

# The J Report

THE OFFICIAL NEWSLETTER FOR JEWELERS OF AMERICA MEMBERS

## John Cohen Elected Chairman

John Cohen, Co-CEO of Greensboro, NC-based Carlyle & Co., was elected Chairman of Jewelers of America during the organization's Board of Directors meeting in New York on Saturday, July 30, 2005. Cohen succeeds Alan Zimmer of Reeds Jewelers, Wilmington, NC, whose two-year term has ended.

Also at the JA board meeting, John Green of Lux Bond & Green, West Hartford, CT, was elected Chairman-Elect. Terry Burman of Akron, OH-based Sterling Jewelers and Georgie Gleim of Gleim the Jeweler, Palo Alto, CA, were both elected Vice-Chairs. Michael L. White of White's Jewelers, Springfield, TN, was elected Treasurer and Susan Jacques of Borsheim's, Omaha, NE, was elected Secretary.

JA also welcomed four new board members: Marvin Beasley, Helzberg Diamonds, North Kansas City, MO; Scot Congress, Congress Jewelers, Sanibel Island, FL; John Hayes, Goodman's Jewelers, Madison, WI; and Woody Justice,

Justice Jewelers, Springfield, MO.

Completing their terms on the JA board, in addition to outgoing chairman Alan Zimmer, are Stanislas de Quercize of Cartier, New York, NY, and H. Victor Hellberg of Hellberg's Jewelers, Marshalltown, IA.

*See page 3 for a complete list of the JA Board of Directors.*



JA President and CEO Matthew A. Runci (left) watches as outgoing JA Chairman Alan Zimmer of Reeds Jewelers, Wilmington, NC (right), passes the gavel to newly-elected JA Chairman John Cohen of Carlyle & Co., Greensboro, NC (center).

## JA Co-Founds Council for Responsible Jewellery Practices

Companies and organizations from a cross section of the diamond and gold jewelry trade, including Jewelers of America, recently formed the Council for Responsible Jewellery Practices (CRJP). The nonprofit organization has 14 founding members from different parts of the supply chain, from mine to retail, all committed to promoting responsible business practices in a transparent and accountable manner throughout the industry.

JA and other council members believe that a coordinated worldwide approach is the best way to address the social, ethical, and environmental challenges facing jewelers today in order to maintain and promote consumer confidence in the industry. CRJP will

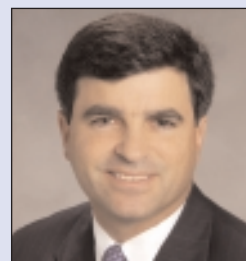
enable the industry to work together to improve standards and practices and will reduce the risk of overlapping or conflicting results that could potentially arise from uncoordinated individual efforts.

"The ultimate goal of the council is to establish a common standard that all within the industry can work toward so that responsible business practices—business ethics, human rights, labor standards, environmental performance, community standards, etc.—can be implemented all the way through the supply chain," said JA's President and CEO Matthew Runci, who is the first to hold the council's rotating chairmanship. "The council is unique because it is designed to

*(Continued on page 3)*

## A Word From the Chairman

I am honored to be elected Chairman of Jewelers of America and to serve the JA membership. I consider it to be a privilege to work with the JA Board of Directors, JA's staff, and the leaders of JA's state and regional affiliates toward the goal of bringing leadership, member benefits, and business-building tools to our members nationwide.



During my two-year term as Chairman, I will work with my fellow JA board members on a number of initiatives to help JA move forward and to assist JA member retailers with their business needs. I also look forward to advancing JA's relationships with other industry organizations so that the entire industry may benefit from our collective strength.

Under the leadership of the JA board, our organization will continue to have an active presence in the jewelry industry and provide a leadership role on national and global industry issues, all while tending to the needs and concerns of our members.

Sincerely,

John Cohen  
Chairman

## New Feature Inside This Issue

### Ask a Gemologist

Introducing a new feature of *The J Report!* JA Director of Education David Peters, GG, CG, answers members' questions. In this issue, he discusses the fluorescence of diamonds and re-plating a white gold ring. . . . . See page 5.



### About Jewelers of America

Founded in 1906, Jewelers of America is the national association for retail jewelers.

JA represents more than 10,000 jewelers nationwide and serves as a center of knowledge and as an advocate for professionalism and high social, ethical and environmental standards in the jewelry trade. Each regular JA member is also a member of its state or regional association, of which there are 40 across the nation.

### The JA Mission

Jewelers of America is the national trade association for the retail jeweler. JA is both a center of knowledge for the jeweler and an advocate for professionalism and high social, ethical and environmental standards in the jewelry trade. The JA mission is to assist all members in improving their business skills and profitability. JA will provide access to meaningful education programs and services, leadership in public and industry affairs, and encourage members with common interests to act in their and the industry's best interests.

