

SUMMER 2007

TBJ

THE BUSINESS
JOURNALIST

Expect to be
in this
environment
for some time
to come.

There was a tremendous searching for what would make a difference.

If you're not a
white-water person,
you might not want
to be in the canoe
right now.

It's amazing how fast a sea change
can move, once it takes hold.

There's going to be a lot of bruising
and grisly death out there.

We have to be
willing to accept
lower profit margins.

Quality journalism
meant comprehensive
journalism, with
extensive resources and
lengthy investigations.

Now we must content
ourselves more with
covering more stuff.
Customers are interested
in and doing it well.

Happiest place on Earth?

The setting might have been surreal, but there was plenty to learn
at SABEW's annual conference in Anaheim

State of the industry // Page 2

Housing market meltdown // Page 6

Scenes from the Magic Kingdom // Pages 12-17

Mary Jane Pardue

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BEHIND THE BEAT

Strategies to navigate industry through rough waters

ANAHEIM — A panel of newspaper executives at the SABEW annual conference acknowledged that newspapers are in a very difficult period, but they shared optimism about the future.

"I'm extremely excited about being in this business and I think our futures are bright," said Scott Flanders, CEO of Freedom Communications, owner of the Orange County Register. Flanders, former CEO of Columbia House Co., joined the newspaper industry in January 2006. He previously had been with Telstreet.com and Macmillan Publishing.

But, he said, newspapers today have to understand what audiences they have to reach and then deliver.

"We can no longer rely on stock tables to bring in business professionals. We have to deliver something else," he said.

Flanders offered two challenges for business journalism.

One is to make it more exciting to be read — and that means writing about rumor or conjecture.

"All business journalism is local," he said, adding that we should be more willing to do Page 6-type coverage, a reference to the popular New York Post feature.

The second is to make our columnists, writers and editors brands.

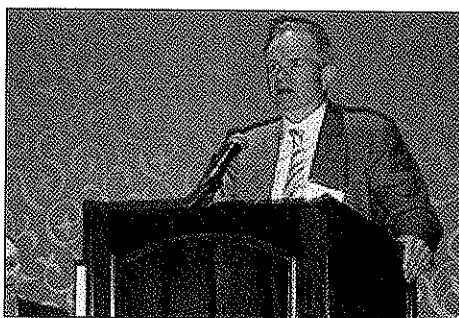
"We want to invest in branded information that is relevant to our local communities," he said. His advice to the editors at Freedom Communications is to invest in branding because that will make them more valuable to readers.

Ultimately, he said, business journalism should be more personalized. "We have to accept



BECKY BISBEE

State-of-the-industry panelists, from left, Scott Flanders, of Freedom Communications, Paul Steiger, Wall Street Journal, and David Hiller, Los Angeles Times, agree that the newspaper is facing a challenging period during a session moderated by Myron Kandel, formerly of CNN, far right.



Paul Steiger accepts SABEW's Distinguished Achievement Award in recognition of his 40-year career as a business journalist.

the fact that business executives are celebrities. If we don't write about that, others will and we risk losing our audience." He also said he doesn't believe business journalists are as known by executives as they should be.

He cited the trend toward privatization of U.S. businesses and encouraged business journalists to embrace their critical role as watchdogs in covering private companies. "I believe business journalists over-report on public companies and underreport on private companies."

He said business journalism doesn't do enough analysis and interpretation of what globalization means to the local community. "We

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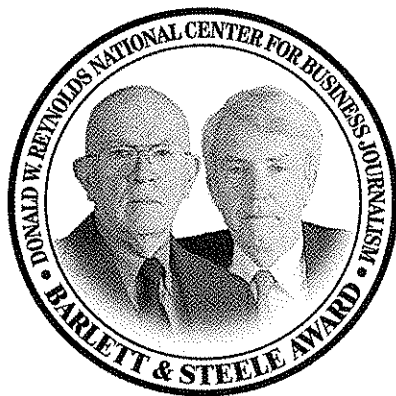
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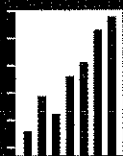
First place \$5,000
Runner-up \$2,000



Named for the widely acclaimed investigative business journalist team of Don Barlett and Jim Steele, these awards funded by the Reynolds Center celebrate the best in print and online investigative business journalism.

Jim Steele: "We'd like to see journalists who keep the bigger picture in mind. Someone who brings an understanding of complex issues that have not been properly explained. Don and I have an informal motto: Tell the readers something they don't know about."

Entries must have appeared between July 1, 2006 and June 30, 2007.
Each print publication or online organization is limited to two entries.
All rules and details posted online at
www.businessjournalism.org/barlettsteeleawards/.



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PRESIDENT'S LETTER

A pause from the doom and gloom to honor best in our business, set new course

ANAHEIM — It felt good to celebrate. Amid the travails affecting the print side of our profession, members attending SABEW's 44th annual conference in Anaheim had plenty to feel good about — and it wasn't merely because we were at Disneyland.

Despite the sobering situation facing newspapers, business journalism overall has a bright future, something we who practice the craft know well.

We report on news that our audiences — readers, listeners, webservers — care about. Many sessions at the conference focused on improving our craft. They ranged from sharpening practical skills, such as how to interview like an FBI agent, to thoughtful examinations of issues, such as health care and the importance of pre-kindergarten education.

And I'll bet few will forget the interactive "Ethics Jeopardy" session; our Fifth Annual Gary Klott Ethics Symposium was funded in part by a grant from the Ethics & Excellence in Journalism Foundation. (Kudos to those who showed up at 7 the next morning to review our Code of Ethics.)

We celebrated excellence with the Best in Business awards and with our recognition of Paul Steiger, who recently retired as managing editor of the Wall Street Journal after 15 years, who received our Distinguished Achievement Award.

Typical of Steiger, those who know him would say, he spent much of his acceptance speech focusing on the achievement of others. He recounted the persistence, exhaustive reporting and sharp analysis by Wall Street Journal staffers Charles Forelle, James Bandler, Mark Maremont and Steve Stecklow in uncovering the improper backdating of options by dozens of corporations. Their work won the Pulitzer Prize Public Service Gold Medal this year.

This TBJ issue has a number of articles about conference sessions and we will be posting handouts on our Web site. But there is no substitute for attending yourself.

Beyond the sessions, much of the learning

and sharing goes on among members at receptions, dinners and yes, at the bars — and that can't be duplicated online. Invest in yourself and your profession. Plan on attending the Fall Workshop in Chapel Hill, N.C., on Oct. 20-21 — which has a great lineup of sessions (See story on Page 26); and mark your calendars for next year's annual conference in Baltimore on April 27-29.

On behalf of SABEW's Board of Governors, I would also ask you to invest in SABEW. We want to grow and to serve members better. And to do that, we need you. Under the leadership of President Dave Kansas, SABEW has adopted a five-year strategic plan firmly rooted in our tradition of strong ethics. The plan, which can be viewed on our Web site, is a roadmap — some aspects may be pushed ahead, others delayed.

But the overall goal is to make SABEW very much a member-driven organization. In the past year, we've improved our Web site, added online training sessions (with more to come) and have plans for many programs and services.

To achieve those, we'll be tapping a greater number of non-board members to serve on committees and task forces.

See how you can help:

- Serve on a committee.
- Respond to membership surveys.
- Use our listserv.
- Spend time on our Web site.
- Take our training.
- Donate to SABEW.

On a closing note, by now, some of you may have read that I have a new job at the South Florida Sun-Sentinel as Sunday/Enterprise Editor after having served as Business Editor for nine years. I'll still be involved in getting business stories to Page One, and my commitment to excellence in business journalism is unwavering.

Sometimes, when I'm asked why I became a reporter, I'll joke that I grew up on a street named Lois Lane (yes, true) and so had no choice. But the reason I was drawn to business reporting is a bit more complicated — and deeply personal.

Growing up in the Detroit area, I witnessed

first-hand the economic devastation in the 1970s and '80s and the dislocation of communities and families, a scenario I am sorry to see replaying. Our family felt blessed because my Dad, an engineer, had purposely chosen a field — water and sewer — that he figured was safe from the ups and downs of the auto industry. "We'll never go out of business because people always need water," he would say.

I was in college, studying to be an environmental writer when I got an unforgettable phone call.

"They called the loan," my mom said. I didn't understand what she was saying. She told me the engineering firm where my Dad had worked for more than 30 years had expanded, took out loans — and when business softened and some of the big bank failures happened — the bank got nervous and demanded immediate repayment.

"But they're making the payments," I remember telling her, with an outrage I can still recall.

For an engineering firm, its only assets, aside from a few desks and computers, are its people. My Dad worked for more than a year without pay to try to save the company. Ultimately, it folded, taking with it his pension.

I was angry at the situation, and angry that I didn't understand it. So I took a capital markets class, and then a few other business and economics courses, and ended up with a minor in economics. I watched my father struggle in his 50s to find another job, which he did. "You gotta keep going," he would say. He loved his work, took pride in it, and continued working until just a few months before he died at age 72.

As for me, I found a passion for business journalism — for understanding the complexities of the business world and explaining them. When journalists in other fields say business reporting is too much about numbers, I smile, because I know better.

I've thought a lot about my Dad as our industry faces its challenges. As I finish writing this on June 4, the sixth anniversary of his death, I think of one of the many lessons I learned from him: "You gotta keep going." And so we shall.

Congratulations

Bloomberg journalists:

**Bill Koenig, Rachel Layne, John Lippert, James Gunslaus,
Peter Robison and Gillian Wee**

"Bill Ford Makes Way for Mulally"

Christine Richard

"MBIA Debt Backed by Crack Houses Perpetuates Blight"

Michael Smith, David Voreacos

"The Secret World of Modern Slavery"

William Selway, Martin Z. Braun, David Dietz

"Duping Main Street"

Michael Lewis

"What the Money Culture Breeds"

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**CHAIR'S CORNER**

Experts predict another year or two before housing market rights itself

ANAHEIM — As the maxim goes, all real estate is local. And judging by the interest at the Monday night banquet panel “The Housing Mess: How Long, How Deep?” the housing mess is the big local story for business reporters around the country.

In Orange County, real estate is a spectator sport. Sometimes it's bragging about how high prices keep going; sometimes, it's worrying that the bubble is about to burst.

