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Taking the pulse of an ailing industry

Bankruptcies, mergers big news on airline beat.

By Terry Maxon

Forget about a business degree or a financial background — the best preparation for covering the airline industry these days is experience in writing obituaries.

Airline writers lately have found themselves chronicling the illness and death of airlines as old as the U.S. aviation industry, and of airlines that sprang up since the industry was deregulated in 1978.

Five large airlines are mired in federal bankruptcy court, including three airlines with long pedigrees. Eastern Airlines is grounded and liquidating, Pan American World Airways is selling itself piece by piece into oblivion and Continental Airlines is trying to reorganize its way back to health.

Two airlines that started flying in the early 1980s, both children of deregulation — Midway Airlines and America West Airlines — also are operating in bankruptcy, with uncertain futures facing them.

Many stories that airline writers now cover deal with the financial health of the airline industry and the implications for the average traveler. It is both a national story and, in some cases, very much a local story.

Ted Reed, who covers airlines for the Miami Herald, has had an unrelenting two-plus years on the beat as the two airlines with strong Miami ties both went through bankruptcy.

He started in 1989 shortly after Eastern filed for bankruptcy. The Eastern and the Pan Am stories have taken over his life since he and his paper expect to break any story on those two airlines.

"This was really the paper that cares most about Pan Am," Reed said. "We cared most about Eastern because Eastern was here. Pan Am has 7,000 people here, just like Eastern. This is a paper that cares the most about them."

When Eastern was still alive, he made daily calls to a long list of sources. Now, he feels saddened in a way even though his workload has lightened.

"When Eastern stopped, even though I had only been covering them a year and a half, it was like splitting up with your girlfriend," Reed said.

Many airlines had been barely getting by for years. However, the Iraqi invasion of Kuwait last Aug. 2 exacerbated the underlying weaknesses. It was much like a bad strain of flu — the healthy got sick, and the weak got killed.

USA Today reporter Doug Carroll has been covering transportation and business travel for four years. He said he has been surprised at the impact that the Kuwaiti situation, with the accompanying drop in traffic and sharp rise in fuel prices, had on the industry.

"On Aug. 2, I didn't anticipate the degree of

(See Consumer, page 4)

Illustration by Dennis Murphy

Age not required for high-quality personal finance reporting

Future is not such an uncertain place

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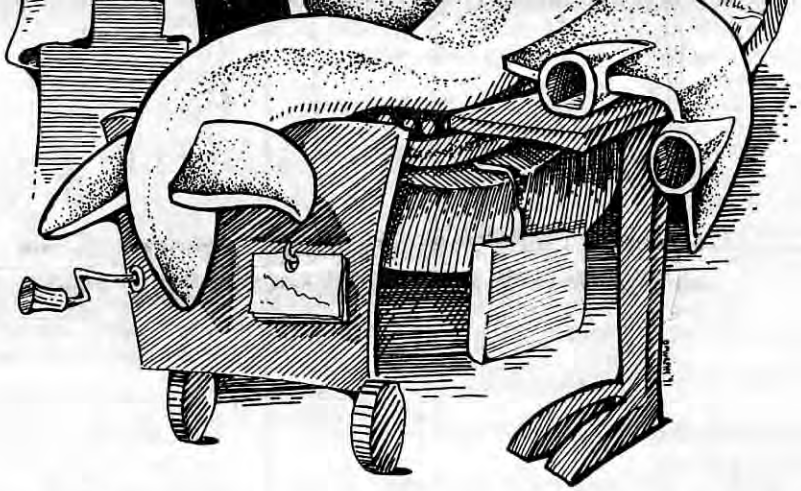

Illustration by Dennis Murphy

Age not required for high-quality personal finance reporting

The Los Angeles Times Syndicate named a 31-year-old to replace the venerable Sylvia Porter. Read all about her on page 3.

Are economics affecting news coverage?

The recession is being felt in newsrooms across the country, but the important stories are still getting covered. See page 5.

Which comes first: the computer or the software?

When buying a computer, the trick is to select the software, then find the computer to run it. Rory O'Connor tells you how on page 6.

Calculators for a complex world

Say you want to determine the compound rate of a company's earnings. Sound daunting? Not with the right business calculator. More information on page 7.

What's hot, what's not for the 90s?

Gary Klott says child care, environmental clean-up and recordable compact disks are on the rise, but convenience stores, vinyl LPs and discos are on their way out. See page 8.

Future is not such an uncertain place

By Gary L. Klott

It was during lunch at one of those haughty French restaurants in midtown Manhattan — where waiters never smile and book publishers try weakening their authors' senses with expensive food and wine — that my editor suggested my next book be about the future.

In excited tones, he described his idea for a book that would give individuals and businesses a glimpse into what lies ahead in the 1990s. When he finally asked what I thought of his idea, my response was equally effusive: "The veal is magnificent, the Bordeaux divine."

As a journalist, I was naturally skeptical about writing anything on the future. I equated such exercises in prognostication with horoscopes, picking Sunday's football winners, and guessing where the Dow Jones index would be a year hence. Each may have a place in newspapers — but not under my byline.

After all, I always thought journalists were supposed to report only what they could verify (with at least two sources to back it up), which, by definition, rules out trespassing very far into the future. Beyond journalistic principles, I also remembered how most economists have trouble accurately predicting the next quarter, let alone 10 years down the road — the time-frame my editor was talking about. There are certain assignments in the news business that are career-breakers, and my editor's idea seemed to hold that promise.

And so I had no trouble telling the editor of my misgivings. (Well, actually, I told him I would think about his wonderfully intriguing idea and get back to him.) I thanked him for lunch, flew back to Washington D.C., and resumed my practice of serious business journalism — i.e. covering what is known — the past and present foibles on Capitol Hill — and not the unknown — i.e. what Congress might mess up in the future.

A few months later, I came across an article on demographic trends that changed my thinking, and sent me scurrying to my computer to draft a book proposal.

I realized that the future is not such an uncertain place. Demographic changes, which can have a profound impact on the demand for all sorts of goods and services, can be predicted with relative precision (we know how many people of different age groups are around today and about how many will be around ten years from now). And many of the technologies that will have a major impact on jobs and industry in the 1990s are already in advanced stages of development.

Looking at demographic trends alone, one can foresee major changes ahead for the economy in the 1990s. Shifting demographics promise to reshape consumer spending patterns, the fates and fortunes of many industries, the relative merits of individual investments, and the employment outlook in a wide variety of occupations.

Industries that prospered from a fast-growing young adult population in the 1970s and 1980s are expected to experience a reversal of fortunes in the 1990s as the huge baby boom generation moves into middle age and adopts much different lifestyles and spending patterns. Instead of crowding discos and splurging on Yuppie toys, the baby boomers are now staying home, raising families and splurging on children's toys, bifocals and minivans.

In the footsteps of the baby boomers is a much smaller group of young adults, which portends slowing demand for new housing, new appliances, new cars, and a variety of other consumer goods and services.

Meanwhile, a swelling elderly population should create growing demand for health-care services, retirement housing, nursing homes, pharmaceuticals, and biotechnology products.

Yet news stories frequently failed to reflect these long-term realities because of our reluctance to tread too far into the future. As a result, we are often giving readers an incomplete or even misleading picture.

For example, we could have forewarned our readers many years ago about the likelihood of a weakening housing market. Demographic projections pointed to a sharp

(See The future, page 8)

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Cheryl Hall, Business Editor, Dallas Morning News
Myron Kandel, Deputy Managing Editor, Cable News Network
Gary Klott, Author, Times Books/Random House

Albany Times-Union employee-buyout shrinks business staff

By Susan Thomson

The business desk of the Albany Times-Union is down to five people from eight following the resignation of **Elizabeth Lesly** and an employee buyout that shrank the newspaper's 165-person editorial staff by 10 percent. In the reshuffling:

—Assistant Business Editor **Dean Betz** joined the newspaper's universal copy desk, in charge of the business and A sections.

—**Christopher Ringwald** left city desk for business news, replacing **Cailin Brown**, who moved to features.

—Business Editor **Keith Kohn** returned to the copy desk of Tampa Tribune, his home before joining the Times-Union two years ago.

Lesly now works for States News Service in Washington, D.C.

Stephen P. Dinnen has been named business editor of the Indianapolis Star, replacing **Morris Wildey**, who resigned to form Sports Indiana, a weekly tabloid.

Dinnen had been assistant business editor at the Star and, before that, business editor of the Hammond, Ind., Times.

In new beat assignments on the Star business desk, **Pete Fullam** is covering autos and manufacturing; **Bill Koenig**, real estate; **Jo Ellen Meyers Sharp,** retailing, and **Bruce Smith,** banking and insurance. **Eric Schuck** continues on the pharmaceuticals and small-business beats.