### JA Code of Ethics

JA and its members value the respect and confidence of the public and the jewelry industry. To attain this respect and confidence, JA members maintain the highest possible ethical standards in their business dealings. All members of JA are required to sign and abide by the JA Code of Ethics.



## JEWELERS OF AMERICA

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# JA Provides AML Guidance

Jewelers of America is providing its members with guidance on the interim final rule regarding anti-money laundering programs issued on June 3, 2005, by the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN).

The interim final rule, implementing section 352 of the USA Patriot Act, affects those whom the Treasury Department classifies as "dealers" of precious metals, stones, or jewels. Upon a careful review of the rule, JA has determined that most of its retail members do not fit the rule's definition of "dealers" and will not be required to create anti-money laundering programs inside their stores.

"Although the majority of our retail members will not be directly affected, we are

providing these guidelines to all JA members to help them understand the new anti-money laundering rules because of the issue's potential impact on the jewelry industry," said JA President and CEO Matthew Runci.

The materials were mailed to all JA members and can also be found in the members' section of the JA website, [www.jewelers.org](http://www.jewelers.org). JA urges that each of its members review the materials to determine whether they are classified as a "dealer" and must establish compliance procedures as required by FinCEN.

JA members are strongly advised to make sure their businesses are operating in compliance with the new regulations by FinCEN's compliance deadline, January 1, 2006.

# No Dirty Gold Advocacy Campaign Still Active

The "No Dirty Gold" campaign, a coalition of nongovernmental organizations, has again sent letters to jewelry retailers, including several JA members, this summer. The advocacy group urges retailers to support and facilitate responsible sourcing practices.

If JA members are contacted, JA strongly recommends responding in a timely, positive manner. JA has prepared a response letter that members can download from JA's website, [www.jewelers.org](http://www.jewelers.org), and copy to their own

company letterhead.

The JA letter affirms that JA and its membership support responsible sourcing practices. The letter clearly states JA's position that such a commitment must involve a process of engagement with all levels of the gold jewelry supply chain and that any meaningful reform must incorporate as many industry stakeholders as possible.

Talking points for use with consumers, media, and advocacy groups are also posted on [www.jewelers.org](http://www.jewelers.org).

## JA Members Speak

JA invites feedback on its programs, as well as on articles that appear in *The J Report*. If you would like to offer comments, please email JA at [info@jewelofam.org](mailto:info@jewelofam.org), fax JA at 646-658-0256, or write to: Jewelers of America, Attn.: The J Report, 52 Vanderbilt Avenue, 19th Floor, New York, NY 10017. Opinions expressed by members are not necessarily shared by JA.

If some statement defining the categories were published along with the survey questionnaire, I think it would be helpful.

Francis Kisner  
Kisner's Gems  
Towanda, PA

### Cost of Doing Business Survey

Over the years, we have frequently participated in the annual Cost of Doing Business Survey. I have never been comfortable with the categories of merchandise as the survey lists them.

How much diamond or what part of the value of an item makes it qualify as "diamond jewelry"? Is anything that includes a diamond as the only gem to be considered as diamond jewelry? I have a women's ring with a small diamond accent that I classify for our purposes as a karat ring since the diamond is not of consequence in value. Still, a man buying the ring is probably buying it because of the diamond.

Or, if a ring has both garnets and pearls, is it "pearl jewelry" or "colored stone jewelry?"

**JA Note:** This year, JA has included clearer, more detailed instructions for completing the merchandising data portion of the Cost of Doing Business Survey questionnaire. For example, the "diamond jewelry" category is for all new pieces, excluding timepieces and estate jewelry, in which diamonds constitute 50% or more of the value of the finished piece. All new pieces, excluding timepieces and estate jewelry, in which colored stones equal 50% or more of the value are to be categorized as "colored stone jewelry" for the purposes of the questionnaire. And so on. These merchandise categories will also be made clear in the finished survey so that those interpreting the data can best make meaningful comparisons to their own businesses.

# JA Designs Self-Assessment Business Tools for Members

To help members meet their responsibilities under the Kimberley Process Certification Scheme and the World Diamond Council System of Warranties, JA has developed a self-assessment checklist, which is available in the members only section of [www.jewelers.org](http://www.jewelers.org). This tool is designed to help members and their staffs evaluate their knowledge, policies, and practices regarding conflict diamonds.

The checklist serves as a reminder of what policies a retail jeweler should have in place and as a self-appraisal of how effectively they are carrying out those policies. If a jewelry storeowner and their staff members are able to answer "yes" to all the questions on the checklist, they can be confident that they are upholding their responsibilities as retail jewelers. If a member or anyone on their staff checks off an item as "somewhat" or "no," that represents an opportunity for improvement.

