Economist: Expect gradual recovery
By K.j. Williams
The Daily Reflector
Friday, January 7, 2011

Like a financial version of Groundhog Day, an East Carolina University economist surfaces annually to give the economic forecast.

On Thursday, Rick Niswander, ECU's interim vice-chancellor for administration and finance, told an audience of Greenville-Pitt County Chamber of Commerce members the economy was continuing to recover with the exception of the housing market.

Niswander said he was focusing on the national picture since North Carolina is generally reflective of it. “Overall, we're going to follow what the nation does,” he told chamber members at the City Hotel and Bistro.

The economy gradually is rebounding but many people continue to say that the recession that ended the summer of 2009 doesn't seem to have ended, he said.

“A recession is defined as when things are getting bad or are going bad, not when things are getting better,” Niswander said. “From the technical perspective, the recession is over when it starts to go back up.”

He said the gross national product today is higher than it was right before the recession started in late 2007. For 2010, it is estimated to have grown 2.5 percent, and he predicts it will increase to between 3 percent to 3.5 percent in 2011.

The public perception doesn't match the true picture of today's economy, he said. “The economy as a whole is far better than we have been led to believe.”
Personal income and consumption are both higher than they were at the start of the recession in late 2007. There's also been some improvement in areas that had seen significant dips, including private investment, industrial production, manufacturing and vehicle sales.

The broad effect of that credit-based recession means it affected everyone, and that broadness means it will take some time to recover.

“We almost had a complete collapse of the worldwide credit and banking system,” Niswander said.

With the exception of the housing market, the economy is picking up. Niswander noted that unemployment has decreased slightly, following a consecutive two-year period where people lost more jobs than gained jobs.

Statistics dating back to 1948 had never shown such a pattern before, he said.

Pitt County's employment picture has shown more improvement than the state overall or the nation for the last year. Niswander said there are indicators nationally that companies are “on the verge of having a lot more full-time employment.”

He predicted that in 2011 unemployment nationally would fall somewhere between 8.5 percent to 9 percent.

According to U.S. Department of Labor statistics, national unemployment was at 9.8 percent in November 2010.

Still, Niswander cautioned that Pitt County could see a negative impact in employment for state workers in the educational realm due to the state budget office's prediction of a 15 percent to 20 percent budget shortfall for the coming fiscal year.

“There is no question that it's going to negatively impact ECU and Pitt Community College,” Niswander said.

Before the recession, those institutions together added about 400 jobs annually. In response to questions from chamber members, Niswander said the decision to continue Bush-era tax cuts was not a good one from the economic standpoint because of the deficit. And he said that the weak dollar and the high level of our imports from China were troublesome.

“You don't ever want to be beholding too much to any group,” Niswander said. “We're starting to get to that tipping point.”
It's up to the American consumer to reverse that trend by not always seeking to purchase the cheapest items possible, Niswander said.

“We're selling them debt and they're selling us stuff,” he said.

Contact K.J. Williams at kwilliams@reflector.com or (252) 329-9588.
ECU no longer strictly buy the book
By Kim Grizzard
The Daily Reflector
Friday, January 7, 2011

As spring semester begins today at East Carolina University, some students are counting the days until they turn in their textbooks.

It's 122.

Who's counting? Not just the seniors. It could be any student who is renting a textbook.

ECU's Dowdy Student Stores has launched an in-store textbook rental program for the spring semester. The pilot program, which includes 12 titles this semester, essentially allows students to pay a fee, check out a textbook and return it at the end of the semester.

“Basically the price is 60 percent off the new price,” said Bryan Tuten, the student store's interim director. “They're trying to find so many different ways to reduce textbook costs.”

Tuten estimates the average cost of textbooks per semester for a full-time student is $500 or more.

“Experience Psychology,” which is offered for rent this semester at Dowdy, sells for $108.65 new and $81.50 used. The rental fee is $42.60.

Online textbook rental has gained in popularity the last four years through companies such as Chegg or CampusBookRentals.com.

A few schools in the University of North Carolina system, including Appalachian State, Western Carolina and Elizabeth City State University, have rented textbooks for years. North Carolina A&T in Greensboro joins ECU in beginning textbook rentals this semester.