Ben Z. Hershberg ended a 13-year stint as a business reporter for the Louisville Courier-Journal with a move to the city desk's higher education beat. **Greg Otolski** came in from the newspaper's southern Indiana bureau to take up the slack. In the ensuing beat shuffle, Otolski got agriculture and coal; **Judy Egerton**, retail, real estate, restaurants and marketing, and **Kyung M. Song**, health care. **Fran Jefferies** added utilities to her small and minority business beats.

Steve Brook has resigned from the St. Paul Pioneer Press to become executive business editor of the Columbia (S.C.) State, the job vacated by **Fred Monk** with his return to writing.

Bruce Buursma has resigned from the Chicago Tribune, where he was a general assignment business reporter, to

business newspeople

Furniture Today of High Point, N.C., the weekly newspaper of the furniture industry, promoted **Lester Craft Jr**. from managing editor to editor. Craft succeeds **Bill Peterson**, who helped found the publication in 1976 and who will assume part-time status Sept. 1. In related changes, the newspaper promoted Assistant Managing Editor **David Perry** to managing editor and Assistant Managing Editor **Tony Bengel** to senior editor for systems.

Joan Zales is the new business editor of the Boulder (Colo.) Daily Camera, replacing **Bob Wells** who left the newspaper to start a business. **Dinah Zeiger**, formerly of McGraw Hill Financial Services, has replaced business reporter **Kate Oberlander**, now reporting for Electronic Media.

Nunzio "Mike" Lupo, formerly an assistant business editor at the Detroit Free Press, has moved to the newspaper's Lifestyle section as an editor. **Luther Jackson**, economy writer, has extended into its second year his leave to work for the Newspaper Guild.

Linda Owen left the business desk of the St. Paul Pioneer Press to be a suburban reporter. **Tom Collins**, who had been covering technology, took over Owen's retailing beat. **Jim Tarbox,** formerly of features, joined the business staff as technology writer.

Sabin Russell, who covered biotechnology, insurance and agriculture for the business department of the San Francisco Chronicle, has moved to the newspaper's city desk, covering health.

Dan Henderson, assistant managing editor for business and other departments at the Memphis Commercial Appeal, died in June of a heart problem. He was 38.

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Gary Klott, Author, Times Books/Random House
Jim Mitchell, Business Editor, San Jose Mercury News
Richard Papiernik, Executive Business Editor, Albany (N.Y.) Times Union
Jodi Schneider, Executive Business Editor, Orlando Sentinel
Peter Sinton, Executive Business Editor, San Francisco Chronicle

SABEW Administrative Staff
School of Journalism
University of Missouri-Columbia

James K. Gentry, Executive Director
Doris Barnhart, Administrative Assistant

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 an 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 reportage of economic events without fear or favor and in a manner in keeping with the proud heritage of American journalism.

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Bruce Buursma has resigned from the Chicago Tribune, where he was a general assignment business reporter, to direct public relations for Calvin College in Grand Rapids, Mich. **Ronald Yates**, who had been the newspaper's Tokyo correspondent, has returned to Chicago as part of the newspaper's business staff.

Gregg Jones has taken up the defense beat for the business desk of the Dallas Morning News, replacing **Kathryn Jones**, who quit the newspaper to freelance. The News imported Gregg Jones from Little Rock, Ark., where he had been working as a metro reporter for the Gazette and freelancing for other newspapers, including the News.

Nunzio "Mike" Lupo, formerly an assistant business editor at the Detroit Free Press, has moved to the newspaper's Lifestyle section as an editor. **Luther Jackson**, economy writer, has extended into its second year his leave to work for the Newspaper Guild.

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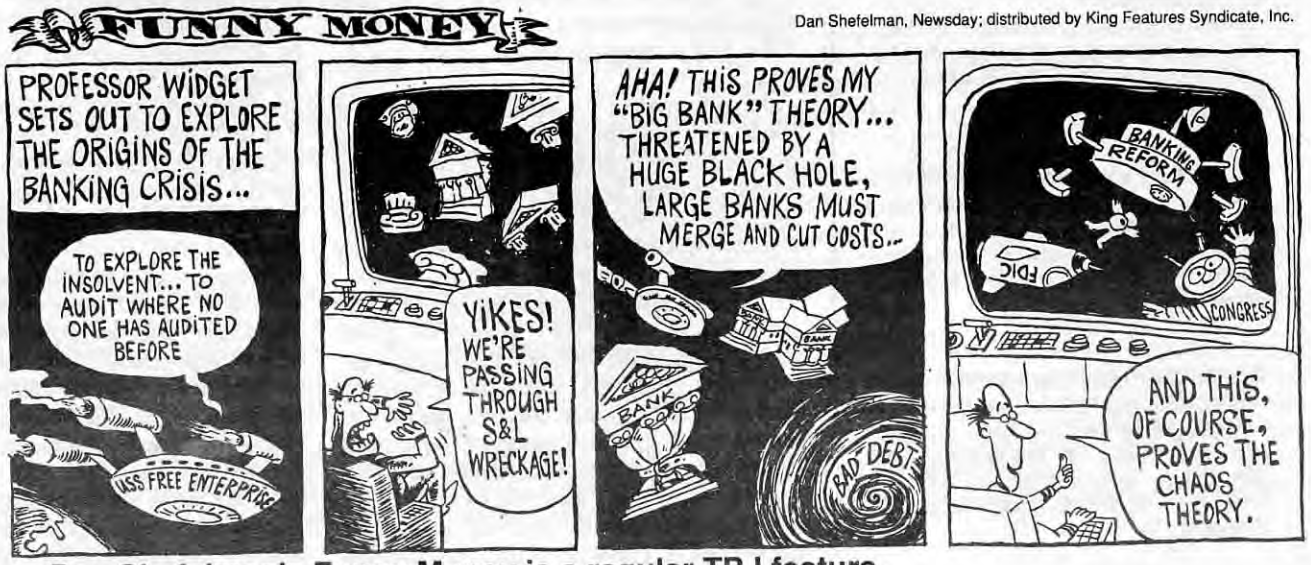
Dan Cook is the new managing editor of the Orange County Business Journal, replacing **Kathleen Burton**, who left the business weekly.

Mark Calvey, a SABEW board member, left Investors Daily to become assistant business editor at the Charlotte Observer.

(See Oregon, page 3)



Dan Shefelman, Newsday; distributed by King Features Syndicate, Inc.

Dan Shefelman's Funny Money is a regular TBJ feature.

Kristof takes over from Porter, works to demystify personal finance

By Susan Thomson

Personal finance journalism skipped a whole generation when the Los Angeles Times Syndicate tapped Kathy M. Kristof to replace the late Sylvia Porter.

The pioneering Porter died in early June, 77 years old. Kristof, young enough to be her granddaughter, took on where she left off less than a month later.

The succession was, from Kristof's perspective, all pretty sudden.

Sudden is the word for Kristof's career, just eight years old. It was less than two years ago that she joined the Los Angeles Times as a business reporter. And she inherited the newspaper's personal finance column only last January, when her predecessor gave it up.

It has, however, been an intense eight years, with a succession of three publications, with Kristof always covering some combination of insurance, banking and general pocketbook issues.

"I'm just writing as fast as I can."

The beats amount to a mission with her. In fact, she says, she decided to become a journalist only after discovering this particular niche in it.

"I think (personal finance reporting) is incredibly important," she says. "There's no other subject that has the same kind of impact that finance has, and people think it's complicated and mysterious."

So Kristof writes with the aim of demystifying it for a wide segment of the population, people like herself — "not terribly wealthy or buying a third home on Nantucket."

For Steven Christensen's money, Kristof excels at that. As the syndicate's executive editor, he was eager to succeed Porter with someone who wrote for the same broad, middle-class audience.

That includes people with fixed and average incomes, people trying to figure out how to get maximum mileage out of their paychecks and their investments and to plan for retirement, health care and their children's educations, not people with six-figure incomes, Christensen says.

"Kathy wrote to that audience. She has the same kind of common-sense, easy-to-understand approach to those issues, and her writing style is similar (to Porter's)."

Christensen says Kristof won out over "about a dozen people we looked at who were all credible, well-known journalists." Jim Fox, Porter's husband, consulted on and seconded the choice.

When she died, Porter had been with the Los Angeles Times Syndicate for five years and was appearing in about 100 newspapers. Christensen says most of the old and some new clients, including the Atlanta Constitution and San Francisco Chronicle, have signed on with Kristof.

In her new role, Kristof is doing something Porter didn't do, something Christensen calls "quite unusual" for a syndicated columnist. She's contacting subscribing editors personally.

She says that's to find out what they want and how she can make more relevant a column that, before it went national, at times was California-oriented.

Like her predecessor, Kristof writes three columns a week. She remains on the staff of the Times in a part-time capacity, covering two of her favorite beats, insurance and personal finance.

Go right ahead and accuse Kristof of being a workaholic. She pleads guilty as charged, given an inability to just say no to a good story. So, she says, she's never been able to master the idea of working an eight-hour day. Twelve- and 16-hour stints resulted. But, at that, she says, she was beginning to feel that she was "sacrificing way too much time for my family."

