

the MEREDITH Herald



CONVOICATIONS IN THE COURTYARD (SEE PAGE 3)

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ECONOMIC CRISIS: THE HOUSING BUBBLE

by Jee-In Hur
Staff Writer



Photo courtesy aboutrealestate.com

On Sept. 7, 2008, Treasury Secretary Henry Paulson put Fannie Mae and Freddie Mac, companies that play a critical and increasingly dominant role in the mortgage market, under government conservatorship and replaced both of their chief executives. The two government-sponsored firms own or guarantee about \$5 trillion in home loans, which amounts to about half the nation's total.

The companies buy mortgage loans from banks and package those loans into securities that they either hold or sell to U.S. or foreign investors. That allows traditional lenders like Bank of America, Wells Fargo and Washington Mutual to make more loans. However, simply building too many houses is driving the price to their max. In 2006, the mortgage loans started to be defaulted, draining the companies' financial reserves and sending a chill through credit markets worldwide. In

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THE DEMISE OF PAPER JOURNALISM: IS THE INTERNET WORTHY OF THE TASK?

by Melissa Santos
Staff Writer

Extra, extra time is what many local news journalists are finding themselves with as a result of the *News & Observer's* recent cutting of 35 jobs, 20 of which were in the newsroom. These layoffs are the latest in a series of "staff reductions" the N&O has been announcing since June 2008. But Raleigh's daily paper isn't the only one reeling from declining revenue; nationwide, newspapers are losing long-time subscribers and advertisers to the Internet.

Today's Internet is much more than chat rooms and college humor; in a recent Reuters study, nearly half of 2,000 Americans surveyed cited the Internet as their main news source, while only 10% read newspapers for information. In an email to N&O staffers posted on www.john-zhu.com, Executive Editor John Drescher stresses the importance of referring readers to the newspa-

per's website for up-to-the-minute news and sports. Like the N&O, newspapers across the U.S. are also revamping their websites due to a slump in print advertising revenue and increased competition from the "blogosphere."

While the term has existed for almost ten years, blogosphere didn't become a buzzword until the last few. In Raleigh alone there are several blogs (one even operating as a "news blog") set on scooping one another. Delivering news quickly is a benefit to readers, but delivering false or under-reported news is not. Aspiring journalists know that writing a good news article requires research and reliable sources. When these two key factors are set aside for the sake of speed, accurate information—what news strives to provide—often gets left in the dust. Unfortunately, even though citizen

journalism isn't comparable to professional journalism, it is more popular. The *New York Times* and *The San Francisco Chronicle* have embraced the digital age and now post all their print content as well as web extras on an attractive, full-color site, but that doesn't guarantee they will attract more readers. With browsers like Google and Yahoo allowing readers to customize their own front page to reflect their interests and nearly every website offering an RSS feed, weird news and jokes and videos of the day often trump traditional news. As *Chronicle* Staff Writer Joe Garofoli discovered, "The 24-hour news cycle doesn't exist on rapidly growing user-news sites...Neither do the small cabal of editors who decide what news readers and viewers

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Green Tip for the Week of October 13

Fill up a water jug and keep it in the refrigerator for cold water and make your own ice.

During the 2008-09 academic year, Meredith College's campus theme is "Sustaining our Environment: Developing our Greenprint." To help the Meredith community make daily choices that are beneficial to the environment, Angels for the Environment have compiled a year's worth of tips for greener living. To view green tips from previous weeks, visit www.meredith.edu/campus-theme/environmental-tips.htm.

