

# THE BUSINESS JOURNALIST

www.sabew.org

June/July 2002

ISSN 1527-7321, Vol. 38, No. 4

## President's Letter

### We Need Your Help To Thrive



**CHARLES 'CHUCK' JAFFE**  
Mutual Funds  
Columnist,  
*The Boston Globe*  
jaffe@globe.com

**M**y life as SABEW president for the next year would be a lot easier if members tried to make it harder.

I know that sounds contradictory, but here's why it isn't.

SABEW is an organization driven by its small board of governors for the benefit of its very large membership. The biggest focus in recent years has been on education.

We've raised money to endow a chair in business journalism at the University of Missouri. We've run workshops on personal finance, technology and small business (in addition to our annual conference). We've reached out to state and regional press associations.

And while the Best in Business contest is not a purely educational endeavor, the contest has never been just about selecting winners — but sharing with members what makes a winner, too.

Today we need to know what to do next, and who we should do it with. That's where you come in.

SABEW is working with the Southern Newspaper Publishers Association to produce 20 business journalism seminars throughout the South in 2002-2003. Because of a grant that

(continued on page 11)

## Exception or Error?

**CONFERENCE:** *Enron scandal raises questions about business journalism's culpability in the mess.*

BY EILEEN BRILL WAGNER  
The Business Journal of Phoenix  
ebrill@bizjournals.com  
From Phoenix

Just what did the media know about Enron? When did they know it? And should they have known it sooner?

Chatter about the biggest business scandal in a decade was everywhere at SABEW's 39<sup>th</sup> annual conference in April. Embarrassment about pre-scandal Enron puff pieces filled quiet chats in the exhibit hall at the Phoenix hotel that hosted the event. Talk about "How did we miss it?" sparked debates even in small breakout sessions off the topic during both the conference and preceding writer's workshop.

And perhaps most pointedly, the story headlined an intriguing general session devoted to the complex accounting fraud at a Texas-based energy trader that eventually garnered attention of the national media.

Mary Jane Pardue, business editor of The Commercial Appeal in Memphis, said she thought it was an invaluable education to look back at this big story and see how it could have been handled differently.

(continued on page 10)

Floyd Norris of the New York Times and Joseph Nocera of Fortune discuss Enron at SABEW's annual conference in Phoenix.

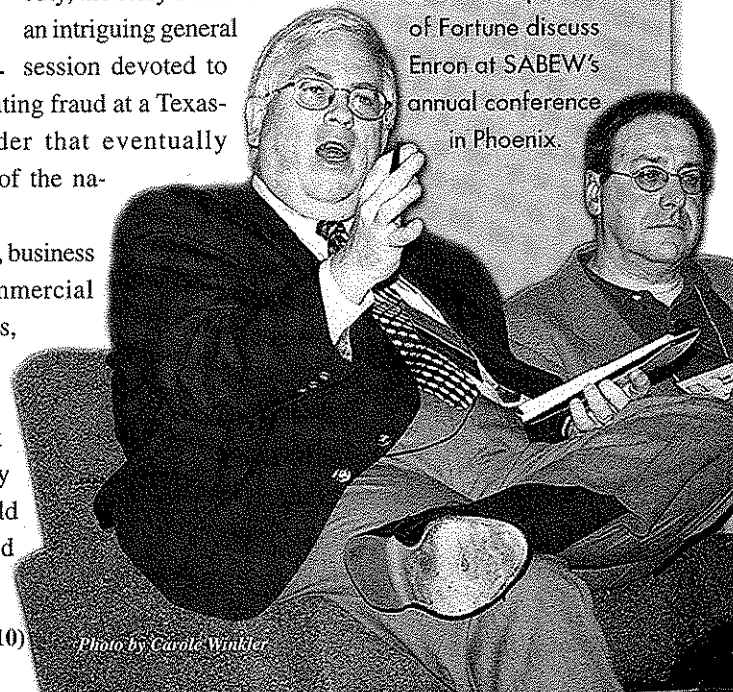


Photo by Carole Winkler

Society of  
American Business  
Editors and Writers, Inc.

Officers

CHARLES (CHUCK) JAFFE, PRESIDENT  
Personal Finance Columnist, *The Boston Globe*  
Phone: 617-929-3129  
e-mail: jaffe@globe.com

KATHY KRISTOF, VICE PRESIDENT  
Syndicated Columnist, *Los Angeles Times*  
Phone: 818-952-2870  
e-mail: Kathy.Kristof@latimes.com

REX SELINE, SECRETARY/TREASURER  
Managing Editor/News, *Fort Worth Star-Telegram*  
Phone: 817-390-7729  
e-mail: rseline@star-telegram.com

Board of Governors

Term Expires 2003  
FRANK BRILL  
Deputy Managing Editor/Business, *The (N.Y.) Journal News*

SOUGATA MUKHERJEE  
Editor, *The Business Journal (Raleigh)*

RICHARD PAPIERNIK  
Financial Editor, *Nation's Restaurant News*

RANDY PICHT  
Director, *AP Market Information*

BRAHM RESNIK  
Broadcast News Editor, *The Arizona Republic*

CRAIG SCHWED  
Managing Editor/Business, Technology and Sports,  
*Gannett News Service*