Her new schedule actually "makes my life a lot easier" at home, where she works, around the schedule of her year-old daughter.

So what next for this fast riser? Porter, after all, wasn't just a newspaper columnist but a one-woman industry. Maybe inspirational tapes, says Kristof. She's kidding. Seriously, she says, "I'm just not prepared to think about that. I'm just writing as fast as I can."

That's how Mark Lacter, business editor of the Los Angeles Daily News, remembers Kristof writing. When she worked for him, he says, she was a "very energetic and prolific reporter who managed to stay on top of three beats that are fairly formidable. I hated to see her go, but it was sort of inevitable that she would be going onward and upward."

Sue Thomson is a business columnist with the St. Louis Post-Dispatch.

Kathy M. Kristof

Education
Bachelor of arts in journalism, University of Southern California, 1983.

Professional experience
Los Angeles Business Journal, reporter, 1983-1988; Los Angeles Daily News, reporter, 1988-1989; Los Angeles Times, business reporter, 1989—; personal finance columnist, 1991; Los Angeles Times Syndicate, personal finance columnist, 1991.

Personal
31, married, one-year-old daughter, likes to golf and snow and water ski.

Oregon sees changes

(continued from page 2)

Gentry to trade Missouri for Nevada

May leave SABEW executive director post early

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Personal

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Oregon sees changes

(continued from page 2)

The Portland Oregonian has gone through a series of staff changes:

Beth Erickson, formerly assistant business editor, has left the department to be a features editor. **Judy Rooks** has given up business reporting to take Erickson's place. **Nena Baker**, formerly of United Press International in New York, has taken Rooks' slot. **Mike Francis**, who had been an assistant city editor, has become a business columnist.

Ann Hollifield has left her position as managing editor of Business First newspaper in Columbus, Ohio, to accept an appointment as a Robert Bosch Foundation Fellow for 1991-92. She will spend a year working with the newspaper industry in Germany, focusing on papers in the eastern areas of the country.

Sue Thomson is a business columnist with the St. Louis Post-Dispatch and a regular columnist for The Business Journalist. If you have items of interest, she can be reached at 314-622-7026.

Gentry to trade Missouri for Nevada

May leave SABEW executive director post early

By Sandra Duerr

James K. Gentry, who has been executive director of SABEW since 1984, will leave the University of Missouri in December to become dean of the Reynolds School of Journalism at the University of Nevada-Reno.

It is unknown whether Gentry will leave SABEW then, too, or stay through May, when he had planned to step down.

Gentry, 45, began his career at the University of Missouri in 1976 as an instructor and assistant news editor at the Columbia Missourian, the teaching daily newspaper affiliated with the university. He became director of the school's Business Journalism Program in 1980.

This new appointment represents a terrific opportunity to create a strong journalism program at Reno, Gentry said. "I like the idea of being able to help shape a program, and I wanted to work at a smaller place."

Missouri has about 24,000 students on the Columbia campus, including 500 to 600 in journalism, compared to about 12,000 students at Reno, including about 250 in journalism, Gentry said.

While Missouri's journalism school has 55 to 60 faculty members, Reno's has ten. But, Gentry said, he has permission to hire two more over the next two years. Furthermore, the university will complete a new journalism building in the fall of 1992 and has indicated it will devote additional resources to strenghtening its journalism program, Gentry said.

"Nevada has been able to support its institutions of higher learning quite well in recent years, and everybody knows that Missouri is having trouble doing so," he said. Missouri, for example, has frozen all salaries at the university for the coming academic year.

"I like the idea of being able to help shape a program, and I wanted to work at a smaller place."

"As much as we hate to lose him, I think he couldn't have made any other choice," said Dean Mills, the dean of the journalism school at Missouri. The Reno dean's post will give Gentry "a chance to exercise his administrative skills and to build some excitement into that program. He'll do a great job."

Gentry has made many valuable contributions during his tenure at Columbia, Mills said — from chairing the Editorial Department to handling administrative and budget matters and strengthening and increasing the visibility of SABEW.

Gentry's position at the University of Missouri will not be filled — at least in the immediate future, Mills said.

Among the improvements Gentry is considering at Reno is the creation of a mid-career program for business journalists similar to the Davenport Fellowship Program that the University of Missouri created in 1976.

The month-long Davenport Program was not held this year because Gentry was given the summer off. Now, with university budget cuts and lack of corporate financial support, it is unlikely to be started again soon, Mills said. "It's at best an enormous question mark."

The University of Missouri School of Journalism will continue to offer some business classes to journalism undergraduates as well as a master's program in media management, Mills said.

Sandra Duerr is business editor of the Louisville Courier-Journal and president of SABEW.

Consumer angle elusive

(continued from page 1)

pain the industry would still be going through six months later," Carroll said.

That forced the news media to focus on the troubled airlines and the huge losses even the stronger airlines suffered. Chicago Tribune reporter Stan Ziemba started the airline beat in December, the month Continental sought protection from creditors, and just before Pan Am (January), Midway (March) and America West (June) entered bankruptcy.

Ziemba, who had been covering commercial real estate, said the new beat is "a lot more hectic."

"I find myself doing a story nearly every day. I think that's the nature of the industry, the shape that it is in right now, with the economic blahs and trying to generate more traffic and more revenues. Then you've got the whole series of bankruptcies and a few other carriers on the brink of bankruptcy. It's a very busy beat," Ziemba said.

While the financial problems have been a constant source of stories, the consumer angle to the distress has been a bit harder to find.

"If you count up the airlines in bankruptcy, it seems to be business as usual from the travelers' standpoint," USA Today's Carroll said. "These airlines are continuing to operate. The agents that I talk to don't seem to notice any difference. Service of these airlines is as good or as bad as it was before they filed for Chapter 11. It's very difficult to find a traveler angle in the financial distress that these airlines are going through."

There are a few exceptions. The shutdown of Eastern on Jan. 18, 1991, obviously generated stories of travelers stranded, of tickets not honored. When and if Pan Am stops flying, reporters will stay busy writing similar stories about the impact on ticket-holders and frequent-flier club members.

Also, a side effect of ailing airlines is that they sometimes sell tickets cheaply to generate money, and force the rest of the airlines, even the healthy ones, to match their low fares.

Witness America West's half-price sale in February and Pan Am's low, low fares across the Atlantic for a time after the Iraqi conflict ended.

Although airline reporters are usually writing for the business section, they say they're always trying to write for the traveler if possible.

"It isn't strictly the business angle," said Martha Hamilton, who has covered transportation for the Washington Post since 1986. "To the extent there's a consumer interest in the stories, we try to focus on that. There is in most airline stories."

When she started the beat, the big issues were the mergers and acquisitions that were reshaping the industry, and airline service, "which was terrible," she said.

"You had an incredible number of delays in the system, and service was just lousy. You couldn't walk into a party and say you cover the airline industry without this mass of people rushing over to tell you their horror stories," she said.

She attributed the service problems to the industry's transition to a deregulated environment, the difficulty in merging airlines, the switch to a hub-and-spoke system for most airlines and the tremendous increase in passengers in the 1980s.

"Part of it was consumers who had been used to being part of the flying elite having to get used to sitting next to people with tattoos," she said.

With few exceptions, reporters tend to stress a local angle to their coverage, even while they write stories of national scope. The local emphasis is particularly true when major airlines are in a reporter's back yard.

Miami's Reed noted that with Pan Am going and Eastern gone, he is losing the major focus for his coverage. American has a Miami hub that is the jumping off point for its Latin America service, some airline may buy Pan Am's Latin America system and several carriers have major operations in the state, but it's not like having an airline there with its headquarters or major offices.

"I try to cover American, too, but you never see me break stories on American," Reed said. "It wouldn't happen."

He wants to write more stories on such issues as the Latin America market and the plans of Iberia, a Spanish airline, to establish a Miami hub.

The least favorite stories? Almost invariably, the word 'fare' pops up.

"I have an aversion to individual fare stories. I like to wait to see what the industry will do," Ziemba said. Added Carroll, "Most reporters don't like doing the fare stories."

And Hamilton expanded on the topic: "Fare wars. Ersatz fare wars. Fare wars that someone has a sale of fares that you have to book the fare between 3 a.m. and 1 p.m. on the odd days of next week to get it."

Terry Maxon covers airlines for the Dallas Morning News.

Story ideas from the airline beat

By Terry Maxon

The future issues in the airline industry seem quite simple — the big will get bigger and the little will get eaten.

That's oversimplifying things a bit, but much of our time as airline reporters will be spent examining the evolution of the airline industry and the interrelated issues that will accompany the changes. Broken down, here are some of the major stories, as identified by several airline reporters:

Consolidation in the industry

The three strongest and largest domestic carriers, American Airlines, United Airlines and Delta Air Lines, have weathered the industry's financial problems fairly well. They have been able to gobble up U.S. and foreign assets that weaker airlines had to sell to stay in the air.

