

# BUSINESS

## FINANCIAL REPORT

### ECONOMIC OUTLOOK 1996: Growing will slowly keep going

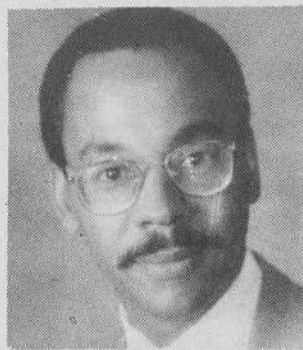
By Fred T. Snyder

Investors had a wild ride in 1995. The DOW Jones Industrial Average made a quantum leap of about 1,200 points. The U.S. Government shut down, which raised questions about government-guaranteed securities. The media reported on the large number of company mergers and acquisitions. Meanwhile, the economy continued to grow. But will it keep growing? And will the presidential election have an impact? And what does all this mean for the Financial Markets? Here are a few insights:

#### Economy still on the rise

By most indications, the

economy will continue to grow but at a slower pace. It also should stay on the positive side throughout most of 1996. Real gross domestic product growth, which measures the increase of products and services produced by U.S. companies, is expected to finish at 3.3% in 1995 but reach only 2.2% in 1996. The growth is based in part on an improving global economy, which should stay strong throughout next year. The U.S. economy has already seen the benefits of an improving global economy through increased export demands, and some experts see that trend moving forward.



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#### What about inflation and interest rates?

Inflation's neutrality also contributed to 1995's economic growth. Though it may rise slightly, inflation should remain a non-factor in 1996. The Federal Reserve will also do its part to keep the economy on the positive side. Both short-term and long-term interest rates could drop later in the year if the economy slows significantly.

#### Media-hype on Dow 5000, 1996 Election

Although several emotions surround the financial markets in light of the Dow crossing 5000 and the upcoming elections, you

(See Financial Report, Pg 16)

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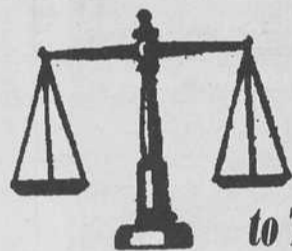
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## SPECIAL TRIBUTE

to The Honorable Judge Addelmar D. Guy

The Las Vegas Chapter of the National Bar Association will pay special tribute to The Honorable Judge Addelmar D. Guy, III on March 9, 1996, at the Alexis Park Hotel. This special tribute will be held in conjunction with the National Bar Association's 10th Annual Scholarship Banquet. The highlight of the program will include special recognition to Judge Guy from the various community organizations. The evening will conclude with a dance. Invitations and tickets to this event will be available in February.

Judge Guy, who retired January 1996, is the first African-American to serve as District Court Judge in the State of Nevada. He began his service in 1975. Judge Guy has served his community well. He has received numerous recognitions and awards for his service, including the naming of the Addelmar D. Guy Community Center after him. The Center, located on West Washington and Martin Luther King Blvd., provides educational and self development programs to young boys and girls in the West Las Vegas community.

Michael L. Douglas, Deputy District Attorney - Civil Division, has been appointed to succeed Judge Guy.

The National Bar Association has provided needed financial assistance to many African-American law students, all of whom are now practicing attorneys in the Las Vegas community. The Honorable Judge Guy has personally assisted in this endeavor by the establishment of the A.D. Guy Scholarship Fund in 1992. In 1994, a \$1,500 scholarship was awarded from the A.D. Guy Scholarship Fund, and \$4,000 from the NBA Scholarship Fund.

Any corporations, businesses, community organizations or individuals who would like to receive special recognition at this event may do so by a donation of \$1,000 to NBA, 931 South Third Street, Las Vegas, NV. This donation will entitle them to a table of 10 in the Gold Circle, complimentary champagne, complimentary souvenir booklet, and full page ad. (All ads must be "camera ready")

For additional information, contact Dr. Betty Henderson, 474-6667, or Johnnie Rawlinson, 455-4761.

## MONEY MANAGEMENT

### Put Your Money Where Your Mouth Is: Financial Resolutions You Can Stick To

Reno — With another New Year upon us, it's time for another round of New Year's promises. And if you're like most people, your financial resolutions won't make it through March. But, according to the Nevada Society of CPAs, the easiest financial resolutions to stick to are small, manageable ones that tackle some basic financial tasks. Here are some suggestions for your 1996 New Year's resolution list.