Term Expires 2004  
BECKY BISBEE  
Business Editor, *The Seattle Times*

MARK CALVEY  
Reporter, *San Francisco Business Times*

HENRY DUBROFF  
Editor and Publisher, *Pacific Coast Business Times*

BERNIE KOHN  
Night Business Editor, *The Washington Post*

JAMES MALLORY  
Deputy Managing Editor, *Atlanta Journal and Constitution*

FLOYD NORRIS  
Chief Financial Correspondent, *The New York Times*

Term Expires 2005  
GERTHA COFFEE  
Business Editor, *Roanoke Times*

GEORGE GOMBASSY  
Business Editor, *The Hartford Courant*

SANDY GONZALEZ  
Editor, *Bloomberg News*

DAVID KANSAS  
Deputy Managing Editor, *WSJ.com*

JONATHAN LANSNER  
Business Columnist, *The Orange County Register*

CHRISTIAN WIHTOL  
Business Editor, *The Register-Guard (Eugene, Ore.)*

Ex-Officio Board Members

BILL BARNHART  
Financial Markets Columnist, *Chicago Tribune*

BYRON (BARNEY) CALAME  
Deputy Managing Editor, *The Wall Street Journal*

CHARLEY BLAINE  
Managing Editor: Personal Finance, *Microsoft MoneyCentral*

SABEW Notebook

Globe's Jaffe New President

As is SABEW springtime tradition, new leadership is in place.

At the annual conference in April, Charles "Chuck" Jaffe, personal finance columnist at *The Boston Globe*, became the new SABEW president, Kathy Kristof, personal finance columnist with *The Los Angeles Times*, was named vice president and Rex Seline, managing editor for news at the *Fort Worth Star-Telegram*, is the new secretary-treasurer.

Eight people were elected to SABEW's board of governors, including new governors Gertha Coffee, business editor of the *Roanoke Times*; Henry Dubroff, editor and publisher of the *Pacific Coast Business Times*, and a past president of SABEW; George Gombassy, business editor of *The Hartford Courant*; David Kansas, as deputy managing editor, *WSJ.com*; and Christian Wihtol, business editor of *The Register-Guard* in Eugene, Ore.

Incumbents re-elected to new terms were Mark Calvey, reporter at the *San Francisco Business Times*; Sandra Gonzalez, an editor at *Bloomberg News*; and Jonathan Lansner, business columnist for *The Orange County Register* and your trusty TBJ editor.

SABEW members attending the annual membership meeting approved a bylaw change that permits the board of directors to choose the site of the annual conference, a burden that was placed on the membership in the past. Next year's annual conference will be held in Boston on April 27-29, 2003.

HAPPY BIRTHDAY!

Speaking of next year's annual conference, that gathering will be SABEW's 40<sup>th</sup>. We're planning to use the occasion during 2003 as a way to honor the history of our craft and look at the challenges of the future. Any member with ideas on how SABEW can make this celebration special — or any member with great SABEW memories or memorabilia from years past — please contact SABEW governor Becky Bisbee of the *Seattle Times* at [bbisbee@seattletimes.com](mailto:bbisbee@seattletimes.com), head of our Anniversary Committee. TBJ

RETIREMENT CRISIS TO  
BE PROBED IN PHILLY

From huge 401(k) losses for employees at Enron to a shaky Social Security system to new retirement-savings wrinkles, retirement is a big issue for many people in every newsroom — not just the personal finance reporter.

So SABEW's eighth annual Personal Finance Reporting Workshop will have a big picture this year — a focus on how to better cover a broad spectrum of one hot topic: retirement.

This workshop will also be special because it will be the first held on a college campus — at the University of Pennsylvania's Wharton School in Philadelphia. So clear Nov. 4-5 on your calendar and watch upcoming TBJs for more details.

Any member with ideas on what they would like to see on the program, please contact SABEW governor and Workshop Committee Chair Sandy Gonzalez of *Bloomberg News* at [sgonzalez@bloomberg.net](mailto:sgonzalez@bloomberg.net).

SABEW  
20  
02

Class is in session, y'all.

Journalists in southern states are getting a break from their daily duties and a chance to stretch their knowledge of business reporting, thanks to free training workshops staged jointly by the Southern Newspaper Publishers Association and SABEW.

At its spring meeting in Phoenix, the SABEW board voted to provide speakers and program ideas for 17 training workshops in the SNPA region to be held through the end of next year. SABEW is being compensated for its efforts in staging the workshops. Three trial workshops have already been held.

The workshops are aimed at reporters at small, medium and large newspapers in the South, whether or not they cover business as a full-time beat. The program pays travel, meal and room expenses for participants, thanks to a \$595,000 grant to SNPA from the Donald W. Reynolds Foundation.

"At a time when many newspaper companies have cut or eliminated travel and training budgets, we believe these free seminars are an uncommon value and that they offer something truly unique in the world of newspapers," said Dolph Tillotson, publisher of the Galveston County (Texas) *Daily News* and chair of the SNPA Foundation.

Marty Steffens, the SABEW Chair at the Missouri School of Journalism, directed each of the early sessions. "It's been a tremendous opportunity to give basic education to a lot of journalists who need it," Steffens said. "It's going to have a substantial impact on the profession and be an opportunity for SABEW to build its membership base."

