# **Despite Stock Fall, Financial Health Of Many Is Still Solid**

### **BY JOSH BOAK**

AP Economics Writer

WASHINGTON - Many Americans have just absorbed a financial beating — at least as measured by their stock holdings. It's the kind of blow that can feed a sense of helplessness about retirement, college savings and higherthan-expected bills.

But take a look at other gauges of Americans' financial health, and a more nuanced picture emerges: Hiring and home values are

up. Gas prices and mortgage rates are down. Inflation is low. The pace of layoffs has dwindled.

Add it up, and the evidence suggests that many Americans though certainly not all are doing comparatively well.

year low.

months.

It's true that the solid

most people. Average hourly

2.1 percent over the past 12

But there's evidence

that the job market is being

retooled for occupations

and college graduates who

during the recovery paid a

median income of more than

\$53,000, according to a report

from the Georgetown Univer-

sity Center on Education and

the Workforce. The economy

includes a greater proportion

of these jobs now than in 2008,

after having shed "middle-wage jobs" — those that paid \$32,000 to \$53,000.

"The surge in hiring is not

concentrated in dead-end Mc-

INVESTMENTS

No doubt the latest stock

But plenty of people have

diversified their portfolios, as

they should, so that stocks

don't represent an outsized

portion of their holdings. And

many individuals have richly

profited from the most recent

bull market. A thousand dol-

lars invested in an S&P 500

market plunge has dealt a

accounts.

setback to many retirement

Jobs," the report concluded.

command higher pay. Nearly 44 percent of the jobs added

hiring has yet to provide

meaningful pay raises for

earnings are up a subpar

Even the stock-market swoon can be put in perspective: Yes, the Standard & Poor's 500 stock index has tumbled 10.7 percent over the past five days of trading. Since the end of 2008, though, the S&P index remains up about 120 percent.

For some, the stock selloff has been an occasion to take a breath, recall previous down markets that eventually recovered and summon the patience to wait for their investments to rebound.

"Hell, yes, I am worried." said Shannon Miller, a 27-year old digital content manager in St. Louis. "But what goes down .... will probably go back

Here's a look at key measures of Americans' financial well-being

#### JOBS

This is a clear bright spot. Employers have added a total of 11.5 million jobs over the past 58 months. All that hiring has helped cut the unemploy-ment rate to 5.3 percent from a peak of 10 percent in 2009. And just about everyone who has a job is getting to keep it: Applications for unemployment aid, which reflect the pace of layoffs, has hit a 15-

## Unemployment rate by state, July 2015 Less than 4% 4%-4.75% 4.75%-5.5% 5.5%-6.25%



index fund at the end of 2008 would now be worth roughly \$2,200

The investment company Vanguard reported in June that clients with retirement accounts at the end of 2009 had enjoyed a median gain of 137 percent over five years, reflecting both market returns and additional contributions.

Consider: An Associated Press analysis last week found that Republican presidential candidate Donald Trump would have multiplied his fortune more by investing in a generic stock index than in heavily-branded luxury real estate

#### **GAS PRICES**

Prices at the pump haven't been this low at this time of year since 2004, according to the American Automobile Association. The average price for a gallon of regular gasoline is \$2.58 a gallon, down from \$3.44 at this point in 2014. Analysts expect prices to fall further after summer.

The price decline has slowed economic growth because energy companies have slashed their drilling activity and equipment orders to manufacturers.

Yet for individual Americans, falling gas prices are a windfall: Families have more cushioning in their household budgets and can direct some

of their gas savings to pare debt, invest or spend.

#### **HOME VALUES**

The housing market has solidly recovered from the depths of the recession, when defaults on subprime mortgages caused a crushing wave of foreclosures and depressed prices

The S&P/Case-Shiller 20city home price index is up 5 percent from a year earlier. And the National Association of Realtors said last week that sales of existing homes in July reached an annual rate of 5.59 million, the strongest pace since 2007.

Homeowners are also behaving more prudently: Mortgage debt remains about \$1.3 trillion below the 2008 peak, according to the Federal Reserve.

"While the stock market can fluctuate wildly, real estate is slow and steady and has returned to very healthy conditions," said Jonathan Smoke, chief economist at Realtor.com.

#### **MORTGAGE RATES**

The Fed's low-rate policies have kept mortgage rates near historic lows for much of the recovery. And even as stocks have tumbled, it's become cheaper for homebuyers to borrow. The average 30-year fixed-rate mortgage dipped to 3.93 percent last week from 4.09 percent in mid-July, according to mortgage firm Freddie Mac.

The low rates have benefited many homeowners who have adjustable-rate mortgages from before the recession. Mortgage rates tend to track the yields on long-term Treasurys. The declining stock market has held those yields low — welcome news for homeowners such as Conal Crawley, a 49-year-old sales rep from Boston.

