

B. Legislation allowing banks, brokerage houses, insurance carriers & other financial institutions to merge could create databases on individuals, families & small businesses that could make it possible to deny services based on data probably not available now

- E.g. a bank could use health info from an insurance subsidiary to deny loans; or if you screw up & bounce some checks -- who hasn't, at some time in their life? -- you might be denied coverage on your car, even tho there's little connection
- Similar situations exist now to some extent with **credit reporting agencies** -- but the constant reports of injustices, errors & bureaucracy there (despite the Fair Credit Reporting Act) only fuels this expansion of the problem
- Further igniting loss-of-privacy fears are the reputed data **search engines at work when people log onto Web sites or engage in e-commerce**

The privacy issue will involve practitioners on both/several sides, representing multiple viewpoints. Like the really tough issues now in play -- abortion, flag burning, gun laws -- this has deep ideological & emotional aspects. Y2K looks like a rerun for pr: new issues every year

ITEM OF IMPORTANCE TO PRACTITIONERS

¶ **Nominations are open for Awards for Excellence in Corporate Community Service.** Points of Light Foundation's awards, launched in '93, honor companies of all sizes for outstanding employee volunteer programs. Nominations may be submitted by 1) npos, 2) gov't agencies, 3) individuals, 4) beneficiaries of employee volunteer efforts, or 5) businesses may nominate themselves. Prominent leaders from biz & nonprofit ass'ns judge entries. Nomination forms available at www.pointsoflight.org or 202/729-8184. Deadline is July 23.

WHO'S WHO IN PUBLIC RELATIONS

HONORS. Bill Collins, Collins & Co. (Buffalo), receives David I. Levy Communicator of the Year award from Prof'l Communicators of Western NY.

Gerald Powers, soon-to-retire professor, Boston U, receives Crystal Bell Award from Publicity Club of New England.

NOTICE TO OUR READERS

Following our tradition, pr reporter will not be published next week to allow our printer & members of our staff a well-deserved break. Our office will be open for business, however, so call, fax or e-mail your requests.

MIDYEAR TREND WATCH: ALL WILL IMPACT PR, SOME MIGHTILY

The best proof pr is the essential organizational discipline is that all changes & trends affect it -- whether economic, social, political or technical. Some of the current happenings & how pr will cope:

1. 24-HR STOCK TRADING WILL GIVE RUMORS, DISINFORMATION CLOUT

Brokers have never been very objective info sources, since they make a commission on every trade. Analysts are now suspect, since their bosses chide them for any rating except "buy" -- because it hurts trading. (With the US economy now tied to the stock markets, & the world economy to the US, wouldn't you think someone in authority would look into this?)

These factors, plus the fun (at least for a while) & convenience, have rocketed e-trading. So, naturally, comes the plea to open trading 24 hrs, rather than stick to stock exchange hrs. Claims that many e-traders are woefully unprepared to be doing their own trades & purchases have so far gone unheeded. Now self-trading will be even more dangerous.

Scenario: Trader Sue hears at a party that Company X is about to tank. The source is "a person who knows about these things" -- opinion leader theory at work. Instead of having to sleep on it, & then maybe check another source in the a.m., Sue rushes home to her computer & dumps Company X.

- **This could be the new Morning After woe.** Nasdaq's chief says it will happen "because investors want it." SEC head warns: "It's terribly important" that brokerages, exchanges & markets "educate investors about what risks there are in after-hours trading"
- Because lazy voters may also want it, **this could be one more dangerous step toward instant democracy -- mob rule --** when citizens vote from home on the passions of the moment, without reflection or even info

LIVING BY THE MARKETS HAS GONE NUTS ANYWAY

- "It's amazing to me how panicky the market gets," a prominent mutual fund manager told *International Herald Tribune*. "To think we can change the direction of a \$7 trillion economy with a 25 basis-point increase in short term interest rates." Yet this quarter of a percent rise, threatened now, as often before, by Federal Reserve Chmn Alan Greenspan, has Wall Street a-jitter. Frankly, this is idiocy. (But it proves again economies are not about economics, but pr & psychology.)