Feedback from the first three workshops indicated strong demand for training in essential business reporting skills.

"I would like more, more, more on financial information," wrote one attendee. "Stuff like ethics and leads are important, true, but available at any journalism seminar."

Indeed, the program template has been and will continue to be revised, based on participant feedback.

"The partnership between the SNPA Foundation and SABEW yields enormous benefits for both organizations," said Edward VanHorn, executive director of the SNPA Foundation. "Marty Steffens and the members of SABEW bring depth and experience to the program content — and the programs reach many reporters and editors who would not typically attend either SNPA Foundation or SABEW meetings."

Tanya Young of *The State* in Columbia, S.C., listens to SABEW/SNPA workshop in Georgia.



Education,  
Southern  
Style

WORKSHOPS:

SABEW teams up with SNPA to hold 20 business basics seminars.

BY BILL BARNHART

The Chicago Tribune

[BBarnhart@tribune.com](mailto:BBarnhart@tribune.com)

TO LEARN MORE

A schedule of the workshops and a sample program is available at [www.snpa.org](http://www.snpa.org). Special efforts will be made to recruit minority journalists as attendees.

The SABEW/SNPA workshops are held on college campuses and

have already been held at The University of Alabama, University of Georgia and University of North Carolina.

Remaining 2002 workshops will be at:

- August 4-6: University of Central Florida, Orlando
- August 11-13: University of Kentucky, Lexington
- September 22-24: Louisiana State University, Baton Rouge
- November 10-12: University of Arkansas at Little Rock
- December 8-10: University of North Texas, Denton

## THE BUSINESS JOURNALIST

The Business Journalist is published seven times per year by the Society of American Business Editors and Writers, Inc. Republication in any way is prohibited without written permission of SABEW.

EXECUTIVE EDITOR: Jonathan Lansner  
Business Columnist, *Orange County Register*  
lansner@cox.net, 949-713-0111

CREATIVE DIRECTOR: Shelly Hittner  
Character Graphic Design

EDITOR EMERITUS: Bill Barnhart  
Columnist, *Chicago Tribune*  
webarnhart@aol.com, 312-222-3599

## SABEW Administration

EXECUTIVE DIRECTOR: Carolyn Guniss  
Phone: 573-882-8985  
gunissc@missouri.edu

FISCAL OFFICER  
Phone: 573-882-2878

MEMBERSHIP COORDINATOR:  
Shawn Wallace  
Phone: 573-882-7862  
wallacesh@missouri.edu

SOCIETY OF AMERICAN BUSINESS  
EDITORS AND WRITERS, INC.  
Missouri School of Journalism  
134A Neff Annex  
Columbia, MO 65211-1200  
Phone: 573-882-7862  
Fax: 573-884-1372  
www.sabew.org

## SABEW Purpose

Members of the society have joined together in the common pursuit of the highest standards of economic journalism, through both individual and collective efforts. Recognizing that economic freedom is inextricably linked to political freedom and that informed citizenry can ensure that these freedoms are sustained, it is the society's mission as an independent, not-for-profit organization to encourage comprehensive reporting of economic events without fear or favor in a manner in keeping with the proud heritage of American journalism.

SABEW

© 2002  
Society of American  
Business Editors and Writers, Inc.



## Biz Buzz

BY DICK PAPIERNIK

*Nation's Restaurant News*

212-756-5205, rpapiern@nrn.com

## Another Victim Of The Wall

There's a lot of reporting these days about brokerage firms and the Chinese Wall that is supposed to separate the research department and analysts from the investment bankers.

But what about our wall keeping advertising from influencing the editorial product?

You all know the drill. It's all about publishing or broadcasting "without fear or favor."

A lot of publishers, confronted with increasing costs, growing competition and shrinking ad revenues are adopting a dangerous strategy of giving in to their fear of ad losses. The results? The line that is supposed to separate editorial from advertising is getting blurrier -- and in some instances obliterated.

Kathy Finn, editor and senior vice president of CityBusiness, didn't like the way her ed/ad line began to blur. After 14 years with the New Orleans biz weekly, she was fired in March by D. Mark Singletary, who was named publisher last October, five months after Dolan Media of Minneapolis bought CityBusiness.

He appointed economic development writer Peter Reichard as managing ed and has since named Terry O'Connor from The Advertiser in Lafayette, La., to replace Finn as editor.

The "philosophical differences" with Singletary over ed/ad issues began last November. One point of contention was over what -- and when -- editorial information should be shared with the advertising staff to provide them with sales leads. Another was the use of "sponsors" on some news pages. Finn said those sponsorships fostered a perception that the editorial product was for sale.

"The real reason for my firing," Finn said, "was my resistance to tearing the wall down between editorial and advertising. (Singletary) told me 'everything in editorial' should be shared with the advertising staff. So I knew I wasn't going to be around there too long."

One of the first things Reichard did was to write an editorial -- signed "By the Staff" -- noting Finn's departure and lauding her as "the most respected business journalist in town" and praising her "journalistic integrity."

"We had philosophical differences on how to manage a newspaper," Singletary said. "If you're asking whether there is a wall within this newspaper, I will tell you there is not a wall. Not anymore. We all work at the same company and build the product together. ... If you're asking whether there is a line -- there absolutely is a line between advertisers influencing what goes in this newspaper. That was never, never ever an issue and it is not an issue now."