"The Kimberley Process Certification Scheme and the WDC System of Warranties helped stem the flow of conflict diamonds," said JA President and CEO Matthew Runci. "They also presented the jewelry industry—including retailers—with important new

responsibilities. JA's self-assessment checklist will help our members make sure they are carrying out those responsibilities."

After members use this self-assessment tool with their staffs, JA requests that members return the completed checklist to JA via fax or mail. When submitting the checklist, members are invited to include any comments they may have regarding the checklist's effectiveness as a self-assessment tool. This will help JA gauge how its membership is coping with the conflict diamonds issue and will shape the development of future JA educational resources and tools regarding conflict diamonds and other corporate social responsibility concerns.

A summary of the conflict diamonds issue and a set of talking points for use with consumers, media, and advocacy groups are also available on the website. Members who are unfamiliar with the issue may wish to read the summary and talking points prior to using the checklist in order to properly acquaint themselves with the subject matter.

JA members and their staffs are strongly encouraged to visit [www.jewelers.org](http://www.jewelers.org) and utilize these important members-only tools.

# JA Co-Founds Council for Responsible Jewellery Practices

*(Continued from first page)*

cover a large breadth of issues across every step of the supply chain, no matter how large or small the business, in all geographies."

The council has developed a draft Statement of Principles, which set out the fundamental standards that council members believe are indispensable to maintain consumer confidence in the jewelry industry. These principles form the basis of the council's Responsible Practices Framework through which the council will promote continuous improvement in responsible business practices throughout the diamond and gold jewelry supply chain.

On the subject of consumer confidence, Runci added, "The average U.S. consumer may or may not be aware of the social,

ethical, and environmental issues involved, but there is certainly very real interest from opinion leaders, media, NGOs, and members of the jewelry industry. From a business perspective, it is preferable to address these issues now before consumer awareness increases and consumer confidence suffers as a result. Once consumer confidence is lost, it often takes years to regain that trust."

CRJP has started a consultation process and will confer widely with stakeholders, seeking feedback on its activities, its draft principles, and the development of an implementation process. JA invites all jewelry professionals interested in social, ethical, and environmental issues to visit the council's website, [www.responsiblejewellery.com](http://www.responsiblejewellery.com), to read details and share their thoughts on these matters.

## JA Board of Directors

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# ATTENTION: JA Members



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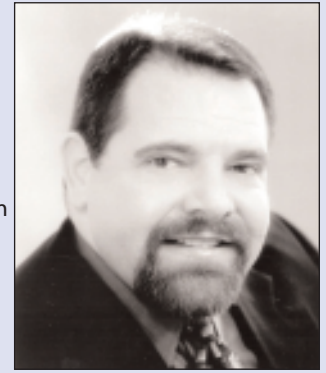
## Ask a Gemologist

Jewelers of America presents a new recurring feature of *The J Report* where JA members can ask a gemologist about problems and challenges that have arisen while selling jewelry to customers. The gemologist is JA Director of Education David Peters, who works on the design and delivery of educational services to JA's nationwide membership. He also conducts seminars and educational programs at industry events.

Peters holds a master of science in education and educational technology from Pepperdine University, is a Graduate Gemologist

(GIA) and Certified Gemologist (AGS), and has more than 16 years' experience in the retail jewelry industry. Prior to JA, Peters spent seven years as an instructor at GIA.

JA members can email their questions to Peters at davidpeters@jewelofam.org or fax them to 213-607-7655. He will personally respond to all questions, and selected questions will appear under "Ask a Gemologist" in upcoming issues of *The J Report*.



*A customer shopping for a one-carat diamond solitaire found two stones he liked—one at my store and one at a nearby competitor's. The clarity, cut, color, and carat weight were almost identical, but the competitor's diamond was a much lower in price. When the customer showed me a copy of the competitor's stone's lab report I saw that it noted the diamond as having strong fluorescence. Could this be the difference in the price? Is strong fluorescence good or bad?*

Strong fluorescence is almost never a good thing in a colorless or near-colorless diamond. But many jewelers don't talk about fluorescence because most customers are not aware of its possible impact on a diamond's beauty or value.

Fluorescence can be described as a diamond's ability to "glow" or give off visible light when exposed to certain types of ultraviolet (UV) radiation like sunlight and some forms of artificial lighting. If a diamond fluoresces, the light it gives off is usually bluish in color.



This diamond exhibits very strong fluorescence under long wave UV light. In normal room lighting, strong fluorescence can cause a diamond to appear slightly hazy or oily to the unaided eye.