Greenville's University Book Exchange began offering rental textbooks last fall with nearly two dozen titles. Yvonne Perry, UBE operations manager, said the store rented 300 books in the fall and has doubled the number of titles available for spring.

The rental option is not available at other area campus book stores, including Campus Books and Beat the Bookstore, which is considering launching the program next year. Pitt Community College's book store does not offer text rental.

Rental options are somewhat of a risk for stores, which have to not only consider how to ensure that students are going to return them but also that professors are going to continue using the books.
“We have to be careful which titles we select to rent,” Tuten said. “It's got to be around for the next few years so we can rent it for the next semester.”

Tony Parker, UBE textbook manager, said renting isn't always cheaper. A student may be able to buy a used book, sell it back in good condition and end up paying less than the rental fee.

But renting does provide savings up front, and students don't have to worry that a store won't buy back a textbook at the end of a semester.

“The biggest thing with the rental is it takes the risk out (for students),” Parker said. “You're cutting the risk factor.”

Contact Kim Grizzard at kgrizzard@reflector.com or (252) 329-9578.
A firestorm of publicity surrounding a double-murder in downtown Greenville makes a fair trial for the defendant impossible in Pitt County, a defense motion says.

Attorneys for James Richardson are asking for his capital murder trial to be moved to a neighboring county because news coverage and the controversial nature of publicity about the arrest “have infected prospective jurors with preconceived impressions,” according to the motion filed in Pitt County Superior Court on Wednesday.

The change of venue request is set to be heard in Greenville on Jan. 14. Judge W. Russell Duke originally was to hear the case today, but it was pushed back because of court scheduling conflicts, District Attorney Clark Everett said.

Richardson is accused in the June 30, 2009, drive-by shooting deaths of East Carolina University student Landon Blackley and restaurant manager Andrew Kirby outside The Other Place nightclub on Fifth Street. The shooting prompted increased security measures by city officials in the popular downtown club district. Everett is seeking the death penalty.
The motion by attorneys Thomas J. Moore of Rocky Mount and Jeff Cutler of Wendell says the poisoned jury pool will make it unreasonably difficult to find an impartial panel and protect Richardson's constitutional rights to a fair trial.

“This case becomes a focal point for racial tensions where black community leaders are speaking out ... and for issues of public safety, where local government officials, East Carolina University officials and business leaders are speaking out,” the document said. “Soon, everyone has an opinion about what happened in June of 2009, forming opinions of who is guilty and what the punishment should be. Citizens flocked to the Internet, eager to comment on the story and argue together about Richardson's guilt.”

The “media blitz” and talk about the case have inundated potential jurors with information that will remain in their minds despite all efforts to focus only on the evidence presented at trial, the motion said.

The attorneys cited findings from a survey conducted last year by Durham-base Fair Trial Initiative. The survey was conducted outside popular retail centers in Greenville, Farmville, Winterville and Ayden.

They cited remarks reported by the media from people related to the case and those in positions of authority as being a damaging influence on the jury pool.

They said in the court documents that police made quotes to media in “aggressive tones,” declaring Richardson “guilty and dangerous.”

“These unqualified reports can have only one effect: Creating an opinion in the community that Mr. Richardson is guilty,” the attorneys wrote.

Internet comments on media websites were highlighted by the attorneys as examples of the effect of coverage on residents' opinions. The motion noted more than 1,900 comments on a single story published on a television site.

“This extensive word-of-mouth publicity shows the depth of the bias against Mr. Richardson in Pitt County and the community pressure placed on potential jurors to return 'the right verdict' in this case,” Moore and Cutler wrote.

Publicity around the case is enmeshed with pre-existing racial tensions, further prejudicing Richardson's position, the lawyers wrote, evident in articles and opinion pieces in The Daily Reflector and in coverage by other media outlets.

Other events and factors cited by the attorneys as contributing to the impact of the publicity included: the victims' and the defendant's prominence and popularity in the community; a march and vigil following the incident that included Landon Blackley's family and more than 200 people from throughout the community; that events of the case occurred in the most populous city in a relatively small county; and that remarks by
prominent figures in the city and in The Daily Reflector made a strong emotional impact in the city.