Will the airlines operating in bankruptcy be able to emerge stronger, or will they go the way of Eastern Airlines?

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Deregulation in 1978 brought more competition for a while, but the industry's consolidation has brought voices saying deregulation hasn't worked so well.

Although few predict that regulation will return to pre-1978 form, there will be efforts to reform the system. Expect continued challenges to airline-run computer reservation systems and frequent-flier programs, which critics say help strong airlines squash weaker ones.

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Labor agreed to pay cuts or two-tier pay plans in the 1980s to keep their carriers competitive, yet the industry as a whole struggles to make a buck.

While employees demand higher compensation, airline managers say they are having a hard time staying profitable and affording the aggressive expansion they need to stay in the game.

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While the airlines say they need higher fares to make a profit, travelers already think prices are too high.

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Recession has put the squeeze on news budgets, but editors say they're still covering what they want

By Fred Monk

Newsrooms across the nation are still feeling the effects of an industry recession, but it hasn't crippled the ability to get the job done, business editors across the nation say.

The effects of the recession appear to be leveling at many business news departments, and an industry analyst sees better but not great times ahead.

"This is the most significant downturn in the industry in two decades," said Kenneth T. Berents, who follows the newspaper industry for Alex. Brown & Sons in Baltimore.

Unless trends dramatically change, he said, 1991 will mark the first time the industry has had back-to-back yearly declines in advertising in modern times. Over the past 40 years, he said, newspapers have only experienced declines in advertising in 1958, 1970 and 1990.

"I think we are going to look back on the 1980s as the golden age of newspapers as far as the bottom line," he said.

He said the industry reached its peak operating margin (pretax profits as a percentage of revenues) in 1986-87 at 24.1 percent, and will bottom out this year at 16.6 percent.

Berents, who does a quarterly survey of 1,500 newspapers, said indications are the business will begin rebounding in 1992. However, he said, newspaper managers only expect the operating profit margin to return to about 20 percent.

The shift of 8 percentage points in operating profit margin from 1986 has put the squeeze on business news budgets, in staffing, space and travel. But editors say they are still covering the stories they want.

Fred Andrews, business editor at the New York Times, said while there isn't a hiring freeze on at the newspaper, the Times has just ended a round of employment buyouts.

He said business news has been able to fill a couple of positions internally. Newshole, he said, has not been affected recently. He said a decision was made some time back to cut a page out of Monday involving the international report. But he said that resulted more from a dissatisfaction in positioning of international business news than a space crunch.

Nonetheless, he said, it has been a difficult climate in which to operate. "No one has seen the light at the end of the tunnel."

From a staffing standpoint, he said, NYT is down from 90 to 100 positions in business news to 80 to 90, depending on how you count staffers.

At the Wall Street Journal, Managing Editor Paul Steiger said there have been no further cuts this year in general news staffing, and space has remained constant since the Journal went to three sections in 1988.

Late last year, he said, the Journal decided to close its Philadelphia bureau, and it cut some positions in composing, but there haven't been any other substantive cuts.

So far, he said, tighter budgets have not gotten in the way of getting every story in the newspaper that the news staff wanted to do.

At the Los Angeles Times, a hiring freeze is still in effect newsroom wide, but business has been able to make key replacements, said business editor Bob Magnuson. He said the normal 60-person business staff is down six positions. Four of 30 reporting positions are frozen.

"It's a tough time to do things new and better."
- Larry Werner of the Star-Tribune

Space is down significantly. "It's been a gradual squeeze," he said. He said business has lost about a half page daily, one to two pages on Sunday and two pages on Monday.

While travel has been cut, he said the Times is still sending people all over the globe. Like other newspapers, he said, travel has to have a news impact.

Looking ahead to 1992, Magnuson said, "I don't expect any dramatic changes. We are down to the bone, but we're used to it."

"We'll be budgeting a 4 percent increase in expenses over 1991," said Owen Youngman, assistant managing editor for financial news at the Chicago Tribune. That, he said, is an encouraging sign.

Youngman said there are no openings on the staff, and newshole hasn't been cut back this year. Space that was cut last year has been restored. He said there's been a marginal cutback in travel.

"We've eliminated trips that don't result in a story," he said. "We are not wasting money."

"We've had a practical job freeze on for a year," said Philip Moeller, business editor of the Sun in Baltimore. "I'm down not great. He said he expects ad lineage to pick up in the fourth quarter of 1991 and for the industry to have a recovery year in 1992. He acknowledged for some, particularly in the Northeast, it might be 1993 before signs of recovery show.

Berents, who was compiling his third quarter survey in mid-July, said only managers in one geographic area, the Northeast, said they were in a deep recession. Only respondents from the Pacific Northwest said they have not been in a recession.

Berents also said that newspapers above 75,000 circulation were feeling the pinch much more than newspapers with circulation under that number.

Besides cyclical factors, he said there were a number of secular reasons for the two-year decline.

Newspapers, he said, are facing more competition, particularly from direct mail advertising; there's been a decline in newspaper penetration; more competition from leisure time activities; major retail department stores shuttered up; and the rise of the small specialty store that doesn't do as much advertising.

But he quickly added:

"This is not a business that's gone bad. It's a great monopolistic business that now is a good monopolistic business."

Fred Monk is business editor of the State in Columbia, S.C.

Job listings

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Shopping beat open

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He said the newsroom is operating at about 450 positions, down from 520 before the October 1987 crash.

"We really started reducing staff by attrition and other means several years ago in the wake of the 1987 crash," he said.

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Newshole, he said, was trimmed again this year. "On a daily basis we are down a page." As a way to get back some of that space for news, he said, agate was cut by a column.

Jodi Schneider, business editor of the Orlando Sentinel, said the newspaper has a hiring freeze on, but key replacements are being made. Two positions on the Sentinel's business staff of 23 are frozen.

"The whole paper has been tight since the Persian Gulf War," she said. Next year, she said, "is looking brighter."

She said she expects an increase in the travel budget, which has been down over the past six months, and an ability to fill one of the frozen reporting positions.

"Things are still frozen here," said Craig Stock, business editor of the Inquirer in Philadelphia. But, he said, the business desk has been able to fill openings internally through shifting resources at the newspaper.

He said a business page redesign resulted in dropping stock options and a savings of four columns. "We are sort of in a holding pattern in terms of space. That's good news in these times," he said.

At the Star-Tribune, the newspaper of the Twin Cities, Assistant Managing Editor for Business Larry Werner said a $10 million company-wide campaign to cut costs is taking $2 million out of news operations.

"It's a tough time to do things new and better," he said. "We've lost about 30 positions in the newsroom."

He said the business staff is down two writers, and "for the time being we have vacancies frozen."

One vacancy resulted when U.S. News & World Report lured a reporter. "It's an interesting job market," said Werner. "Those who can hire have their pick."

Alex. Brown's Berents said he expects 1992 to be better, but

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The SABEW Administrative offices are looking for a few old newsletters and convention programs to complete the organization's files.

Missing are:

Newsletters

April 1980 to August 1981
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Convention programs

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1966
1967
1980
1981

If you have any of the above or know where they can be found, please contact Doris Barnhart at (314) 882-7862.

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See the Great Lakes

The Rochester Democrat and Chronicle is seeking a personal finance and banking reporter for an anticipated opening in its 10-person business staff. Applicant must have at least two years experience as a business reporter, though not necessarily in personal finance. Send resume and clips to Robert L. Frick, Business Editor, The Democrat and Chronicle, Rochester, NY 14604.

No job for a rookie

The News Tribune, a McClatchy Paper serving the hot Seattle-Tacoma market, seeks an experienced business reporter to cover the area's major employer —The Boeing Co. Aviation experience is helpful and solid business credentials are required. This challenging beat is not for rookies. Send resume, samples and references to: Caroline Ullmann, business editor, P.O. Box 11000, Tacoma, WA 98411-0008.

International editor needed

International Business, a monthly international business magazine, is seeking an executive editor. Applicants should have ten years experience, an international business background and good people skills. Send resume, clips and salary requirements to Editor, International Business, 401 Fremd Ave., Rye NY, 10580.

Consumer angle elusive

(continued from page 1)

pain the industry would still be going through six months later," Carroll said.

That forced the news media to focus on the troubled airlines and the huge losses even the stronger airlines suffered. Chicago Tribune reporter Stan Ziemba started the airline beat in December, the month Continental sought protection from creditors, and just before Pan Am (January), Midway (March) and America West (June) entered bankruptcy.

Ziemba, who had been covering commercial real estate, said the new beat is "a lot more hectic."

"I find myself doing a story nearly every day. I think that's the nature of the industry, the shape that it is in right now, with the economic blahs and trying to generate more traffic and more revenues. Then you've got the whole series of bankruptcies and a few other carriers on the brink of bankruptcy. It's a very busy beat," Ziemba said.

While the financial problems have been a constant source of stories, the consumer angle to the distress has been a bit harder to find.

