

Election time makes loose purse strings, official says

By Kathryn Borman
Staff Reporter

Presidential election years and the holiday season often add up to increased consumer spending, and this year appears to be no exception, a UNL official said.

While consumer spending usually rises during the holidays, the economic rise this year is expected to be greater than in the past three to four years, said Charles Lamphear, director of the Bureau of Business Research.

“There’s a general feeling that people maybe think things will get better.”

Tucker
treasurer of UNL College
Republicans

“The election is viewed by most as positive regarding the economy getting back on track,” Lamphear said. “It gives the impression of a fresh start.”

“This happens with any changes in the guard — you get that type of reaction.”

But Lamphear predicted that, as in most holiday seasons, the economy would turn downward after the shopping surge.

“This is the seasonal reality of retail sales,” he said.

The new presidential administration is expected to juggle short-term and long-term economic approaches, first to create jobs and get the economy back on its feet, and later to reduce the deficit, Lamphear said.

Lamphear predicted consumers would give the new administration a chance to improve the economy before they lost confidence and reduced their spending. If the economy does not pick up in the next few months, he said, consumers again may turn pessimistic.

Nebraska consumers tend to be more conservative than those in other parts of the country, Lamphear said. Thus, Nebraska might not reflect the initial economic upturn as strongly as the rest of the nation, he said.

For example, Lamphear said, continued bad weather may cause poor harvests for farmers across the state, resulting in decreased spending.

John Austin, research associate at the Bureau of Business Research, said consumer confidence had been decreasing this year. But experts expected that it would rebound once the election was over, he said.

“The reason is not that any one person was elected; the reason is that the speculation is over,” he said.

Austin said presidential election years generally were good years economically. This year’s upturn is reflected in improved consumer confidence reports for October, he said.

Lamphear said the economic upswing following the election might be caused by other factors as well as the presidential race. But because consumer confidence is an art, not a science, it is difficult to pinpoint the reasons for changes, he said.

Suzanne Lipsy, president of UNL Young Democrats, said she saw a lot of optimism regarding the economy among students she knew, but she said she thought people still were cautious.

