Business Editing Tips

Compiled by Vince Rinehart of The Washington Post

It would be hard to find a subject more elemental, compelling and pervasive than money. But in many business and economic stories, all of that gets obscured by jargon, murkiness and just plain bad arithmetic. Copy editors willing to approach the subject from a very general, basic perspective -- trying to think like someone reading a business or economic story for the first time -- can play a useful role in making stories clear, accessible and accurate. We're the canaries in a coal mine -- what induces coma in a copy editor is likely to have the same effect on most readers. It's often a copy editor who can remind a reporter familiar with all the inside terms not to impose them on people outside that field of expertise.

Based on a lot of experience rimming, slotting and sometimes assigning business stories, here's an extremely random Top 10 list of things -- some nitpicky details, some very philosophical points -- to remember when editing business and economic stories. There are so many things to remember, and the best preparation is just to be a curious reader willing to learn new things and to constantly ask "why."

10. "Percent" and "percentage point" are different math concepts that are frequently gotten wrong in stories and headlines, especially in stories about government economic reports. Eight percent inflation is 4 percentage points--not four percent--greater than 4 percent inflation.

9. In a related development, never count on a percentage change to be correct, even if this is pretty simple math: Subtract the "from" or "old' number from the "to" or "new" number, then divide the difference by the "from" or "old" number. It's another reason why business copy editors' most effective tool is often a $10 calculator.

8. You don't need to replicate the corporate logo to accurately render a company's name. So beware of all the phony tricks companies use to make their name stand out more in type -- all-caps, where no abbreviating is taking place, punctuation marks that the CEO would love to see in a headline saying the stock price is up. Be reasonably rigorous about fully identifying companies on first reference, but not if it's going to clunk up a sentence by spelling out a corporate icon that most readers would more easily

recognize -- International Business Machines Corp. instead of IBM, Minnesota Mining & Manufacturing Co. instead of 3M.

7. Beg for copies of Barron's glossaries of economic and financial terms; they're a good way to prevent jargon from creeping into the copy and to help readers understand the concepts you're throwing at them, including the ones you see below.

6. Inflation isn't a price, it's a rate of change in prices. But headline writers frequently get this wrong when the government reports an inflation rate that is less than it was a month or a year ago. They'll say inflation falls, when it's actually inflation slowing.

5. An average isn't an index, and vice versa. You get an average by adding up a bunch of numbers, and then dividing by the number of numbers in that set. An index is a statistical composite that measures percentage changes in something -- some measure of economic performance, or a basket of stock prices -- from a base period or from the previous month. In stock markets, an index basically measures the change in a set of stock prices from a base market value that's already been established. Stories and headlines often call the Dow Jones industrial average an index, and it's not. The Dow is a price-weighted average (meaning high-priced issues have more influence than low-priced issues) of the share prices of 30 industrial stocks. [In related news: "average" and "median" often get confused too -- we've seen copy editors change "median income" to "average median income." The median is the midway value between two points -- in housing, it's the price at which half the homes cost more and half cost less.]

4. Merger proposals are just that -- proposals. And it's always the proposals that generate the news, not the actual marriage ceremony of a completed merger. But reporters and headline writers frequently get the tense wrong, saying "Company X bought Company Y yesterday." A merger offer remains an offer until the people that own a company -- the shareholders -- have sold their shares or voted on the deal at a shareholders meeting.

3. Merger stories in the general press -- and even those written by veteran wire service business writers -- often are full of Wall Street terminology that gets carelessly bandied about without being really defined, and that is freighted with the points of view of people actually involved in the merger. "Hostile takeover" is one great example. Hostile to who? The company executives who might be looking for another job if their company is bought, as opposed to the shareholders who get to decide whether the price is fair or not? And takeover? This isn't terrorists storming an embassy, it's one company offering to buy another from its shareholders. And then there's the corporate bylaw provision designed to make an acquisition more expensive unless the targeted company's management likes the offer. To the would-be acquirer, it's a "poison pill" provision. The management trying to fend off the offer likes to call it a "shareholder value" provision. When in doubt, turn to a good glossary

and look for a way to frustrate the spin artists who are trying to shape the story.

2. The most important business stories any newspaper covers are about the fortunes of local companies. They're also the most dangerous stories. So copy editors need to take particular care and exercise particular skepticism when editing stories about the earnings of those companies. Get a copy of the earnings press release from the reporter or a wire service or the Web, and rigorously check the basic numbers being reported -- revenue, profit or loss, profit per share, any percentage changs related to those numbers. Learn to look for the real numbers, and remember that if the earnings report is being boiled down to a few sentences, it's misleading if it doesn't mention the one-time charges and financial events that companies frequently report, that skew the results. If someone's profit is going from $10 million a year ago to $500 million this year, there's a chance that $490 million of that came from selling something. The information can frequently be buried in the company's handout. And don't forget one other mistake often made in profits stories, and other business stories: "million" appears where "billion" was meant, and vice versa. This happens amazingly frequently. It's often detected when you notice that the company's profits are far greater than its revenue -- something that's kind of unlikely.

1. Business news is about money -- yours, your readers'. It's the stuff of lives and livelihoods, and so there is no news more important than business and economic news. If you help get it right, you help explain something that extends far beyond trading floors and boardrooms, into every facet of private and public life. Getting it right, in terms of knowing what to report and how to report it, is the ultimate in reader service journalism. Getting it wrong lets readers get victimized as investors, consumers, voters. Getting it wrong affects jobs and livelihoods.

The Washington Post's glossary of business terms