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Examining ASUO

Revisions may alter pay rates for groups

Panel will reword current stipend model to alleviate confusion surrounding funding usage

BY PARKER HOWELL
SENIOR NEWS REPORTER

The pay rates for some members of incidental-fee funded student groups may change next year after a panel of top ASUO officials revises the current stipend model, a move that has already delayed funding hearings for several programs.

The revision comes in response to a letter from University President Dave Frohnmayer to the student government. In the letter Frohnmayer pointed out stipends make up as much as 70 percent of some groups' budgets, leaving a smaller portion to pay for other services. The annual letter was written last summer after Frohnmayer approved this year's ASUO budget.

Concerns about the stipend model, which dictates flat amounts paid to student administrators based on the responsibilities of their positions, led the Programs Finance Committee to postpone budget hearings for several groups that receive stipends until the new model is ready after winter break.

Officials will present the new stipend model to the Student Senate for approval in early January at its first meeting after the break, PFC Chairwoman Persis Pohowalla said.

The current stipend model has been effective, but has not been revised for four years and needs to be adjusted to ensure equity of stipends among groups, ASUO Public Relations Director Nathan Strauss said.

Frohnmayer's letter, addressed to ASUO President Adam Petkun, ASUO Vice President Mena Ravassipour and summer Senate President Rodrigo Moreno-Villamar, offered both criticism of the stipend model and congratulations to the ASUO Executive on its work to create a fair budget, Strauss said.

Strauss said communication between the ASUO and the President's Office is generally open, but that the student government makes independent decisions to best represent students.

"Generally, we take President Frohnmayer's words very seriously and take them into consideration, but it's important to remember they're not the end-all, and the purpose of the

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COOKING UP CONTROVERSY

DANIELLE HICKEY | PHOTO EDITOR

East University neighborhood residents show concern about the proposal to build the University's new basketball arena at the Williams' Bakery site.
Read the complete story on Page 8.

Consumer **confidence**

Reatail and research experts disagree on sales projections for coming holiday shopping season

BY ANTHONY LUCERO
NEWS REPORTER

The war in Iraq, soaring gas prices and lack of a toy craze, such as yesteryear's Furby or Tickle Me Elmo, doesn't seem to have dampened holiday shoppers' enthusiasm this year, experts say.

Sales this shopping season are expected to be the highest since 1999 with a 4 percent increase over last year's gift-buying spree, according to Forbes magazine and the National Retail Federation, the largest retail trade association in America. The NRF projects retail sales should hit just below $220 billion, a $10 billion increase over last year's sales, with consumers spending $265 individually the weekend after Thanksgiving.

But Deloitte Research, a firm that studies the retail market over the holiday season, said this year's sales won't be as strong as last year's due to tax cuts given in 2003 and an increase in home bankruptcies this year, although these factors have not greatly impacted the market.

"It sounds like sales will be strong," said University marketing associate professor Dave Boush, citing Forbes' 4 percent statistic as an indicator of a stronger economy. "The trend toward consumer electronics is strong this year."

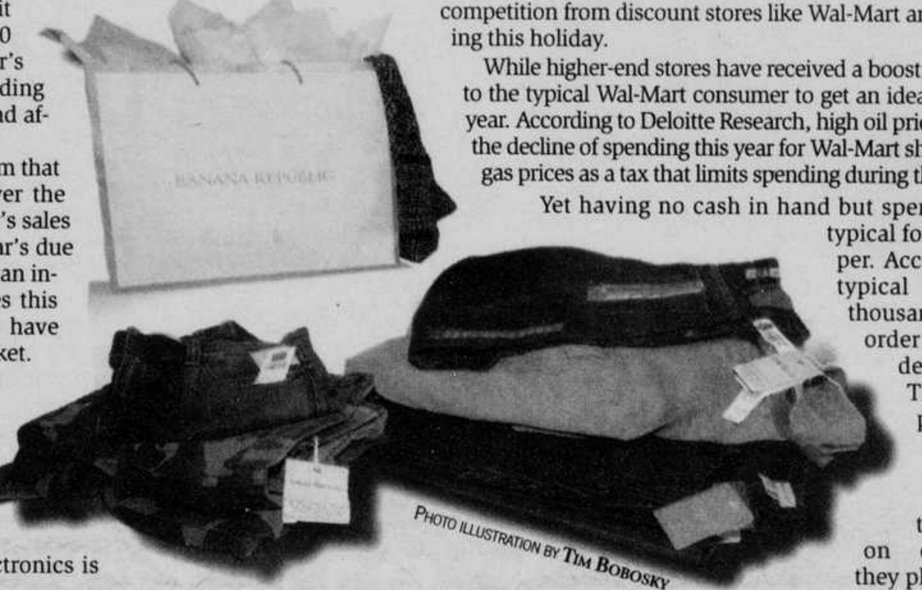

PHOTO ILLUSTRATION BY TIM BOBOSKY

Electronics, along with music and home-related items, are expected to be the big sellers, according to the National Research Federation. In addition, high-end jewelry and apparel retailers are both experiencing a jump in sales despite higher prices for their inventory, according to the NRF.

