

Black Friday Forecast: Average Year for Retailers, says MU Economist eadline

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As analysts debate the stability of the U.S. economy, one of the biggest economic indicators – Black Friday – is only days away. At the University of Missouri-Columbia, researcher Joseph Haslag said the economy hasn't tanked as many experts might suggest.

In fact, he said contrary to reports and discussions about a weakening U.S. dollar, the economy is holding steady at about 2.5 percent growth overall. Haslag said one issue is that the growth figure pales in comparison to more than three percent annual growth from 1995 through 2005.

With the economy holding steady, he expects Black Friday to yield average results for retailers.

“The retailers will come out okay,” said Haslag, professor of economics in the College of Arts and Science and director of MU's Economic & Policy Analysis Research Center. “The numbers may not be great; they won't be horrible. There won't be any reason to walk away from Friday's numbers thinking the economy is in dire straights.”

He said purchases on Black Friday and during the holiday season, which is monitored heavily by media and business analysts, “isn't what makes or breaks the U.S. economy.” He said that overall retail sales throughout the year account for 15 percent of the total economy.

Haslag said the rising cost of gas and food are reasons to be concerned.

However, other than cutting back on holiday spending, he expects consumers to compensate for those increased living expenses by other means. For example, Haslag said consumers may elect to save less during the next 30 to 60 days.

Haslag has been a member of MU's faculty since 2000. His research interests include macroeconomics, monetary theory, growth and development, and financial institutions. He is a member of the American Economic Association, Econometric Society and Society of Economics Dynamics. Haslag has published articles in numerous economics journals and is the author of *Macroeconomic Activity and Income Inequality in the United States*.

Source: University of Missouri-Columbia

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