

What does it mean that the U.S. dollar is „falling“? Falling from where?

No, dollar bills aren't dropping out of the sky -- although that would be pretty cool. It means that any money you have is falling in value compared with the money used by other countries. A bit of math might help explain this. Let's use Canada as an example, since lots of Americans go on vacation there. A year ago, if you traded 10 U.S. dollars for Canadian money, you would have received 14 Canadian dollars in return. Today, 10 U.S. dollars would get you about 10 Canadian dollars.



Who decides what the dollar is worth? How do they do it? Dollars are traded on markets the same way that football cards are swapped on the playground. Most children who collect football cards want at least one of Ronaldinho because the Brazilian is one of the world's most famous footballers. But what if Ronaldinho started to play badly and couldn't score goals any more? The other kids at school might feel that his card was worth less and want to trade it for one they thought was more valuable.

That is what's happening to the dollar. People are worried that the U.S. economy is in a slump. So they don't want U.S. dollars as much as they once did. They are trading them for other countries' money, and that makes the dollar less valuable.

Just how bad is it for the dollar? It's pretty bad. The value of the U.S. dollar has hit an all-time low compared with the euro, the official money of 13 European countries. And, for the first time in 31 years, Canada's dollar is about equal to the U.S. dollar.

Is the falling dollar bad for America's economy? Yes and no. Staying with Canada as our example, the falling U.S. dollar means that if you go there on vacation and want to buy a souvenir -- a beaded belt, perhaps -- it might cost you 10 U.S. dollars instead of \$7 if you had bought it a year ago. In that way, the falling U.S. dollar hurts American travellers and people who buy goods from other countries. Toys made overseas and sold here could cost more this holiday season.

But people coming from Europe or other countries will find that American goods are now less expensive for them to buy. More of them will visit Disney World and other U.S. tourist attractions, spending money in American hotels and restaurants. U.S. farmers will sell more food to other countries and factories will sell more cars and other goods overseas.

Eventually this will improve the economy and help the dollar rise in value again.



WORDS

- all time low = Allzeittief
- attraction = a famous place that tourists go to visit
- beaded belt = Gürtel mit Perlen versehen
- compare = vergleichen mit
- decide = entscheiden
- drop = fall

- economy = Wirtschaft
- eventually = slowly, as time goes on
- goods = things that are produced so that they can be sold
- overseas = other countries across the ocean
- receive = get
- score = erzielen
- slump = if something is at a bad

level or in a bad condition

- swap = exchange
- trade = to buy and sell something
- valuable = to be expensive and worth a lot
- value = what something is worth = Wert
- worry = besorgt sein