Moore said in an interview Wednesday he believed the trial should be moved to a county outside of the broadcast areas of local television stations WITN and WNCT.

“I live in Nash County and I knew nothing about it,” Moore said. “I think if you just jump one county over to the WRAL viewing area, no one will know anything about it.”

Last month Duke denied Richardson's request to lower his $5 million bond. The suspect is being held at Central Prison in Raleigh and is transported to Greenville for his hearings.

By the numbers
Following are findings of a survey of 470 Pitt County residents by the Durham-based Fair Trial Initiative on their familiarity with the James Richardson murder case:
- 82 percent of those polled had heard about the case.
- 35 percent had formed opinions about the case based on what they read or heard.
- 26 percent believed James Richardson is guilty before being tried on the charges.
- 29 percent did not believe 12 impartial jurors could be found in Pitt County for the trial.
The University of North Carolina Wilmington has received 12 resumes and 18 nominations for the role of chancellor, signaling a strong start to the search to find a replacement for retiring Chancellor Rosemary DePaolo.

“Our advertisements just started showing up in publications,” Wendy Murphy, the search committee chairwoman, said Thursday. “I’m surprised to have as many applications as we have with the holidays, and I do anticipate we will receive many more.”

The search committee met via a phone conference Thursday to discuss how the search was proceeding.

The university has placed advertisements in numerous higher education journals and has information on its website, and UNCW officials have been tasked with nominating candidates they know of, said Cindy Lawson, assistant to the chancellor for marketing and communications.

Parker Executive Search, which was hired to facilitate the search process, is making about 25 calls a day to potential candidates and is handling all of the resumes submitted for the job, she said.

Names of those who have submitted resumes will not be released.

Any nominations made by the firm or UNCW officials are only recommendations, and those that have been nominated have not submitted resumes, Lawson said.

“That kind of stuff happens all the time in higher education – someone makes a nomination of a name,” Lawson said. “But even if they are nominated and turn in a resume, it doesn’t mean that person will go through with the whole interview.”

And there is no guarantee that the resumes and nominations the committee has received will yield the next chancellor, Murphy said.

“We will go through any resumes thoroughly in the spring, and we anticipate taking out ones that aren’t a fit for the university,” she said.

Murphy said that although she cannot predict the final number of people who will apply for the job, her hopes are for at least 40 to 60 names.
The search to replace former Athletic Director Kelly Mehrtens yielded nearly 100 applications, Murphy said.

The search committee will begin narrowing the pool of candidates in mid-March. The committee’s next conference call meeting will be 9 a.m. Jan. 20.
Georgia Facing a Hard Choice on Free Tuition

By KIM SEVERSON

ATHENS, Ga. — Students here at the University of Georgia have a name for some of the fancy cars parked in the lots around campus. They call them Hopemobiles. But there may soon be fewer of them.

The cars are gifts from parents who find themselves with extra cash because their children decided to take advantage of a cherished state perk — the Hope scholarship. The largest merit-based college scholarship program in the United States it offers any Georgia high school student with a B-average four years of free college tuition.

But the Hope scholarship program is about to be cut by a new governor and Legislature facing staggering financial troubles.

The lingering effects of the recession and the end of federal stimulus funds have sunk many states into a fiscal quagmire. The seriousness of the problem, and a growing concern over how much worse it might become, have many states struggling to find ways to trim services or raise revenues.

In Georgia, that means taking a slice out of the Hope scholarship.

When it was begun in 1993, the program was covered easily by Georgia’s state lottery. Politicians enjoyed how happy it made middle-class constituents. Educators praised the way it improved SAT scores and lifted Georgia from the backwaters of higher education.
It was considered so innovative that 15 states copied it. And while the lottery-based scholarship programs in states like Tennessee are dipping into reserves to cover the costs, none have fiscal woes as big as Georgia’s.

Part of it is the program’s popularity. A majority of freshmen in Georgia have grades good enough to qualify for Hope, which covers tuition, some books and fees — but not housing costs — at any Georgia university or technical school.