"If you count up the airlines in bankruptcy, it seems to be business as usual from the travelers' standpoint," USA Today's Carroll said. "These airlines are continuing to operate. The agents that I talk to don't seem to notice any difference. Service of these airlines is as good or as bad as it was before they filed for Chapter 11. It's very difficult to find a traveler angle in the financial distress that these airlines are going through."

There are a few exceptions. The shutdown of Eastern on Jan. 18, 1991, obviously generated stories of travelers stranded, of tickets not honored. When and if Pan Am stops flying, reporters will stay busy writing similar stories about the impact on ticket-holders and frequent-flier club members.

Also, a side effect of ailing airlines is that they sometimes sell tickets cheaply to generate money, and force the rest of the airlines, even the healthy ones, to match their low fares.

Witness America West's half-price sale in February and Pan Am's low, low fares across the Atlantic for a time after the Iraqi conflict ended.

Although airline reporters are usually writing for the business section, they say they're always trying to write for the traveler if possible.

"It isn't strictly the business angle,'' said Martha Hamilton, who has covered transportation for the Washington Post since 1986. "To the extent there's a consumer interest in the stories, we try to focus on that. There is in most airline stories."

When she started the beat, the big issues were the mergers and acquisitions that were reshaping the industry, and airline service, "which was terrible," she said.

"You had an incredible number of delays in the system, and service was just lousy. You couldn't walk into a party and say you cover the airline industry without this mass of people rushing over to tell you their horror stories," she said.

She attributed the service problems to the industry's transition to a deregulated environment, the difficulty in merging airlines, the switch to a hub-and-spoke system for most airlines and the tremendous increase in passengers in the 1980s.

"Part of it was consumers who had been used to being part of the flying elite having to get used to sitting next to people with tattoos," she said.

With few exceptions, reporters tend to stress a local angle to their coverage, even while they write stories of national scope. The local emphasis is particularly true when major airlines are in a reporter's back yard.

Miami's Reed noted that with Pan Am going and Eastern gone, he is losing the major focus for his coverage. American has a Miami hub that is the jumping off point for its Latin America service, some airline may buy Pan Am's Latin America system and several carriers have major operations in the state, but it's not like having an airline there with its headquarters or major offices.

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At the Wall Street Journal, Managing Editor Paul Steiger said there have been no further cuts this year in general news staffing, and space has remained constant since the Journal went to three sections in 1988.

Late last year, he said, the Journal decided to close its Philadelphia bureau, and it cut some positions in composing, but there haven't been any other substantive cuts.

So far, he said, tighter budgets have not gotten in the way of getting every story in the newspaper that the news staff wanted to do.

At the Los Angeles Times, a hiring freeze is still in effect newsroom wide, but business has been able to make key replacements, said business editor Bob Magnuson. He said the normal 60-person business staff is down six positions. Four of 30 reporting positions are frozen.

"It's a tough time to do things new and better."
- Larry Werner of the Star-Tribune

Space is down significantly. "It's been a gradual squeeze," he said. He said business has lost about a half page daily, one to two pages on Sunday and two pages on Monday.

While travel has been cut, he said the Times is still sending people all over the globe. Like other newspapers, he said, travel has to have a news impact.

Looking ahead to 1992, Magnuson said, "I don't expect any dramatic changes. We are down to the bone, but we're used to it."

"We'll be budgeting a 4 percent increase in expenses over 1991," said Owen Youngman, assistant managing editor for financial news at the Chicago Tribune. That, he said, is an encouraging sign.

Youngman said there are no openings on the staff, and newshole hasn't been cut back this year. Space that was cut last year has been restored. He said there's been a marginal cutback in travel.

"We've eliminated trips that don't result in a story," he said. "We are not wasting money."

"We've had a practical job freeze on for a year," said Philip Moeller, business editor of the Sun in Baltimore. "I'm down several people."

not great. He said he expects ad lineage to pick up in the fourth quarter of 1991 and for the industry to have a recovery year in 1992. He acknowledged for some, particularly in the Northeast, it might be 1993 before signs of recovery show.

Berents, who was compiling his third quarter survey in mid-July, said only managers in one geographic area, the Northeast, said they were in a deep recession. Only respondents from the Pacific Northwest said they have not been in a recession.

Berents also said that newspapers above 75,000 circulation were feeling the pinch much more than newspapers with circulation under that number.

Besides cyclical factors, he said there were a number of secular reasons for the two-year decline.

Newspapers, he said, are facing more competition, particularly from direct mail advertising; there's been a decline in newspaper penetration; more competition from leisure time activities; major retail department stores shuttered up; and the rise of the small specialty store that doesn't do as much advertising.

But he quickly added:

"This is not a business that's gone bad. It's a great monopolistic business that now is a good monopolistic business."

Fred Monk is business editor of the State in Columbia, S.C.

Job listings

"Job listings" is a service of The Business Journalist. To list a job, free of charge, fax a three to five paragraph announcement to (314) 882-9002.

Shopping beat open

The Cleveland Plain Dealer is looking for a reporter to cover the retail, marketing and advertising beat. Three to five years experience required. Send clips and resume to: Business Editor, Cleveland Plain Dealer, 1801 Superior Ave., Cleveland, Ohio 44114.

See the Great Lakes

The shift of 8 percentage points in operating profit margin from 1986 has put the squeeze on business news budgets, in staffing, space and travel. But editors say they are still covering the stories they want.

Fred Andrews, business editor at the New York Times, said while there isn't a hiring freeze on at the newspaper, the Times has just ended a round of employment buyouts.

He said business news has been able to fill a couple of positions internally. Newshole, he said, has not been affected recently. He said a decision was made some time back to cut a page out of Monday involving the international report. But he said that resulted more from a dissatisfaction in positioning of international business news than a space crunch.

Nonetheless, he said, it has been a difficult climate in which to operate. "No one has seen the light at the end of the tunnel."

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At the Wall Street Journal, Managing Editor Paul Steiger said there have been no further cuts this year in general news staffing, and space has remained constant since the Journal went to three sections in 1988.

He said the newsroom is operating at about 450 positions, down from 520 before the October 1987 crash.

"We really started reducing staff by attrition and other means several years ago in the wake of the 1987 crash," he said.

WANTED: Old Newsletters

The SABEW Administrative offices are looking for a few old newsletters and convention programs to complete the organization's files.

Missing are:

Newsletters

April 1980 to August 1981
All of 1979
Everything prior to 1968

Convention programs

1964
1966
1967
1980
1981

If you have any of the above or know where they can be found, please contact Doris Barnhart at (314) 882-7862.

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Newshole, he said, was trimmed again this year. "On a daily basis we are down a page." As a way to get back some of that space for news, he said, agate was cut by a column.

Jodi Schneider, business editor of the Orlando Sentinel, said the newspaper has a hiring freeze on, but key replacements are being made. Two positions on the Sentinel's business staff of 23 are frozen.

"The whole paper has been tight since the Persian Gulf War," she said. Next year, she said, "is looking brighter."

She said she expects an increase in the travel budget, which has been down over the past six months, and an ability to fill one of the frozen reporting positions.

"Things are still frozen here," said Craig Stock, business editor of the Inquirer in Philadelphia. But, he said, the business desk has been able to fill openings internally through shifting resources at the newspaper.

He said a business page redesign resulted in dropping stock options and a savings of four columns. "We are sort of in a holding pattern in terms of space. That's good news in these times," he said.

At the Star-Tribune, the newspaper of the Twin Cities, Assistant Managing Editor for Business Larry Werner said a $10 million company-wide campaign to cut costs is taking $2 million out of news operations.

"It's a tough time to do things new and better," he said. "We've lost about 30 positions in the newsroom."

He said the business staff is down two writers, and "for the time being we have vacancies frozen."

One vacancy resulted when U.S. News & World Report lured a reporter. "It's an interesting job market," said Werner. "Those who can hire have their pick."

Alex. Brown's Berents said he expects 1992 to be better, but

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See the Great Lakes

The Rochester Democrat and Chronicle is seeking a personal finance and banking reporter for an anticipated opening in its 10-person business staff. Applicant must have at least two years experience as a business reporter, though not necessarily in personal finance. Send resume and clips to Robert L. Frick, Business Editor, The Democrat and Chronicle, Rochester, NY 14604.

No job for a rookie

The News Tribune, a McClatchy Paper serving the hot Seattle-Tacoma market, seeks an experienced business reporter to cover the area's major employer —The Boeing Co. Aviation experience is helpful and solid business credentials are required. This challenging beat is not for rookies. Send resume, samples and references to: Caroline Ullmann, business editor, P.O. Box 11000, Tacoma, WA 98411-0008.

International editor needed

International Business, a monthly international business magazine, is seeking an executive editor. Applicants should have ten years experience, an international business background and good people skills. Send resume, clips and salary requirements to Editor, International Business, 401 Fremd Ave., Rye NY, 10580.