"It'll keep my interest rate down as long as the economy doesn't get overheated," he said

## Suspect Watched Jihadi Video On Train

PARIS (AP) — Minutes before he slung an assault rifle across his chest and walked through a high-speed train, the Moroccan suspect in the foiled attack watched a jihadi video on his cellphone, the French prosecutor said in formally opening a terrorism investigation Tuesday.

The actions by Ayoub El-Khazzani on the Amsterdam-to-Paris train Friday night and information from other European authorities on his travels and apparent links to radical Islam prompted the investigation, said prosecutor Francois Molins.

El-Khazzani, 26, was tackled and tied up by five passengers, including three Americans and a Briton, averting what President Francois Hollande said "could have degenerated into monstrous carnage."

During questioning by authorities, El-Khazzani said he had no terrorism plans and had found a bag of weapons Thursday in a Brussels park and planned to use them to rob passengers, Molins said. But the suspect grew less and less lucid as he gave his explanation, the prosecutor added, and eventually stopped talking to investigators altogether.

One reason investigators suspect a premeditated attack was that El-Khazzani, who claimed to be homeless and living in a Brussels park, used a first-class ticket, Molins said. The suspect refused to take an earlier train, he added, although there were seats available — "the sign of a planned project."

## Heritage Always A Target Of War

CAIRO (AP) — A nearly 2,000-year-old temple in the Syrian city of Palmyra this week was the latest victim in the Islamic State group's campaign of destruction of historic sites across the territory it controls in Iraq and Syria.

The group has destroyed ancient buildings and artifacts, as well as shrines to Shiite and Sunni Muslim saints - looting some sites for profit — all in the name of purging what it considers symbols of idolatry to create a society dedicated solely to its extreme and violent interpretation of Islam. The IS campaign has horrified many around the world with a scope of destruction that hasn't been seen for decades.

Still, it isn't unprecedented.

Throughout the centuries, invaders, religious fanatics and colonizers have targeted works of art, houses of worship and other pieces of heritage. The goal is often to uproot, eliminate, replace or impose control over the culture and heritage of their opponents. Nearly every ethnic or religious conflict across history has seen at least some cultural destruction, along with genocides like the Nazi Holocaust against the Jews.

### Less-Lethal Weapons Draw New Interest

FITCHBURG, Mass. (AP) — Police in more than 20 North American cities are testing the latest in less-lethal alternatives to bullets — "blunt impact projectiles" that cause suspects excruciating pain but stop short of killing them. Or at least that's the goal.

Police have long had what they considered "nonlethal" weapons at their disposal, including pepper spray, stun guns and beanbag projectiles. But even those weapons have caused deaths, leading to a search for "less lethal" alternatives. The quest has taken on new urgency in the past year amid furor over a string of high-profile police shootings of black men

Micron Products Inc., a wholly-owned subsidiary of Arrhythmia Research Technology based in Fitchburg, makes the new ammunition, which are much larger than rubber bullets and have silicone heads that expand and flatten on impact, enhancing the pain and incapacitating a suspect. One executive of the company that patented the technology was a guinea pig and described experiencing the business end of a BIP as the "equivalent of being hit by a hockey puck."

"It was like, 'Ow!' I had to shake it off," said Allen Ezer, executive vice president of Security Devices International, a defense technology company that hired Micron to make the projectiles, which were developed by a ballistics engineering company in Israel.

Sixteen law enforcement agencies in the U.S. and six in Canada have purchased the projectiles, including SWAT units of the Los Angeles County and Sacramento County Sheriff's Departments in California, and police departments in East Hartford, Connecticut; Sioux Falls, South Dakota; and Los Alamos, New Mexico.

## Fox News Calls On Trump To Apologize

NEW YORK (AP) - Fox News chief Roger Ailes said Tuesday that Donald Trump owes the network's Megyn Kelly an apology for an unprovoked Twitter attack that "is as unacceptable as it is disturbing," but Trump isn't backing down. The Republican presidential front-runner-turned-TVcritic had welcomed Kelly back from a vacation Monday night by tweeting that he liked her show better while she was away. Trump said Kelly "must have had a terrible vacation" because "she's really off her game." He retweeted a message that referred to her as a bimbo. "Megyn Kelly represents the very best of American journalism and all of us at Fox News Channel reject the crude and irresponsible attempts to suggest otherwise, said Ailes, the Fox News Channel chairman. "I could not be more proud of Megyn for her professionalism and class in the face of all of Mr. Trump's verbal assaults.

## Guatemala's Ex-VP Ordered To Stand Trial For Corruption

#### **BY SONIA PEREZ** Associated Press

GUATEMALA CITY - Guatemala's former vice president was ordered to stand trial Tuesday, while the Supreme Court took the first step in allowing impeachment proceedings against President Otto

immunity as a sitting president so he can be prosecuted and possibly removed from office. An attempt several weeks ago to start impeachment proceedings based on a request by legislator Amilcar Pop was voted down.