Kathy Finn

(continued on page 6)

Resourceful.

[www.prnewswire.com/media](http://www.prnewswire.com/media)

We've got everything you need to research and write your story. Whether it's news releases, photos, logos, archives or access to experts, [www.prnewswire.com/media](http://www.prnewswire.com/media) is the place to find it.

We offer a custom e-mail service that allows you to receive real-time content delivered at times you specify. There's a three-year archive of news releases searchable by industry, geography and company name. You can connect with information officers and expert sources through our ProfNet™ service. Everything is free and exclusively for registered journalists.

Visit today and explore this comprehensive resource.

[www.prnewswire.com/media](http://www.prnewswire.com/media) is available for all your research and information needs.

Or call 1-800-387-8448 for more information.

Advancing information. Powering success.™



PR Newswire  
United Business Media

## Biz Buzz (continued from page 5)

### BACK TO SCHOOL

Here's a peek at some business journalists who've won fellowships recently:

- **UNIVERSITY OF MICHIGAN:** Its Journalism Fellows program for the 2002-2003 academic year will include several biz study projects: Peter Elstrom, senior writer at Business Week, will study business, politics and American history; Robert Daniel Huntley, columnist, Charlotte Observer, economic history of the American South 1865; Kemp Powers, reporter, Forbes Chicago bureau, global business; Michelle Quinn, biz reporter, San Jose Mercury News, the biz of medicine; and Seth Sutel, media biz writer of The Associated Press, economics of the media revolution.
- **KNIGHT-BAGEHOT FELLOWS:** Administered by the Columbia University: Mickey Butts, freelance book ed in San Francisco; Marilen Cawad, news reporter/producer for GMA Network in the Philippines; Lauren Coleman-Lochner, retail reporter for The Record in Bergen County, N.J.; Carleen Hawn, associate ed at Forbes' Silicon Valley bureau; Tim Larimer, Tokyo bureau chief for Time; Leon Lazaroff, senior writer for The Daily Deal; Emilie Lounsberry, legal affairs reporter for the Philadelphia Inquirer; Raphael Minder, Paris correspondent for FT.com; Amit Prakash, Financial Times senior correspondent; and Sakina Spruell, senior ed of Black Enterprise.

### LONE STAR STUFF

Fort Worth Star-Telegram biz columnist Mitchell Schnurman is at home doing well, says Rex Seline, ME for news, who wants him back "as soon as he feels up to it."

Schnurman had brain surgery to remove what doctors thought could have been a tumor. The mass turned out to be a less dangerous "cavernoma," an abnormal collection of blood vessels. In a front-page column written just hours before he went into surgery, Schnurman said he was concerned but confident he would be back.

Also at the Star-Telegram, Richard Stubbe moved to night biz ed from The State in Columbia, S.C. where he was metro ed. He replaces Stan Russell, who left for medical reasons, says senior ed for biz Steve Kaskovich. He's looking for a reporter to cover retailing, succeeding Lila LaHood who left to freelance in San Francisco.

At the Dallas Business Journal, Kerry Curry moves from bureau chief to ME. Former projects ed Michael Whiteley is now Tarrant/Denton ed. Lisa Tanner switches from retail/hospitality reporter to special sections reporter. Bruce Felps starts as retail/hospitality/media/marketing reporter. Pavan Lall joins as research assistant. Karen Britton Nielsen starts as contributing ed.

### MIDWEST

In Chicago, Tribune associate ME for biz Rob Karwath says Claudia Banks, who was ed of the Working sections, is named associate biz ed. Andy Countryman, an associate biz ed, takes a reporting post, covering financial markets and corporate governance. Rob Kaiser, a technology reporter, now covers small business. Barbara Rose, who covers emerging tech in the area, expands her beat to include publicly traded tech companies. ... Bloomberg News appoints John Lippert bureau chief in Detroit. He retains his senior writer's job for Bloomberg Markets magazine.

### SOUTHERN CLIMBS

Atlanta Business Chronicle writer Meredith Jordan was all set to leave for Phoenix to show up at the SABEW annual conference in April. She was expecting to pick up SABEW's award for coverage of "Georgia's Tax Giveaway." But then a big new development on the story broke and she had to make a choice — Phoenix or the story. "I had to cancel the trip," Jordan said. "We're very sorry to have missed the conference, but very glad to have gotten the info [on the new development]."

(continued on page 7)



Mitchell Schnurman

### PEARL'S GEMS

Wall Street Journal Books has just published a collection of Journal articles by Daniel Pearl, who was murdered by terrorists while reporting in Pakistan. All profits from the book, "At Home in the World," will go to a trust to benefit widow Mariane Pearl and their son and to the Daniel Pearl Foundation. For information about the book go to [wsjbooks.com/pearl-intro.htm](http://wsjbooks.com/pearl-intro.htm).

