

HEAR & KNOW

A NEWSLETTER PUBLISHED BY HARRINGTON COMMUNICATIONS • MAY 2002

HOUSING CONFERENCE ROUSING SUCCESS

Harrington Communications created the promotional campaign for a housing conference for first-time homebuyers in Elizabeth, N.J. titled "Elizabeth - A Great Place to Live." The event attracted a standing-room only crowd of about 200 at UTCAO Head Start at 1189 East Broad St. in Elizabeth. The promotional materials included posters, fliers and newspaper advertisements in English and Spanish.

The presentation featured housing experts and elected officials who addressed such issues as the advantages of owning a home in Elizabeth; federal programs aimed at increasing minority homeownership; mortgage financing available for first-time homebuyers; how the loan process works; and how to access assistance with down payment and closing costs to qualifying buyers.

The conference, co-sponsored by Schering-Plough Corporation, was part of an ongoing initiative by the City of Elizabeth to promote homeownership in New Jersey's fourth largest city. The Elizabeth Home Improvement Program (EHIP), under the Elizabeth Department of Planning and Community Development, also sponsors homebuyer readiness seminars throughout the year.

BUSINESS JOURNAL FEATURES HARRINGTON COMMUNICATIONS

The Caribbean American & Hispanic Business Journal featured an article on Angela Harrington, president of Harrington Communications, in its March 2002 Women's History Month issue. The issue profiled women of achievement, including

Avon CEO Andrea Jung; Hewlett-Packard Chief Executive Officer Carlton Fiorina; media magnates Martha Stewart and Oprah Winfrey; PepsiCo Chief Financial Officer Indira Nooyi; and Marce Fuller, president and CEO of energy company Mirant. "Women have played, and are continuing to play, a major part in the prosperity and development of the U.S. But more than that, the success of women in this country is giving hope to millions of oppressed women around the world," said Paul Lacchu, publisher of the Caribbean American & Hispanic Business Journal. The publication is published monthly by Paradise Publishing Co., located in South Orange, N.J.

FOUNDATIONS UNDETERRED BY SOUR ECONOMY

Despite an economic downturn and a stock market that's running in place, the nation's more than 56,000 foundations increased their spending by 5.1 percent, to \$29 billion, in 2001, according to projections in a report to be released today by the Foundation Center.

That predicted growth is certainly less robust than that of the foundations' outlays in the previous year, but it is far better than expectations.

Foundations have become a more prominent charitable force over the past decade as more people newly enriched by the surging stock market established foundations to better control their philanthropy. Much of the spending increase last year was due to the increase in the number of foundations.



Harrington Communications presents Hear and Know, a newsletter dedicated to promoting all the news that makes business better and keeps companies in the know. Hear and Know strives to be an uplifting voice that encourages business leaders and keeps companies informed on the challenges of the changing economy.

In a survey of 152 of the nation's largest foundations published in early April in the Chronicle of Philanthropy, 34 said they would probably cut back on grant making this year, while 32 expected to increase giving. But 86 of the foundations said their grant making would remain the same. In 2000, 6,317 new foundations making grants were established, the largest increase since the Foundation Center began tracking such institutions in 1975. For more on this story, go to www.nytimes.com.

WILL BOOMERS BANKROLL PHILANTHROPY?

In the next several decades, as much as \$18 trillion will change hands from members of the Baby Boomer generation to their progeny and, to some extent, America's charities. And the ranks of those charities have grown enormously. In 1940, the nation had 15,000 nonprofits; today there are an estimated 1.5 million, of which about 700,000 are non-membership service providers. By any measure, these are not trivial numbers.

Beyond their magnitude, such numbers raise a variety of questions about how these expanded resources and growing institutions will affect the larger economy. Among them, will the new money value efficiency? Does efficiency matter to philanthropy? Does philanthropy actually impede efficiency?

For more discussion of this issue, go to www.onphilanthropy.com.

MONSTROUS INROADS INTO HELP-WANTED ADS

Over the last few years, Internet job sites, especially Monster, have eaten away at newspapers' help-wanted ads, which inch for inch, have been their single most profitable product. In the process, Monster has become one of the biggest dot-com businesses around, and the most profitable. With \$536 million in revenue last year, it had pretax operating income of \$150 million,

edging out eBay, which had a \$140 million operating profit.

