

Economic news may be ugly, but it's not recession

What an economic roller coaster! The stock market plunges 200 points on one day and bounces up 400 points the next. Ford, General Motors and DaimlerChrysler all lay off employees, together with the entire parts supplier industry. The Michigan unemployment rate, which had averaged 3.6 percent during last year's spring quarter, rose to 4.5 percent in January, the first time it went above the national average in 69 consecutive months.

My own hunch is that things always look the darkest just before the sun rises. But don't trust my hunch. Instead, look to the economic forecasters. The Research Seminar in Quantitative Economics (RSQE) at the University of Michigan produces some of the best economic forecasts in the nation. Their forecast update for 2001 for the Michigan economy was released last week.

Although it makes for pretty dry reading, it's essential stuff for anybody who has a stake in what happens to our economy.

Here are the main points of the forecast: ■ Employment in Michigan will decline modestly through the rest of this year and begin a modest rise early in 2002. This means this year would mark the first consecutive quarters of job decline since 1990-1991.

■ Unemployment is forecast to increase from 4.5 percent to 5.3 percent by the end of the year, with around 30,000 jobs lost during 2001.

■ The main cause is weakness in manufacturing, especially in the automotive sector. Auto production began to slide last summer and investment in industrial equipment is off, as well.

■ Growth in personal income, which increased at a healthy rate of 5.2 percent in 2000, is forecast to drop to 2.8 percent, the consequence of a weaker labor market, especially in the high-wage manufacturing sector.

■ The local rate of inflation is expected to drop from 3.6 percent in 2000 to 3 percent for 2001.

So, you may ask, are we in a recession? It's a

near thing, as a recession is usually classified as two quarters of what the economists call "negative economic growth."

The folks at RSQE say the loss of 30,000 jobs in Michigan is "sufficiently modest to avoid being classified as a recession."

Certainly the RSQE forecast contains real grounds for hope, assuming one gets through this year. In 2002, employment should be picking up in the automobile industry and in construction. Wages and the number of hours worked in a week should be increasing, and so, too, should personal income. The threat of inflation should remain low, and there is a real chance that interest will come down another half point or so.

I talked to Joan Cray, one of the smarter economists around, who is largely responsible for the Michigan forecast. I asked her what advice she had for the ordinary person reading this column.

"Don't panic," she said. "The stuff coming down since the first of the year looks a little ugly, and plainly we're not in the boom times we enjoyed for the past few years. But compared to the recession in the early 1990s, this isn't bad. Unemployment will be nothing like what it was then, and even though people who have been laid off have suffered a big shock, most of them will have a much easier time finding a job than they did in the '90s recession."

Cray also thinks the Michigan economy is in far better shape than it was a decade ago. "We're far more diversified than we were; we're less dependent on the auto industry. There has been considerable growth in the service sector and even in information technology. That said, Michigan is still heavily dependent on the auto industry, and that makes for ups and downs built into the very structure of our economy."

Cray's last words of advice? "Check the energy efficiency of your home this summer. Because the next heating season we're going to see natural gas prices going up a whole lot."

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GUEST OPINION

NLC trip inspires local youth

I would like to start this by saying that I am not a huge fan of politics nor am I a politician. I believe I am merely a young man, hoping to learn the ways of the world so that I may fix myself.

It has always been my belief that if I destroy my own prejudices and ignorance, everyone else will follow. If they don't, I'm still going to end up happy. Politics, in my prejudiced mind, was the fine art of going nowhere and writing a 44-page report about it. Suffice it to say, politics seemed antithetical to the type of progress that I craved.

I was wrong. I was immediately wrong. Given a microphone, a forum, but most important, respect, a group of kids from a little town in Michigan including me, quite possibly changed America. At least, that is how it is for me. This is my first time in Washington, D.C., and my first time in a National League of Cities meeting the window will speak volumes about the symbolic majesty of the nation's capital. Enormous buildings of marble stretch out along the avenues, coupled with gigantic buildings of girder and glass stretching out into the sky.