### AT HOME IN THE WORLD



By Daniel Pearl  
From The Wall Street Journal

DANIEL PEARL  
CRUISED AS HEROIC CORRESPONDENT  
Foreword by Mariane Pearl

## Biz Buzz (continued from page 6)

At the Atlanta Journal-Constitution, Dorrie Toney moves up to deputy biz ed from assistant biz ed, a post taken by Paige Oliver Taylor, formerly biz ed at the Daily Press in Newport News, Va. Robert Luke is in a new professionals beat covering accounting and legal industries. David Markiewicz is covering sports biz. Henry Unger and Ann Hardie move to enterprise reporting. David McNaughton switches to personal finance reporter.

At the Palm Beach Post, Rick Christie is named biz ed replacing Joe Chudicek, who left the paper. ... Chris Roush, ed of SNL Finance and Inside Insurance, based in Charlottesville, Va., joins academia as full-time assistant prof at the U. of North Carolina.

### PACIFIC EBB

Mike Mason, a former tech writer at The Orange County Biz Journal, returns as ME. He left OCBJ three years ago to join Bridge News. He replaces Roger Bloom, who leaves after four years to do PR.

At the Orange County Register, Andrew Galvin moves from ed of the Biz Monday section to telecom reporter. Elizabeth Aguilera leaves the Hispanic biz beat to join the Denver Post as a metro reporter.

San Jose Mercury News columnist Peter Delevett's tech talk column, Wiretap, moves from the biz front to the local front. Delevett said the column still will include "a fair amount of biz and technology, since it's pretty much impossible to separate those from local news here in Silicon Valley." The column's new broader range includes government, politics and education.

### NORTHEAST

At the Financial Times, Lionel Barber starts as U.S. ME in New York. Also, David Wighton, formerly FT's financial news ed in London, moves to New York as U.S. news ed. Vincent Boland, capital markets ed, also moves from London to New York. Neil Buckley has taken over from Andrew Edgecliffe-Johnson as U.S. consumer industries correspondent. Andrew returned to London as ed of the Inside Track features section. Christopher Bowe, Chicago correspondent, joins the N.Y. team of reporters this summer. Jeremy Grant and Caroline Daniel, both previously based in London, takes over in Chicago.

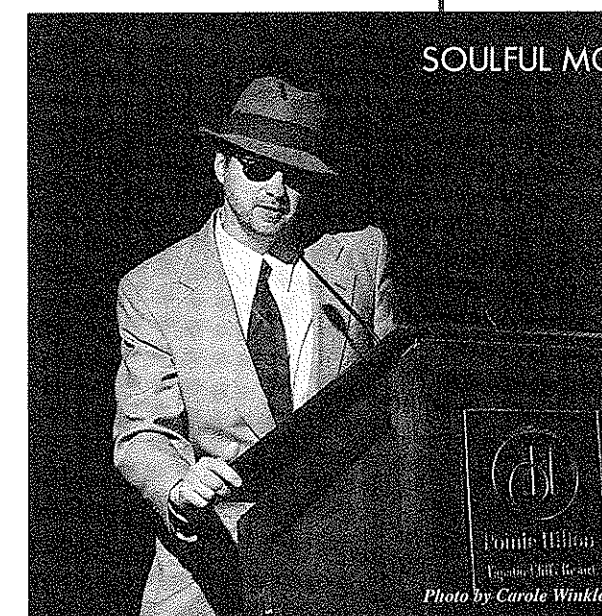
The Boston Globe hires Chris Gaither, a contributing technology writer for The New York Times based in San Francisco, as its West Coast correspondent. The slot was created by the move of Alex Pham to The Los Angeles Times.

CNN TV personality Lou Dobbs will moonlight a Sunday biz column for the New York Daily News. ... Reuters is expected to cut about 300 more jobs, bringing the total staff reduction to more than 2,000 since the start of the cutbacks last year. TBJ

### BIG APPLE WINNERS

The Deadline Club, the N.Y. chapter of the Society of Professional Journalists, presented several biz awards. Coverage of the Enron scandal by The Wall Street Journal's Rebecca Smith and John Emshwiller took the top prize in the category for biz news/series/investigative reporting. NYI's Susan Jhun won top TV honors for her investigative series on the "Anvil Mortgage Scam."

The Business Week staff was rated tops in print biz features for its special coverage on "The Future of New York."



Best In Business  
Contest Chair  
Randy Picht of  
The Associated Press  
gives members a  
taste of the blues  
during the  
SABEW awards  
ceremony  
in Phoenix  
on April 29.

**Baruch**  
COLLEGE  
The City University of New York

### The Master's Program in Business Journalism

- More business journalists on the faculty than any other program in the nation
- For experienced journalists and newcomers

For more information, visit  
<http://faculty.baruch.cuny.edu/journalism/msbaruch/index.html>  
or contact the program director:  
Joshua\_Mills@baruch.cuny.edu or (646) 312-3925

## Ethics Are More Important Than Ever

*The Journal's Barney Calame says what you say to sources can be as important as what you write about them.*

BY MATTHEW CROWLEY  
Las Vegas Review-Journal  
mcrowley@reviewjournal.com  
From Phoenix