This is grim news for newspapers, and no relief is in sight. "Even if the economy recovers, the newspapers are not ever going to get back to the levels they saw from 1995 to 2000," said Craig Huber, an analyst at Morgan Stanley Dean Witter, who estimates that about 10 percent of the help-wanted market is now online; he expects that to rise to 25 percent within three years.

Newspapers have fought back. Most of them allow companies that place help-wanted ads to have them listed on the newspaper Web site, too, for an additional fee. Some, like The New York Times, have adopted some features of stand-alone job sites, like résumé databases.

ONLINE SITE BOOSTS TIMES SUBSCRIPTIONS

The New York Times' site, nytimes.com, last year generated 85,000 paid subscriptions to the paper's print edition, while sister publication The Boston Globe sold 15,000 via Boston.com.

"That is totally counterintuitive to all those people who thought we were going to go out and cannibalize the newspaper," New York Times Digital CEO Martin Nisenholtz said at the Jupiter Media Forum in March.

The Wall Street Journal's WSJ.com, which restricts most of its content to online subscribers, combined with sister sites such as OpinionJournal.com to sell 26,000 subscriptions to the paper last year.

NYTimes.com attracted nearly 6.7 million users in February, according to Jupiter Media Metrix. WSJ.com, which finished 2001 with 626,000 paying subscribers, had a total of nearly 1.9 million users last month.

For more on this story, go to www.nydailynews.com.



TV CONTENT EASES ON VIOLENCE, SEX

A recent analysis of television content reveals pronounced declines in the portrayals of sex and violence on the small screen over the last couple of years, surprising the media watchdog group that conducted it.

The Center for Media and Public Affairs, a Washington-based nonpartisan group, found that sexual material declined by 29% and serious violence by 17% from the 1998-99 TV season to the 2000-01 cycle.

The drop in material deemed “objectionable” by critics came during a period of intense political pressure on Hollywood to do more to shield children from violent and vulgar material. Still, the study points out that a similar analysis of feature films shows virtually no change.

To count incidents of violence and sex, analysts reviewed full episodes of 284 shows, the equivalent of two weeks of fictional programming on television, using randomly selected dates.

TAXING JOBLESS BENEFITS

As unfair as it might seem, unemployment benefits are subject to federal taxes. But many expenses of looking for a job are tax deductible, as are the costs of relocating for a new job, according to an Associated Press story.

In the eyes of the Internal Revenue Service, “income is income,” said Barbara Moore, an attorney with CCH Inc., a tax publishing firm in Riverwoods, Ill. That definition includes jobless benefits. “Whether it comes from a paycheck or unemployment benefits has no bearing on your tax obligation.” Moore said.

Many states provide jobless people with the option of having income taxes withheld from their benefit checks. Whether or not that option is taken, the amount of benefits must be reported on the IRS 1040 form as income.

The good news for taxpayers is many job search costs are tax deductible - and moving to a new

home for a job is as well, so long as the new job is far enough away. Deductible items include printing costs for résumés, employment and placement agency fees and travel expenses if the trip is primarily for a job search.

These deductions can only be claimed by taxpayers who itemize - that is, take detailed deductions on Schedule A - and only for the amount above 2 percent of a taxpayer’s adjusted gross income.

Tax forms and publications available from IRS at www.irs.gov.

SPEAKING OF BRINGING TEARS TO YOUR EYES

Here are the top 10 worst spring allergy cities:

Tampa, Florida
Louisville, Kentucky
Orlando, Florida
Rochester, N.Y.
Greensboro, Kentucky
San Francisco
Las Vegas
Austin, Texas
Little Rock Arkansas
Savannah, Ga.

OPTIMISM ON ADVERTISING FRONT

U.S. broadcasting analyst Lee Westerfield of UBS PaineWebber believes advertising dynamics are improving in eight of the top 10 categories and that the worst is over for the prolonged advertising recession, which some ad experts say is the worst since the Great Depression.

UBS PaineWebber is calling for a 2 percent increase in U.S. advertising versus its previous estimate of a decline of 1 percent by year-end.

Most industry experts had previously believed the ad slump would not end until 2003.