A lot of diamonds fluoresce, but only a few do so strongly. When a diamond has strong fluorescence it will appear oily or foggy in sunlight. Also, it will most likely look a little cloudy or hazy in normal room lighting. Stones with strong fluorescence are almost always lower in price per carat

(sometimes as much as 30% or more) because of the impact of the fluorescence on the stone's appearance. Generally speaking, if a lab report describes a diamond's fluorescence with words like faint, inert, negligible, moderate, or medium, you don't really have to worry about the diamond being any less attractive because of its fluorescence. But if the report describes the fluorescence as strong or very strong, both beauty and price will be impacted, sometimes substantially.

*A customer who bought a very expensive 18-karat white gold and diamond ring from me last year is now complaining that the mounting is looking dingy and yellowish. What could be the problem? Or is she just imaging things?*

You customer is definitely not imaging things. Most white gold rings are flash plated with a very, very thin coating of rhodium (a pure white metal) to give them a more brilliant, pure white appearance. This rhodium plating will wear off over time and reveal the "real" white gold ring underneath. Because pure gold is very yellow, no matter how much you alloy it with other metals like zinc and nickel, it will almost always retain some of its yellowish body color.



This award-winning platinum pendant will never fade or discolor because, unlike most white gold alloys, platinum is a truly white metal needing no additional alloying.

The solution to your customer's problem is quite simple. Most bench jewelers can easily re-plate a white gold ring with rhodium for very little cost. Also, many manufacturers will re-plate the rings they sell. Check with both your bench jeweler and the company that made your customer's ring to decide on the best course of action.

One final thought: if a customer wants a truly white metal that won't require any future re-plating, steer them toward platinum. It is naturally pure white in color.

## Are Customers Asking You Questions?

Retail jewelers wishing to provide their customers with answers to the most frequently asked consumer questions can use JA's series of "What You Should Know About..." brochures. The brochures help customers understand basic jewelry terminology and provide important care and cleaning tips.



JA offers several different brochures, including a newly revised edition of "What You Should Know About Buying a Diamond." The revised diamond brochure now includes additional content on the "4 Cs" and updated information about new technological advances in diamond jewelry.

The WYSKA series of brochures can be displayed on a jewelry counter or distributed to customers. Each brochure stresses the importance of shopping from a JA jeweler. More details, including ordering information, are available at [www.jewelers.org](http://www.jewelers.org) or 800-223-0673.

## Diamond Dealers Club Hosts Free Expo

The New York Diamond Dealers Club will hold Diamond Expo 2005 on its diamond trading floor in the heart of Manhattan's diamond district on September 18 and 19, 2005. There is no charge for admission into the event.

The expo will feature a wide selection of diamonds and colored stones. The Diamond Dealers Club will also conduct four seminars each day of the event. Scheduled topics include online business tools, inventory management, marketing strategies, and treated and synthetic diamonds.

For registration or additional information, jewelers should call 203-977-0400, ext. 117, or visit [www.nyddc.com](http://www.nyddc.com). The registration deadline is September 7, 2005.

## New Lead Content Policy Announced

Earlier this year, the U.S. Consumer Product Safety Commission (CSPC) announced a new enforcement policy to help minimize the health risks linked with lead in children's jewelry.

The new policy is designed to give manufacturers, importers, and retailers clear guidance on steps they should take to minimize the risk for children. The CSPC has also specified the laboratory test procedures it will now use to analyze lead content and identified the lead levels that will warrant further attention on the part of the commission.

Details are available at [www.cpsc.gov](http://www.cpsc.gov).

## Ruby Treatment Detectable

A sudden increase in the number of treated rubies filled with lead glass found in the marketplace initially caused concern among gemstone trade groups.

However, according to GIA, magnified examination of glass-filled rubies clearly shows flash effects, gas bubbles, irregular voids, differences in luster where the filler reaches the surface, and poor polish on the filled areas. Industry experts agree that since this treatment is very easy to detect under magnification, the increase in the availability of glass-filled rubies does not represent a problem for the jewelry industry.

Further information on this subject is available at [www.gemstone.org](http://www.gemstone.org), [www.agta.org](http://www.agta.org), or [www.gia.edu](http://www.gia.edu).

# Retailers Crowd JA New York Summer Show for Education, Merchandise, Special Events

The aisles were crowded with buyers at the summer JA New York Show, held July 31 through August 3, 2005, at the Jacob Javits Convention Center in Manhattan. The four-day event gave retail jewelers, including many JA members, the opportunity to see the latest styles, meet with suppliers and manufacturers, and be a part of special industry events.

As the official sponsor of education at the JA New York Show, Jewelers of America conducted three days of seminars in the JA classroom on the show floor. The seminars were an immense success, with eager show attendees crowding the classroom for each session. Several of the seminars were standing room only.

The education program gave retail jewelers a chance to receive advice from some of the industry's top experts on a range of issues. Repair procedures, bench efficiency, casting techniques, diamond treatments, sales management, employee relations, online sales, and cultured pearls were highlighted during the three days of seminars. Most of the seminars featured information that could be applied to JA's sales, management, or bench jeweler certification exams.