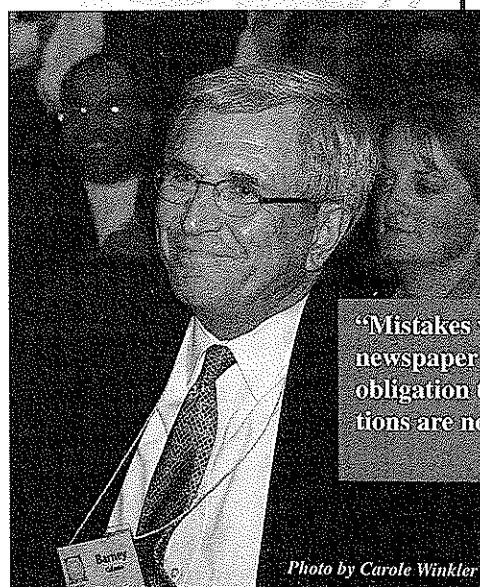


Photo by Carole Winkler

**"Mistakes will happen and newspaper management has the obligation to make sure corrections are not the boogeyman."**  
— Barney Calame

**R**eporters must take as much care with the words they say as the ones they write to avoid sticky ethical pitfalls.

Barney Calame, a Wall Street Journal deputy managing editor and this year's recipient of SABEW's Distinguished Achievement Award, told attendees at SABEW's Business Reporting and Writing Workshop that writers should be careful about making promises to sources.

As an example, Calame created a scenario in which a source, Sam, promised to tell a reporter everything about an lawsuit the Securities and Exchange Commission was ready to level against a high-ranking official at the big corporation where Sam once worked. Sam would speak on two conditions: the reporter had to take all information on background, not for attribution; and the reporter had to say Sam declined comment.

Accepting the deal came back to bite the reporter, Calame said, when further investigation proved Sam, not Mr. CEO, caused the trouble outlined in the indictment. Keeping the deal and printing that Sam declined comment, Calame said, would amount to lying to readers.

"Under oath, a lawyer could then ask you whether you ever knowingly allowed something false to be printed in the newspaper," Calame said. "And if you say 'yes,' — Baby, that lawyer's going to take you 85-miles-an-hour down a path you don't want to go down."

One, imperfect, way to resolve the scenario, Calame and audience members suggested, would be to write that Sam declined to comment publicly. But readers, and competing news organizations, might consider that phraseology a credibility red flag, Calame said.

Perhaps the best way to resolve the scenario, Calame suggested, would be to call Sam's lawyer for comment. Getting the lawyer's "no comment," Calame said, would get word from Sam's camp and indirectly satisfy the promise to deliver a "no comment" to Sam.

It's always best for reporters to stop when they see trouble mounting and talk to editors, Calame said. But, when time constraints force on-the-fly negotiating, Calame said reporters must lay ground rules carefully, in clear English, and stick to them.

Negotiating is serious, Calame warned: Even a casual head nod or tossed-off e-mail is a binding promise.

Ethics, however, is ultimately about honesty to readers, Calame said.

Reporters must diligently, and immediately, correct mistakes. Because of the negativity corrections carry, Calame said he can understand the impulse reporters may have to hunker down and hope no one notices. But that way, Calame said, readers never learn the truth.

"Mistakes will happen and newspaper management has the obligation to make sure corrections are not the boogeyman."

Also, he said, because many papers archive stories electronically, it's important to correct errors in print and online, so reporters researching future stories don't duplicate past mistakes.

Newsrooms have no place for stupid, lazy errors, and should remove people who consistently make them, Calame said. Nevertheless, he added, most papers understand the importance of correcting errors and that even excellent reporters aren't perfect.

"We're all human, and I think most papers realize that," Calame said. TBJ

**F**ear not, financial writers, the golden age of business reporting is far from over.

That's what business writer extraordinaire Allan Sloan, a Newsweek columnist, told SABEW members recently.

People were wrong to dismiss business journalism as less popular — or perhaps less resonant — when the bull market of the late 1990s faded and the dot-com bubble burst, Sloan told the SABEW Business Reporting and Writing Workshop In Phoenix. Sloan said business writing is as relevant as ever as the recent thirst for news about the Enron Corp. accounting scandal showed.

Around Newsweek, Sloan said, one colleague described business news as the new politics, a sure sign of business journalism's mainstreaming. Furthermore, when the Enron story blossomed, Sloan said his Newsweek editors clamored for explanations of once seemingly arcane subjects such as stock options and accounting.

More importantly, he noted, The New York Times' Gretchen Morgenson recently won journalism's greatest prize, the Pulitzer, for covering Wall Street. "A business writer won for writing business stories," he said.

Readers need business writers now to help them retire solvent, Sloan said. Defined contribution pension plans like 401(k)s with mutual funds and the like mean most Americans have money in the stock market. Business writers can handle the numbers and stories about their money that may mystify readers — and colleagues, too.

"I'm telling you, people do not understand this," he said.

Even people who cover business get confused. To prove it, Sloan surveyed his audience. He asked for the definition of a recession.

"Two quarters of negative gross domestic product growth," one listener offered.

Only in dictionaries, Sloan replied.

In life, the government lets the National Association of Business Economists decide when a recession officially starts and ends. And when the board declares a recession — the chosen start point may be long enough ago that reporting it becomes irrelevant.

"We need to get out of writing 'Is this a bull market?' 'Is this a bear market?' 'Is it a recession?' 'Is it not a recession?' I mean, it's just wasting trees. It's like these idiot political stories about poll results. Well, I'll tell you what — the only poll that matters is the day you vote."