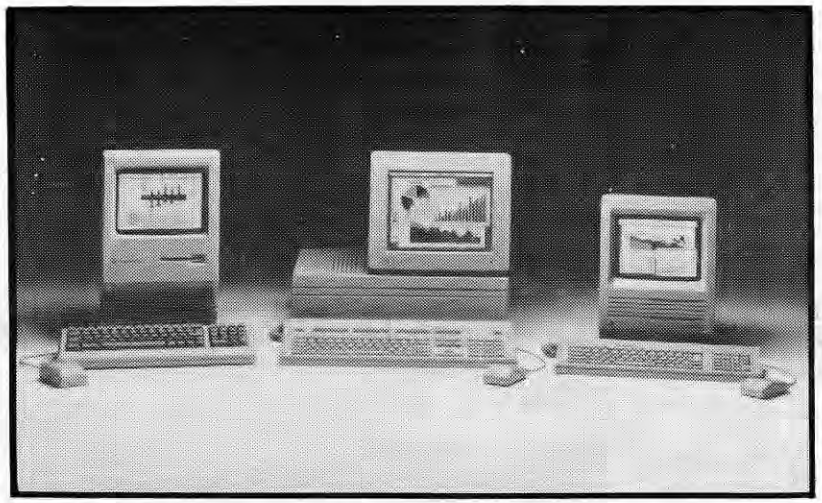
Pick the software to meet your needs, then pick the computer to match the software

By Rory J. O'Connor

Personal computers are one of the most powerful tools of business — and perhaps one of the least used by the journalists who cover the field.

Yet a personal computer can serve a reporter as well as it can an executive. It can be a personal organizer, a "smart" Rolodex, a gateway to mountains of computerized business information, and a tool to write it all down. More powerful ones can also help you sort through public databases in search of a story.

Before you can do any of that, you'll need to buy a machine. Unless you're lucky enough to work for a publication that will buy one for you, be prepared to part with $2,000 to $3,000 or more of your hard-earned cash for a modern computer and accessories.



The Macintosh family includes, from left, the Mac Plus, the Mac II, and the Mac SE.

Buying a computer can be a daunting experience if you go unprepared. There are hun-

least 2400 "baud" (around 2,400 characters per second). Anything slower isn't worth it.

Buying the software is a little tougher: communication programs are one of the last truly arcane parts of computing. Look for features like automated log-on, which can give you one-button connections after you enter all the details once.

For keeping your contacts straight, there's no end of programs that offer everything from keeping simple lists of names and addresses to sorting your sources a hundred ways and dialing their numbers for you. Some are "pop-up" programs that are always at your service, even when you're doing something else; they are probably the most useful. Many will print Rolodex cards or DayTimer pages for you.

Business reporters might well want to add a spreadsheet for analyzing financial reports. Lotus 1-2-3 is the traditional leader, but a number of challengers are available, notably Quattro from Borland International and Excel from Microsoft Corp.

Once you pick some software, you can start shopping for your computer. Here are a few hardware basics:

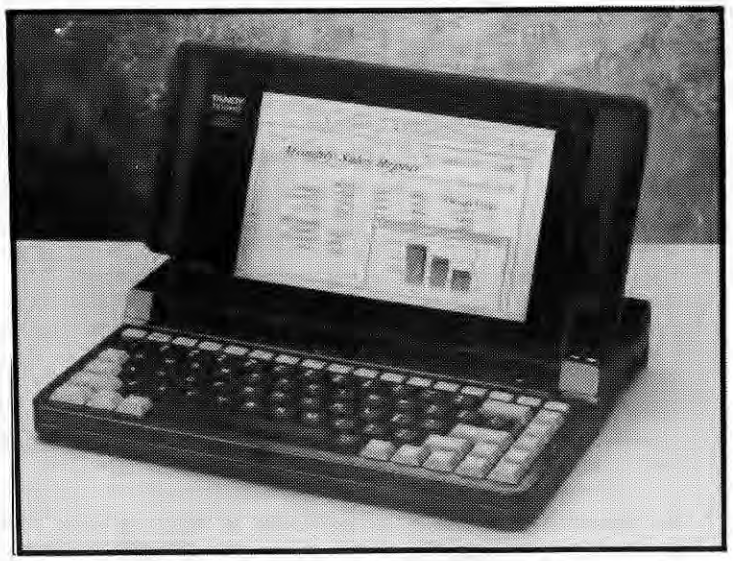
drives to store that information when it's not being used. The need for both is increasing with every new program on the market, so buy as much as you can reasonably afford: at least one megabyte of RAM on a 286 system, no less than 2 megabytes on a 386 or Macintosh system. A hard disk is a real necessity: get at least a 40 megabyte device (at least 100 megabytes if you plan to search databases).

•Next to the speed of the computer, the thing you'll notice most is the quality of the screen. On Macintosh models, that's not a problem: they all look good, although getting a color screen is quite expensive. On a PC, there are several categories of display. The least expensive one worth considering is called EGA; better still, and not much more expensive, is called VGA. Be sure to see exactly the screen you'll buy in action: two VGA screens may have vastly different resolutions.

•Most users will want a printer. The cheapest, around $200 to $300, are called dot-matrix and print characters using a matrix of stiff wires that strike an inked ribbon. Their printing ranges from marginal to acceptable for most uses. Much better quality and much

If you don't like the keyboard, see if the dealer will swap for another brand you like better. New keyboards run around $100 to $150.

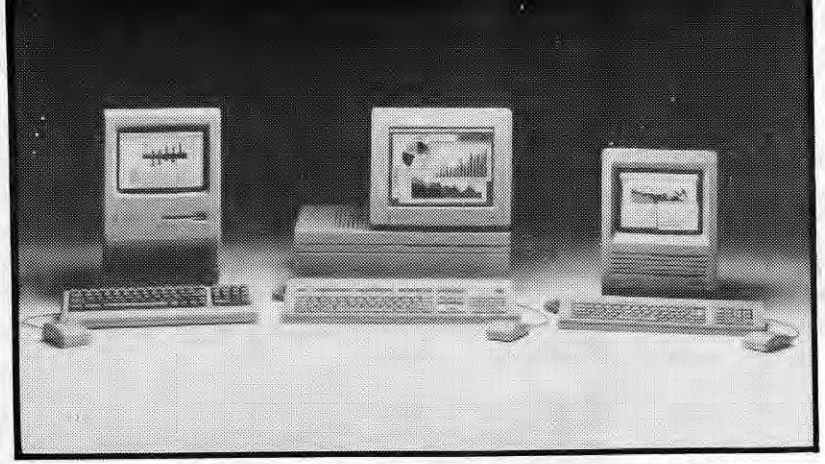
•If you decide to run Windows, you'll need a "mouse," a little palm-size device you ma-



The Tandy 3810 HD laptop computer

neuver on the desk. There are more kinds of these than you might imagine, including models from Logitech Inc. that come in right- and left-hand versions. Cost: from $30 to $100. Also, if you're buying a PC, try to buy a machine with both a 3.5-inch and 5.25-inch high-capacity floppy disk drives. Adding a second floppy drive to a pre-packaged clone costs only $40 or so.

For many reporters, portable or "notebook" computers are a serious consideration. You can find a six pound, battery-powered



The Macintosh family includes, from left, the Mac Plus, the Mac II, and the Mac SE.

Buying a computer can be a daunting experience if you go unprepared. There are hundreds of choices, both in the machines themselves and the programs they run, and a pile of jargon to understand.

But it need not be that way. The most basic rule of buying a computer is to know what you want to do with it first, and then pick the software that does it. The software will in many ways dictate what computer you'll need, and then you can shop for it based on price and dealer service.

For reporters generally, a computer needs at least to be a good word processor, to communicate with other computers (notably the one your editor uses), and keep a list of names and phone numbers.

There are dozens of word processing programs, aimed at every user from memo writers to book authors. One program, XYWrite, works much like an Atex system and might be comfortable for reporters in Atex newsrooms. The market leader is WordPerfect, a very powerful but very complex program that often requires training. The key is to try several programs to find one that is both comfortable and has the features you want.

Communication with other computers requires two elements: an accessory called a modem that hooks to a telephone line, and a communications program. Buying the modem is fairly simple: look for a so-called Hayes-compatible model with a speed of at

analyzing financial reports. Lotus 1-2-3 is the traditional leader, but a number of challengers are available, notably Quattro from Borland International and Excel from Microsoft Corp.

Once you pick some software, you can start shopping for your computer. Here are a few hardware basics:

•There are two principal types of personal computers, the IBM PC and its "clones" and the Apple Macintosh line. Programs that run on one machine don't work on the other (although they can exchange most data fairly easily). The PC accounts for about 80 percent of all personal computers in use, there's more software available for it, and it's usually the less expensive alternative. But the Macintosh is considered by many to be easier to use. There is a program called Windows that millions of PC users are adding to their computers to make them work more like the Macintosh. It also needs a more powerful — and more expensive — PC.