JA displayed finished pieces from the bench jeweler certification exam at its booth in order to help promote the program. Upon seeing the display, many storeowners and bench jewelers stopped at the booth to take a closer look and ask questions about the certification program.

Spread throughout the show floor were numerous galleries, showcases, and pavilions, including over 20 international pavilions. In total, over 1,000 exhibitors—manufacturers, designers, and suppliers—



JIC Chairman John Green of Lux Bond & Green, West Hartford, CT, presents the 2005 Trade Press Editor of the Year award to Peggy Jo Donahue of *Professional Jeweler*.



Senior Gemologist Sharrie Woodring, FGA, GG, of the European Gemological Laboratory addresses a packed classroom during her seminar on diamond treatments. This session was one of 15 well-attended seminars on the show floor sponsored by JA.

sold to the thousands of buyers who browsed merchandise during the show.

Jewelers of America President and CEO Matthew Runci and Newmont Mining Vice President of Environmental Affairs and Sustainable Development David Baker held a roundtable discussion on the Council for Responsible Jewellery Practices with trade press editors.

Jewelry Information Center conducted a panel discussion on marketing jewelry to women. JIC also held a luncheon to recognize the work of trade press editors, during which it named *Professional Jeweler's* Peggy Jo Donahue as the 2005 Trade Press Editor of the Year.

The next JA New York event will be the Special Delivery Show in October (see *sidebar*). The winter JA New York Show will be held January 22-24, 2006, and the next summer show will be held July 30-August 2, 2006.

## Special Delivery Show

Just in time for the busiest selling season of the year, VNU Expositions will hold the second annual JA New York Special Delivery Show, October 23-25, 2005, at the Javits Center in Manhattan.

The JA New York Special Delivery Show is an opportunity for retail jewelers to buy last-minute merchandise without having to worry about shipping delays.

Interested JA members should contact VNU Expositions directly at 800-650-1591. Information and registration is also available online at [www.ja-newyork.com](http://www.ja-newyork.com).

# Rock Creek Mine Rejected by Court

This spring, a federal district judge voided U.S. Fish and Wildlife approval of the Rock Creek underground silver mining project located near the Cabinet Mountains Wilderness area in northwestern Montana, which covers 93,000 acres and is populated by diverse wildlife.

Federal District Judge Donald Malloy ruled that the Fish and Wildlife Service failed to properly consider the possible harm the Rock Creek project could cause to grizzly bears and bull trout in the area. The court ruling came in response to a lawsuit filed by Earthjustice, a nonprofit, public interest law firm, on behalf of a coalition of nongovernmental organizations and advocacy groups.

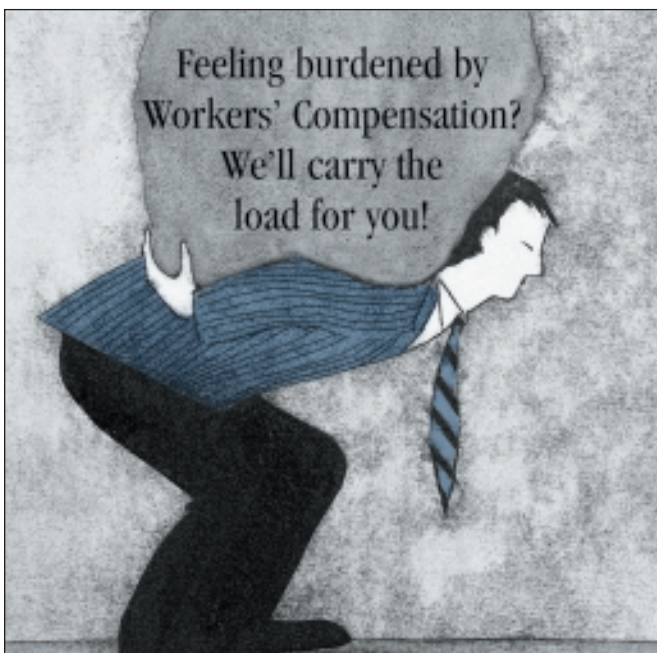
Jewelers of America members may recall that the proposed Rock Creek project was the subject of much industry debate last year. Advocacy groups, in particular Westerners for Responsible Mining, took interest in the matter and contacted jewelry retailers—including several JA members—in order to raise awareness of the project's potential adverse environmental impact.

As a supporter of responsible mining practices, JA's position is that the organization supports the protection of the Cabinet Mountain Wilderness area and is concerned about the prospective impact of the proposed Rock Creek mine. JA also stated in the past that outdated mining laws should be reviewed and revised to ensure that the environment is adequately protected under their provisions.