And even though as many as two-thirds of Hope students let their college grades slip so much that they no longer qualify — “I’ve lost Hope,” they joke when it happens — Georgia still gives away more financial aid per student than any other state. Since the program started, 1.3 million Georgia students have received a total of $5.6 billion in educational support. The program offers as much as $6,000 a year for some students.

But the program has become so popular it cannot sustain itself. Lottery sales, which by law can pay for only the Hope scholarship and a free prekindergarten program, will be short $243 million this fiscal year and as much as $317 million the next, according to state budget estimates.

Last year, lawmakers had to pull millions of dollars from the state’s reserve fund just to cover the cost. But this year, there is nowhere to turn.

Like the other states that are facing the worst fiscal crisis in recent memory, Georgia heads into its legislative session next week staring at a budget deficit of as much as $2 billion. And that is after billions of dollars in cuts over the past two years that have reduced the state’s spending power to $17.9 billion for fiscal year 2011.

But trim the program that for years has paid to educate the children of the most reliable voters in the state?

“Undoubtedly, this is, in every sense of the word, a very strongly ingrained entitlement for a certain segment of voters, and politicians are indeed reluctant to touch it,” said Christopher Cornwell, a professor of economics at the University of Georgia, who has studied the effect of the Hope scholarship on the state, including an analysis of the positive impact the scholarship has had on car sales.

Politicians are hoping for mercy as they begin this month to make decisions that will surely have the parents of college-bound students scrambling to find new ways to pay for tuition.

“We trust and we hope the people in the state of Georgia understand the position we’re in,” said State Representative Len Walker, a Republican who leads the House Higher Education Committee.

They do and they don’t.

Cathy Ottley, a part-time office manager, and her husband, a management consultant, are raising three children in Marietta, north of Atlanta. One is a sophomore at the University of Georgia, courtesy of the Hope scholarship. A daughter who is a high school senior had her heart set on the University of North Carolina but has come to see an in-state college as the practical way to go. And then there is the youngest, a high school freshman with a promising future in athletics. Without the scholarship, Ms. Ottley said, college for her children would be a stretch at best.
“This just gives you options,” she said. “I don’t have peace about kids just starting out at 22 with $200,000 in debt for their education.”

Mr. Walker said no one was talking about cutting the program completely.

“It appears at this point that it will not be a 100 percent scholarship. It might be 90 percent. It might 80 percent,” he said. But the cost of books and fees will most certainly be eliminated.

Other options include raising the required grade-point average, which would cut the number of students who qualify, or giving more to exceptional students and less to merely above-average performers.

“That would make it so much harder,” said Myisha Price, a junior at Clayton State University in Atlanta, who relies on the scholarship and also works. “I don’t go to clubs. I don’t drink. I don’t smoke and I don’t party and it’s already hard.”

Another idea is to work economic need into the equation, though that idea does not have much support, both lawmakers and educators said.

The most likely plan, and one that Governor-elect Nathan Deal, a Republican, has indicated he supports, would be to create a flat rate for each student, regardless of the tuition bill.

At a cafeteria table here this week, a group of Hope recipients defended the program and debated a range of ideas to keep Hope alive, including raising taxes.

Allie McCullen, who is majoring in English and women’s studies, is in her fourth year at Georgia. She is the only child of a single mother who in 2006 lost her job in the mortgage industry. Ms. McCullen pieces together her living expenses and extra book costs through a small grant and two jobs.

“If I didn’t have it, I might not be able to attend at all,” she said. “Or I would just be in such severe debt that I might not ever be able to get out of it.”

If the scholarship ends or gets cut drastically, it could send the most promising students out of state and even end the era of new cars for incoming freshman.

Lauren Rice drives a Hopemobile (though, she concedes, it is only a Honda Civic). Her parents told her she could go to college anywhere. She was considering Auburn in Alabama. But her parents offered her what she called “the car incentive.” That, plus the daunting out-of-state tuition helped her select the University of Georgia.

But without Hope, Ms. Rice’s decision might have been different.