Getting out is what investment manager and panelist Mark Kiesel, executive vice president of PIMCO funds, did. He sold his Orange County home at what he believes is the top of the market. A lot of his furniture is in storage and his wife isn't particularly happy, but he's comfortable renting as he waits out the overheated market.

But getting out at the market height isn't an option for many Americans, particularly in cities such as Detroit where manufacturing has taken a major hit. Property values there have declined in double digits, due to job cutbacks by automakers. Florida property values have dropped 25 percent due to a host of factors, including the Latin American economy, speculation in the condo market and soaring high insurance rates caused by a string of hurricanes.

But the shark in the national housing waters is the sub-prime lending market.

Amy Crews Cutts, deputy chief economist for Freddie Mac, said she is worried about how the soaring number of defaults to less-than-pristine borrowers (a credit score of less than 602) will spill over into the economy.

It's been four years (June 2003) since the record low rates of 5.25 percent enticed many renters and speculators into the market. Those promotional entry rates are now expiring, leaving homeowners with voracious payments. All of this is happening as Americans are being squeezed by high gasoline prices and measly annual raises.

The problem is epidemic in places such as Colorado, where shady lenders skipped the income verification process or others documents usually required to approve a loan.

From a homebuilder's perspective,



BECKY BISBEE

Emile Haddad of Lennar Corp., second from left, says builders will concentrate on cutting costs instead of innovating during “The Housing Mess” session with moderator Ilyce Glink, far left, and panelists Amy Crews Cutts of Freddie Mac and Mark Kiesel of PIMCO Funds.

Real estate stories

The panelists offered the following suggestions on what to watch for when writing about your real estate market:

From Amy Crews Cutts of Freddie Mac

- The housing market will hit bottom this summer – depending on how bad the subprime lending explosion is in your market. Housing prices, however, will be very slow to rebound.
- The refinance market will continue to slow, as the mortgage market tightens its lending rules. Watch for lawmakers to tighten rules, which all panelists worry would really throw a wrench in the market.
- The resets in adjustable rate mortgages starts in earnest in 2008 – put that down for a future Sunday story.

From Emile Haddad of Lennar Corp.

- If you're in a market like Miami, look for South American capital flows.
- Builders will continue to cut costs, making it tough for innovations.

From Ilyce Glink, syndicated real estate columnist and moderator

- Some markets like Manhattan are bulletproof right now, thanks to foreign owners. Investing in high-end, A-plus U.S. real estate is a great parking place for international capital looking to ride out inflation in their unsettled homeland.

From Mark Kiesel of PIMCO Funds

- Look at vacancy rates and inventory to determine if the market is coming back. He says the market will not rebound quickly as easy money brought forward future demand.

Americans are still buying homes, just waiting longer, said Emile Haddad, chief investment officer of homebuilder Lennar Corp.

And for many areas in the middle market – where the rapid rise in inflated values didn't occur and where the economy is steady — the market is relatively calm. In fact, Seattle and Texas cities such as San Antonio and Austin are

seeing healthy growth this year.

Marty Steffens is SABEW Chair of Business and Financial Reporting at the University of Missouri School of Journalism. She is the veteran of the California real estate market, having lived there from 1981-1991 and from 2000-2002. Email her at steffensm@missouri.edu



BECKY BISBEE

Moderator Rex Seline put panelists Kathy Kristof, Beth Hunt, Ray Hennessey and Alecia Swasy on the hot seat during the Fifth Annual Gary Klott Ethics Symposium.

What would you do when ... given a chance to decide

BY SUSAN TOMPOR

ANAHEIM — You've been trying unsuccessfully to get an interview with a CEO. A friend suddenly offers you a pass to the country club where that CEO plays golf. Great, right? But what's the right thing to do here?

Should you take the pass? Or skip it?

Or let's consider this ethical challenge. Say you're a popular personal finance columnist and your editor has just broken the news to you that your column will now regularly be sponsored by a local bank — and only one local bank.

Do you protest and refuse to write anything about banking? Go out of your way to now write every negative column possible about banks? Or ignore the ad and write the column as you would have, regardless of the sponsorship?

Editors and writers got to play a version of "Ethics Jeopardy" at the Fifth Annual Gary Klott Symposium at the annual conference.

Tough ethical questions were pulled from the headlines — and professional experience. Audience members got to play an interactive role by using a hand-held gadget to cast a vote electronically from their seats. Results were immediately viewed on the screen for all to see.

Four panelists engaged in the discussion: Ray Hennessey, editor of SmartMoney.com; Beth Hunt, manager of editorial operations for American City Business Journals; Kathy Kristof, syndicated personal finance columnist for the Los Angeles Times, and Alecia Swasy, assistant managing editor for Dow Jones Newswire.

The show's lively host: Rex Seline, managing editor/news for the Fort Worth Star-Telegram.

As for the CEO?

On the Web

Take the "Ethics Jeopardy" challenge and compare your answers to the conference results at www.sabew.org

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Single-Day Business Journalism Workshops

From the Donald W. Reynolds National Center for Business Journalism

"Covering the Business of Sports"

Reporting on Ticket Prices, Merchandising, Stadium Development

New York Sept. 28

"Covering Private Companies and Non-Profits"

Regulatory Filings, Financial Disclosure, Insight into Company Operations

Houston Oct. 2

Professional Conventions (For convention registrants)

"Follow the Money"

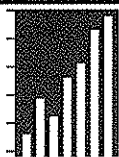
South Asian Journalists Association
New York July 13

"Investigating Business in Your Backyard"

Asian American Journalists Association
Miami August 1

"I've been to three Reynolds Center workshops already, and today I still learned many practical tips that I'm eager to put to use. The session was so inspiring that I can't wait to get back to my desk to sift through SEC filings."

-Nicole Wong, *San Jose Mercury News*



Donald W. Reynolds National Center for Business Journalism

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The Center is funded by a grant from the Las Vegas, Nevada-based Donald W. Reynolds Foundation.

To register, visit:
www.BusinessJournalism.org

CEO says Disney bullish on expanding Kingdom over Web

BY SANDI CAIN

ANAHEIM — The Internet and digital media dominated the conversation with Walt Disney Co. CEO Bob Iger at the annual conference.

For Disney, those platforms have meant a new focus on providing entertainment, collecting consumer information while delivering more consumer products online and expanding its presence in the global marketplace.

But Iger's talk also provided an insider's look at the challenges and strategies that media companies must address to remain competitive.

"The advent of digital technology is ... changing the complexity of this business," he said.

New distribution methods and an increasing number of ways for consumers to access media have convinced the Walt Disney Co. that consumption of local media will increase during the next decade, Iger said.

"We're very bullish about media consumption," he said.

Disney believes the Internet will become a strong entertainment medium that companies can leverage to their advantage — particularly in gathering consumer information. It also allows for two-way communication with that consumer, giving the company an additional means to grow the business.

"We believe that will be a powerful growth engine for this company going forward," he said.

One way Disney plans to use consumer information is by feeding detailed information about a theme park to people who make online reservations and indicate what they are interested in doing during their stay. Iger said that helps people customize their visits — and might translate to longer stays and higher spending.

But he also said the company is devising a policy on how consumer data can be used. "We plan to tread carefully," he said.

Iger outlined three critical strategic priorities for Disney in the digital age:

- Creating branded, high-quality content that will provide the company a competitive edge.



Disney CEO Bob Iger answers questions following his speech.

BECKY BISBEE

- Making the consumer experience better by getting in touch with them directly, moving content onto more platforms and making that content more compelling.

- Achieving global growth by creating localized content with universal appeal and doing so in those markets with local talent. "That's incredibly important and valuable."

Iger fielded about a dozen questions from the audience, including one about a recent incident in the Middle East involving a Mickey Mouse-style character that criticized Israel and the U.S. on a Hamas-controlled TV station.

Iger said the company response was intentionally low-key. "We made the decision not to create or prolong public discourse on the issue," he said, though executives did talk to government officials about the matter.

He readily admitted a few company mistakes, notably being late to embrace computer animation in the 1990s.

He also suggested that the short-lived experiment with the ESPN phone may have come too early for consumers, costing the company somewhere in the neighborhood of

\$100 million, according to some analyst estimates. Iger called the phone a great idea, but said the price, marketing and a "flawed retail strategy" doomed the effort. He was quick to point out that the company learned valuable lessons from those missteps.

With a high number of audience members from Southern California, it was only natural that Iger was asked about plans for future theme parks. Iger said there are no plans for a fifth park in Orlando, Fla., and that the company is not looking for additional Southern California locations. (It already owns land for a proposed third theme park in Anaheim.)

Instead, he said, the parks and resorts division is looking at other domestic markets for things such as the Disney Vacation Club, timeshare resorts and cruise line expansions that might help enhance the "Disney family vacation experience."

Sandi Cain is an associate reporter for the Orange County Business Journal in Irvine, Calif. She received a scholarship from the Ethics & Excellence Foundation to attend the conference.

NAFTA 13 years later

Health and standards of living suffer along U.S.-Mexico border

BY JONATHAN HIGUERA

ANAHEIM — It's been 13 years since the U.S. and Mexico signed the North American Free Trade Agreement, more commonly known as NAFTA. During that time, trade has ballooned between the two countries but so have the negative social impacts of mass migration on the 2,000-mile border separating the two countries.

That region is under unprecedented siege, according to Richard Kiy, president and chief executive officer of International Community Foundation, a San Diego-based charitable organization that grants money to non-profit organizations that operate programs on both sides of the U.S.-Mexico border.

During a panel discussion at the annual conference, Kiy said the San Diego-Tijuana border region is emblematic of the problems present throughout the border region, from California to Texas. Affordable and safe housing is in short supply, a lack of clean water looms, and public health issues, such as the rising HIV/AIDS and tuberculosis rates, are major concerns.

Moreover, environmental degradation and human and drug trafficking are threatening the

"There has been some improvement in the standard of living of Tijuana residents in the last decade. But the growth has come at the top."

— Paul Ganster

region's stability and undermining the quality of life for its 12 million residents on both sides of the border, he said.

The shrinking U.S. budget commitment to border problems could compound those issues, said Kiy, a former environmental attache to the U.S. Embassy in Mexico.

"When I was at EPA during pre-NAFTA, the budget for border environmental projects was \$240 million," he said. "Today I'm hearing that this year's budget may not be more than \$10 million."

The San Diego-Tijuana region is home to some 4.3 million residents, said Paul Ganster,

an economist at San Diego State University, who also served on the panel. Of those that live in Tijuana, 60 percent live in poverty.

