

UNC Experts: No Need to Worry About Stock Market

By KRISTA FARON
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Staff Writers

Although Monday's stock market drop prompted concern among some UNC students about their ability to finance their education, many economic experts are advising students not to panic.

The Dow Jones Industrial Average dropped 684 points Monday, one of the largest one-day falls in the market's history. It was the first day the markets

were open after last Tuesday's terrorist attacks in New York City, Washington, D.C., and Pennsylvania.

"It really scares me a lot," said Mark Richardson, a freshman from Wendell. "I don't have money in the stock market, but my parents do, and part of the money that helps pay for my college education is in mutual funds."

Although students might be concerned about the future of the economy, not everyone on campus is expecting a significant downfall.

Economics Professor Michael Salemi said he is confident in the economy's ability to recover from recent events.

Not only was Salemi not alarmed by Monday's market drop, he said he was actually reassured that the fall was not worse. "I take a great deal of comfort in what the market did on Monday," he said. "It did not free fall."

Salemi said he believes the U.S. economy will snap out of its lull. "I don't think there's a good case for panic or depression," he said. "Be confident, and

be optimistic."

Many UNC officials are not worried about the economy's effects on students. Shirley Ort, associate provost and director of scholarships and student aid, said her office will do its best to provide for students' financial needs, regardless of the economy's status.

UNC provides most students with financial aid packages that are based on a two-thirds grant and one-third loan formula. Although Ort said she believes the University might be forced to increase

loans and decrease grant money, she doesn't believe the system will be dramatically altered. "Carolina has a wonderful tradition of meeting students' financial needs," Ort said. "I'm confident, but I'll have to work real hard."

Despite this confidence among University officials, some students still have doubts that their education is secure.

Margarita Vergara, a junior history major from New Jersey, said her market investments are critical to her graduate school plans. "I'm not panicked, but it is

a big deal, because grad school is expensive, and a lot of the money that I have invested in stocks and mutual funds will go toward it," she said.

Rupa Shukla, a junior chemistry major from Tennessee, also said she is not sure of how the economy will affect her ability to finance her education.

"Right now, I'm just praying that my money will be OK."

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State Economy's Future Remains Unclear

By SARA LONGENECKER
Staff Writer

With the state's budget still under discussion, North Carolina economic and business leaders are uncertain how the recent terrorist attacks and the possibility of war could impact the state's economy.

Michael Walden, a professor of economics at N.C. State University, said he expects lower revenue growth than previously predicted for North Carolina in light of the past week's events.

But Walden said North Carolina's citizens play a role in the state of the economy. "The key (to economic stability) is consumer confidence," he said. "If consumers are not confident they will not

put money into the economy."

On Monday, the first day the New York Stock Exchange opened after last week's terrorist attacks, the Dow Jones Industrial Index dropped nearly 700 points — one of the largest declines in U.S. history.

Two weeks ago, State Treasurer Richard Moore wrote a letter to members of the N.C. General Assembly stating that the predicted growth rates for the economy were too high.

After receiving the letter, Walden told members of the Senate that the economy appeared to be recovering from the low point of a temporary slowdown.

But in light of recent events, Walden said it might be prudent for General Assembly members to reevaluate their

growth numbers. "It is too early to tell, but the projected numbers may need to be revised downward," Walden said.

Tad Boggs, director of public affairs for the N.C. Department of Commerce, said losses in the airline industry have sent an economic shock wave through the state. Midway Airlines recently announced the closing of its hub at Raleigh-Durham International Airport. U.S. Airways is considering downsizing 8,900 jobs in the Charlotte area.

"The main thing you have to remember is that 10 days ago no one would have guessed that Midway Airlines would be gone or that U.S. Airways would be considering eliminating half of its employees in Charlotte," Boggs said.

He said state exports have remained stable.

Jerry Hostetter, vice president of Smithfield Food, said the North Carolina-based company is conducting business as usual. "Our stock was down a few cents at the close yesterday," said Hostetter. "But it was actually up 20 cents earlier in the day."

Hostetter said the outlook for his company is good and that growth can be expected even if the U.S. goes to war.

"Food stocks are considered defensive stocks. Investors would typically tend to buy those stocks in times of uncertainty."

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Officials Hope New Buses Will Remedy Congestion

By MEREDITH NICHOLSON
Staff Writer

Some students who depend on the U and Reverse U campus shuttles have complained that the buses leave students waiting at bus stops much longer than scheduled.

But officials admit that although there is a problem with buses running on time, the problem should be fixed when new buses are purchased in October.

Nazarene Tubman, a freshman from Silver Springs, Md., said that although she knows that the shuttle is supposed to come every fifteen minutes, she doesn't think that is the case.

"That doesn't happen all the time," she said. "Sometimes they come right after each other."

Mary Lou Kuschatka, director of transportation for Chapel Hill, said ideally there should be three buses running on each shuttle route during peak hours, from roughly 6 a.m. to 9 a.m. and 3 p.m. to 6 p.m. But there are two buses running on each route during peak hours, and three buses during nonpeak hours.

During the peak hours, less buses run because they are needed for other routes, Kuschatka said. She said there are not extra buses to add to the route at this time but that 17 additional buses, which will be utilized for routes in addition to the U and Reverse U, have been purchased and are expected to arrive in late October.

Jennie Beeker, a freshman from Concord, said she rides the U bus every day. She said the U bus is convenient for her because it picks her up in front of

her residence hall and drops her off right next to her classes.

