

Small Colleges and Oregon's Rural Economy

by William E. Davis



If the late Gabriel Heatter were reporting this story, he would have begun: "Ah, there's good news tonight." Allow me to explain.

In the northwestern Oregon community of Joseph (pop. 1,155), a bronze foundry wanted to expand its plant and diversify its product. Eastern Oregon State College's Regional Services Institute helped the business, which today employs 33 people more than it did before.

This is the kind of story that is heard repeatedly around our regional colleges in La Grande, Ashland and Monmouth and our polytechnical school in Klamath Falls.

Located in what has been described as "the other Oregon," people on these campuses are using their academic expertise to preserve and create jobs that will help to keep our sons and daughters in Oregon.

For example, Eastern developed the project profile for sewer and drinking-water systems that will serve Willowa Lake.

Eastern also helps local officials work together on common problems, and it is not uncommon to see commissioners in the 10 Eastern Oregon counties sitting down together.

Although higher education is undeniably a magnet for economic growth, that magnet clearly is not limited to major research universities in metropolitan centers.

In the Rogue Valley, for example, Southern Oregon State College worked with a distributing company that did \$1.5 million a year in business. After being shown how it could efficiently schedule employees for greater productivity, the company was able to bring out a new, \$300,000 product line—without increasing overhead costs.

Southern also conducted a survey of Oregon Shakespearean Festival audiences to help tourism promoters, and is active in writing Jackson and Josephine counties' strategies to boost tourism revenues.

In Klamath County, the small-business development center at Oregon Institute of Technology worked with

48 companies during the first three months of this year alone.

It helped a manufacturer of a consumer food product, previously sold only in Klamath Falls, to put its product into international markets.

Oregon Tech, Souther and Eastern maintain small-business development centers as part of a statewide network of counseling, technical help and educational services to local entrepreneurs.

Since 1979, Eastern and Southern have operated regional services institutes whose mission is to use campus resources to assist their areas.

In each instance, jobs are saved or created, local tax bases are broadened and communities are strengthened. As a result, excellence in higher-education teaching, research and public service are promoted.

Western Oregon State College, meanwhile, is expanding its services to citizens in the mid-Willamette Valley.

Western, located 20 minutes from the State Capitol, offers continuing education classes in Salem, maintains an effective student-transfer agreement with Chemeketa Community College, and is proud of its strong public-service component (including a long-term association with the Oregon Police Academy, which trains many of Oregon's police officers).

Western now is preparing a new bachelor's-degree program in public policy and administration, designed to promote the effectiveness of Salem-area state and municipal employees.

These are only examples of how our investment in Oregon's three regional colleges and Oregon Tech are not only educating students, but also promoting the health of local economics.

In other words, the campuses are defined not by their boundaries, but instead by wherever they are at work.

This is one good-news story I believe Gabriel Heatter might have loved. I know Oregonians do.

William E. Davis is Chancellor of the Oregon State System of Higher Education.

EDITORIAL/COMMENTARY

Measure 51

On May 19th, Portland voters will be asked in a special election to support Measure 51 which will increase the hotel/motel tax by 2% to benefit the arts.

Measure 51 has created considerable turmoil between the City Commissioners, some businesses, supporters of the arts, and the hotel/motel industry.

Vehemently opposed to the measure, the industry claims that tax will make Portland's hospitality industry less competitive.

They claim also that if the measure passes, the city will continue to increase the tax, the 2% increase will drive away tourists, resulting in a loss of business and possible layoffs of employees.

Supporters of Measure 51 argue that Portland's room rates are the lowest of any major west coast city and will remain so even if the measure passes.

They point out the arts' importance by claiming that it serves more than 2.8 million people a year, injecting nearly \$100,000,000 into Portland's economy, and even attracts more visitors than sports or any other activity.

So, which way should Portlanders vote? Since the tax would only affect voters if they lodged at one of the local hotels/motels, the choice could be a difficult one.

Measure 51 would increase the tax from 9% to 11% (Seattle levies 12.9% and San Francisco, 11%). It would cost an additional \$1.80 on a \$90 room. Portland would move from being the 77th least expensive major city in the nation to 55th. This would put Portlanders on a par with Sacramento.

The hotel/motel industry raises a justifiable concern.

Any tax increase poses a threat to tourism. Any loss of tourism poses a threat to the lodging industry. Any loss to the lodging industry poses a threat to employment. Any loss of employment poses a problem for Portland.

The industry could be accurate in its assessment that if the measure passes, "it would only be a foot in the door" and the Council (as it indicated in its 5-0 vote to place the measure on the ballot) could continue to increase the tax.

Commissioner Lindberg, who introduced the measure, has publicly stated that "this is as high as the city should go and the source should not be used again."

The Observer shares the concerns of the hotel/motel industry. There is the possibility of a loss of revenue from the increased tax and there is no guarantee the source will not be used again (as admitted by Commissioner Lindberg).

But the arts and entertainment is a part of this city's growing development and cultural awareness. A lack of non-support for the measure could have a far greater impact on worsening economic development than the 2% measure.

Perhaps it was unfair to single out the hotel/motel industry to burden with this tax. But we must cite the Commissioners' projection that the industry will benefit far greater than any one else.

But voters must also mandate that the Commissioners develop alternatives to new tax levies to support the arts.

The Observer believes Measure 51 deserves a "Yes" vote.

Letters to the Editor

I Liked Your Ad

Excellent! I liked your ad: "Tuesday buy from Blacks paper or don't buy at all."

You do many excellent articles and news items. I just get too busy to tell you about them.