The biggest sellers this holiday are cashmere sweaters, DVDs, iPods, plasma TVs, Victoria's Secret lingerie, video games and poker sets, according to the International Council of Shopping Centers, a worldwide group of retailers and shopping center merchants.

An electronic version of the popular poker game Texas Hold 'Em is what Susan Dickens, parent of a University student, said she's been hunting for this year.

Dickens, who was shopping at the University Bookstore, said stores that have prevented her from picking up the game either because the game was sold out or the stores didn't sell it.

"This year's been tough, but Christmas time is when me and my family splurge," Dickens said. She added that this year she and the family are splurging a bit less than earlier years.

Splurging less is a trend across America as bargain buyers and stiff competition from discount stores like Wal-Mart are dropping gift spending this holiday.

While higher-end stores have received a boost, analysts have pointed to the typical Wal-Mart consumer to get an idea of holiday trends this year. According to Deloitte Research, high oil prices have contributed to the decline of spending this year for Wal-Mart shoppers, who see larger gas prices as a tax that limits spending during the holiday.

Yet having no cash in hand but spending nonetheless is typical for the American shopper. According to Boush, the typical consumer will put thousands on credit cards in order to put packages underneath the tree.

Thrifty Living, a shopping resource offered by the University of Illinois, said typical shoppers spend $100 to $500 more on credit cards than they plan.

"It's about consumer confidence, not what's in a bank account," Boush said.

As for the winner and loser of the holiday season, high expectations for Apple iPod sales have sent its stock soaring up 6 percent while Wal-Mart's dropped 3 percent.

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Online retailers see surge in business

Web merchants' marketing campaigns increase Thanksgiving weekend sales by 41 percent

BY ANNE D'INNOCENZIO
THE ASSOCIATED PRESS

NEW YORK — Computer-savvy consumers did plenty of online shopping over the Thanksgiving weekend, giving companies like Amazon.com and Walmart.com the same kickoff to the holiday season as department stores and malls had.

The pickup in business on the Web was the result of online merchants using marketing tricks like their brick and mortar counterparts — plying consumers with special discounts to get them to shop early.

Online sales excluding travel shot up 100 percent to $133 million on Thanksgiving Day compared to the same day last year, said comScore Networks Inc., an Internet research company. On Friday, online sales hit $250 million, up 41 percent from a year ago.

"We certainly expected a strong performance during the holiday weekend, but these are impressive figures," said Dan Hess, senior vice president at comScore.

Historically, the online shopping season has begun the Monday after Thanksgiving, when consumers begin buying from their workplace computers. But the early start this year can be attributed to two phenomena: Merchants are working harder to get online sales, and millions of homes have converted to high-speed Internet connections, making it easier to shop from home.

About 53 percent of those consumers who have access to the Internet currently have high-speed Internet connections, compared with 40.9 percent a year ago, according to Ken Cassar, an analyst at Nielsen/NetRatings Inc.

According to Nielsen/NetRatings, the sites that had the biggest spikes in visits this past Friday, compared with a week earlier, were those operated by traditional retailers including Walmart.com, sears.com and Toysrus.com. Toysrus.com's traffic soared 212.6 percent on Friday, while Amazon.com was up 49.7 percent, Nielsen/NetRatings said.

"Consumers are becoming more savvy about how to use the Internet," Cassar said. "They realize they can do things that can make their stores shopping trip more efficient."

Melissa Payner, president and chief executive of Bluefly.com, an online seller of discounted designer fashions and accessories, reported a double-digit increase in sales during the Wednesday through Sunday period from a year earlier. In 2003, the company drove sales and traffic with a promotion on Prada handbags and wallets on Thanksgiving Day, but decided to be even more aggressive this year, offering a larger assortment of Prada merchandise.

Bluefly.com also launched its own sweepstakes that gives customers chances to win a closet full of ultra-upscale Jimmy Choo shoes by going to its Web site through Jan. 15.

"For the first time, we really participated in the Thanksgiving weekend," Payner said. "Prior to that, there was a belief that customers just went to the stores."

Amy Colella, a spokeswoman at Wal-Mart Stores Inc., said the discounter was pleased with sales for the Thanksgiving weekend. She noted that Thanksgiving Day was the busiest day online so far this season, with sales doubling from a year ago.

Wal-Mart, which saw online business surge

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