JA maintains that responsible retail jewelers want the companies in the supply chain with whom they do business to source minerals from sources that adhere to socially and environmentally responsible practices. As stated in the JA Supplier Code of Conduct, "JA members believe that natural resources should be developed in a manner that respects the needs of current and future generations. The jewelry industry uses metals and other minerals for a wide variety of purposes, and it is therefore in the industry's best interest to ensure that the minerals upon which it depends are obtained, produced, and used in environmentally and socially responsible ways."

In order for its members and other jewelry retailers to become better informed about what takes place throughout the supply chain, JA supports the creation of information systems to help track the sources of metals and other minerals and to monitor extraction, transportation, refining, and disposal practices throughout the life cycle of the mineral. Establishing such systems will allow all involved, including retail jewelers, to assess mining projects and choose mineral products that have been sourced and produced responsibly.

JA will keep its members informed via *The J Report* and its website, [www.jewelers.org](http://www.jewelers.org), of any future developments involving the proposed Rock Creek mining project. The full text of the JA Supplier Code of Conduct, along with information on JA's other social, ethical, and environmental initiatives, is also available at [www.jewelers.org](http://www.jewelers.org).



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# Recruiting, Educating, and Retaining Employees Using JA Resources

The ability to find, train, and keep talented individuals impacts the bottom line. Finding the right person for the job can lead to a rewarding professional relationship between employee and employer. Providing continuous on-the-job education helps foster a supportive work environment for your employees. And avoiding employee turnover allows your business to maintain its productivity and efficiency.

As a Jewelers of America member, you have access to JA resources that can help you meet your recruitment, training, and retention goals. By utilizing your JA membership, you can reach out to potential new hires, promote continuous learning among employees, and implement strategies to make sure current employees remain with your business.

## JA's Careers Initiative

Hiring is an important, but potentially time-consuming and expensive, function of any business owner. It takes time and money to recruit and interview job candidates. Reaching as many jobseekers at once is a strategic way to find the right employee for your store.

JA created the Careers in the Jewelry Industry program to help JA members show jobseekers in their communities that the jewelry industry and, by extension, their own jewelry stores offer promising careers. Across the country, JA members have staffed tables at fairs for high school and junior college students and for adults changing careers or re-entering the workforce. At these career counseling events, JA members have distributed JA's Careers in the Jewelry Industry guidebook, answered questions, and shared their passion for the jewelry industry.

Mary Loose DeViney of Tuel Jewelers in Charlottesville, VA, is one of many JA members with an active presence at career fairs. DeViney goes to local fairs with career materials from JA and the Virginia Jewelers Association,



Mary Loose DeViney (Tuel Jewelers, Charlottesville, VA) displayed materials from JA and other organizations at a recent career fair sponsored by the Charlottesville Area School Business Alliance and the Central Virginia Tech Prep Consortium.

supplemented by materials she requested from GIA, the National Association of Watch and Clock Collectors School of Horology, and the Virginia Department of Mines and Mineral Resources. Of a recent career fair, DeViney reports, "More than 2,000 students came through over two days. All the career materials were distributed and many questions were asked about careers in the jewelry industry."

Even if you are not currently seeking to fill a position, being present at career fairs is a good way to educate your community about the employment opportunities available through the jewelry industry. And when the time

does come to find a new employee, the people you encountered during a career fair will be more likely to view the industry (and your business) as a viable career choice.

## In-Store Education

One way to encourage employees to stay with your business is to create an atmosphere of continuous learning. Employees will tend to be more loyal to a workplace where they can improve their knowledge of the industry and grow as jewelry professionals. JA developed the JA Learning Center to allow storeowners to create a centralized training system that is continuous and employee-driven. The JA Learning Center is both an orientation guide for new employees and a system for owners to develop a customized training program for their employees' continual education. This education program offers employees a sense of participation and allows managers control over store training with only a small commitment of time required.

JA offers additional education programs to enhance employees' training. JA Jewelry 101 is a comprehensive self-study program for sales associates that includes interactive learning exercises. Jewelry 101 offers sales associates the opportunity to gain product knowledge about colored stones, diamonds, platinum, cultured pearls, and gold. The program is designed for beginning sales associates, but can also serve as a review for more experienced sales professionals. Counter Intelligence teaches sales associates

## Available from JA

JA Careers Outreach materials . . . . .	free
JA Learning Center . . . . .	\$79 for members
JA Jewelry 101 . . . . .	\$34.95 for members
Counter Intelligence . . . . .	\$79
Hiring for Keeps . . . . .	free online

## Owners Liable for Employees' Privacy

A provision of the Fair and Accurate Credit Transactions Act (FACTA) now in effect makes business owners responsible for helping to protect their employees' privacy and personal information. Business owners are required to shred all employee personal information before throwing it away, regardless of the size of the business or the number of employees.