"There has been some improvement in the standard of living of Tijuana residents in the last decade," he said. "But the growth has come at the top."

One factor has been Mexico's maquiladora program, a tax subsidized manufacturing program for foreign-owned companies. The maquiladora program, started in the 1960s by the Mexican government, was supposed to be in severe decline since 2003 when foreign companies began opting to move its assembly work to Asia, where wages were lower than the Mexican minimum wage.

But after seeing about one-fifth of the plants close down in 2003, the number of maquiladora plants in Mexico is on the upswing. And about 60 percent of the 2,750 plants are owned by U.S. companies.

The easy entry point to U.S. markets makes the location irresistible, Ganster said.

Flat screen TVs are being assembled in Tijuana, Ford vehicles are being built in

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Biotech industry moving to virtual company model

BY STEPHEN NELLIS

ANAHEIM – Biotechnology is a field so confounding it frustrates even its own experts and financiers, admitted panelists discussing “The Next Hot Biotech Stories” at the annual conference.

“It’s very complex,” said Joe Panetta, president of Biocom, a life science industry association representing more than 550 companies in Southern California. “It’s not understandable to a wide audience.”

Panetta said most of the biotechnology stories he sees fall into two broad categories: stories about potential wonder drugs five to 10 years from market, and stories about experimental drugs with horrible side effects.

Simplified coverage, Panetta argued, belies the nuances of the business of biotechnology.

Profitable biotechnology, Panetta said, involves big risks. Only about one in 20 experimental treatments make it to market, taking up to 15 years and costing up to a billion dollars. Panetta said the basic research for new treatments “simply put, wouldn’t be done through even the risks that venture capitalists would be willing to take.”

That’s where the federal government and politics come in. “We depend tremendously in this industry on basic research funding,” Panetta said. “We wouldn’t have an industry if we didn’t have the funding that goes into the National Institutes of Health.”

That’s relatively old news. It has been long known that successful drug development requires expertise, deep pockets and luck. The newer story is that federal funding is flat or declining, and large pharmaceutical companies are nervous about empty product pipelines as patents on their blockbuster drugs near expiration. “The pharmaceutical drug development model is broken,” Panetta said.

Consequently, large pharmaceutical companies are stepping in to snap up nascent biotechnology companies. Panetta said partnerships between biotechnology companies that can work quickly to develop new ideas and the vast capital of large pharmaceutical companies “is a potentially lucrative model.”

“A partnership between pharma and a small biotech that keeps things at arms length and allows the biotech culture to thrive while relying on the resources of the pharmaceutical company, I think, is a positive thing,” Panetta said.

While pharmaceutical companies are mov-



VC Ivor Royston, Biocom president Joe Panetta, and stem cell expert Evan Snyder discuss the newest trends in the biotech industry with moderator Terri Somers of the San Diego Union-Tribune.

BECKY BISBEE

ing in to fund companies in pre-clinical stages of treatment development, venture capitalists are moving in the opposite direction. They’re taking their money to companies with promising clinical data already in hand.

That trend is “putting the burden on universities, nonprofit institutes and other foundations to fund that gap,” said venture capitalist Ivor Royston, managing partner of Forward Ventures and a biotechnology godfather who in 1978 helped found the seminal San Diego-based Hybritech, Inc.

Royston said that, in 2000, 75 percent of the biotechnology companies that went public were pre-clinical, meaning they weren’t yet testing treatments on humans. Today, 88 percent of the companies that go public are already in the clinic with positive results, often in at least Phase II of the FDA approval process, the phase in which a treatment is given to a small number of human patients.

Royston said venture capitalists are dealing with rising costs and risks in the biotechnology sector by going virtual, which largely equates to outsourcing basic science. A company will keep a few scientists on staff in the United States and have ground-level research done in other countries, such as China. So far, Royston said, Chinese scientists have been supplying quite reliable chemistry work.

“In our portfolio today, we must have over half a dozen companies that are virtual.”

While the business end of biotechnology is

complex, the science itself can be downright recondite. In the case of stem cells’ researchers are just beginning to understand the intricate manner in which implanted stem cells and host cells talk back and forth to one another to repair and maintain damaged body systems, said Evan Snyder, program director for stem cells at the Burnham Institute for Medical Research in La Jolla, Calif.

Snyder said the oversimplified distinction between “embryonic” stem cells, which are grown from inner cells of a clump of about 100 cells after egg fertilization, and “somatic” stem cells, which are found in adults, has obscured the how much promise each cell type holds. He said adult stem cells from blood or bone marrow can’t form the functional nerve tissue needed to treat conditions like Parkinson’s Disease.

“In my experience, no source has been able to do that to my satisfaction, or the satisfaction of any other neurobiologist” except embryonic stem cells or somatic stem cells from the nervous system of a fetus or adult, Snyder said.

“Anything else you’ve read is garbage.”

Stephen Nellis covers biotech at the Pacific Coast Business Times. He received a scholarship from the SABEW chair to attend the conference.

Old scams can lead to new guys in new scams

BY PAMELA YIP

ANAHEIM — One of the biggest challenges for business reporters is to uncover swindles, skullduggery and stock scams at companies.

But there are methods you can use, according to money manager Cory Johnson and David Milstead, finance editor at the Rocky Mountain News.

Both participated in the "Swindles, Skullduggery and Stock Cons" session at the annual conference.

"My job is to find these frauds and find companies which lie," said Johnson of the Kingsford Capital hedge fund who shorts stocks in his money manager role. "They can be found with a systematic approach."

"Focusing on the bad guys in the old scams is a way to find new guys in the new scams," he said. "There's a way to connect one path to the next." Some wrongdoers have "an unusual number of

connections" that land them in trouble again and again, said Johnson, a former reporter with CNBC.

Be a contrarian when sniffing out a suspected crooked company, he said.

Look for those who sing a company's praises and then find out why it may not deserve the accolades, Johnson said.

"In the securities business, it's not OK to exaggerate," he said. "That's lying, that's fraud, and it's deceiving investors." He encouraged reporters to persevere if they suspect a company's committing fraud.

"Fraud reporting is hot, and you can't do enough of it," Johnson said. "Look for numbers that don't ring true."

It comes down to one thing: Is the company making money? "There are a bunch of companies that have no earnings," Johnson said. "Companies that have no earnings have no business."

And companies are often their own worst enemy, Milstead said.

"Companies are still doing stupid things," he said. "I am often surprised at how much is disclosed, rather than what isn't." For example, take company executive officers' biographies that appear in proxy statements or 10-Ks.

"If one of the executives is said to have worked with a brokerage firm, and you don't recognize the name, do a little research and contact your state securities regulator," Milstead said.

"He or she can run the name of the individual or firm through a database of enforcement actions and tell you whether either has been in trouble before. You'll often be surprised the answer is yes, yet they're now the officer of

a public company."

Reporters also should become familiar with some of the basic principles of revenue recognition, "since almost all accounting frauds have revenue problems at their core," he said.

"Learn about concepts like the customer taking title and risk of the purchased product, and the need for a company to be confident a customer can actually pay for what it's buying," Milstead said.

"Figure out whether a company uses a distributor network when it makes sales and what rights of return the distributors and customers have."

Pamela Yip is the personal finance reporter and columnist at The Dallas Morning News. She

NAFTA

>> Continued from Page 9

Hermosillo and General Electric products are being produced in Ciudad Juarez.

States on both sides of the border are taking a bigger role in keeping the lid on the social problems, but "philanthropy needs to step in," Kiy said.

In particular, companies that operate there need to boost corporate philanthropy, he said.

But part of the reason they have not is because Mexico's tax code doesn't allow them to write off their charitable giving, noted Ganster.

And even some U.S. regulatory controls stemming from the Patriot Act may be having a chilling effect on corporate giving, found a report from the

U.S.-Mexico Border Philanthropy Partnership.

One promise of relief that came out of the NAFTA negotiations has failed to deliver, Kiy said. The North American Development Bank was created to help provide loans aimed at spurring economic development and building infrastructure in the border region.

"If the border region was the 51st state, it would be first in federal crimes, fifth in joblessness and 12th in incidence of AIDS," Ganster said.

Jonathan Higuera is deputy director of the Donald W. Reynolds National Center for Business Journalism in Tempe, Ariz.

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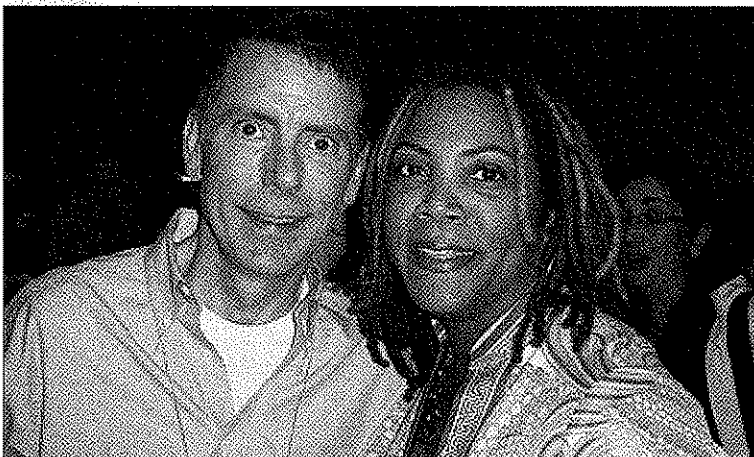
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Candid Conference

Scenes from the Happiest Place on Earth



Bernie Kohn of The Baltimore Sun leads his Tribune colleagues in a rousing rendition of "I will survive" as part of the Best in Business program. BECKY BISBEE



Dennis Fouton, Dallas Morning News, and Cathie Anderson, Sacramento Bee. BECKY BISBEE



Laura Goldberg, left, Houston Chronicle, and Lisa Gibbs, Miami Herald. BECKY BISBEE

Candid Conference



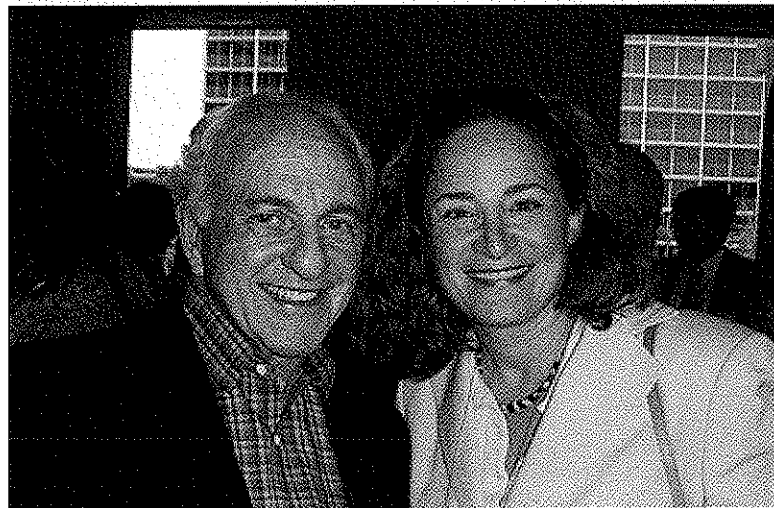
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Allan Sloan, Newsweek, far left, Heather Draper, San Antonio Express-News, and Marty Wolk and Allison Linn, MSNBC.



