



Holiday Fallout Cripples Businesses

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Stores Hurting

Take a trip to any shopping outlet and chances are you're going to see a lot of empty store fronts. A | A | A

"The whole wing down by JC Penny is practically closed, you know everybody's hurting," Ray Synder of Lansing says.

But the pain is over for "The Value City Department Store" on Waverly, "Linens n' Things" in Frandor, and "Circuit City" in Jackson, the latest victims of an economy that's shorting out. □

"Of course when people start to lose their jobs and their incomes the first thing they do is cut back on spending," Patrick Anderson of The Anderson Economic Group says.

He adds that the cut backs have left the doors locked and cash registers closed at several businesses that were hoping for a Christmas business bump to keep them alive in the new year.

"If they don't get the sales then they're going to start closing in January," Anderson says.

Add competition from stores that offer better prices into the mix and there's an even bigger problem.

"That means that you are going to see a lot of retailers close even in a good economic environment and you make the environment tough like it is now and that means you are going to accelerate the closures," Anderson says.

But if you're worried about some of your favorite stores like "Macy's" closing, there may not be reason to worry here in Michigan.

"Michigan I think is going to be less affected than some other states because we didn't really have a boom in the last seven years," Anderson says.