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Amandeep Kochar is leading the new software division at Baker & Taylor, a digital and print book distributor based in Charlotte. **2D**

Consumers are padding their checking accounts

Americans have changed their spending habits since recession's end

By E. SCOTT RECKARD
Los Angeles Times

With wounds from the recession still fresh, chastened Americans are hoarding more cash in their checking accounts than at any time in the past 25 years.

The defensive stance, uncharacteristic of previous periods of low inflation and an improving economy, reflects how debt-burdened Americans have striven to clean up their personal finances since the recession ended five years ago.

The lack of attractive investment alternatives, with savings accounts paying next to nothing and the stock market already at lofty heights, is another factor, financial analysts said.

A report, released last week by bank consulting firm Moebs Services, calculated the average balance for U.S. checking accounts at \$4,436 at the end of last year — more than double the average of \$2,100 over the 25 years of the annual survey.

During good economic times, when unemployment and inflation are low, the average balance in consumer checking accounts is about \$1,400, the survey noted.

"When times get difficult, the consumer sits things out, and checking balances get larger, normally upward to \$3,000 or a bit beyond," the study said. "Generally there is higher unemployment, lower inflation and falling prices."

By contrast, free-spending Americans had allowed their checking accounts to drop to an average of just \$788 in 2007, the last year before the near-meltdown of the nation's financial system, according to the study by the Lake Bluff, Ill., firm.

The Moebs report, previously confidential for its clients, is fresh evidence of how the devastating economic downturn worldwide has changed consumer habits, especially on spending and saving.

As people have been cleaning up their financial houses, they have only slowly increased spending, and that has helped to slow the recovery because spending typically represents about two-thirds of economic growth.

The study was based on Federal Reserve reports and proprietary data from 2,800 banks and credit unions, said economist G. Michael Moebs, who heads the firm. Moebs said he released the findings for the first time because he is confident his numbers could be off by no more than 10 percent.

"If it's off by 10 percent, the amount in the accounts is \$4,000 instead of \$4,400," Moebs said. "So what? It's still twice what we've seen in the past."

He is urging his clients to prepare for a big withdrawal of funds whenever depositors decide the economy is strong enough for them to use the cash to pay down mortgages, take a vacation or buy cars.

UCLA economist Lee Ohanian said the study shows that despite a recent burst in jobs — employers have added more than 200,000 jobs in each of the last five months — there remain "some very troublesome issues in the economy."

Until recently, much of the decline in unemployment was from people dropping out of the job market, he said. Growth in productivity is running at less than half its usual rate, Ohanian said, and the number of long-term unemployed remains high.

"That weighs on people's minds," he said. "They think, 'If I lose my job, will I be out of work for two years?' It's scary."

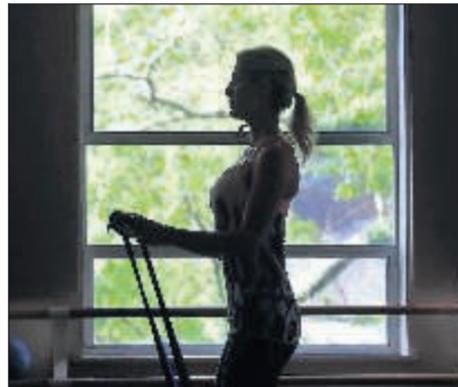
The result, he said, has been a wave of caution, with Americans paying down old debts, thinking twice about new borrowing and keeping cash on hand as a safeguard.



PHOTOS BY TODD SUMLIN - tsumlin@charlotteobserver.com

With the economy rebounding, there is a renewed appetite for gym memberships, ranging from small and inexpensive to upscale.

SWANKY SWEAT: Charlotte's gym scene goes upscale



Clary Hilliard Gray works out at Hilliard Studio Method which she co-owns with her mother.

From specialized gyms to one-stop fitness centers, chic gyms are the latest trend

By RACHEL ADAMS-HEARD
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As Charlotte's gym count seems to grow comparable to that of its churches, fitness gurus are finding themselves with a plethora of new options — many with a lofty price tag.

From specialized gyms offering one type of class to one-stop fitness centers with an almost country-clublike feel, the city's gym scene has moved beyond the YMCAs and 24 Hour Fitnesses.

It's an industry that seems to indicate growing consumer confidence as the country rebounds from the 2008 financial collapse.

"What we are seeing post-recession is that there is growth in small clubs, low-

priced clubs, boutique specialized clubs and then upscale clubs, while the middle market is not growing," said Meredith Poppler, a spokeswoman for the International Health, Racquet & Sportsclub Association.

From 2009 to 2013, the number of health and racquet clubs in the U.S. grew by 8.1 percent, according to IHRSA. The average American reported spending \$49 a month on a health club membership in 2012, up 14 percent from \$43 a month in 2011.

In Charlotte, the arrival of specialized gyms has brought classes such as Flywheel, a group cycling brand started in New York City, and Xtend Barre, a Pilates-ballet hybrid that began in 2008.

For these classes, participants can pay anywhere from \$20 a class to more than

SEE GYMS, 2D

The price to be fit:

Charlotte's upscale gym scene

AIR: \$150/month; drop-in rate: \$30.

CHARLOTTE ATHLETIC CLUB: \$98/month, plus optional locker and laundry service starting at \$20/mo.; drop-in rate: \$24.

FLYWHEEL: \$175/month for a three-month unlimited membership; drop-in rate: \$18 (rates are for both Flywheel and Flybarre).

HILLIARD STUDIO METHOD: \$280/month; drop-in rate: \$27.

METRO FITNESS CLUB: \$175/month for six-month unlimited club access and group classes (including CrossFit); drop-in rate: \$15.

XTEND BARRE: \$130/month for a six-month unlimited membership; drop-in rate: \$20.

Microsoft makes design central

Tech giant has changed its tune as it plans for competitive future

By RYAN NAKASHIMA
Associated Press

REDMOND, Wash. — Microsoft is putting an emphasis on design excellence more than ever — to make its products more competitive with offerings from rivals Apple, Google and Amazon and to prod its hardware making partners to dream up new, more innovative devices.

In recent years, the software giant has put a priority on fashioning devices that work around people's lives, help reduce information overload and become intimate, personal and knowledgeable about their users.

And yes, Microsoft is even trying to make devices attractive, cool and desirable, top executives say.

Over the past four years, Microsoft has doubled the number of designers it employs to some



TED S. WARREN - AP

Albert Shum, formerly a designer for Nike, was part of the team that developed the use of 'live tiles' in Windows phones.

1,400. They have backgrounds as varied as filmmaking, food and footwear. While that pales in comparison to the 64,000 engineers who make up over half the company's workforce, designers are now shaping products,

building user interfaces and mocking up devices with wood and 3-D printers.

"It used to be that engineers ruled the roost and engineers would bring in designers to make icons," says Joe Belfiore,

Microsoft's corporate vice president overseeing personal computers, tablets and phones. "It's changed now."

Even as the company eliminates 18,000 jobs — most of them related to its purchase of Nokia's devices unit — Microsoft is empowering people such as Belfiore and Ralf Groene, chief designer for the Microsoft Surface tablet computer, to challenge conventional notions of what Windows devices can do.

Microsoft's new design ethos is a break from the past — a time, not long ago, when the company's software was largely a workplace necessity housed in functional plastic that was crafted by other companies.

It's no secret that Apple is the world's most beloved technology company in part because its devices are sleek, comfortable, and easy to use. And Microsoft now wants to infuse its products with the same qualities.

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