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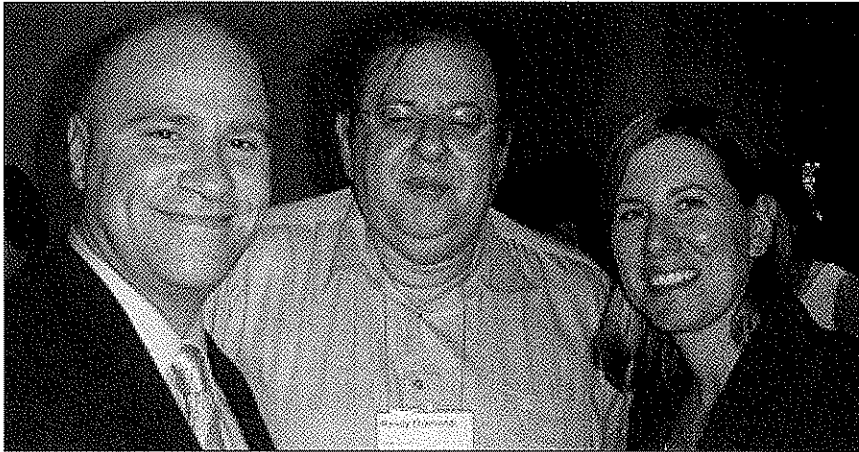
Outgoing President Dave Kansas receives a token of appreciation – a karaoke machine – from incoming President Gail DeGeorge.



BECKY BISBEE

Myron Kandel, formerly of CNN, and Ilyce Glink, syndicated columnist.

Candid Conference



John Dinkel, Baltimore Business Journal, far left, Randy Diamond, Palm Beach Post, and Joanna Sullivan, Baltimore Business Journal.

BECKY BISBEE



Internet entrepreneur Larry Kramer talks with a SABEW member after participating on the convergence panel.

BECKY BISBEE



Presidents Dave Kansas and Gail DeGeorge pose with Paul Steiger after Steiger received SABEW's Distinguished Achievement Award.

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Linda Alden, Boise Valley, left, and Mike Krasner, iMoney.net.

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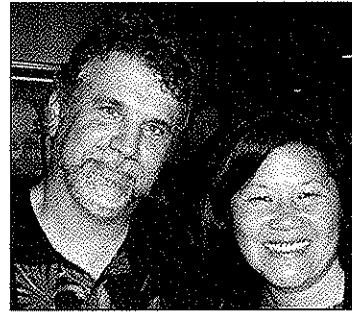
Ken McGuffin, Rotman School of Management, from left, Kim Quillen, New Orleans Times-Picayune, and Jondi Gomz, Santa Cruz Sentinel.

BECKY BISBEE



Jon Lansner, Orange County Register, left, and Maria Shao, San Jose Mercury News,

BECKY BISBEE



BECKY BISBEE

Kate Butler, right, of the AP was the winning bidder on an original cartoon by H. Payne with SABEW President Gail DeGeorge.

Dylan Cohen, Bloomberg News, left, and Dan Haar, Hartford Currant.

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Margaret Santjer of the Seattle Post-Intelligencer and Bill Heltzel of Blue Media Relations.

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Marce Edwards, Tacoma News Tribune, from left, Clibbord Cumber, Frederick News Post, Dawn Wotapka Hardesty, Long Island Business News, and Joseph de Leon, Frederick News-Post. BECKY BISBEE



Vincent Baldino, from left, Bipashe Gosh and Sebastian Laver, all Reuters. BECKY BISBEE

Candid Conference



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Allan Sloan, Newsweek, from left, Dave Kansas, Dow Jones/IAC, Barney Calame, retired New York Times and Wall Street Journal, and Myron Kandel, retired CNN.



BECKY BISBEE

Rick Christle of the Palm Beach Post and his auction win with Susan Tempor of the Detroit Free Press.



BECKY BISBEE

Alecia Swasy, left, of Dow Jones Newswires and Greg McCune of Reuters were the winning bidders on an original cartoon by Arizona Daily Star cartoonist.

Health care issues taking center stage

BY NANCY GERMOND

ANAHEIM — Health-care reform will be the second most important item on presidential hopefuls' platforms, right behind the Iraq war, according to panelists at the annual conference.

All three speakers had few kind words for an industry that is, according to one speaker, unwieldy, error ridden and complex. The session, "Healthcare Marketplace Primer," was sponsored by a grant from The Commonwealth Fund, a private foundation working toward health care reform.

The United States is the only industrialized nation without universal health care; and while wages remain flat, health care costs continue to

climb, according to panelist Cathy Schoen, senior vice president of The Commonwealth Fund. She said \$1 out of every \$5 of spending in the U.S. goes into healthcare.

"That's extraordinary by any means," Schoen said.

With insurance companies "cherry-picking" healthier individuals to insure, soaring premiums and limited access to health care for individuals and small business, many Americans are uninsured. According to the 2006 Commonwealth Fund National Scorecard on U.S. Health System Performance, 12 states have more than 23 percent of their population uninsured, with Texas the highest at 30 percent. The lack of coverage

load falls, increasingly, on low-to-middle income families.

This coverage crisis is "a political bombshell," said panelist Peter Lee, CEO of Pacific Business Group. "Small businesses can no longer afford health care. 2006 is a benchmark year [in terms of costs]. It's a huge tipping point."

The panelists mentioned several areas for improvements.

Poor management of the health-care industry contributes to rising costs, Schoen said. "There is \$50 to \$80 billion in potential savings if we

>> Continued on Page 27

Ethics

>> Continued from Page 7

Most journalists would go for it — 75 percent of the audience said they would take the pass and stake out the club. The pass was legitimate. No strings were attached to getting it from the friend.

Nineteen percent said they'd ask the friend to approach the CEO at the club and try to set up an interview that way.

And 6 percent said they would refuse the pass because it wouldn't be appropriate to approach him outside of a business setting.

As for the bank ad?

Hennessey raised the point that

sponsorship of specific editorial content is often more common for online publications — than traditional newspapers.

"I think my appearance here is brought to you by Citibank," he joked.

Hunt noted that journalists are more concerned about ad placements than the everyday readers.

Here's how the journalists voted: 75 percent would ignore the ad, 23 percent protest the ad and refuse to write about banking, and 2 percent would go out of their way to write bad things about banks.

Gary Klott, a syndicated financial journalist and president of SABEW for the 1994-95 term, was a prime architect behind the current

ethics policy at SABEW.

The Gary L. Klott Ethics Fund was established to focus on business journalism ethics.

Sandra Duerr, Klott's widow and executive editor of the San Luis Obispo Tribune, said the format "spurred an excellent discussion on topical ethical issues, even though some answers weren't so black and white.

"The intent of the annual Gary L. Klott Ethics Symposium is to heighten awareness of the ethical pressures facing our membership and to offer guidance to us all," she said.

Klott, 52, died in August 2002. His widow and two children — Alex, 14, and Jackie, 12 — have

attended the ethics symposiums.

"Alex in particular found this year's discussion insightful. The practical questions and discussions, as well as the voting format, helped him truly understand what we mean by business ethics," she said.

This year's session was also supported by the Ethics and Excellence in Journalism Foundation, which granted \$25,000 to SABEW to launch several ethics-based initiatives.

Susan Tompor is a personal finance columnist at the Detroit Free Press and a SABEW governor.

Beat

>> Continued from Page 2

don't do enough of what it means to me"-type coverage.

David Hiller, publisher of The Los Angeles Times, said the story of the changing business models in U.S. business is as important a story to cover as anything has ever been.

"We ought to be able to make sure this is the golden age of business coverage," he said.

The current newspaper environment is requiring the industry to change. The challenge on the business side is to figure out how to make money and to stay profitable, said.

"If we can't make money in L.A., we aren't working hard

enough, and we're working hard. We have to dramatically transform the business and we've set about doing that," said Hiller, who left his post as publisher of the Chicago Tribune in October 2006 to lead the Times.

Hiller said the Times is focused on accelerating the use of the Web. That requires a change in thinking from being "print-centric" to developing multiple Web products.

"The Internet is a big part of our future. It's where people are turning for news. We are rethinking our role online" and what that implies for the transformation, he said.

There are many places today for readers to go to find what they are looking for. "In a fragmented media world, everyone has to find their place," Hiller said. "The question is

what is distinctive and unique about what the LA Times can do. There are certain areas we can stake out and be the 'must read' for those areas."

Hiller acknowledged the feelings of uncertainty shrouding the industry, calling it distracting. But he said, "We have an amazingly resilient staff and they are used to it. If you are not a white-water person, you probably don't want to be in the canoe we're all in."

Finally, Paul Steiger, who retired from his post as managing editor of The Wall Street Journal the week before the SABEW conference, said the golden age of newspaper journalism is over and we are now back to a modern version of what newspaper journalism was like in the '50s and before.

Today's environment has changed dramatically, he said. "We are in a competitive world where you have to fight for readers everyday, both online and in print.

"If you're going to be at all comprehensive, you've got to do it in both places."

Steiger said he didn't think this change is impossible, but "there will be a lot of bruising and a lot of death out there." He said we can survive, though, and thrive in it. "Our predecessors did and you can too."

The important thing to know, Steiger said, is that today's challenging environment "isn't going to go away. You can expect to be in this for some time to come."

Mary Jane Pardue is an associate journalism professor at the Missouri State University.

