

science & TECHNOLOGY

GOODBYE, CIRCUIT CITY!

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Editor-in-Chief

When the economy is rough, people start cutting back on buying things. People stop going out to eat every week and taking long vacations; they start prioritizing what they need to purchase. Businesses are feeling the penny pinch, and stores devoted solely to electronics are no exception. In a time of economic crisis, you don't just go to Best Buy or Circuit City and buy DVDs and CDs by the handfuls or pick up the newest game console or buy the coolest camera on the display shelf. While Best Buy seems to be surviving, Circuit City is no longer able to keep its door open.

According to an article published on January 16th, 2009, in the Triangle Business Journal, "Circuit City filed for bankruptcy Nov. 10, after posting a quarterly loss of \$240 million. The same month it announced that it would close about 20 percent of its 721 stores in the United States." Circuit City could no longer afford to run full throttle in such a diminished economic situation. A Circuit City press release that was issued on Nov. 3, 2008 stated that "[d]ue in part to its deteriorating liquidity position and the continued weak macroeconomic environment, the company has decided to take certain restructuring actions immediately, including closing 155 domestic segment stores, reducing future store openings and aggressively renegotiating certain leases." The press release underlined the impact of the poor economy on their reasons for closing stores, citing "a significantly weakened retail environment," "the sharply worsened overall economic environment," and "the weakened economic environment" as the cause of most of the company's problems. The full press release can be located at <http://investor.circuitcity.com/releasedetail.cfm?releaseid=344747>.

However, closing 155 stores, restricting new store openings and renegotiating leases did not keep Circuit City from going under. On January 16th, Circuit City published another press release to announce that it was liquidating, which essentially means that it's closing. If you attempt to visit the Circuit City website like I did, you will be met with a very sparse website that informs you that they are going out of business. "Closed" is even included in the website address: <http://www.circuitcity.com/closed.html>. James A. Marcum, vice chairman and acting president and chief executive officer for Circuit City Stores, Inc., mentioned in the press release that Circuit City has (or had) "more than 30,000 employees." That's 30,000 more people out looking for jobs while the economy shows little to no signs of getting better.