Several states already had laws regulating the shredding and disposal of records containing personal information. However, the privacy provisions in FACTA cover businesses, large and small, in every state. If a jewelry store's failure to properly shred employees' personal information enables someone else at the store or an outside party to commit identity theft, the business could be subject to federal fines, state fines, and civil lawsuits.

The provision, which took effect June 1, 2005, requires the destruction of personal information, which can be accomplished easily with a shredder. Members are advised to use a shredder that can shred media, as CDs containing personal information are also required to be destroyed before disposal.

## Employees Value Corporate Social Responsibility

Recent data suggests that a company's commitment to corporate social responsibility not only impacts consumer opinion, but also employee attitudes and morale. The independently commissioned and conducted Cone Corporate Citizenship Survey found that the issue of corporate responsibility greatly affects the way employees and potential employees view a company.

A full three-quarters of respondents said they would refuse to work at a company whose practices they found unfavorable. Sixty-seven percent said they would be less loyal to their jobs at that company. Meanwhile, 81% of respondents stated that a company's commitment to a social issue is an important factor when deciding where to work.

The survey's findings illustrate the importance of adopting a corporate social responsibility strategy and communicating that strategy and related efforts to all employees.



The JA Learning Center helps make in-store education an ongoing experience, fostering an environment of continuous self-improvement for employees. Other educational programs are also available from JA.

about communication skills, professionalism, ethics, and legal compliance. The program encourages jewelry sales professionals to communicate openly with customers and conduct themselves responsibly.

Counter Intelligence is the result of an industry-wide effort to educate sales associates. Jewelry 101 and the Learning Center are JA programs for which JA members are eligible for a substantial discount.

### On the Web

JA has previously published a white paper on the topic of employee retention, *Hiring for Keeps: Avoiding the High Cost of Employee Turnover*. This white paper discusses the cost of employee turnover and reasons why employees change jobs. Much of the paper is dedicated to strategies for proactively reducing turnover. The retention methods covered in the paper are easy to apply to your business.

The white paper also includes a job satisfaction questionnaire, which can be completed confidentially by your employees to help you understand their perceptions of your store's work environment. In the event that one of your employees leaves, the white paper also includes an exit survey to help you understand what went wrong and prevent future turnover.

*Hiring for Keeps: Avoiding the High Cost of Employee Turnover* can be viewed or downloaded for free in the members section of the JA website, [www.jewelers.org](http://www.jewelers.org). The JA website also includes other educational materials, including white papers on branding and the Internet, information on corporate responsibility and consumer confidence initiatives, and archives of educational and information tools, such as *Counter Points* and *The J Report*. Information on JA Jewelry 101, the JA Learning Center, Counter Intelligence, and the Careers in the Jewelry initiative can also be found at [www.jewelers.org](http://www.jewelers.org).

## At the Affiliate Level

### New Course Eligible for Affiliate Scholarships

Scholarships available to members through their JA state or regional affiliates can now be used toward the new Graduate Sales Associate course, one of the most comprehensive sales associate training programs in the jewelry industry, from the Jewelers Education Foundation of the American Gem Society.

Graduate Sales Associate course participants receive initial training on product knowledge, sales techniques, and success strategies. The seven-chapter home-study course contains pertinent facts on diamonds, colored stones, pearls, metals, watches, and period jewelry, along with information about the jewelry industry and the importance of customer service and professionalism. Upon successful completion of a proctored final exam, the participant will be awarded a Graduate Sales Associate Certificate from the Jewelers Education Foundation.

JA allocates funds to be used for education by each of its state and regional affiliate organizations. Affiliates may choose to use this funding to provide scholarships for members and their employees. Scholarships are also available for courses from other industry organizations, including the Gemological Institute of America, Diamond Council of America, and the Gemmological Association of Great Britain, as well as for JA's own Bench Jeweler Certification program.

Scholarships are not awarded for courses or programs in which the applicant was previously, or is currently, enrolled. Applicants should complete their course or program within its allotted time period. Each JA affiliate decides how to spend their educational funding, allowing them to best fulfill the needs of their members at the state or regional level. For information, or to request a scholarship application, call JA at 800-223-0673.



The JEF's Graduate Sales Associate course is a seven-chapter home-study program.