CEO pay expert offers top tips

BY DAVID MILSTEAD

ANAHEIM — The new executive-pay disclosures we're seeing in proxies this year deserve a lot of criticism. The formula for "total compensation" is goofy, and there's way too much information for an ordinary investor. (To learn how the Associated Press dealt with it, check out its guide on the SABEW Web site.)

But you're not an ordinary investor — in fact, it's your job to go through these things and tell readers what's really going on with pay. And there are some changes this year that will help a whole lot.

Here are four very good things about the new executive-compensation disclosure rules:

1. BETTER BONUS DISCLOSURE

How did the CEO get that big bonus? Before this year's changes, it was often a big mystery. Disclosures were vague or silent on what financial measures were used. Some essentially said, "We had tar-

On the Web

See Milstead's complete presentation at www.sabew.org under the the Training channel.

The Associate Press shares its method for calculating pay at www.sabew.org under the Training channel.

gets, which we won't tell you about, and we determined they were met, so we paid bonuses."

The 2007 disclosure, however, can run two pages rather than two paragraphs. Now, the financial measures are disclosed, with appropriate weightings. (Companies are still allowed to keep the exact targets secret for competitive reasons.)

At Denver's Qwest Communications, we can see that CEO Richard Notebaert has a bonus target of 200 percent of his \$1.1 million salary. That target of \$2.2 mil-

lion was multiplied by a "corporate performance percentage" of 125.4 percent and an "individual performance percentage" of 150 percent. The bonus: exactly \$4,138,200.

2. ALL OUTSTANDING STOCK OPTIONS

When a local company sells out in a merger, the executives stand to make millions from stock options. But the table that appeared in proxies didn't help much in calculating that number.

That table gave a total number of options held and one value based on the company's stock price at year-end instead of the options' exact exercise prices.

So to calculate an option payout, you needed to go back through years of proxies — possibly as many as 10 — to find the exercise prices of each year's grants. Then you needed to find out how much of each block of options remained. It took hours.

The new disclosure does that

work for you. It shows how many options the executive holds at each exercise price, and the date of expiration.

In the case of a merger, you can dump this table into a spreadsheet, enter the merger price, and calculate profits on each block of options. (You'll still need to take a quick peek at the recent stock-sale Form 4s to remove any options the executive has exercised since year-end.)

3. THE KINDEST CUT: SEVERANCE PAYMENTS

If you don't want to do the heavy lifting of calculating stock profits at the time of the merger, the least you can do is say what kind of severance check the departing executives will get. Under the old disclosure, you often had to go back and find an executive's employment agreement, attached to a previous filing, sometimes years before.

(One problem I always ran into: Is the severance based on actual

>> Continued on Page 27

BusinessJournalism.org

What's *new* at BusinessJournalism.org?

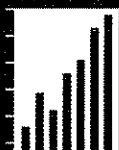
Cutting-edge redesign is just the start:

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Six tips for how you, too, can be a TV personality

BY JEREMIAH MCWILLIAMS

ANAHEIM — So let's say you're a hard-working, ink-stained print reporter, minding your own business and slinging out good stories. But in this age of rampant convergence, your boss wants you to — gulp — be interviewed on TV or radio.

Four experts at the annual conference dished out advice on how to put your game face on and do great broadcast interviews on the air or on Web podcasts.

Broadcasting "is something a lot of us are going to have to be doing more of, and should be more comfortable with," said Liz Weston, MSN Money personal finance columnist, who moderated the discussion.

Added Gail MarksJarvis of the Chicago Tribune: "We have to think, as print journalists, about whether we're building our credibility any way we can, and reminding audiences that we're there."

Here's some of the wisdom to avoid looking foolish.

1. GET HELP

Ask the producer for some guidance on how to present yourself on TV or radio. But do not enlist multiple people with competing philosophies of broadcasting; too many nuggets of advice swirling in your mind when you're on the air are a recipe for disaster.

2. BE HONEST WITH YOURSELF

"Not everybody is cut out to be on television," said Ilyce Glink, a nationally syndicated real estate columnist. "It's very hard to have a complete thought and make it intelligible. Overcoming your fear has to be your No. 1 priority."

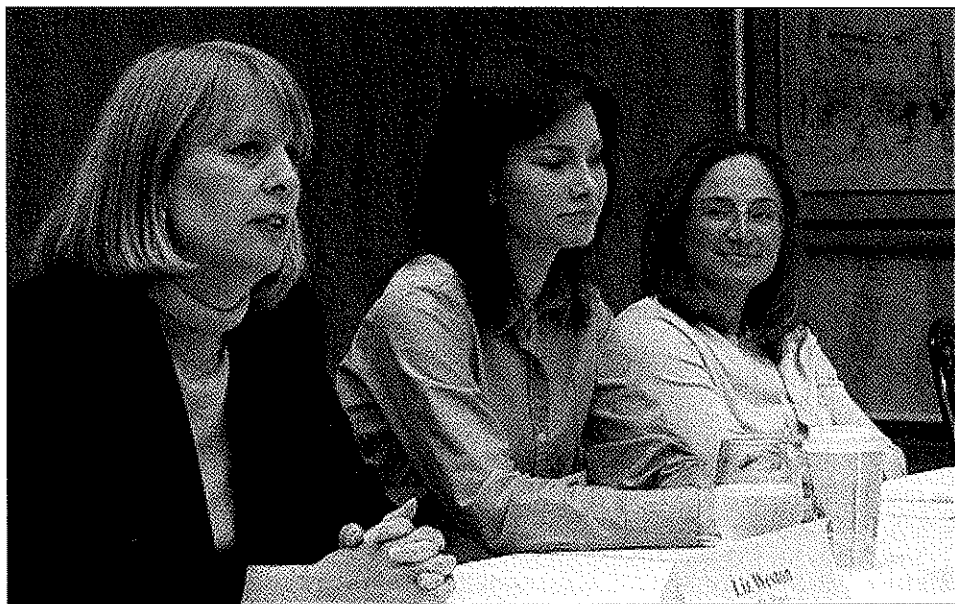
Think of the interview as a one-on-one conversation with whomever you're most comfortable talking with. It'll go a long way to minimizing your fear of the camera or microphone.

3. THE WRITING'S ON THE WALL

Whatever your (understandable) jitters, use the teleprompter.

4. KNOW THE PLAN

Before going on the air, said CNBC reporter Rebecca Jarvis, ask whether the interview is taped or live. Do a sound check for your ear clip and microphone. Ask where to look. Try to ask your questions before being "miked up." (You wouldn't be the first person to go live on the air without knowing it.) In



Liz Weston, MSN personal finance columnist, far left, moderates "From Print to Flat Screen" panelists (from left) CNBC's Rebecca Jarvis and syndicated columnist Ilyce Glink .

BECKY BISBEE

TV studio sessions, you will usually look at the person who's interviewing you — not at the cameras, said Jarvis.

"If you at least look at the anchor, you look like you're part of the conversation and not bewildered," she said.

In taped interviews, the broadcast station is probably only looking for a few clean, insightful sound bites. That means you can flub a sentence and try again (and again and again) — until the broadcasters have something they can work with, and something you can live with.

5. TAKE CONTROL OF THE INTERVIEW

That does not mean be a bully, preachy or long-winded. Rather, it means steering off-topic questions back to subjects you know about, and doing it smoothly and politely, said Glink. Don't get flustered by questions hurled for their shock value or controversy — shouldn't the government shut Wal-Mart down? What kind of aphrodisiac fragrance do you use? (Yes, those were real questions, panel members said.) Try to redirect. Use humor if you have to. Don't panic if you stumble — everybody does it. The secret is in the recovery.

Strident and angry don't play well on TV.

Aim to be friendly, articulate and maybe a little glib, with concise answers. Don't be afraid to show some of your sparkling personality. Don't be stodgy. "You have to be willing to give a little bit of yourself," said Glink.

6. CLEAN YOURSELF UP

Under the glare of television lights, you'll probably want some makeup. That goes for guys, too — some foundation might help, panelists said.

"In the world of print, we're focused on the message, the word," said MarksJarvis. "But no one hears your message if, on TV, you don't look the way they think you should."

Try to find an outfit that makes you look approachable, but don't go crazy looking for the ideal TV "look." You'll often be able to wear jeans because the desk will hide your lower half.

Now that sounds more like print journalism. Maybe broadcasting isn't so tough after all.

Jeremiah McWilliams is a business reporter with the St. Louis Post-Dispatch. He says he'll have to take their word that foundation helps.

Tips to improve your interviewing skills

BY MATTHEW KISH

ANAHEIM — Special agents Tony Caruso and Gregg Harmon of the FBI gave conference attendees a joke-filled primer on interviewing skills.

These could come in handy when interviewing wily business executives.

1. PREPARE

FBI agents conduct hundreds of interviews annually. Each starts with a simple question: What's the goal? Agents read every scrap of information they can find on the subject. Do the same before interviewing a CEO.

2. BE A SALESWOMAN OR SALESMAN

Journalists should make sources believe it's in their best interest to talk to them.

3. DRESS PROFESSIONALLY

Sources speak more freely to their perceived peers. A CEO in a tailored suit is more likely to speak with a journalist in sharp business attire than a reporter in jeans and a



BECKY BISBEE

FBI agent Gregg Harmon shares his tricks of the interviewing trade.

wrinkled shirt.

4. BE POLITE

Sources are more likely to trust a person who looks them in the eye and gives a firm handshake.

5. CONTROL THE ENVIRONMENT

Caruso and Harmon only interview suspects at an FBI field office. Similarly, interviewing a business executive in her office allows her to remain in a comfort zone. At the least, try to conduct

the interview in a conference room where there are less distractions and the environment is more neutral.

6. WATCH BODY LANGUAGE

Sudden changes in posture are telling. Avoid phone interviews for the same reason.

7. DON'T SET TIME LIMITS

When sources know they're only on the spot for 15 minutes, it's easier to dodge questions.

8. PUT THE NOTEPAD DOWN

Good interviews are conversations. When reporters constantly refer to a list of questions, they look like they don't know the subject matter.

9. DETERMINE THE PERSON'S CREDIBILITY

All sources have a reason for speaking with a reporter.

10. REMAIN OBJECTIVE

If an executive can tell a reporter doesn't approve of what he did, he won't answer questions candidly.

11. LISTEN

Don't finish sentences for people. And don't jump to conclusions.

