

BUSINESS

FINANCIAL REPORT

ANNUITIES: A SECURE ALTERNATIVE

By Fred Snyder

All investments have some risk associated with them. Risk is simply a fact of life in the investment world. In the past several years, we've seen the stock market hit some of its grandest highs. We've also seen some of its most dramatic declines. Even traditionally solid investments like Government bonds are subject to risk from inflation and rising interest rates. That key is to identify how much risk you are willing to accept. As a general rule, the lower the risk the lower the return on your investment. The higher the risk, the higher the return on your investment.

Regardless of age or position, all prudent investors should have some portion of their investment portfolio that is secure. Annuity Contracts offered by insurance companies can fill this need, while offering some tax benefits.

An annuity is an investment contract between you and an insurance company. The contract goes through two distinct phases; an accumulation phase and a pay-out phase. During the accumulation phase, your money will collect interest. The interest on this money will not be taxed until it is withdrawn. During the pay-out phase, the insurance company begins making payments to you, while the account continues to earn interest. These payments can be made monthly, quarterly, semi annu-

ally, or annually and you also select the pay-out period, usually ten or twenty years, or you may receive payments over your lifetime. There are many pay-out options available. Only the interest portion of each payment is taxable. The rest is treated as a repayment of principal.

When an insurance company receives money from the purchase of annuity contracts, it invests those funds. It then pays a slightly lower return than it is able to achieve. That's how insurance companies make a

profit. If the company doesn't earn a high enough rate of return, it loses money. Insurance companies tend to be very conservative. This provides you with a level of safety.

There are several issues you need to examine when deciding whether to invest in an annuity. Will the deferral be an advantage for you? Do you want or need monthly income from your investment? How long are you willing to hold the investment?

You should also make an examination of the insurance

PAYING YOUR TAXES WITH A MONEY ORDER

It's that terrible time of year again, T-day, or tax day. With April 15 fast approaching, some of the concerns people have are not only how much they have to pay, but how to pay. As more and more Americans opt not to use a checking account, pay-

ment of taxes can be a problem. Taxes cannot be paid with cash.

A money order is the perfect solution to paying state and federal taxes according to James K. Bill, president of Travelers Express Company, Inc., the nation's largest volume is-



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suer of money orders. Here are some reasons why:

•**SAFETY**—A properly filled out money order is considered a safe way to pay taxes through the mail. This is because it cannot be easily altered or

(See Taxes, Page 17)

WANDA POTTER JOINS PROPERTIES PLUS INC.

We are proud announce Real Estate Professional Wanda Potter's recent move to Properties Plus, Inc.

Wanda is a highly skilled Real Estate Professional with a wealth of knowledge and experience. Wanda was recently awarded the graduate, Realtor Institute (GRI) designation. The designation, awarded by The Nevada Association of Realtors is given to individuals who successfully complete 90 hours of rigorous advanced courses from residential to commercial Real Estate. Most importantly Wanda is a hard working, caring person who will put the highest priority on your Real Estate needs.

Wanda Potter can be reached at: Office: 732-7587, Pager: 381-9404



WANDA POTTER

Real Estate Perspective

By Loretta A. Hall



NEW-HOME SALES UP 12.9 PERCENT (Increase in January is steepest)

Sales of new homes soared 12.9 percent in January, but sales of existing homes fell 1.5 percent, new reports show. The new-home sales increase was the steepest gain in a year and more than wiped out the first decline in three months in December, the government said. It was the latest sign that the housing industry continued to lead the economy out of recession. All regions posted gains except for the Northeast where sales were unchanged from December. Sales jumped 63 percent in the Midwest. The departments of Commerce and Housing and Urban Development said new homes sales totaled 612,000 at a seasonally adjusted annual rate, up from 542,000 a month earlier and the highest since 625,000 units were sold in January 1990. The jump was the steepest since a 20.7 percent advance in October 1991. December's 4.6 percent decline also was revised upward from an even sharper 6.6 percent loss first reported last month. The report said the seasonally adjusted estimate of new houses for sale was 283,000, representing a supply of 5.8 months at the current sales rate. That was the lowest since a 5.5 month supply in December 1986 and an incentive for further

construction.

The Commerce Department reported last month that housing jumped 5.5 percent in January, suggesting renewed confidence by builders. And building permits, often a barometer of future activity, rose even higher, to 6 percent. Still, the National Association of Realtors reported last week that sales of existing homes fell 1.5 percent in January after three consecutive monthly gains. The Realtors attributed the decline in sales of previously owned homes to consumer uncertainty over the economic outlook and a blip in mortgage rates as much as to the usual midwinter lull in housing activity. The recession in the housing industry ended in January 1991, when sales plunged to 404,000. Sales have risen 50.7 percent since then. The median price of a new home was \$125,000 in January, up 2.4 percent from December and the highest since a similar price in June 1990. The median means half the homes cost more and half less. The 63 percent advance in the Midwest boosted sales to a 145,000 annual rate, the largest since a 170,000 rate in October 1978. Sales roses 5.0 percent in the South, to a 231,000 rate. They were up 1.2 percent, to 169,000 in the West, and unchanged at 66,000 in the Northeast.

However, in our state existing single-family detached homes closed escrow during February at a seasonally adjusted annual rate of 461,380, up 13 percent from January.

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