Prosecutors and the International Commission against Impunity in Guatemala requested the removal of his immunity based on allegations that he too is linked to the network of officials and individuals who received bribes from businessmen to evade import duties. We have hit a really serious political crisis," said former Vice President Eduardo Stein. "Never before have prosecutors publicly requested lifting the immunity of the president.'

Since Friday, five of Perez Molina's 13 cabinet ministers have resigned, eight vice-ministers and two secretaries amidst protests that Perez Molina quit. Business and church groups have joined the calls for him to step down.

Student leader Lucia Ixchiu called the president "cowardly" for his Sunday speech and becoming more entrenched rather that heeding the "widespread clamor for his departure.<sup>3</sup> According to the impunity commission, there are strong indications that the president was tied to the criminal ring known as "La Linea," or "The Line,' the fraud operation allegedly led by Baldetti's aide, Juan Carlos Monzon Rojas, who is currently a fugitive. Prosecutors argued Tuesday that Baldetti was one of the main benefactors of the ring, in part based on some 88,000 wiretaps and documents revealing how the money was divided

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Perez Molina in a fraud scandal that is pushing the country into political crisis.

Protesters demanding Perez Molina's resignation blocked roads on the outskirts of Guatemala City as a judge ordered former Vice President Roxana Baldetti to stand trial on charges of conspiracy, customs fraud and bribery, based on allegations that she accepted \$3.7 million in bribes as part of the customs scandal that forced her from office. The judge has yet to rule whether she will be jailed during the trial.

With the unanimous Supreme Court ruling Tuesday, the congress now will vote whether to take away Perez Molina's

Perez Molina rejected the possibility of resigning in a televised speech on Sunday, and he has denied involvement in the scandal, which is pushing him into a corner as it grows.

## Hezbollah Throws Weight Behind Announcing **Protests, Deepening Crisis**

#### **BY ZEINA KARAM** AND SARAH EL DEEB Associated Press

BEIRUT — The powerful Lebanese Shiite group Hezbollah threw its weight Tuesday behind mass protests calling for the government's resignation, deepening a crisis that started over piles of uncollected garbage in the streets of the capital but has tapped into a much deeper malaise.

The explosion of anger targets the endemic corruption, hapless government and sectarian divisions of a brittle country once torn by civil war and now struggling with a wave of hundreds of thousands of Syrian refugees.

A grassroots youth movement calling itself "You Stink" mobilized thousands of people in two rallies over the weekend, and has called for another large protest on Saturday. The Hezbollah announcement of support for the protests is likely to fuel concerns the Iranian-backed group will try to hijack a rare, non-political movement for its own political gain.

Hezbollah ministers and their allies walked out of a Cabinet meeting Tuesday meant to discuss the worsening garbage crisis. Prime Minister Tammam Salam called the emergency session after the weekend clashes between security forces and

demonstrators protesting corruption and poor public services.

The six ministers withdrew four hours into the meeting. Foreign Minister Gibran Bassil, whose Free Patriotic Movement is aligned with Hezbollah, said he was pulling out because of the political "theater" surrounding the trash issue.

During the Cabinet session, ministers unanimously rejected the winning bidders to manage Beirut's trash collection, citing high costs and a bidding procedure some said was questionable. The Cabinet tasked a ministerial committee with restarting the bidding, meaning no imminent solution to the crisis was likely.

Salam suggested dumping the garbage in the remote, impoverished region of Akkar, which has been neglected for decades, in exchange for \$100 million in development projects as an incentive.

That further riled the protesters. "Akkar is not a garbage dump!" read the slogan on one protester's T-shirt.

The trash crisis has exacerbated the long-existing fault lines in Lebanon which in recent years have pitted the Iranian-backed Hezbollah against the country's Western-aligned, pro-Saudi camp. Those divisions mirror the larger regional Shiite-Sunni divide, and have long

Although Salam's government has elements from both camps, Hezbollah regards the prime minister as an ally of Saudi Arabia. The Shiite group's ally, Christian leader Michel Aoun, has been assailing the prime minister over

paralyzed the government.

his handling of Cabinet and security appointments. In a statement Tuesday, Hezbollah said the garbage crisis reflected the "endemic and accumulated corruption of the past two decades" and policies that only serve "personal and political interests at the expense of citizens." It said holding peaceful protests was a legitimate right.

A columnist in the daily An-Nahar newspaper accused Hezbollah of exploiting the "You Stink" movement for its own agenda.

Tarek Sarhan, a 17-yearold "You Stink" supporter, said there would always be groups that try to manipulate grass-roots movements for their own political gains in a country like Lebanon.

The protesters say they are fed up with leaders they accuse of caring only about lining their own pockets and a system they say ensures incessant bickering and paralysis. They contend the entire trash crisis is about which politicians get the bigger cut from waste management contracts.



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