#### CUT THE COST OF CHECK BOUNCING

Even the most responsible money manager occasionally bounces a check, resulting in an overdraft fee of \$25 or more. You can eliminate this cost by obtaining overdraft protection. When you need money to cover a check you've written, the bank automatically transfers funds (up to your credit limit) to your checking account and debits your overdraft line of credit. Overdraft protection is free until you use it, and if you pay back the money quickly, your interest charge is likely to be less than the overdraft fee.

#### CANCEL UNNECESSARY

#### MORTGAGE INSURANCE

If you made a down payment of less than 20 percent of the purchase price of your house, you were probably required to pay for private mortgage insurance (PMI). The monthly premium you pay protects the lender in case you default on the loan. Once your mortgage balance equals 80 percent or less of the value of your home, you usually can drop the insurance.

#### REVIEW YOUR ASSET ALLOCATION

Changes in financial markets can impact your portfolio and leave you with the wrong mix of investments. For example, while your original intent may have been to have 30 percent of your assets invested in stocks, last year's upsurge in the stock market may have brought your total stock holdings up much higher. If your original asset allocation still makes sense, or a new mix would be more advantageous, take steps to get your portfolio back in balance. For example, consider selling some stocks and reinvesting the

proceeds in other savings or investment vehicles. Of course, you'll have to pay tax on any net capital gains.

#### CHECK YOUR SAVINGS BONDS

Series EE U.S. Savings Bonds issued before December 1965 stop paying interest after 40 years. Those issued after that date stop paying interest after 30 years. If you have bonds stashed away, you may want to check the maturity dates. Bonds that are no longer earning interest should either be cashed in or converted to Series HH Bonds, which pay interest every six months. If you convert your Series EE Bonds to Series HH Bonds, you can also defer paying taxes on the accrued interest of the EE Bonds.

#### CLOSE OLD CREDIT CARD ACCOUNTS

Credit reports list all the credit cards you own along with their maximum credit lines — even if you haven't used some of those cards for years. This could result in a potential lender rejecting your mortgage or credit application because you appear to have too much available credit. To cancel an account, notify the card issuer in writing. Be sure to ask the issuer to advise the credit bureaus that the account was closed at your request.

#### SET UP A FILE FOR HOME IMPROVEMENT RECEIPTS

Every time you make an improvement to your home, file the receipt in a folder or box marked "home improvements." When you sell, you can add the cost of any qualified renovations you made to your home's cost basis. Doing so reduces your potential taxable profit upon a sale. Keep in mind that the costs for repairs and maintenance, like stopping leaks and painting the house, are not considered "improvements" by the Internal Revenue Services (IRS).

#### DROP COLLISION ON OLDER AUTOS

Consider dropping collision coverage on your car if it's more than five years old and has lost most of its value. In many cases, the premium you pay can be a lot more than what it would cost to repair the car.

#### PREPARE FOR APRIL 15

Another resolution CPAs suggest you make for 1996 is to begin preparing your tax return as soon as possible. Taking the time now to locate receipts and documents can help you claim valuable tax deductions and make the job of preparing your 1995 return a little easier.

Money Management is a weekly column on personal finance prepared and distributed by the Nevada Society of Certified Public Accountants.

## Real Estate Perspective

By Loretta Arrington Hall



### A New Year A New Focus For Real Estate Professionals (What trends year 2000 will bring?)

A new study of trend predictions for the Real Estate Industry over the next five years reinforces some commonly held perceptions there will be fewer Real Estate Agents and more intensive use of technology by the year 2000. Are you ready for the challenge and will you be equipped and more career and technology oriented?

One frequent prediction is that Real Estate Agents will become more professional, viewing real estate more as a career and not just as a way to

earn additional income. They will increasingly see what they do as a business in which they're willing to invest their own money. Our industry in the year 2000 will be more serious and we will be more willing to accept responsibility for our actions, and more committed to succeed.

Technology will play a dramatic role in changes over the next five years, technology will contribute to the downsizing of the Real Estate industry. It will increase salespeople (See RE Perspective, Page 14)

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