•PC-type machines are classified according to what microprocessor "brain" is running the machine. The most common chips are Intel Corp.'s 80286, 80386 and the 80386 SX, which is a sort of stripped-down version of the 80386. Older machines that use the 286 are cheapest and are fine for basic word processing and communications. If you want to run Windows, peruse big databases or simply keep pace with technology, choose a 386 computer. You can forget the 386 SX unless you're buying a notebook computer, where it's hard to avoid.

•All computers need system memory — called RAM — to store the programs and data you're working on at the moment, and disk

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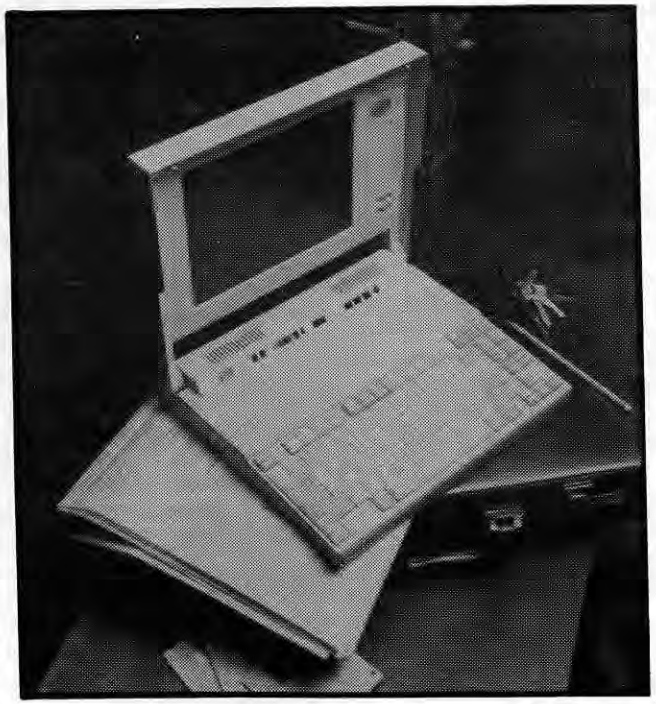
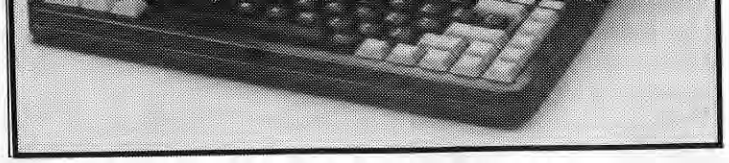


IBM's laptop computer – the Personal System/ 2 L40 SX

quieter operation can be had with ink-jet printers like the Hewlett-Packard DeskJet, which costs around $600. Laser printers offer the best printing of all, but you'll pay at least $1,000 for the privilege.

•Check out a computer's keyboard before you buy it. Some feel "mushier" than others.



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For many reporters, portable or "notebook" computers are a serious consideration. You can find a six pound, battery-powered machine equipped much like a good desktop model for $1,000 more — the premium for the ability to slip it into your briefcase and use it wherever you are.

Besides price, the other drawback to notebook computers are their screens. Rather than the television-like CRT screen of desktop models, which demands a lot of electric power, notebooks use a liquid-crystal display (LCD) like those found in watches. The characters on LCDs aren't as crisp as CRTs, and they can be hard to read under certain lighting conditions. And you can forget color unless you want to spend thousands extra.

Battery life is also a serious issue for notebook users. Many machines get just a couple of hours from one set of batteries — not nearly enough for constant use on a cross-country flight. And manufacturers' ratings of battery life are often overstated.

Rory J. O'Connor is computing editor of the San Jose Mercury News.

What in the world do you want to know?

ASSIGNMENT:

Do a story on major food producer's national roll-out of diet dessert featuring new health product.

NEED: Background, market strategy, the competition, and possible health effects.

TO DO: Search DIALOG®, the most complete and powerful information system available anywhere in the world.

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- First Release℠ (BEGIN FIRST) collection of newswires for late breaking information.
- D&B's FINANCIAL RECORDS PLUS℠ (FILE 519) for company background, financials, and principals.
- MEDLINE® (FILES 152-155) for product chemistry and effect of food additives.

Calculators, well-used, save effort, headache

By Jim Mitchell

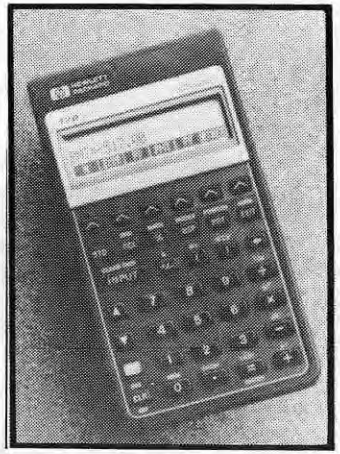
If you've ever visited a business school, you've probably seen hand-held calculators that look even more complicated than a slide rule.

They have lots of tiny rows of keys that in most cases have two or three sets of unintelligible letters or numbers on them, such as SST, %T and EEX.

They seem expensive and far more complicated than anything a business journalist might want to use.

While that may have been true, it's no longer the case. Sophisticated business calculators are available for as little as $30.

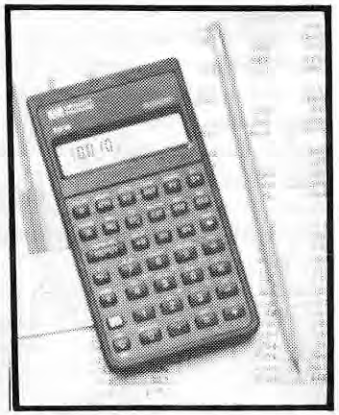
And although even some of the least expensive models have capabilities most business journalists can't use, they can perform some useful calculations we couldn't do in the past. They also can simplify some calculations we've always done, which means we're less likely to make a mistake.



Hewlett-Packard 17BII

One of the most useful features of these calculators is the ability to calculate compound interest. Say you want to determine the compound rate of a company's earnings. That's virtually impossible to do on a traditional four-function calculator but is very easy on the Hewlett-Packard 10B (street price about $30).

Using the HP 10B, you key in the first number, 29; press enter; key in 25; press the gold function key and press the percentage key, and, if your calculator is set to provide answers to two decimal places, the number -13.79 appears on screen. While you still must round off, the process is simpler and more foolproof.



Hewlett-Packard 10B

While business calculators take some getting used to, the transition isn't difficult. You quickly learn to ignore keys you never use. And the gold function key on the HP 10B (and the gold and blue function keys on the HP 12C, street price about $75) act just like shift keys on a typewriter or computer.

Perhaps the trickiest feature on some business calculators is that they use logic called reverse Polish notation (based on logic invented by a Polish mathematician in the early 1900s) while others use algebraic logic.

Algebraic logic allows us to enter numbers the way most of us are trained to think. For example, to add 237 and 144, we key in 237, plus, 144 and the equal sign. To use calculators programmed with reverse Polish notation, you would key in 237, enter, 144 and the plus sign.

Reverse Polish notation is cumbersome at first but is easy to get used to.

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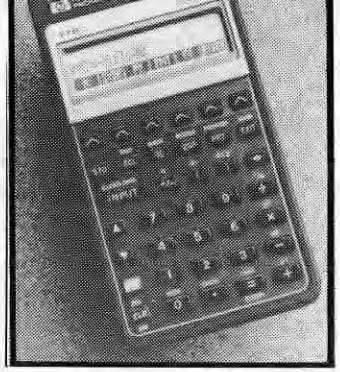
BUSINESS



Hewlett-Packard 17BII

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You use a similar process for calculations such as: the purchasing power of today's dollar if we have 4 percent inflation for the decade (about 66 cents) or what a home or a stock or an ounce of gold would be worth if it increased in value at 11 percent a year for the next 20 years.

These calculators also make it simple to compute monthly mortgage payments — and are far faster than trying to call a banker or mortgage broker if you're trying to determine the impact of changing mortgage rates.

Computing percentage change, perhaps for an article on quarterly results, is also simpler on a business calculator. Say a company earned 25 cents this quarter compared with 29 cents in the like quarter last year.

Using my ancient four-function Sharp calculator, you would key in 29, hit the minus sign, key in 25, hit the divide sign and key in 29, and 0.137931 appears on the screen. That's pretty simple, but you must be careful to divide by 29, not 25. You also must move the decimal point two spaces to the right, round off properly and remember that it's a decrease in earnings.

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Hewlett-Packard Business Consultant II

If you like, you can buy business calculators with fancy features, such as an alarm clock, an appointment calendar, the ability to enter text and menus to guide you. Some business calculators (with street prices of about $140) will even use infrared technology to allow you to send data from the calculator to a small, battery-operated printer (street price about $110).

Jim Mitchell is business editor of the San Jose Mercury News.

