

Almost Four in 10 U.S. Households Hit By 'Great Recession'

By Editor Test *Wed, Oct 27, 2010*

U.S. households generally are "not optimistic about their economic futures," Rand analysts say.

A recent research paper shows that between November 2008 and April 2010 about 39% of U.S. households had either been unemployed, had negative equity in their house or had been in arrears in their house payments. Reductions in spending were common especially following unemployment.

"Effects of the Financial Crisis and Great Recession on American Households," written by Michael D. Hurd and Susann Rohwedder of the Rand Corporation and published by the National Bureau of Economic Research, suggested that U.S. households generally are "not optimistic about their economic futures."

"On average expectations about stock market prices and housing prices are pessimistic, particularly long-run expectations. Among workers, expectations about becoming unemployed have recovered somewhat from their low point in May 2009 but still remain high," the paper said.

These data come from Internet surveys run by RAND Labor and Population in the beginning of November 2008, in February 2009 and every month since May 2009.

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