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Candidates Target Ohio; US Family Wealth at 1992 Levels

This is IN THE NEWS in VOA Special English.

In the American presidential campaign, Ohio is considered one of the battleground or swing states. These are states where the race is close and could decide the winner this November.

President Obama and Mitt Romney, the Republican Party’s likely candidate, both gave speeches in Ohio on Thursday. The president has been helped by falling unemployment rates in Ohio. The state's jobless rate dropped from over ten percent in twenty-ten to less than seven and a half percent.

But President Obama has had a difficult few weeks that began with a disappointing jobs report. The nation’s unemployment rate rose to 8.2 percent in May.

Then, last week at the White House, Mr. Obama made the statement that "The private sector is doing fine." A reporter had asked him about claims that he is blaming the Europeans for failures in his own policies.

Mr. Obama answered that more than four million jobs have been created over the past twenty-seven months. He said that where weaknesses are being seen in the economy is in cuts by state and local governments. But his statement that private employers are "doing fine" quickly came under attack. Republicans questioned his understanding of the economy and called him "out of touch."

Mr. Obama, speaking in Cleveland, Ohio, talked about a need to continue investing in manufacturing, the energy industry and education. He also called for economic fair play to help the middle class.

BARACK OBAMA: "The economic vision of Mr. Romney and his allies in Congress was tested just a few years ago. We tried this. Their policies did not grow the economy, they did not grow the middle class, they did not reduce our debt. Why would we think that they would work better this time?"

Mr. Romney, speaking in Cincinnati, said Mr. Obama's policies have hurt job growth.

MITT ROMNEY: "Talking to small employers and big employers, I hear day in and day out they feel this administration sees them as their enemy. They feel that the Obama policies have made it harder for them to put people back to work."

This week, the Federal Reserve, the central bank, reported on changes in family finances from two thousand seven to two thousand ten. Part of that three-year period has been called the Great Recession. So how much wealth did the recession and slow recovery destroy? The report says the median net worth of families in twenty-ten was close to the same levels as in nineteen ninety-two.

Median means the point where half the families were higher and half were lower. Net worth is what remains after removing debts from the value of homes, bank savings and other assets.

Median net worth was one hundred twenty-six thousand four hundred dollars in two thousand seven. Three years later it was down to seventy-seven thousand three hundred dollars. The numbers are corrected for inflation.

The report says falling home prices as a result of the collapse of the housing market caused most of the drop in wealth.

Lawrence Yun is chief economist of the National Association of Realtors. He says falling home prices make families less willing to spend money.

LAWRENCE YUN: "A decline in home value has a major impact on the economy because for most homeowners the largest wealth holding is in their housing. And, therefore, if the home values decline, it makes the homeowners much more conservative about their spending outlook."

Mr. Yun says there are signs that the housing market is improving.

And that's IN THE NEWS in VOA Special English. I'm Steve Ember.

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