12. BE PATIENT

When a source feels rushed, she's less likely to provide critical details.

13. DO MORE THAN ONE INTERVIEW

Ask the same questions again. It's easy to remember the truth, but difficult to remember fabrications. Listen for contradictions.

14. BE FLEXIBLE

Begin interviews with a mental outline. If the person's answers take the conversation in an alternate direction, roll with it. Similarly, if a source refuses to respond to a question, steer the conversation into a neutral direction. Return to the aggressive questions later.

15. CHIT-CHAT

Get to know the person. Where did she go to school? How long has he been in his current job? Establish some rapport before starting the formal interview. Make the source comfortable.

16. START WITH OPEN-ENDED QUESTIONS

Tell me about your business. What's your biggest challenge? Etc.

17. PEOPLE LIE MORE BY OMISSION

Listen carefully. Ask specific follow-up questions.

18. DON'T FEAR CONFRONTATION

This is the biggest stumbling block for new FBI agents, according to Caruso. Get over it.

19. RESPECT CULTURAL BARRIERS

20. USE APPROPRIATE VOCABULARY

Put away the \$10 words when interviewing a shop worker. Haul out the MBA-speak when discussing a merger with a Fortune 500 CFO.

Matthew Kish is a business reporter at the Portland Business Journal. He received a scholarship from the SABEW chair to attend the conference.

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Mining census data for business gold

BY KELLY CORRIGAN

ANAHEIM — The U.S. Census Bureau Web site is any business writer's hunting ground says Ron Campbell, a computer-aided reporting expert at the Orange County Register. "For a business reporter, it just doesn't get any better," Campbell said during his conference session.

But there's a caveat. The most precious information on the Census Web site is, according to Campbell, "like peaches and cream. ...The best information on the Census Web site has a very short shelf life."

From specialized data sets such as the American Community Survey to other information collected on a once-a-decade basis, the Census Bureau provides a vast collection of information that business journalists can find especially useful, he said.

"There are stories on every page," Campbell said. But, "it does not give up its treasures easily, which means you're going to have to work for it."

Campbell pointed out these areas as some of the richest corners of Census land.

1. STATISTICAL ABSTRACT

Want to know how many billionaires reside in your state? How much energy or crude oil the U.S. has imported? The statistics found here will tell you. The charts also tell you who has been importing over a number of years. To find this data, type "statistical abstract" into the search engine on the Census Web site.

2. AMERICAN FACTFINDER

On the left-hand side of the Census homepage you can find fact sheets on communities that provide information on employment by industry as well as the breakdown of income or economic and housing characteristics. For Anaheim, for example, you can find out from information published in 2005 that about 21

On the Web

U.S. Census Bureau Web site address is www.census.gov

What to remember

Tips to remember when dealing with Census data

1. RELIABILITY FACTOR

Always examine the confidence interval, also known as the margin of error. The CI is often set at 95 percent. When looking at the range of numbers given in a table, remember that the exact numbers are probably more accurate than the numbers presented in ranges, such as 1,000 to 4,999. Also, the smaller the category, the lower the CI may be.

2. EXAMINE THE SCALE

Be sure to note on what scale the information is being collected. At times, information is gathered in the millions, at other times it is gathered in the thousands. Most data collected is at a national level and the numbers are in millions of people.

3. EXCEL IS YOUR FRIEND

To manipulate census data, knowledge of the spreadsheet program Excel is vital.

"One of the best things I can recommend for anyone who's doing business coverage is to get 'Excel for Dummies' and study it. Get to the point where you can do a chart in your sleep and you can do formulas very easily."

percent of Anaheim's residents hold a bachelor's degree or higher. About 70 percent have graduated from high school.

A link beside the fact sheets provides an occupation breakdown by state, county or zip code. You can also find the class of workers from this link.

3. ECONOMIC INDICATORS

Economic indicators, such as monthly sales for retail and food services along with numbers on U.S. international trade in goods and services, are found here. Press releases are available here in three formats: html, Excel and pdf. But the Census Web site has more information than what the press releases contain. To locate the economic indicators, type in the URL, www.census.gov/cgi-bin/briefroom/BriefRm.

4. PUMS DATA

With the Public Use Microdata Set, or PUMS, you can examine the information that the Census has collected, but has not put into a table, and begin to formulate your own questions.

"Over 100 questions are on the Census questionnaire," Campbell said. "There are literally thousands of possible answers, tens of thousands permutations of those answers. There's no way in the world that the Census could put those answers into tables. But if you have the know-how, you could answer any question you want through Census data."

PUMS data can be found by typing in PUMS in the search link of the Census Web site.

Kelly Corrigan recently graduated from California State University San Marcos and is an intern at the Whittier Daily News this summer.

Looking for Biz Buzz?

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Shop talk from Disneyland: Keeping your sanity during tough times

BY CAROL COULTAS

ANAHEIM — What do you get when you put four seasoned journalists together and ask them to solve one of the industry's knottiest problems? Aside from the occasional wisecrack, a lot of good advice.

The "Doing more with less ... sanely" session at the annual conference drew an assortment of journalists from print and electronic media. But they were united by an omnipresent problem: producing quality work despite shrinking budgets and fewer staff.

"It's the single biggest challenge we face," said Bernie Kohn, of the Baltimore Sun, who moderated a panel comprised of Dave Satterfield of the San Jose Mercury News, Mike Huckman of CNBC and Lisa Gibbs of the Miami Herald.

Here are some thoughts about what might help:

DISMANTLE THE FIEFDOMS

Tap the resources of others in the news department. A recent Miami Herald centerpiece on the commercialization of university research was written by an education reporter, but played on the Business page. Bonus: It improves teamwork and morale.

REDEPLOY RESOURCES

Shave some from your wire budget and consider putting a freelancer on retainer for a side beat you deem important, but can't commit staff to.

LEARN TO SCORE

That bastion of retired executives has tons of knowledge and a desire to share it. At the Herald,



Dave Satterfield

a member of SCORE writes an online column and a weekly Q&A for free.

TAKE YOUR MARCHING ORDERS FROM YOUR MARKET

Focus your resources on what readers/viewers need. Readers of the San Jose Mercury News are wired. Its design — two or three stories longer than 15 inches and a bunch of short, local synopses — makes Web posting easy. It also converted some general assignment positions to early morning staff to get the ball rolling on Web work earlier in the day.

In Miami, where small business reigns supreme, the Herald publishes two special sections and hosts small-business seminars. It also launched a small-business channel on its Web site.

INVEST FOR LONG-TERM RETURNS

A typical day for Huckman includes TV interviews, blogs, radio cut-ins and Web updates, leaving no time for source lunches. He sees it as an investment. "I'm using my daily work to earn the trust of sources and hope it develops into some scoopage down the line."

OWN WHAT MAKES YOU UNIQUE AND LET THE REST GO

The Silicon Valley has 50 companies with sales of over \$1 billion, impossible to cover individually. Instead, the Mercury News staff looks for consistent, unique content in a broader sense. "As long as the Business section reflects Silicon Valley — the people who live and work here —

I'm happy to give you a break on that earnings story," said Satterfield.

The Baltimore Sun decided to step back from covering Lockheed-Martin, which is aggressively covered by the Washington Post, and intensify coverage of Northrop-Grumman.

PLAN

Setting up a schedule of centerpieces lets everyone breathe easier and helps quash the feeling that your hair's on fire everyday. At the Herald, business reporters became more productive when they established a weekly rotation for covering a GA beat. Knowing they wouldn't be tapped to follow a non-beat breaking news story helped everyone focus, said Gibbs.

GO FOR DEPTH OVER BREADTH EVERY TIME

"People remember the depth ... it will make or break your newspaper," said Satterfield. He cited The Seattle Times, a conventional daily paper that has made its name producing "spectacular investigative stuff."

RAMP UP

The question shouldn't be about doing more with less. It's "Can we do better with less?" said Satterfield. Look at your resources, identify your exclusive content then go for broke.

Carol Coultas is a business reporter at the Sun Journal in Lewiston, Maine. She received a scholarship from the Reynolds Center to attend the conference.

Conference Sponsors

The following media companies and organizations generously supported our 44th annual conference in Anaheim:

American City Business Journals
Associated Press
Bloomberg
Dow Jones Newswires
Reuters
Donald W. Reynolds National Center for Business Journalism
The Tribune Co.
The Wall Street Journal

Conference attendees had the opportunity to learn more about the following exhibitors:

Associated Press	NEFE
BEA	NeighborWorks America
Bloomberg	Oppenheimer Funds
BusinessWire	PR Newswire
Experian Interactive	Reuters
Hewitt Associates	Rotman School of Management
Idaho Commerce & Labor	Vanguard
Marketwire	Wyoming Business Council

Carrie PadenSABEW Executive Director
padenc@missouri.edu; 573-882-8985**EXECUTIVE
DIRECTOR REPORT**

Grants, strategic plan highlights of busy year

ANAHEIM – The SABEW staff has been very busy during the last year.

We ended the year with a net income of \$51,710, representing the fourth year in a row that SABEW showed a profit. The annual conference in Minneapolis generated net revenue of \$74,731 while the fall workshop in New York lost only \$1,531.

We had 3,190 members at the end of 2006.

STAFFING

We added Donna Scoggins, who has attended the last five annual conferences, as the part-time conference coordinator. She was conference coordinator at another non-profit organization, ACCI. She also will be helping with the fall conference in Chapel Hill, N.C. Scoggins can be reached at scogginsd@yahoo.com.

Donna Dare became the part-time membership coordinator in May. Dare served as assistant director of the Western Veterinary Conference, which had nearly 7,000 members. She retired from the University of Missouri College of Veterinary Medicine after 25 years as an executive staff assistant in its fiscal office. She has a bachelor's degree in business administration with an emphasis in marketing. She can be reached at 573-882-7862 or by email at dared@missouri.edu.

Vicki Edwards, SABEW's fiscal analyst, put together the budget for the strategic plan, which projects revenues and expenses from 2007-2012. She worked with the auditor who reviewed the SABEW accounts for fiscal year 2006, and prepared year-end and quarterly financial reports. She can be reached at 573-882-2878 or by email at edwardsyk@missouri.edu.

Lanet Wisner, the marketing coordinator, maintained responsibilities for the marketing position while assuming many of the responsibilities of the membership coordinator while the position was vacant. Her work with advertisers and exhibitors resulted in over \$15,000 in income from advertisers in *The Business Journalist* over the past six months and over \$98,000 in income from exhibitors, sponsors and advertisers at the annual conference.