Keep up the good work and an excellent "news"

Thankfully,
Evelyn Collins
Grace Collins Memorial Center
128 N. E. Russell

All Asians Not Guilty

The recent ad calling for Black support of Black businesses run in the April 22 and 29 editions of the Portland Observer is an insult to Asian Americans and other minorities.

While community support of Black-owned businesses is a desirable goal, that support should not be predicated on inflamed rhetoric and divisive strategies.

When statements such as "Asians have decided that Blacks cannot even walk in certain neighborhoods" and "They are even suggesting that we are inferior and illiterate" are issued as representative of Asian American points of view, an atmosphere of distrust and suspicion is created in which all Asian Americans are held responsible for the actions of a few, for the statements of foreign government heads, and for their own victimization.

In addition, this rhetoric works against those who would strive toward a society that is aware of the values of a multi-cultural and pluralistic society, for it divides and weakens rather than unifies and strengthens the ethnic minorities. It is important for Asians, Blacks and other ethnic minorities to realize that all Americans are victimized when an identifiable group is targeted for verbal and/or physical abuse.

The idea of community support of Black businesses can be justified in and of itself. It does not have to be justified on the backs of Asian Americans or other ethnic groups.

Given the well-documented rise in violence against Asians nationally by whites as well as Blacks, it would be to the advantage of all Portlanders to see that the

cooler heads of an informed community prevail.

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MONEY MANAGEMENT

A weekly column on personal finance distributed by the Oregon Society of Certified Public Accountants.

In Search of the Right Financial Planner

Susan and Brett both work full-time, are avid travelers and have three active children. It's been a year since they received a sizable inheritance from Susan's father but, because of their busy schedules and distaste for financial matters, the entire sum has been left sitting in their passbook savings account.

Dawn, a talented sculptor with an income approaching six figures, doesn't know the difference between a growth stock and a convertible bond and has no idea why everyone's been talking about tax reform.

What do these people have in common? It is very likely that each could benefit from the services of an experienced financial planner, advises the Oregon Society of CPAs.

But Susan, Brett, and Dawn, like many other people are not sure what financial planning is all about and just how a financial planner can help them.

Put very simply, personal financial planning is a process in which a person takes financial control of his or her life. Instead of drifting along, making financial decisions here and there along the way, a person with a financial plan becomes educated about finances and able to focus and take control of the financial aspects of his life.

Although the financial planning process has many components and involves many steps, it may be thought of in terms of three simple questions. Where do I (or we) stand now? Where do I want to go? How am I going to get there? If you think of the first question as being Point A and the second question as being Point B, the financial planning process is the way you get from Point A to Point B. In effect, it provides the answers to question three—a road map of sorts.

While the actual planning process is unique for each individual, the elements are standard. The first step involves the gathering of all relevant financial data which provides the background for the process.

Next, the financial planner will work with you to identify your financial goals and objectives. This decision must be well thought out because it provides the foundation upon which your plan is formulated. Do you need to plan for your children's college education? Are you concerned about your retirement income?

After an analysis of your financial data, your attitudes toward money, and your goals and objectives, the financial planner is in a position to develop recommendations on how you can accomplish your financial goals.

Once the financial plan is complete and agreed to by all parties involved, it is time to coordinate the implementation of the plan. Together, you and your financial planner can determine who should execute the various recommendations in your plan. If your plan calls for more life insurance, an agent can be contacted, while a

securities broker may be called upon to help select recommended investments. If your will needs to be updated, an attorney may be required.

Lastly, it is important to think of the personal financial plan as a process and not a product. The financial plan is an ongoing commitment—it doesn't have an end. And it should be reviewed on a regular basis. Any number of changes in your life (births, marriage, illness) and in the economy (inflation rate, major tax code changes, etc.) could necessitate a change in your financial plan.

If putting a financial plan together sounds like quite an undertaking to you, you're right. It is a complex matter but one that is sure to benefit you and your financial situation. And by turning to the right financial planner to guide you through the planning process, you can make the experience a financially rewarding one.

There are a number of factors you'll want to consider in selecting a financial planner. First and foremost, you'll want to carefully check the financial planner's competence and experience. A financial planner should have a working knowledge of all areas of financial planning—from taxes to cash flow, from investments to retirement planning.

Next, you'll want to give serious thought to the payment arrangement you will feel most comfortable with. There are basically three ways financial planners charge: fee only, commission only and fee plus commission. Commission only financial planners produce a plan free of charge but collect a sales commission on many of the products they recommend you buy. With this method you may never feel quite certain whether the suggested recommendations are in the best interests of you or the planner. On the other hand, fee-only planners, such as CPAs, charge only for the service itself. They may be the most objective since they charge a flat fee, usually based on an hourly rate and receive no commissions. A hybrid, the fee plus commission planner, charges a set amount for the plan and also sells on commission some or all of the products the plan recommends.

It is essential to discuss, in detail, the entire process (including costs) of how the plan will be developed and implemented with any planners you are considering.

Review the planner's track record, the number of years he/she has been in business as a financial planner, and how well you trust the judgement of the person who recommended him/her. Your selection of a financial planner should be based on the planner's objectivity, competence and experience in personal financial planning.

Your financial success in the future may very well depend on the actions you take today. So give careful thought to preparing a financial plan with the right financial planner.

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The Portland Observer (USPS 959-980) is published every Thursday by Ezra Publishing Company, Inc. 1463 N.E. Killingsworth, Portland, Oregon 97211. Post Office Box 3137, Portland, Oregon 97208. Second class postage paid at Portland, Oregon.

The Portland Observer was established in 1970.

Subscriptions \$15.00 per year in the Tri-County area. Postmaster: Send address changes to the Portland Observer, P.O. Box 3137, Portland, Oregon 97208.

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288-0033