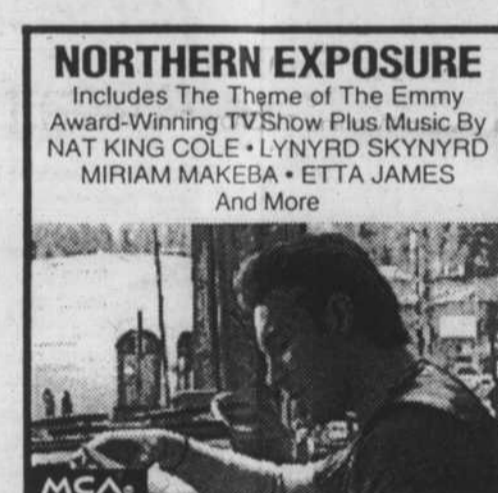
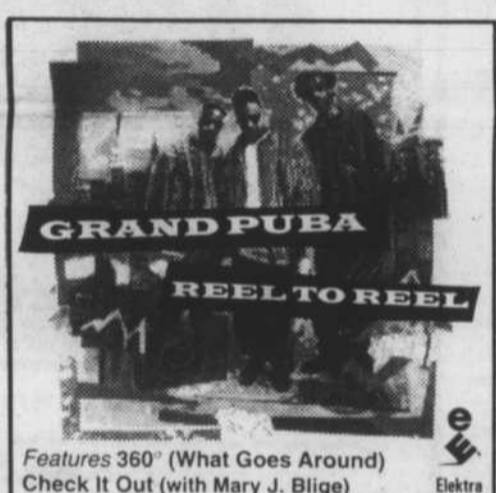
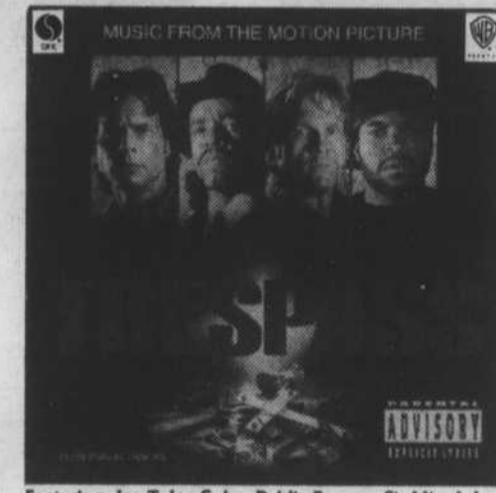
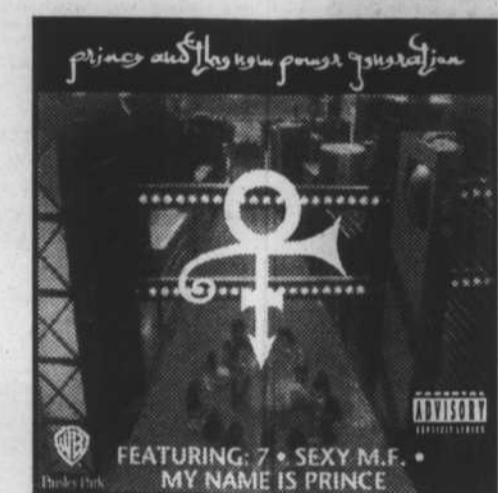
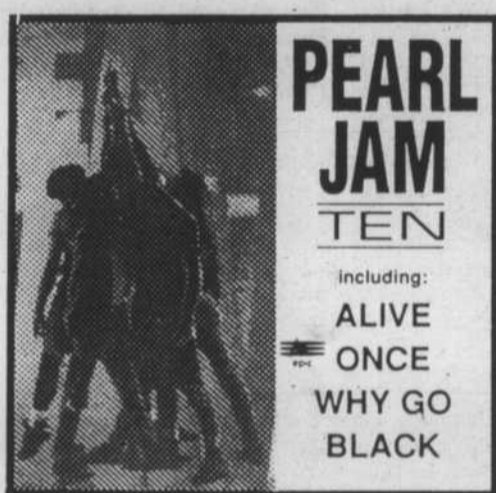
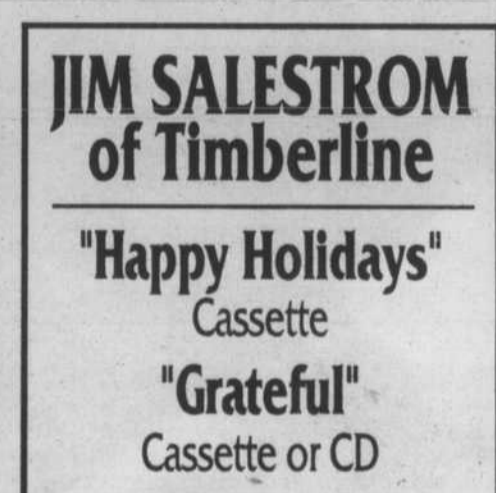
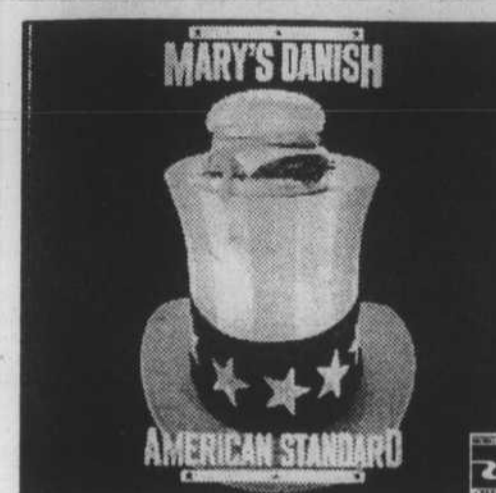
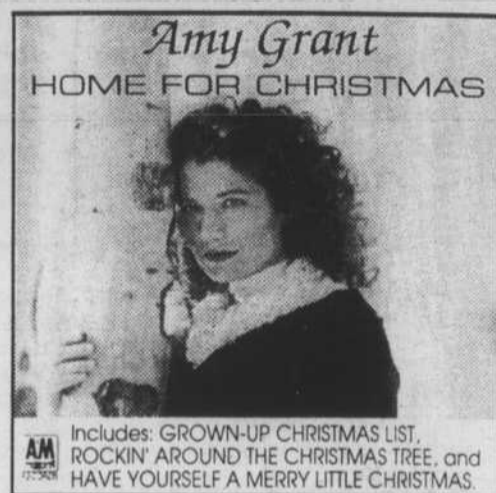
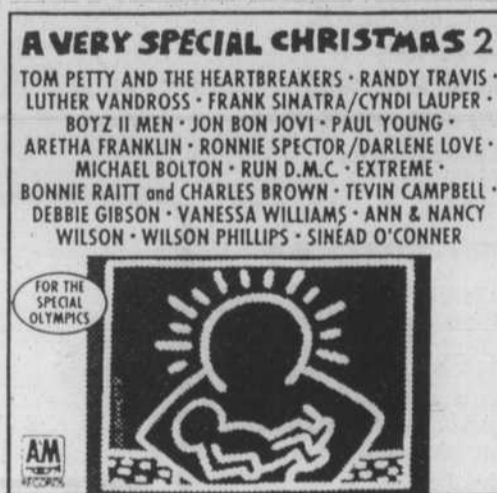
Shane Tucker, treasurer of UNL College Republicans, said he thought the election had had little effect on students’ economic activities.

“Most students are not enough in tune to the political situation to have any interest whatsoever,” he said.

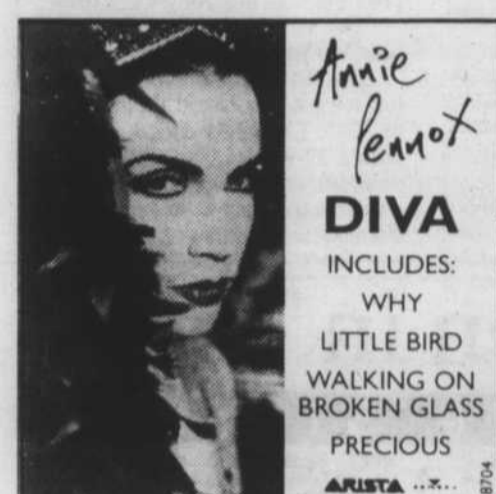
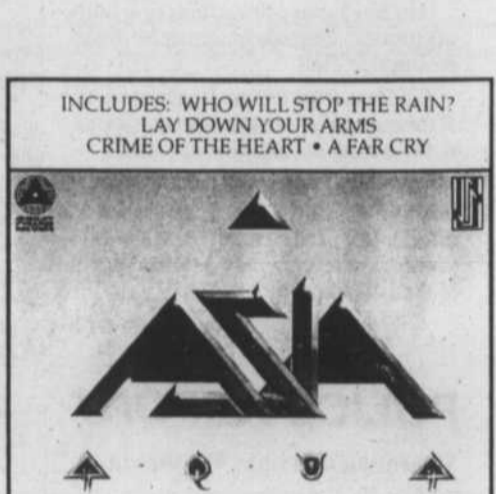
Tucker said he thought the economic mood of the population as a whole also was unaffected by the election.

However, he said, “there’s a general feeling that people maybe think things will get better.”

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