She also worked closely with the development committee. This has included organizing



SABEW staff members at the conference: Donna Dare, left, Lanet Wisner and Donna Scoggins

BECKY BISBEE

fundraising activities at the fall workshop, including a "dialing for dollars" campaign, and creating a development brochure. These activities resulted in SABEW exceeding its challenge grant goal of \$25,000 six months early. Wisner can be contacted at wisnerl@missouri.edu or by phone at 573-882-5093.

Irena Marinova, webmaster, was responsible for putting the Best in Business contest entry system online. She also was occupied with the Web site redesign. She can be reached at marinovai@missouri.edu or 573-882-3173.

In addition to overseeing the activities of the staff and working with the executive committee and other board committees regarding strategic planning and development, I have devoted much time traveling to represent SABEW at various events.

GRANTS AND FUNDRAISING

SABEW was fortunate to receive several grants this year:

- Challenge Grant sponsored by the Ethics and Excellence in Journalism, Ford, and James L. and John S. Knight foundations.

- A \$25,000 Challenge Fund for Journalism grant was received for capacity building. The grant matched each dollar that SABEW raised up to \$25,000. Thanks to 100 percent board partic-

ipation and the generous donations of our members, SABEW exceeded its goal of \$25,000 six months early.

- A \$25,000 grant from the Ethics and Excellence in Journalism Foundation was received to help SABEW build on past achievements while strengthening our future. This grant provided an ethics symposium at both the 2006 Fall Workshop in New York City and another at the 2007 Annual Conference in Anaheim. One issue of *TBJ* has been dedicated to Ethics in Journalism, an online survey is being developed, and a review of our current ethics code is under way along with the development of a new ethics Web page. Scholarships will be awarded at both the Fall Conference and Annual Conference.

- A \$15,000 grant was received from the Hechinger Institute on Education and the Media and the Pew Charitable Trusts to expand training for business journalists.

The institute sponsored a seminar about the business impact of investment in pre-school education at the annual conference in Anaheim.

COMMONWEALTH FUND

A \$15,000 grant was received to support training sessions for reporters on the business of health care at the annual conference.

(in alphabetical order, by publication, for each contest and size category)

Overall excellence, sections or publications
GIANT NEWSPAPERS (AVERAGE DAILY CIRCULATION 375,001 AND ABOVE)

- The New York Times
- The Star-Ledger (Newark, N.J.)
- USA Today

Certificates of merit: The Arizona Republic, Houston Chronicle

LARGE NEWSPAPERS (CIRCULATION FROM 250,001 TO 375,000)

- Fort Worth Star-Telegram
- Milwaukee Journal Sentinel
- San Jose Mercury News

MEDIUM NEWSPAPERS (CIRCULATION FROM 125,001 TO 250,000)

- Des Moines Register
- Detroit News
- The Hartford Courant
- The Seattle Times
- South Florida Sun-Sentinel

Certificates of merit: Salt Lake Tribune, St. Paul Pioneer Press and The Tennessean (Nashville)

SMALL NEWSPAPERS (CIRCULATION 125,000 AND BELOW)

- Florida Today (Melbourne, Fla.)
- The Press Democrat (Santa Rosa, Calif.)
- The Roanoke Times (Roanoke, Va.)

Certificate of merit: The Post and Courier (Charleston, S.C.)

WEEKLY BUSINESS NEWSPAPERS

- Advertising Age
- Baltimore Business Journal
- Business First of Louisville
- Crain's Chicago Business

Certificates of merit: Boston Business Journal, Puget Sound Business Journal, Street and Smith's Sports Business Journal

Breaking News coverage

GIANT NEWSPAPERS

- Stephen Heuser, Robert Gavin, Steven Syre, Jeffrey Krasner, Erica Noonan, Emily Shartin and Bennie DiNardo of The Boston Globe: "Boston Scientific's acquisition of Guidant"
- Greg Burns, David Greising, Susan Chandler, Susan Diesenhouse and Julie Johnsson of The Chicago Tribune: "Board of Trade-Mercantile Exchange merger"

- Andrew Ross Sorkin, Matt Richtel, Miguel Helft and John Markoff of The New York Times: "Google's YouTube deal"

Congratulations Best In Business winners!

LARGE NEWSPAPERS

- Bruce Finley, Tom McGhee, Christine Tatum, Kieran Nicholson, Greg Griffin, Kristi Arellano, David Migoya and Christopher Osher of The Denver Post for "Raids at Swift plants"
- Mike Ellis, John Gallagher, Ron Dzwonkowski, Jennifer Dixon, Susan Tompor and Margarita Bauza of The Detroit Free Press: "GM Alliance: 'Power play shakes Motor City'"
- Therese Poletti, Sarah Jane Tribble, Howard Mintz, Scott Duke Harris, Michelle Quinn, Mike Langberg, Michele Chandler, Donna Alvarado, Maria Shao and Kevin Wendt of The San Jose Mercury News: "Inside the HP privacy drama"

MEDIUM NEWSPAPERS

- Steve Harrison, Rick Rothacker, Andrew Shain, Mike Drummond, Ames Alexander, Stella M. Hopkins, Christopher Kirkpatrick and Tony Meacia of The Charlotte Observer: "Creditors, feds key to air takeover bid"
- Bill Vlasic, Daniel Howes, Bryce G. Hoffman, Christine Tierney, Sharon Terlep and Louis Aguiar of The Detroit News: "Blue Friday"
- Bill Vlasic, Daniel Howes, Bryce G. Hoffman, Christine Tierney, Josee Valcourt and Sharon Terlep of The Detroit News: "New Ford CEO"

SMALL NEWSPAPERS

- Kathy Jumper, Andy Netzel and Mark Inabinett of The Mobile Press-Register: "Prichard wins"
- Kurt Blumenau and Sam Kennedy of The Morning Call (Allentown, Pa.): "Agere bought out"
- Jerry Siebenmark and Bill Wilson of The Wichita Eagle: "Beechcraft is back"

WEEKLY NEWSPAPERS

- Claire Atkinson, Brooke Capps, Matthew Creamer, Alice Z. Cuneo, Mya Frazier, Bob Garfield, Jeremy Mullman, Jack Neff and Lisa Sanders of Advertising Age: "Julie and the scandal that rocked the ad world"
- Christine Perez of The Dallas Business Journal: "HUD secretary's blunt warning"

REAL-TIME NEWS ORGANIZATIONS

- Bill Koenig, Rachel Layne, John Lippert, James Gunsalus, Peter Robison and Gillian Wee of Bloomberg News: "Bill Ford makes way for Mulally"

**Enterprise
GIANT NEWSPAPERS**

- Carrie Teegardin and Ann Hardie of The Atlanta Journal-Constitution: "Insurance injustice - when credit matters"
- Louis Uchitelle of The New York Times: "Very rich are leaving the merely rich behind"
- Tom Belden and Craig R. McCoy of The Philadelphia Inquirer: "Baggage bungling"

LARGE NEWSPAPERS

- Eric Gorksi of The Denver Post, "The Gospel of prosperity"
- Joe Rojas-Burke of The Oregonian, "Millions for rural health miss mark"

MEDIUM NEWSPAPERS

- Robert Elder of The Austin American-Statesman: "Pension fund scheme"
- Binyamin Appelbaum of The Charlotte Observer: "Suspicious timing"
- Jeremiah McWilliams of The Virginian-Pilot (Norfolk, Va.): "Life after Ford"

SMALL NEWSPAPERS

- Brady McCombs of The Arizona Daily Star (Tucson): "Squeezing border business"
- Debbie Kelley of The Gazette (Colorado Springs, Colo.): "Money Enthusiast group has troubles with money"
- Scott Sloan of The Lexington Herald-Leader: "Inklings of change"

WEEKLY NEWSPAPERS

- Matthew Kish of The Indianapolis Business Journal: "The ties that blind?"
- Matthew Quinn of Financial Week: "Inside Google's \$1.0 billion stash"

REAL-TIME NEWS ORGANIZATIONS

- Laura Bruce of Bankrate: "Suspicious activity reports"
- Steven D. Jones of Dow Jones News Service: "In the money: Wrigley bulks up takeover defenses"
- Christine Richard of Bloomberg News: "MBIA debt backed by crack houses perpetuates blight"

**Projects
GIANT NEWSPAPERS**

- Stephen Franklin and Darnell Little of The Chicago Tribune: "Throwaway workers"
- Edmund L. Andrews of The New York Times: "Leaky oil royalties"
- Charles Forelle, James Bandier, Mark Maremont and Steve Stecklow of The Wall Street Journal: "Perfect payday"

LARGE NEWSPAPERS

- David Olinger, Greg Griffin, Aldo Svaldi and Jeffrey Roberts of The Denver Post: "Foreclosing on the American dream"
- Steve Everly of The Kansas City Star: "It's hot fuel for you, cold cash for big oil"
- Sam Stanton and Marjie Lundstrom of The Sacramento Bee: "The price of access"

MEDIUM NEWSPAPERS

- Stella M. Hopkins, Mitch Weiss, Binyamin Appelbaum, Rick Rothacker, Franco Ordenez, Liz Chandler, Tim Funk and Peter St. Onge of The Charlotte Observer: "Hiding in plain sight"
- Kristi Heim, Alwyn Scott, and Alan Berner of The Seattle Times: "Customer and competitor"
- Shannon Behnken of The Tampa Tribune: "A rapid rise"

SMALL NEWSPAPERS

- Michael J. Benbow of The Herald (Everett, Wash.): "Our fading fleet"
- Bryan Corliss of The Herald (Everett, Wash.): "Worldwide assembly line"
- Carol Ann Coultas of The Sun Journal (Lewiston, Maine): "Seeing green"

WEEKLY NEWSPAPERS

- Thomas Mucha, Mark Scheffler, Erik Unger and Melissa Phee of Crain's Chicago Business: "Doing business in China: Enter the dragon"
- Steve Wilhelm of Puget Sound Business Journal (Seattle): "Bold flight: Creating the Boeing 787"
- Susan Stabley of The South Florida Business Journal: "Water woes"

• Martin Z. Braun, David Dietz, William Selway, Christine Richard and Darrell Preston of Bloomberg News: "Duping Main Street"

• Michael Smith and David Voreacos of Bloomberg News: "Slaves in Amazon forced to make materials used in GM, Toyota Cars"

• Lingling Wei of Dow Jones News Service, "Mortgage finance"

Columns

GIANT NEWSPAPERS

- Steve Bailey of The Boston Globe
- Gretchen Morgenson of The New York Times
- Alan Murray of The Wall Street Journal

LARGE NEWSPAPERS

- Sheryl Harris of The Cleveland Plain Dealer
- Al Lewis of The Denver Post
- Mitchell Schnurman of The Fort Worth Star-Telegram

MEDIUM NEWSPAPERS

- Dave Elbert of The Des Moines Register
- David Hendricks of The San Antonio Express-News
- Brier Dudley of The Seattle Times

SMALL NEWSPAPERS

- Susan Miller of The Ledger-Enquirer (Columbus, Ga.)
- Dan Voelpel of The News Tribune (Tacoma, Wash.)
- Jon Chesto of The Patriot Ledger (Quincy, Mass.)