Instead of trying to gauge a forever shifting market, reporters should write real stories with real facts. Some facts may take time to learn; Social Security is complex and complicated, but by reading reports, writers can deepen understanding, he said.

And they need to understand, Sloan said. If government's idea of privatizing part of Social Security to invest in the stock market ever comes true or if the system collapses, business reporters will need to help the public understand why.

"It's our job to tell our audience things that they ought to know that will make their lives more useful," he said. "Business is more important than ever. There are more readers around than ever. People read stuff more than ever. And if we can't make a golden age out of that that lasts a hundred years, we ought to find ourselves another line of work." TBJ

## Appetite For Financial News Still Growing

*Newsweek's Allan Sloan says that business journalism is still relevant — as long as it's done right.*

BY MATTHEW CROWLEY  
Las Vegas Review-Journal  
mcrowley@reviewjournal.com  
From Phoenix

**"We need to get out of writing 'Is this a bull market?' 'Is this a bear market?' 'Is it a recession?' 'Is it not a recession?'"**  
— Allan Sloan

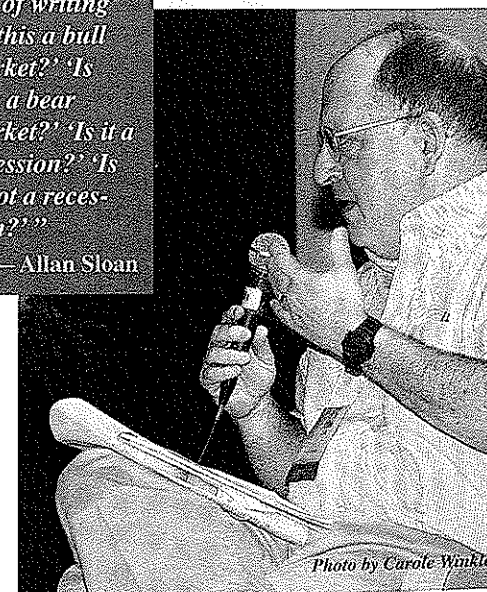
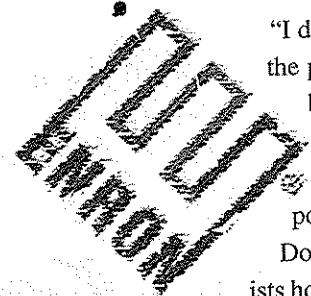


Photo by Carole Winkler

## Exception — OF ERROR?

(continued from page 1)



### CATCH THE NEXT ONE?

Here's some pointers for the business reporter looking to crack a complex financial operation:

- Ask questions if there are aspects to a financial statement you don't understand.
- Don't just interview the CEO or the charismatic leaders, go down a level or two in researching the story.
- Don't rely on quoting analysts; do your own research on a company whenever possible.
- Develop a variety of sources for any given company. The more voices you hear, the better.
- If you use analysts, don't always call the same ones. Also, figure out which ones are really doing their homework.

"I don't think that there's any way the average business reporter would have spotted the problems at Enron," she said. "We need to have more training sessions so we're better prepared and to raise our competence levels to detect what we should look for in financial statements."

Some of the biggest names in financial journalism couldn't agree if it was possible — or how — reporters could have broken the fraud early on.

Doing some collective soul-searching during the Enron post-mortem session, panelists hotly disputed the notion that better honed investigative skills would have unraveled more details of the energy giant's fraudulent financial practices before it collapsed late last year.

Yes, all agreed, numerous clues were buried in Enron's financial reports to the Securities and Exchange Commission. Yet several top reporters and editors told attendees that the deception was so elaborate that it was only easy to see in retrospect. Until business reporters knew which "string to pull," no reporter could unravel the deliberately tangled yarns, admitted many of those who have handled Enron stories.

"I have no guilt whatsoever at not having found it," said Allan Sloan, Wall Street editor at Newsweek magazine. "Forgive me for not doing any mea culpas."

However, Joseph Nocera, executive editor of Fortune magazine, was among those who believed there were a lot of clues on the balance sheet. Admittedly, he said, they were not spelled out.

"Maybe we never read the clues very well," said Nocera, who referred to Enron's earnings estimations as "one of the biggest frauds in the history of the world."

"They were there and not as impossible to see if you made the effort."

Scott Clark, business editor at the Houston Chronicle — Enron's hometown paper — said the situation underlines how superficial coverage of public companies often is and shows how reporters rely too often on outside observers, such as financial analysts, rather than doing the original research. Perhaps, Clark suggested, a reporter's research on private companies is better since there's no pack of Wall Street observers to rely on.

John Ernshwiller, a reporter with The Wall Street Journal, agreed: "We read things like SEC filings and pass by them too quickly. There are things the press could have written that were sitting in a public file."

Although he conceded, "No intelligent person can read some of the documents and know what they're saying," he added, "The press was not mining very well."

Many attendees came away determined to make that extra effort to ask the right questions and go beyond the more obvious information in the future.

"I now realize the way a lot of corporate coverage is done is by seeking out the CEO," said Bill Barnhart, financial market columnist with the Chicago Tribune. "To be satisfied with just a CEO interview is simply unacceptable."