It is here that the fates of billions of people are decided at the speed of thought. Now a group of teenagers have been given a share of that power, may God have mercy on our souls. Well, let me correct myself: Start praying to your local deity if you send typical teenagers. I am proud to say that I watch the actions of many of our teenage peoples representing our 50 states, and I am humbled. If you were there, you could see that the future of America is in good hands. If you were not, that's a quick recap.

Day 1: Our first meeting, regarding public safety and crime prevention took on a much more special meaning, given the recent events in California, Pennsylvania, and our own home state. We know that teens were capable of crime but never on this scale. We knew that pain causes some of the worst things in life but not of this magnitude.

That said, if there is to be true safety and crime is to be prevented throughout America, the youth must be involved. Areej Al-Jawahri talked about teen suicide, most definitely a crime within itself. Dave Kinchen talked about the possible problems coming from the new CCW laws, and I chimed in with a stolen idea from our mayor regarding a suicide investigation team.

Day 2: We started with a youth meeting that had all the life and fun of your average frying pan. In the beginning we didn't get much done. Dave would repeatedly defibrillate this seemingly dead student body, and would eventually get a spark. By the lunch time next day, there would be a regular pulse, and even a little movement. I was proud; with a little effort, you can make a teen do anything. Just ask any parent.

Hearing Dennis Archer speak is a real honor. His intelligence and sincerity come through, not just with words, but with an unmistakable, unique sparkle in his eye. We would meet him

later at the reception and actually get his secretary's number, so that there would be future talks. After the general session, I went and checked out racial profiling with Areej. I got some more information regarding sensitivity programs that can be installed in schools, which was very beneficial.

Day 3: We met Sen. Carl Levin for all about 10 minutes. Just getting that, however, is pretty tough, and considering all the cities that come to him, the precedence given to Farmington/Farmington Hills was very impressive. He basically ran down the list and told us what was impossible and what was improbable. It's tough work, but someone has to do it.

Our last youth networking session went without as many hitches as a smooth ending to every-

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thing that had happened. With the Young Americans Act on its way, and the NLC behind us, it's a nice time to be a kid with an agenda.

The gravity of the situation begins to settle in as I realize the impact of passionate thought, no matter where it comes from. Will the NLC change lives? Until we know for sure, we must try and fix our own communities, to make them the best they can be.

I see that there is a long time ahead of me to work and to provide for everybody around me, including myself. Much has to be done and has to be done with intensity, yet life is so short, and so many people have to be made at least content. The responsibility is staggering.

However, as I write, I see my compatriots laughing and smiling, and I realize that I am taking this too seriously and too quickly. There is never enough time and never enough energy to get done what I want to get done.

I have to remember that no matter what immaculate sandcastle I build, it will be destroyed by the inevitable high tide of time. I will move slowly but quickly, patiently but intensely. Paradoxical? Impossible? Perhaps so, but the only true judge of those limits is myself, and I'm a tough grader.

What impact I made in those few days I have no intention of forgetting, no matter what my future job or nature may be. The sand is here, the tools are ready, it's time to play.

Josh Rabinowitz, a student at Harrison High School, traveled as part of the Farmington Hills delegation to the National League of Cities convention, held last month in Washington, D.C.

LETTERS

Says thanks

Consider this letter a "thank you" for your coverage of the Call to Action Coalition's recent program "Club Drugs and Rave Parties: An Inside View." This presentation is just one of many offerings designed to help the Farmington community promote "the health and safety of our children."

That being the goal, it was encouraging to see many factions of the community present. Under the umbrella of the Call

to Action Coalition full the Farmington Hills Police and Farmington Public Safety Department, Farmington Fire Safety, Farmington Families in Action, Botsford Hospital, the Farmington Public Schools, YMCA, members of the religious community, the mental health community, parents and other concerned citizens. Those in attendance were amazed and educated by the wealth of information presented by the panel that presided over the program. An edited version of this pro-

gram will be airing on TV-10 in the near future. Any person concerned with the "health and safety of our children" is encouraged to tune in and then share this knowledge with others. I am grateful to those who took their time to design this program, and am hopeful that it will go a long way to promote the Call to Action's goals that concern the welfare of our community's children.

**Cynthia Helinek
Farmington Hills**

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