

Consumer Spending

Gonzales said the Goodwill store he worked at was taking in about \$1,500 a day when he was let go, a paltry sum for a retailer of that size.

Economists say the economy and the job markets are not going to be bailed out by consumers because they have no spare cash in their pockets.

Christopher Thornberg, of Los Angeles-based Beacon Economics, said Americans have essentially been spending imaginary money for more than a decade. First they were enriched by stock market gains from the dot-com bubble, and then by the sharp run-up in the equity on their property.

"That's where the U.S. economy is right now," Thornberg said. "We weren't as rich as we thought we were. It was going to blow up on us at some point."

Some of the damage was forestalled when economic stimulus checks were sent out in the spring and early in the summer. That money is spent and gone, economists say, and consumers and business have little cash left for new investment.

"We're in a recession," Thornberg said. "Basically it's here, it's now and it's going to get worse."

The Associated Press contributed to this report.

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