Osg1 20120731 CONSUMERS

The Osgood File. This is Dave Ross on the CBS Radio Network

Has America forgotten how to shop? Or is something else going on?

More after this from David Harris of AJC:

(((SPOT)))

Home prices were up 2% in May, and incomes were up an average of $500 per household in June… but despite those encouraging signs, consumer spending is not up, in fact is was actually down slightly, which indicates that we continue to be stubbornly frugal.

Which has suddenly become a bad thing, apparently. Economists are trying to figure out what would get us to spend more.

CBS’s Dean Reynolds talked to Jeff Pape who makes his living selling athletic gear:

"July sales definitely are down about 10 or 15 percent." (:03)



So of course he has to lay off people, and order less merchandise – because customers aren’t buying:



So now we hear that the Federal Reserve may pump more money into banks, to motivate them to lend. CBS’s Rebecca Jarvis says it makes sense on paper:



And you can see why that migth not work: what’s a guy like Jeff Pape going to do with a bank loan? Expand an empty store?

And so the stand off continues. The banks wait for Business people like Jeff, and business people like Jeff wait for their customers:

And the customers wait until we start broadcasting more positive economic news.

And we wait for the economists to give us some. But in the meantime:

I hear we’re doing pretty well at the Olympics:

Doesn’t that make you want to go out and buy some of Jeff’s athletic gear?