The future is our business

(continued from page 1)

in household formations in the 1990s because of shrinking numbers of young adults. We knew long ago this was going to happen. But few such articles appeared until after the slump in home prices actually occurred, and even then most of the stories attributed it to the weakening economy (which may be only partly true and leaves readers with the mistaken impression that the housing market will be fine again after the recession.)

Perhaps more than any other section of the newspaper, readers of business news need as much information as we can reliably impart to them about the future. Most of our readers are long-term investors, holding onto real estate, stocks and other investments for many years. People looking to start a business need to have some sense of the long-term outlook for that industry. So do people trying to decide on a career. And those who manage a business are constantly looking for information about the future so they know where to steer their company.

Yet if we continue to look no further than a quarter or a year into the future, we are not serving our reader's needs. We may even be misleading them because the long-term reality is often much different from our short-term perspective.

Video rental stores, for example, may seem to be a viable, if competitive, business now. But if you look a bit into the future, at the plans of cable companies — to vastly expand the number of "pay-per-view" movie channels in the next few years — and the "video-on-demand" experiments being conducted by telephone companies — video rental stores seem more like dinosaurs just before the meteor struck.

To give another example, faculty positions at many colleges are tight now because a shrinking young adult population has led to declining enrollments. Anyone reading about the current hiring situation on college campuses would certainly be discouraged from pursuing a career in the field. But in several years (about the time it would take for a graduate to earn an advanced degree for college-level teaching), that situation is expected to dramatically change. Colleges will face the prospect of having to replace hundreds of thousands of retiring faculty members hired during the 1960s to accommodate the surge in baby boom enrollments. At the same time, enrollments will start climbing again as the baby boomers' children reach college age.

To be sure, the future holds many uncertainties. Some things, such as fashion trends, cultural tastes, and politics, defy prediction — even though some charlatans will try (and send you press releases on it).

Nor can anyone reliably predict with any precision the timing and magnitude of long-term trends. No one can forecast with any certainty what the exact price of oil will be in 1995, or what the economic growth rate will be in [illegible] that make any prediction less than 100 percent certain.

Nevertheless, we can still paint an important picture of what the future is likely to hold so our readers can take steps to prepare for — and capitalize on — the likely changes to come.

We are the only ones who can shed light on the future for our readers. No one else will. Wall Street analysts generally don't look more than a year into the future. Politicians won't look beyond their next election campaign.

Which is why the long-term future seems to hold such serious problems.

We focus on today's problems in the airline industry, which is groping for passengers. But we largely ignore tomorrow's problems, which are much different and more serious. Even with modest increases in passenger traffic over the next several years, as both government and private analysts expect, air travel will approach gridlock for lack of new airports, runways, gates, and terminals. Flight delays will become chronic. And the survivors of the airline industry will become a powerful oligopoly because a shortage of landing slots and gates will effectively keep out new competition.

Look no further than the government's own projections. There are 21 major airports now classified as being seriously congested. By the end of the decade, the number is expected to reach 67.

How can we be so sure that the crisis won't be averted? Because the air traffic system is already suffering from insufficient capacity, and it takes at least a decade to plan and construct a new airport. Only one is currently being built.

Politicians don't talk much about the problem because they don't want to risk their political necks in the next election by talking about the need to raise billions of dollars in new taxes to build airports that won't be completed until long after they've left office.

When politicians or business executives do talk about the future, we rarely give them the same level of scrutiny that we do when they talk about past events, which we can verify with other sources. Because we view the future as such an uncertain and unverifiable place, they are given free rein.

When politicians propose a budget, we largely accept their deficit forecasts even if the underlying assumptions bear little relation to reality. After all, who is to say that we can't have five percent economic growth and three percent inflation? Or that supply-side tax cuts aren't a miracle prescription? After all, we're dealing in the future and anything can happen.

True, but we do know what is likely and what is not. Just as we spend time sorting out the truth of the past, so too must we sort out the truths of the future.

Becoming knowledgeable about the future should be every editor's and reporter's responsibility. And our responsibility doesn't end with the occasional feature story about the future — such as the best jobs of the 1990s. Our sense of what lies ahead must be injected into our daily stories. It is essential if we are to give proper perspective to our stories.

Winners and losers in the 1990s

Rising Trends

Waste disposal
Health-care services
Biotechnology
Retirement communities and nursing homes
Home entertainment
Space commercialization
Infrastructure rehabilitation
Health and convenience foods
Space-age materials
Time-saving devices
Cost-saving devices
Highway and air traffic congestion
Computers playing more central role
Telecommunications, fax machines, electronic mail
Information services
Golf, bicycling, walking, cross-training
Energy prices
Service sector
Pharmaceuticals
Child care
Elderly care
Alternative fuels
Flexible compensation
Flexible work hours
Digitalization
Foreign competition
Children's goods
AIDS cases
Elementary and high school enrollments
Continuing education
Taxes
Cellular phones

Moderating or Declining Trends

Alcohol consumption
Tobacco use
Defense industry
College enrollments
Real estate
Early retirement offers
Network TV audiences
Births
Economic growth rate
Inflation
Jogging, aerobics
Manufacturing jobs
Pesticides
Consumer electronics
Video rental stores
Mainframe computers
Divorce

conducted by telephone companies — video rental stores seem more like dinosaurs just before the meteor struck.

To give another example, faculty positions at many colleges are tight now because a shrinking young adult population has led to declining enrollments. Anyone reading about the current hiring situation on college campuses would certainly be discouraged from pursuing a career in the field. But in several years (about the time it would take for a graduate to earn an advanced degree for college-level teaching), that situation is expected to dramatically change. Colleges will face the prospect of having to replace hundreds of thousands of retiring faculty members hired during the 1960s to accommodate the surge in baby boom enrollments. At the same time, enrollments will start climbing again as the baby boomers' children reach college age.

To be sure, the future holds many uncertainties. Some things, such as fashion trends, cultural tastes, and politics, defy prediction — even though some charlatans will try (and send you press releases on it).

Nor can anyone reliably predict with any precision the timing and magnitude of long-term trends. No one can forecast with any certainty what the exact price of oil will be in 1995, or what the economic growth rate will be in the fourth quarter of this year or in ten years. (But we can inform our readers of general trends, e.g. falling U.S. oil production this decade means rising imports and likelihood of higher prices.)

And then, of course, there are all the unforeseen events — wars, technological breakthroughs, government action — talking about the need to raise billions of dollars in new taxes to build airports that won't be completed until long after they've left office.

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Gary L. Klott is the author of "The Complete Financial Guide to the 1990s" (Times Books/Random House); before discovering book editors, veal and Bordeaux, he was a business writer for the New York Times.

Elementary and high school enrollments
Continuing education
Taxes
Cellular phones

Moderating or Declining Trends

Alcohol consumption
Tobacco use
Defense industry
College enrollments
Real estate
Early retirement offers
Network TV audiences
Births
Economic growth rate
Inflation
Jogging, aerobics
Manufacturing jobs
Pesticides
Consumer electronics
Video rental stores
Mainframe computers
Divorce
Job promotions
Job security
Messenger services

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Prospective perspective, or where to find forcasts

By Gary L. Klott

There are many public and private sources available to help you gain a better perspective on the future.

Many private economic consulting firms do very long-range forecasts. So do most government agencies, even though the forecasts are not widely reported.

Following are several government references that may be of help in navigating the future. Some of these publications are likely to be in your newsroom library. If not, have your librarian contact the relevant agency or order from the U.S. Government Printing Office (202) 783-3238.

U.S. Industrial Outlook: Published by the Commerce Department, this guide provides detailed analyses and long-term prospects for over 350 industries. It is updated every year. The book also provides the names and phone numbers of Commerce Department analysts in each field. Makes a handy reference for covering local industries.

U.S. Bureau of the Census: The Census Bureau publishes a steady stream of information on demographic trends. Many of its analyses include long-term projections. You can find some of these long-range forecasts in the *Statistical Abstract of the United States*, the annual reference that should be in every newsroom library.

Annual Energy Outlook: Published by the Energy Information Administration (part of the U.S. Department of Energy), this publication provides long-term forecasts on oil, natural gas, coal, electricity, nuclear and alternative energy sources.

FAA Aviation Forecasts: This annual publication from the Federal Aviation Administration provides long-term aviation forecasts, including projections for each major airport.

Occupational Outlook Handbook: Published by the U.S. Labor Department's Bureau of Labor Statistics, this guide contains a wealth of information about virtually every occupation, including long-term employment prospects for each. It is updated every two years. A statistical supplement to the handbook, *Occupational Projections and Training Data*, is published separately.

Office of Technology Assessment (OTA): The OTA, which researches technology issues for Congress, produces various reports on new technologies and how they are likely to affect the economy and people's lives.

Workforce 2000: This 117-page book offers an excellent overview of how economic, demographic, and technological trends are expected to reshape the workplace and the job market. The book was published for the Labor Department in 1987 by the Hudson Institute, a think-tank based in Indianapolis.