# Balance Sheet

Audited Financial Statements As of September 30, 2004

## Assets

### Current Assets

Cash & Cash Equivalents .....	\$1,454,804.00
Account Receivable.....	\$26,384.00
Prepaid Expenses.....	\$69,051.00

**Total Current Assets .....** **\$1,550,239.00**

### Equipment

Furniture, Fixtures, Equipment and Improvements	
Net of Depreciation.....	\$332,375.00

**Non-Current Assets .....** **\$52,002,781.00**

**Total Assets .....** **\$53,885,395.00**

## Liabilities and Net Assets

Current Liabilities.....	\$444,661.00
Non-Current Liabilities .....	\$188,764.00
Total Liabilities.....	\$638,425.00
Net Assets .....	\$53,246,970.00
Total Liabilities and Net Assets.....	\$53,885,395.00

## CONDENSED STATEMENT OF ACTIVITIES

### Operating Revenue

Dues.....	\$688,629.00
Royalties and Education Materials .....	\$603,988.00
Total Operating Revenue.....	\$1,292,617.00
Dues Payments to Affiliates.....	\$578,672.00
Net Operating Revenue .....	\$713,945.00

### Expenses

Salaries and Benefits .....	\$1,676,741.00
Support to JIC.....	\$250,000.00
Depreciation .....	\$98,815.00
Member Services and Promotions .....	\$633,862.00
Occupancy.....	\$506,035.00
Office Expenses .....	\$73,830.00
Postage and Shipping.....	\$132,290.00
Professional Fees.....	\$497,232.00
Travel .....	\$237,717.00
Equipment Rental .....	\$76,000.00
Insurance .....	\$22,954.00
Telephone .....	\$28,401.00
Other Expenses.....	\$182,413.00

**Total Expenses.....** **\$4,413,298.00**

**Net Operating Expenses .....** **\$3,699,353.00**

### Other Revenue (Expenses)

Investment Income .....	\$665,811.00
Invest Fees.....	\$493,992.00
Unrealized Gain on Sale of Investments.....	\$1,510,896.00
Realized Gain on Sale of Investments.....	\$4,255,088.00

Net Non-Operating Revenue.....\$6,241,803.00

Fund Balance Beginning of Year .....	\$50,704,520.00
Fund Balance End of Year .....	\$53,246,970.00

# Chippenhook

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## JA's Runci Named To GIA Panel

JA President and CEO Matthew A. Runci was recently selected to serve on the Gemological Institute of America's Industry Advisory Board for its 2006 Symposium. The panel is comprised of some of the global jewelry industry's most prominent leaders.

The theme of the 2006 Symposium will be "Navigating the Challenges Ahead," and the event will also mark GIA's 75th anniversary. Runci and other board members will give guidance to GIA in planning for the worldwide event.

## Survey Reveals Web-to-Store Shopping Behavior

Consumers are increasingly using the Internet as a research tool before visiting traditional brick-and-mortar retail stores, according to a recent study. The 2005 Web2Store Benchmark Survey, published earlier this year by the Dieringer Research Group, found that 70 percent of web-to-store shoppers increased their pre-shopping product research in 2004 from the previous year.

The survey indicates that while some consumers buy directly online, many others use the Internet for product research ahead of going in person to a retail store. This consumer behavior should benefit retailers who consistently update their websites. It also suggests that all retailers should expect their customers to be more knowledgeable and savvy, given the amount of information available online.

## JFC Campaign Brings Hope to Children

Jewelers for Children (JFC), the jewelry industry's drive to help kids in need, is continuing its "Heroes for Hope" initiative for individuals who are willing to commit at least \$1 per week for a year toward this worthy charity. The Heroes for Hope campaign, now in its second year, invites contributions from jewelers at these donation levels:

Diamond Heart .....	\$10 per week
Platinum Heart.....	\$5 per week
Gold Heart.....	\$4 per week
Silver Heart.....	\$3 per week
Bronze Heart.....	\$2 per week
Ruby Heart .....	\$1 per week

For their generosity, every JFC Hero for Hope will receive a personalized certificate of appreciation, a JFC lapel pin, and recognition on the JFC website, [www.jewelersforchildren.org](http://www.jewelersforchildren.org), and in the annual Facets of Hope Journal.

Jewelers for Children was founded in 1999 to help kids whose lives have been affected by illness, abuse, or neglect. Since then, the jewelry industry has raised more than \$14 million for JFC and its four recipient charities—the Make-A-Wish Foundation, the Elizabeth Glaser Pediatric AIDS Foundation, St. Jude Children's Research Hospital, and the National CASA (Court Appointed Special Advocates) Association.

In addition to the Heroes for Hope campaign, JFC raises money throughout the year with a combination of special events, silent auctions, and in-store fundraising. This money helps children who need it the most, and every dollar counts. Even \$1 per week will make a difference.

The charity's ongoing success is due to the continuing generosity of jewelry trade organizations, jewelry and watch manufacturing companies, retail jewelry stores, individual jewelry professionals, and jewelry consumers. Further information on JFC is available at [www.jewelersforchildren.org](http://www.jewelersforchildren.org). The JFC website accepts online donations.



Each JFC Hero for Hope will receive recognition for their generosity, including a personalized certificate of appreciation.

