

Yandle: 'Last year's outlook was better'

BY JESSICA SIBLEY
THE JOURNAL

CLEMSON — This time last year, economists were hopeful that the financial climate would be turning around by now.

Today, some experts are still hoping for "next year."

Bruce Yandle, retired economics professor at Clemson University, believes the months and year ahead will be harder than once thought.

In all, a near perfect storm of events has slapped away any chance of economic recovery, Yandle said this week.

"A year ago, the outlook was brighter than now," he said. "Several things happened that took some wind out of the sails. The Japanese earthquake that seriously disturbed the auto parts supply chain — auto production was pulling the economy — hurricanes and flooding across major parts of the U.S., the S&P downgrade on U.S. debt, the political action in Washington in grappling with the deficit and government shutdown, the European financial crisis, the constant White House suggestions of major legislation, which generates uncertainty and, finally, the deep downward revisions from the Com-

was better'

merce Department in gross domestic product growth.

"Put it all together, it doesn't spell another recession, but it gets darn close," Yandle said.

Unfortunately, Yandle doesn't see the potential for a big holiday shopping season

that could provide a solution.

"I expect this will be a low-spending Christmas season. Not much on frills. A lot on necessities," he said.

As if expecting the same, many stores have brought back lay-away options to help

families deal with tight budgets.

Pattie Morgan, Seneca teacher and mother of four, said she's been forced to become the smartest shopper possible.

"Any parent knows this time of year is so expensive,"

For more economic news, see D1.

Morgan said. "There are good deals out there, you just need to be patient in waiting for sales and in making price comparisons. More so, my kids are growing up knowing the reality of spending. In a way, I hope it makes them smarter with their money than I was at their age. I had a rude awakening when I got older."

Yandle said the upcoming election is also adding a bit of turbulence to the economic climate.

"The election can have a major impact on the economy to the extent that major uncertainties are removed about federal tax and regulatory policy," he said. "But it will be what happens after the election that will matter, of course. At the moment, it is not clear what either party will actually bring to the table, which leaves people with less confidence when it comes to spending.

"We are on a long trip to recovery," he concluded. "There is no spoonful of sugar that is going to help this medicine go down."