WEEKLY NEWSPAPERS

- Alair Townsend of Crain's New York Business
- Ron Gifford of The Indianapolis Business Journal

REAL-TIME NEWS ORGANIZATIONS

- Michael Lewis of Bloomberg News
- Michael Rapoport of Dow Jones Newswires
- David Callaway of MarketWatch

Student Contest

- Isabel Ordenez, University of Missouri School of Journalism, for Reuters: "Iraq, Afghanistan lure poor Latin American guards"
- Certificate of merit: Amy Thomson, University of North Carolina-Chapel Hill, for Bloomberg: "Smith & Wesson, 'Dirty Harry' gun maker, targets Army"

Go to SABEW.org to read winning entries

REAL-TIME NEWS ORGANIZATIONS

Fall Writer's Conference includes critique sessions

BY CHRIS ROUSH

If you want to learn more about health care, the business of college sports, short selling and important accounting rules, then the SABEW Fall Writer's Conference in Chapel Hill, N.C., from Oct. 20-21, is the place.

The conference, at the University of North Carolina's School of Journalism and Mass Communication, will include sessions about these topics and others.

For writers who want to hone their overall skills, the event will offer a one-of-a-kind critique session with some of the best in business journalism. Reporters who register for the conference can send in up to five clips in advance and have them analyzed during a 15-minute session by award-winning business journalists such as Diana Henriques of The New York Times. The first 25 who send in their clips are guaranteed a critique at the workshop.

Some of the other sessions will include:

- A one-hour panel on covering the business of college sports featuring former UNC and NBA stars Hubert Davis and Eric Montross. Davis is now an ESPN commentator, while Montross, the center on the 1993 NCAA national champions, is



the color commentator for the Tar Heel Sports Network.

- Kenan-Flagler Business School professor Adam Reed will walk business journalists through the intricacies of short selling. Reed has been quoted in The Wall Street Journal and The New York Times on the subject.

- Another B-School professor, Doug Shackelford, will teach a one-hour session on accounting for non-accountants. Shackelford testified last year on corporate tax reform.

- For business editors, there will be a one-hour session on how to stretch your training in tight budget times and how to improve your recruiting efforts to find the next star business reporters.

- The heads of three hedge funds will be talking about where their industry is headed and the stories that have been missed.

- For those looking at how to give business news online a better presence, two experts will provide some advice. Ryan Thornburg is the former managing editor of USNews.com and also worked at WashingtonPost.com, while Don Wittekind led the creation of the first newspaper-based multimedia graphics department at the South Florida Sun-Sentinel.

- In addition, James Glassman, the editor of the new business magazine The American, is the luncheon speaker on Oct. 21. With all the publicity given the launch of Conde Nast Portfolio, Glassman's new magazine has been overshadowed. But it recently published a gripping account of life behind prison bars for white-collar criminals as well as a look at the Penn economist drawing attention for his unique research.

>> Continued on Page 27

11 win seats on board

BY TBJ STAFF

ANAHEIM – SABEW members elected five new members to the Board of Governors at the annual conference:

- Lisa Gibbs, executive business editor of The Miami Herald.
- Dawn Wotapka Hardesty, a reporter for Dow Jones Newswires.
- Ray Hennessey, editor of SmartMoney.com.
- Rebecca Jarvis, a reporter for CNBC.
- Chris Roush, a business journalism professor at the University of North Carolina at Chapel Hill.

Four incumbent governors were re-elected:

- Becky Bisbee, business editor, The Seattle Times.
- Bill Choyke, business editor, The Virginian-Pilot.

- Diana Henriques, financial reporter, The New York Times.

- Jill Jorden Spitz, assistant managing editor for news, business and training, Arizona Daily Star.

And, two members appointed since the last election, were voted onto the board:

- David Wilson, columnist, Bloomberg News.

- Pamela Yip, personal finance reporter and columnist, Dallas Morning News.

Gibbs, Bisbee, Choyke, Henriques, Spitz and Yip will serve three-year terms. Roush and Wilson will serve two-year terms. Hardesty, Hennessey and Jarvis will serve one-year terms.

The winners began their terms at the annual membership meeting when Vice President Gail



Newly elected Board of Governor members: Lisa Gibbs, Miami Herald, left, Ray Hennessey, SmartMoney.com, Rebecca Jarvis, CNBC, Dawn Wotapka Hardesty, Dow Jones News Service, and Chris Roush, University of North Carolina, Chapel Hill.

DeGeorge of the South Florida Sun-Sentinel succeeded President Dave Kansas of Dow Jones/IAC. Bernie Kohn, of The Baltimore Sun, succeeded DeGeorge as vice president. Greg McCune of Reuters became our new treasurer, and Rob Reuteman, of the Rocky Mountain News, became secretary.

Kansas joined the ex-officio ranks along with past presidents Jon Lansner of the Orange County Register and Rex Seline of the Fort Worth Star-Telegram. Kathy Kristof of the Los Angeles Times rotated off the board.

Fall conference

> Continued from Page 26

Other top business journalists will also be speaking. Betty Wong, recently named global head of editorial operations at Reuters, will speak about how the wire service is adapting to the changing media environment. And Kim Kleman, the newly appointed editor of Consumer Reports, will talk about the future of consumer reporting. Her publication was involved in a controversy this year about a story on child safety seats.

The conference will also give business journalists the opportunity to hear about the health care industry from the CEOs of two top companies. David King, the CEO of Laboratory Corp. of America, and J.P. Garner, the CEO of drug maker GlaxoSmithKline, will both speak Oct. 20.

A block of rooms has been reserved at the Carolina Inn, which is across the street from the



David King

UNC campus. To make reservations, go to <http://www.carolinainn.com/> or call 1-800-962-8519.

The nearest airport is Raleigh-Durham International Airport, a 25-minute cab ride away from campus. All of the major airlines have daily flights in and out of the airport.

And for those looking for nightlife, downtown Chapel Hill is within walking distance of both the hotel and campus and offers a wide variety of entertainment options, from a regional comedy club to dancing to clubs where some of the best regional bands play. There are also two brewpubs, a martini bar serving 100 varieties and some of the best restaurants in the Southeast.

If you have any questions about the conference, please contact me at croush@email.unc.edu or call me at 919-962-4092.

Health care

>> Continued from Page 18

streamlined just the insurance system," she said.

Physician incentives would improve quality, as would standardized electronic medical records. Out of date or unavailable medical records contribute, according to Dan Costello, the health and legal staff writer for the Los Angeles Times, to the 98,000 deaths per year in the United States attributable to medical errors. Deaths in the U.S. that could have been prevented with improved health care exceed most other industrialized nations, yet per capita physician costs in the U.S. are three-to-four times higher than in Canada, France and Germany. Drug prices are much higher, as well.

The 80/20 rule plays out in health care, with 15 percent of the population accounting for 78 percent of the cost, Lee said. He said he believes the focus should be on chronic disease prevention and improving the chronically ill patient's ability to self

manage his or her disease. With obesity and diabetes escalating, "We're looking at a train wreck," Lee said.

Nor is there much incentive in today's insurance market for doctors to manage medical care, Lee said. Providing incentives is one vehicle he said would dramatically improve performance. Right now, Lee said, it is "coin-toss health care."

What would a national health care model look like?

"The Feds stepped up to the plate for children," Schoen said, adding that universal health care may tag onto that model.

Lee took a more pessimistic approach, stating that while "significant coverage expansion" is possible, universal care may not be achievable in the U.S. "There are too many stakeholders with powerful interests," he said. "You're going to gore an ox."

Nancy Germond is a freelancer writer in Jefferson City, Mo. She received a scholarship from the SABEW chair to attend the conference.

CEO pay

>> Continued from Page 19

bonus, or target bonus, or an average of bonuses?)

Even if the disclosure in the proxy got specific, it never put an actual number on the payment.

The new disclosure contains severance overload — it can run for several pages. But it also includes a table that quantifies just how much an executive can make in each of several scenarios. (It helps to bone up on the company's definition of change-in-control, and to understand what the executives get just for the company changing hands, compared with what they get if they're terminated.)

4. THE SHOCKING TRUTH ABOUT PENSIONS

One of the most common executive-compensation stories before the new disclosure rules was the

revelation of a massive pension, just as an executive was retiring. Why did these stories never happen earlier than that? Because it was nearly impossible to figure out what a pension was worth from the old disclosure. It gave you a hypothetical table and often didn't put an executive's age, projected earnings and life expectancy into the pension context.

The new disclosure eliminates most of the guesswork and provides the estimated present value of the executive's accumulated pension benefit. (And, if you head back to the Summary Compensation Table, you can see how much it increased in the last year.)

David Milstead, right, is the finance editor and writer at the Rocky Mountain News.



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Chris Roush, journalism professor, UNC-Chapel Hill

David Wilson, columnist, Bloomberg News

TERMS TO EXPIRE IN 2010

Becky Bisbee, business editor, The Seattle Times

Bill Choyke, business editor, Virginian-Pilot

Lisa Gibbs, executive business editor, The Miami Herald

Diana Henriques, financial investigative reporter, The New York Times

Jill Jordan Spitz, AME/news, business, training, Arizona Daily Star

Pamela Yip, personal finance reporter, columnist, Dallas Morning News

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**SABEW
CALENDAR**



Fall Conference
Oct. 20-21
UNC Chapel Hill

2008
45th Annual Conference
April 27-29
Baltimore, Md.
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City Center

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Next Issue: Fall writers' conference