- **Stock tickers have become as intrusive as ads** (pr last week). Times Square has 2 moving signs now, is about to get 2 more. TV channels scroll stock quotes across the bottom of the screen. News reports in all media feature the Dow Jones as prominently as really important events; remember, it's only an average & your stocks may be doing well whatever the average. Recent article had it right: "When Stock-Watching Becomes Obsessional"
- Writes *USAToday* politics columnist Walter Shapiro: "As I caught a few minutes of tv commentary about 'battered tech stocks' & 'panicked trading', I marveled at the irrationality of the markets Americans worship as if they were the modern equivalent of the golden calf"

IMPLICATIONS FOR PRACTITIONERS

- A. For publicly held companies, any rumor or statement by opponents or competitors will trigger trouble 24 hrs. Aren't attack Web sites & secret-source journalism enough already? Will 24-hr staffing be needed?
- B. For NPOs, universities & others doing fundraising, unexpected fluctuations in promised gifts of stock & even of endowment investment portfolios could occur -- assuming round-the-clock trading further unsettles markets or individual stocks, as seems likely
- C. Everyone will be even more caught up in shortterm responses, as every rumor, or slight glitch in operations, or in an orgn's performance meets the norm of 24-hr surveillance caused by the "golden calf" of the stock markets. There'll be even less time to think
 - **Vicious cycle:** rumors or attacks that cause middle of the night trading (or anytime after the exchanges close) will be magnified by the fact they have done so. You can imagine the headlines already

2. WILL DOCTOR'S UNIONS IMPACT LABOR AS WELL AS HEALTHCARE?

While American Medical Assn's decision to pursue physicians' unions got the attention, in fact 800 docs in LA County's Dept of Health Svcs voted a month ago to join Union of American Physicians & Dentists. Estimates are that 6% of doctors are already unionized.

- Why not? University professors, mid-level mgrs, other professionals, like engineers, have unions. Lawyers in federal agencies are unionized. *Will pr practitioners be the next target?*
- Collective bargaining may help resolve the medical decisionmaking & money fight, or may not, but will it stimulate organizing in general -- given the symbolic nature of doctors' traditional independence? *That will affect a lot of pr plans & employee relations strategies*
- The message here is to mgmt & the boards, stockholders & others to whom it is beholden. How much do they really value their human resources? Could this provide another case where pursuing the bottom line as the only goal turns out to be counterproductive -- & harms the bottom line? Ask GM, UPS or American Airlines. *What's pr's role in bringing harmony?*

3. MEDIA MAY BE MOST NOTEWORTHY FOR MOTIVATING COPYCATS

The school shootings in Colorado & elsewhere showed again the capability of media coverage to stimulate others to do likewise -- even if it's the many false bomb scares apparently called in to get a day off from school.

There's no definitive study. But psychologists & sociologists supporting this view have new evidence. And now commercial cases show that practitioners in all org'ns should review media strategy.

- Denny's restaurants received major coverage of its case involving employees allegedly seating & serving whites ahead of blacks. Company changed mgmt, hired black consultants, devised new policies to see it didn't happen again. Yet new cases pop up every few months
- Can one chain have a corner on blundering workers? Or have media reports preconditioned people to expect & perceive unfair treatment there? Would they sue another chain, or just Denny's? Or did the Denny's case open the door for suits against all restaurants?
- Some sexual harassment cases are found to be without merit under seemingly similar conditions -- even tho legitimately brought by plaintiffs whose expectations were shaped to expect a positive verdict (& maybe a large financial settlement?) Where'd they get this idea?
- Publicity needn't be massive & unrelenting, like the Columbine tragedy. Sears auto dep'ts have had some fraud problems. Now a case identical to one thrown out of court in one state has been brought in another jurisdiction known for awards to plaintiffs. One retail analyst's comment puts this topic clearly:
 - "It's a very big retailer, so people from all walks are finding it a potentially fruitful target in something that kind of feeds upon itself as there is more press about supposed wrongdoings"

4. DEMAND FOR PRIVACY MAY BE MAJOR ISSUE OF NEXT CENTURY

The subject has long been growing in interest -- & outrage. 2 current aspects of the assault on privacy have the potential to make it the major civil rights & liberties thrust:

- A. **DNA tests for genetic defects** are starting to be done by employers. Fear is the findings will be given to insurance companies, banks, future employers & others -- who can then penalize you in several ways based on latency toward some condition or illness
 - Yet everyone has some genetic weakness, so the old criterion for creating big issues is present: **lack of fairness. If you can say something's not fair, that draws support.** Enough cases showing exactly this have been reported that the outrage factor is engaged
 - Worse, tests can be done without revealing it. Swabbing a Q-tip in the mouth provides a DNA sample. Suits over secret tests are already filed -- plus others about the use of genetic data