trillion.

It's likely to be a bumpy ride, analyst say.

Analysts don't think household wealth will return to its pre-recession levels until around 2012.

During the recession, which began in December 2007, household net worth had plunged as low as $48.3 trillion in the first quarter of 2009. Stock holdings and home values tanked. As their net worth evaporated, Americans felt less inclined to spend.

Now that wealth is gradually growing, Americans — especially the affluent — are spending more but not lavishly.