David Strow, reporter with the Las Vegas Sun, was motivated by learning what parts of the financial reports to examine more closely.

"If you're smart enough, something should stand out," he said. "If it doesn't make sense, you should question it." TBJ

*"Maybe we never read the clues very well," said Nocera, who referred to Enron's earnings estimations as "one of the biggest frauds in the history of the world."*

## President's Letter (continued from page 1)

SNPA earned, attendees to these conferences go for free. It's the kind of training even your most tight-fisted editor or publisher could love.

Likewise at SABEW's Small Business Workshop in Miami, a grant SABEW has received essentially provides all attendees with free hotel accommodations.

But we want to do more, and do it better. We need to know what to teach: More on pocketbook issues or industry specific workshops or training on deciphering complex financial transactions? We also need to know what level classes should be taught at: For a rookie or seasoned veterans?

We'd love to find another partner like SNPA so we can easily bring journalism-training programs to other parts of the country. That is where you come in.

Two years ago, SABEW offered every state and regional press association a seminar on business journalism. Those efforts led to the SNPA program, but only six groups ever responded — two of them the direct result of SABEW members making the events happen. So if you want SABEW to bring you more and better quality training, help us ferret out the people and organizations that can expand our reach. Trust me, SABEW's board has proven pretty receptive to new ideas over the years.

Finally, if you want to be involved in helping us educate, let us know that too. The SNPA seminars and SABEW's conferences and workshops are speaker-intensive programs. We're always looking for more people to get involved.

If the members of SABEW can deliver a few dozen good ideas — and

more than a few dozen prospective speakers for future events — my overactive e-mail life will get a lot harder.

Yet my job as SABEW president will get a lot easier. I look forward to seeing what you send my way.

■ ■ ■

On a personal note, I wanted to express my thanks to Carolyn Guniss, who steps down as SABEW executive director Sept. 1. Carolyn has been a tireless worker on SABEW's conferences, workshops and contests. She has been instrumental in helping the organization grow. I hope you will wish her the best in her new endeavors. Until September, you can e-mail her at [gunissc@missouri.edu](mailto:gunissc@missouri.edu). TBJ

You can reach Jaffe at [jaffe@globe.com](mailto:jaffe@globe.com) or 617-929-3129.

## mediaresource.entreworld.org

If entrepreneurship is your beat, visit the Kauffman Center Entrepreneurship Media Resource site. It's a world of resources about entrepreneurship at your fingertips. Developed with the Society of American Business Editors and Writers, this site was designed to help reporters covering entrepreneurship issues. Start here for resources and research about entrepreneurship and other business-related topics.

**KAUFFMAN CENTER**  
FOR ENTREPRENEURIAL LEADERSHIP  
AT THE EWING MARION KAUFFMAN FOUNDATION

The Entrepreneurship Media Resource site offers:

- ▶ Links to entrepreneurship publications on the Web for quick access to background information.
- ▶ Links to entrepreneurship statistics to provide context and data for stories.
- ▶ Links to colleges and universities with entrepreneurship courses and entrepreneurship support organizations.
- ▶ Searchable database of entrepreneurship experts for direct contacts.
- ▶ Links to columns by entrepreneurs for an inside look at their challenges.

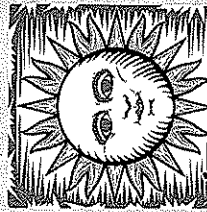
For additional information contact: Kate Pope Hodel  
4801 Rockhill Road | Kansas City, MO 64110-2046  
816-932-1043 | fax 816-932-1420 | [khodel@emk.org](mailto:khodel@emk.org)



JOIN THE  
E-CLUB

SABEW now has 837

eMembers who get TBJ via e-mail, weekly updates on new job openings and institutional membership discounts. To switch to eMembership, just e-mail [sabew@missouri.edu](mailto:sabew@missouri.edu) or call our office at 573-882-7862.



sabwe 2002

**Enron: Is The Media Culpable?**

The business story of the year was the buzz of SABEW's 39th annual conference in April.

**PAGE 1**

**Ethics Still Essential, WSJ's Calame Says**

**PAGE 7**

**Forget The Market, Newsweek's Sloan Says**

**PAGE 8**

**Also:**

**New President Seeks Input From Members**

**PAGE 1**

**SABEW Joins SNPA For Workshop Tour**

**PAGE 3**

**Buzz: Blurred Lines Cost Editor Her Job**

**PAGE 4**

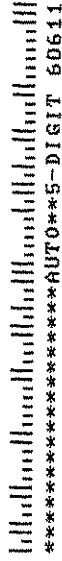
**THE BUSINESS JOURNALIST**

June/July 2002

Society of American Business Editors and Writers, Inc.  
c/o The Missouri School of Journalism at  
The University of Missouri-Columbia  
134 A Neff Annex  
Columbia, MO 65211-1200  
<http://www.sabew.org>

Presort Standard  
U.S. Postage  
**PAID**  
Jefferson City, Mo.  
PERMIT NO. 210

Society of American Business Editors and Writers, Inc.



Bill E. Barnhart  
Financial Markets Columnist  
Chicago Tribune  
435 N Michigan Ave Ste 400  
Chicago IL 60611-4029

S3 P4  
18