



# News Capsule



## Nebraska Autobody Association Special Automotive News Edition

October 9, 2008

### Is Nebraska In A Recession? That Story And More Inside This Special Report

The Nebraska Autobody Association has arranged two presentations about the future direction of I-CAR with Chuck Sulkula. Chuck is a well-known national speaker and collision industry leader, which makes this a great opportunity for Nebraska shops to ask questions and give feedback about I-CAR classes and what programs should be offered. Chuck will also speak a little about CIC and other industry initiatives and developments. A combined Lincoln/Omaha/Nebraska meeting will be held beginning at 6:30 p.m. Wednesday, October 15 in the Cottonwood room at Mahoney State Park. The meeting in Norfolk will start at 6:30 p.m. Thursday October 16 at Prenger's Restaurant 116 E. Norfolk Ave Norfolk. The I-CAR event is only being promoted by this email and word of mouth, so please help spread the word about this meeting and bring a friend or business associate.

Is Nebraska in a recession? Moody's Analytics has listed Nebraska as an 'At Risk' state for being in a recession. Moody's rates Nebraska's outlook better than twenty-eight U.S. states that are already in a recession. Only a handful of U.S. States were listed as being in an economic expansion including Texas, Alaska, Colorado, Arizona and District of Columbia, Massachusetts. States rated as being in an economic expansion had strong economic ties to energy markets.

The decline in sales of new vehicles has spurred consumers to fix and maintain their existing cars. According to a report by KSL TV, auto repair shops are seeing spikes in business and that includes everything from regular maintenance to tire purchases.

The National Federation of Independent Business called on Congress to begin strict reforms that would prevent another financial crisis. "These are trying times for the country. Now that this immediate crisis has passed, we need to press forward to be a loud voice for an end to the 'business as usual' ways of Washington. It's time to get our fiscal house in order - both in Washington and in households nationwide. It is essential for the prosperity of small business, and for the country's future economic growth," said Todd Stottlemeyer, president of the National Federation of Independent Business.

While the economy sputters and workers are seeing their retirement plans eroded, insurance company executives continue to splurge on extravagant parties. Only a few days after receiving bailout monies from taxpayers, insurance company executives from AIG spent nearly a half a million dollars on a lavish California retreat that included banquets, massages, music, golf and other luxurious treatments. "Average Americans are suffering economically. They're losing their jobs, their homes and their health insurance," said House Oversight and Government Reform Committee chairman Henry Waxman "Yet less than one week after the taxpayers rescued AIG, company executives could be found wining and dining at one of the most exclusive resorts in the nation."

The nation's economic crunch is affecting auto parts suppliers who are coping by cutting jobs and closing plants. The drastic measures are a result of slowing car sales and shifting consumer demands to more fuel-efficient vehicles. According a report by Grant Thornton LLP, one-third of auto suppliers are in danger of collapse. The hardest hit are those suppliers that are tied to truck and SUV sales.

Gasoline prices have moderated significantly over the past week, dropping to below \$90 a barrel from an all-time high of \$147 reached during July of this year. Analysts expect further drops with some predictions of \$70 per barrel. Lower per-barrel prices will mean lower prices at Nebraska pumps, which could spur an increase in the number of miles driven.

*The information in this news capsule is obtained from sources believed to be accurate and reliable but readers should consult with an appropriate business professional before acting on information contained herein. Information contained herein does not necessarily reflect the opinions of NABA, its leadership or management. Summary prepared by Norbert Zaenglein.*