

# Econ prof: Ignore sound bites

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With the meltdown of several financial institutions in the United States, the economy has taken the lead as the top issue among voters.

"As the election enters the homestretch, unfortunately the candidates' positions become sound bites. Voters need to have an understanding of these policies," said Kevin Neuman, assistant economic professor at the University of Wisconsin-Stevens Point, during an economic meeting in Marshfield.

John McCain and Barack Obama have different approaches to stimulating the economy, and it's important to understand why, Neuman said as he outlined their basic economic positions, which show that both basically adhere to their party line.

A major difference which makes Obama's economic policies harder to define is the integration of behavioral economics. Basic to capitalism succeeding is that it is assumed the individual will make rational choices, Neuman said.

"Behavioral economics questions the assumption of the rational economic individual," Neuman said.

"We can watch people and see they make dumb decisions all the time because irrelevant factors influence the decision, such as inertia."

For example, Obama proposes those with simple tax returns would receive a tax form based on information the IRS already collects. The person would verify the information and mail their tax return in. Or, the person could opt not to do this, collect the information and fill out the form, Neuman said.

Marshfield attorney Ann Stevening-Roe said Neuman's presentation was enlightening. The election is extremely important, she said, because of the quickly growing gap between wages and cost of living. "Food and energy costs are really going to impact people this winter, both employees and employers.

I think there is going to be an immediate effect on all of us this winter. There are families in our community that will have to choose between health care and food," Stevening-Roe said.

Jim Reigel, a Marshfield business owner, said he would have liked to hear more about what kind of tax will yield the best result for the economy.

"Where will you get the biggest bang for the buck?" Reigel said.