“If you’re going to have a bill in-state anyway,” she said, “then what does it matter?”
B-Schools Give Firms Say Amid Tough Jobs Market

JANUARY 6, 2011

By DIANA MIDDLETON
Some business schools are working harder to incorporate employers' wishes into their curriculum, as the job market for M.B.A. graduates remains tough.

Business schools for years have sought to prepare students for real-world challenges. Now, amid an ultracompetitive job market, some are responding more aggressively to feedback from recruiters about graduates' shortcomings and adjusting their courses accordingly.

Nicole Hall, president of the M.B.A. Career Services Council, an industry group for b-schools' career-services associates, says schools have been more proactive in maintaining and improving relationships with recruiters by inviting top companies to high-profile campus events and having executives mingle with business schools' top administrators.

"The downturn gave a lot of [curriculum] changes a sense of urgency," she says.

According to the most recent employer survey conducted by the Graduate Management Admission Council, 64% of employers expect to hire new M.B.A. graduates in 2011. At the end of 2007, 70% of employers said they expected to hire new b-school grads.

"We've had to be more sensitive to companies' needs," says Rich Lyons, dean of University of California-Berkeley's Haas School of Business.

Mr. Lyons made it a priority to solicit feedback from recruiters and company executives when he stepped into his job in 2008. He sought out companies that Haas hadn't worked with before and tried to maximize contact with powerful alumni and major recruiters.

"Because of the horrific job downturn and competition for positions, we've had to work even harder to get our graduates in front of employers," he says.

After hearing recruiting executives complain that some M.B.A. graduates weren't innovative or creative enough in strategizing, Haas added a new course, required for all first-year students. Called "Problem Finding, Problem Solving," the class has no textbook or traditional problem sets and focuses on out-of-the-box thinking.

Ralph Bahna, chairman at travel and hospitality companies Priceline.com Inc. and Club Quarters, was one of the executives Mr. Lyons solicited for feedback. "I think M.B.A.'s tendency has been to see quick financial gain by pleasing the boss and harvesting cash,"
says Mr. Bahna, who earned his M.B.A. at Haas. "But they don't spend enough time just thinking."

The University of San Francisco's School of Business and Professional Studies has also been more aggressively soliciting feedback from local companies—even ones that don't traditionally hire M.B.A. graduates. Area biotechnology employers said they wanted graduates to have a better understanding of the marketing and development of drugs, rather than just general business knowledge, says Mike Duffy, dean of the school.

"When the school came to us for feedback, we told them that every little bit of expertise helps," says Paul Hastings, president and chief executive officer of OncoMed Pharmaceuticals, Inc., a cancer-treatment research firm in Redwood City, Calif., that says it currently isn't looking to hire any M.B.A. graduates."The more experience, the more practical coursework, and the more they know about what it's actually like to work in a biotechnology firm, the more competitive they will be."

So the school created a four-course sequence that focuses on developing, financing and marketing new drugs, starting last spring. Students are also traveling to London this month to meet with international biotech firms and talk with executives.

"After the recession, a lot of traditional M.B.A. jobs evaporated, but biotechnology is growing, both at large and small firms," says Mr. Duffy. Northeastern University's College of Business Administration made several changes to its program this fall in response to employers' feedback and the competitive job market. The school hosted 50 executive luncheons last year to boost relationships with, and get feedback from, recruiters.

After employers said they found some students' writing too wordy, the school started having a writing instructor grade students' papers in some courses, in addition to the regular professor's grade.

The school asked students to write a cover letter as part of a writing exam during orientation. Students who don't score highly enough get additional writing instruction.

Before the improved focus on writing and communication, Northeastern M.B.A. students were too long-winded and timid during presentations and even when writing emails, says Ralph Miller, director of corporate information management at Harvard Pilgrim Health Care Inc., a nonprofit insurance company. After the school ramped up its writing training, Mr. Miller, who was among the executives the school tapped for feedback, noticed improvement. The firm hired three Northeastern M.B.A. students in 2010. Typically it just takes one; it also increased the number of interns it brings in from the school.

"The school has been very proactive about getting companies involved in improving the curriculum," he says. "Especially with the job market being what it is."