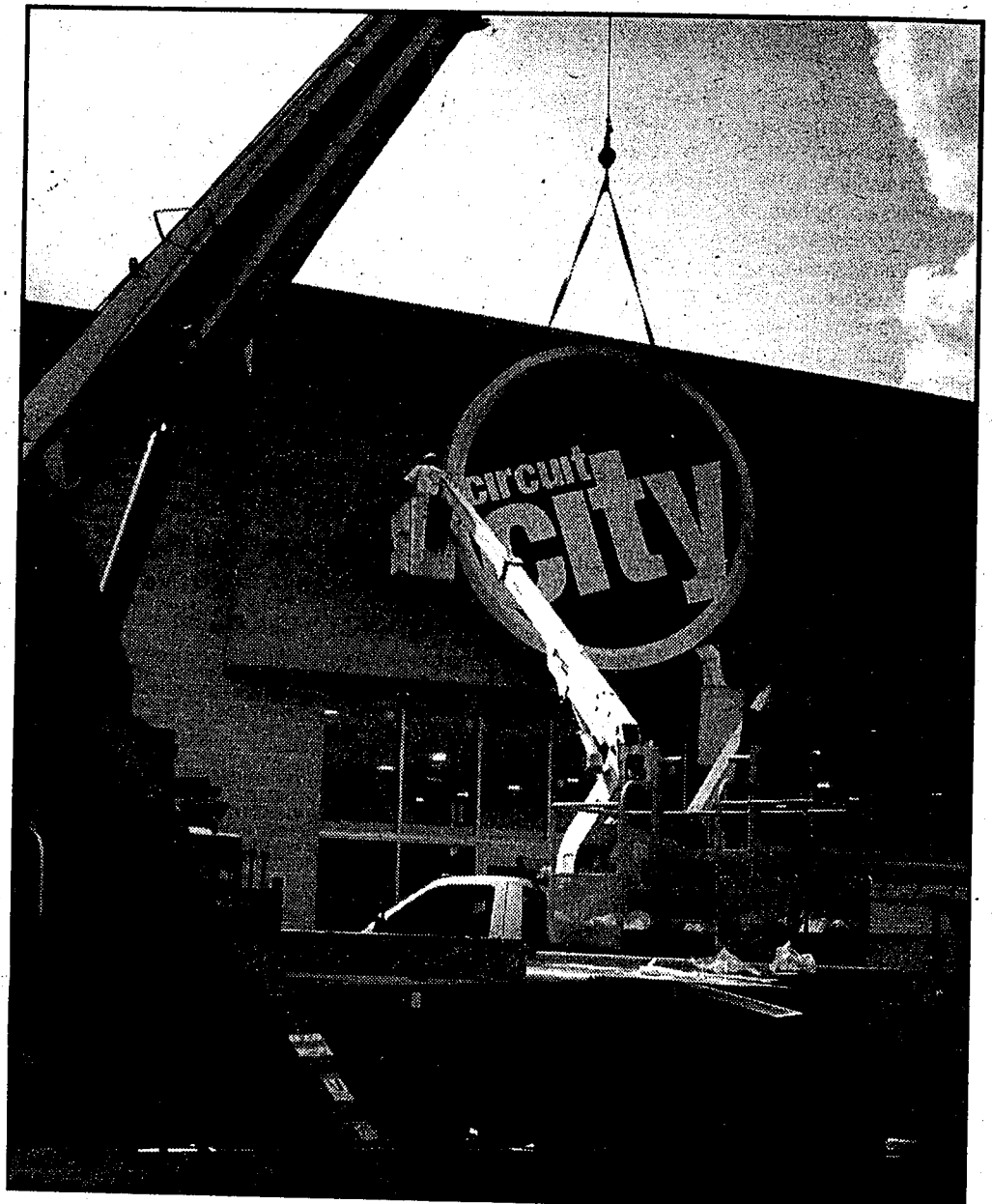


Photo courtesy 866fixlight.com

When mega-stores like Circuit City start going under, we start to wonder about what's next. Barnes and Nobles? Old Navy? Wal-mart? The last one is unlikely, but it is almost certain that we will see other big name stores going under during this period of weak economy. At least we can look forward to the close-out discounts and sales. ■

MILITARY ECONOMY

Anna Clark
Staff Writer

Lately everyone has been talking about the economy and how it has affected students, who have had to change their spending habits and cut back on budgets. Students at Meredith College can be heard talking about how going to a private school on top of the economic downfall is affecting their family and about how their families' lifestyles have changed. Both my brother and I go to private colleges. We both have cars and both still get a certain amount of money from our parents to help out with living expenses. When I went home over winter break, I saw little to no difference in my

family's standard of living because my dad is employed by the United States Army.

My dad has been an officer in the Army for over 20 years. The great thing about this fact is that the military takes care of its own. Military personnel are provided with housing on a military base OR payment for housing elsewhere. Included in housing are electricity and water. The military also provides health and dental coverage for all military personnel and their dependents. On top of all of these perks, the military also pays their employees a fairly decent salary, and if soldiers

are deployed to a combat zone, their salaries are not taxed. All of these benefits make military life ideal in times of economic crisis.

My family and I are extremely lucky to have all of these perks, as are many military families. Not all military families are as lucky as my own. Some still have financial issues through bad investments or lack of foresight. But the great thing about the military is that it allows people to have jobs and support their families without too much worry for the future. The great thing about the military is that it takes care of its own. ■

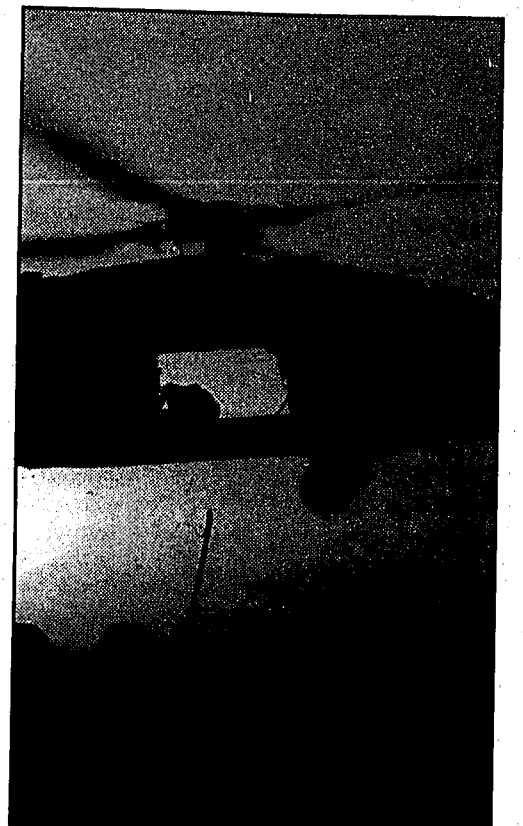


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