But Beeker said other aspects of the bus are inconvenient. "I still can't figure out when they come (to Hinton James)," she said. "In the mornings they don't come that often, and then one will finally come and it will be full. That's really frustrating."

Kuschatka said students aren't the only ones who have noticed delays. "Drivers have brought it to our attention that buses are very full," Kuschatka said. "Sometimes they can't get all of the students on who want on."

UNC buses hold approximately 60 riders at capacity.

Kuschatka said she plans to begin re-evaluating the bus schedules in October to determine which routes are consistently on time and which need to be reworked.

Bus drivers have a block schedule that they follow to keep on time, but some deviation from the schedule is inevitable, Kuschatka said. "There will be times when buses are unable to stay on schedule due to traffic and class changes."

The re-evaluation will continue in January, when the entire town bus system goes fare-free, because many students who could be served by other routes take the U and Reverse U shuttles simply because they are free, Kuschatka said.

Kuschatka said she believes students will be more willing to take other routes once the new fare-free system goes into effect. "We anticipate that once the system goes fare-free, the load will spread out."

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Local Vendors Prosper Even Without Game

By GINA CHRISTENSON
Staff Writer

Local businesses reported normal sales last weekend, despite the cancellation of UNC's first home football game and the onset of what some officials say is a slump in the economy.

Carolina Family Weekend kept local businesses hopping, and Robert Humphreys, executive director of the Chapel Hill Downtown Commission, said a few business owners mentioned they were pleased with Saturday's sales.

"There wasn't a lot going on in the morning, which was probably related to the game, but after lunch things really

picked up," Humphreys said.

Even apparel and paraphernalia shops that typically rely on fans as consumers did not suffer from a loss of profit or disappointing sales.

Holly Dedmond, manager of Chapel Hill Sportswear at 133 E. Franklin St., said she went home for the weekend when she heard the game was canceled, but was pleasantly surprised by the turnout.

"It was busier than we expected it to be considering there wasn't a ball game," she said.

In preparation for football games, Shelton Henderson, owner and manager of The Shrunken Head, located at 155

E. Franklin St., explained that the store usually stocks up and keeps more personnel on-hand.

"It was a wonderful weekend," Henderson said. "We had a lot of nice families."

Craig Jackson, manager of The Rathskeller, located at 157-1/2 E. Franklin St., said business was close to normal in comparison to past family weekends.

Jackson also said he does not think his business is being affected by an economic decline.

Humphreys said an economic slump exists, but because it is short-term local businesses should not be concerned.

"In the last six months, we have real-

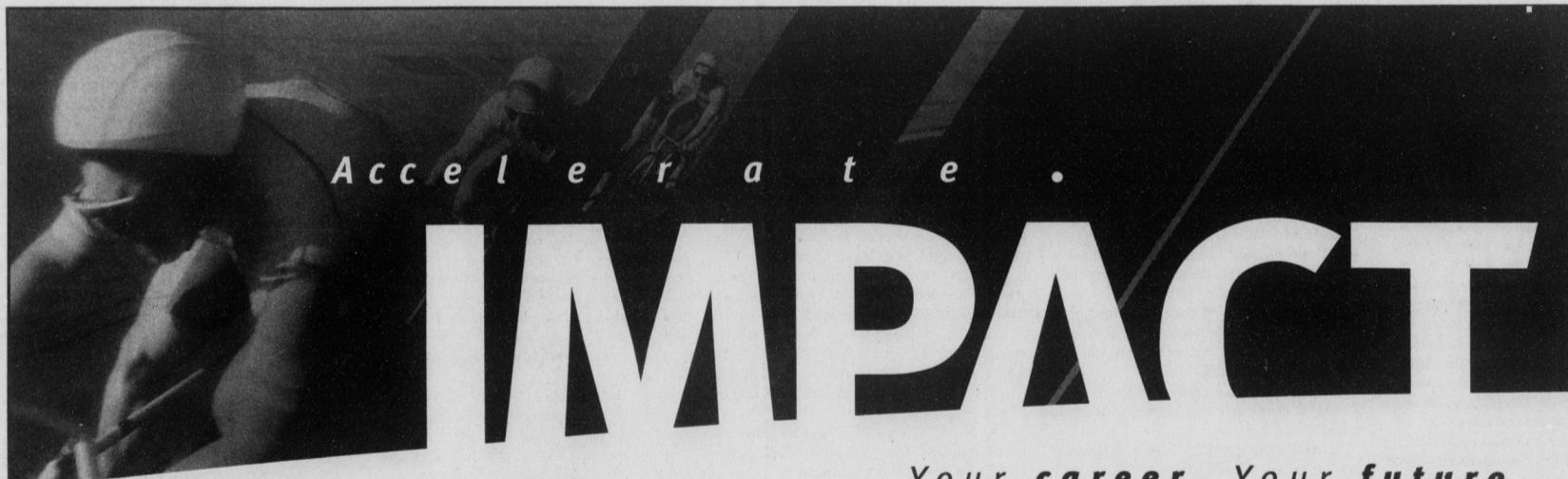
ly felt the effects of the national economy slowing down that we normally would not feel in Chapel Hill," Humphreys said. "But it's a normal cost of doing business."

"This is a short concern, but it doesn't reflect on the long term viability of the town."

Christy Lehmann, manager of Johnny T-Shirt, located at 128 E. Franklin St., predicts that her store will remain strong despite the economic downturn.

"When a lot of bad stuff is going on, people look to sports."

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