

BUSINESS BRIEFS

WHAT'S CLINTON DOING ON AFFIRMATIVE ACTION: MENDING OR ENDING?

Sounding as if he were ending affirmative action, President Clinton recently indicated a change in his campaign to end racism. The president has moved from initiating new federal programs to suggesting that whites and minorities simply should pray, study and work together. "I think the more people work and learn and worship, if they have faith, and serve together, the more likely you are to strike the right balances between celebrating our differences instead of being afraid of them," the president said in encouraging more "engagement" as the best answer to racism. On the other hand, Clinton "mended" Affirmative Action, in a limited way. In introducing a new federal program Clinton reversed some of the residual effects of a Supreme Court decision curtailing favored treatment for minority businesses. Under the new framework, the federal government has restored limited affirmative action preferences in its procurement and will give extra help to small disadvantaged businesses only in industries that have been determined to still suffer the effect of racial discrimination, rather than across the board. He said that the more proscribed set of rules "satisfies constitutional requirements while targeting our efforts in areas where disparities still exist." The program does not set aside contracts or set goals for minority firms, instead the Commerce Department identifies which sectors require special assistance for disadvantaged firms of any racial ownership by comparing their actual share of federal contracts with what would be expected in the absence of discrimination.

YES THERE'S DISCRIMINATION OUT THERE, BUT WHERE'S THE BANG IN OUR BUCKS?

Instead of leading other blacks out of poverty, surveys show middle-income blacks are less likely than their white counterparts to be employing processes leading toward increasing their wealth accumulation. They are less likely to invest in stocks - 57 percent of Black Americans who earn more than \$50,000 invest, compared with 81 percent of whites. And, even when they earn as much as whites, blacks accumulate far less wealth. Middle-income blacks are less likely than whites with similar incomes to be knowledgeable about investment offerings and less likely to feel they know enough "to make good investment decisions" on their own. U.S. Census data show African-Americans typically possess only one-third the assets of whites with similar incomes. This gap for blacks results from three factors: less blacks inherited wealth, most don't save as much as whites, and they get poorer returns on money that is saved. Blacks tend to save less and place investments in vehicles yielding less wealth than whites (\$42,000 to \$88,000).

WHO'S MINDING THE STORE FOR TOBACCO-BILL RELATED BENEFITS TO BLACKS?

The *Chicago Independent Bulletin* reports the Congressional Black Caucus Working Group on the Tobacco Settlement, chaired by Mississippi Congressman Bennie G. Thompson, has joined with the Health Task Force of the Congressional Hispanic Caucus, Congressional Asian Pacific Caucus and the Native American Caucus to "join efforts to guarantee any tobacco legislation benefits all sectors of the American population." The groups collectively say: "It seems likely Congress will make significant changes to the laws governing the tobacco industry. Unfortunately, if the final laws enacted resembles legislation already proposed, it will conspicuously neglect the tobacco-related health crisis affecting minority communities." Blacks and Native Americans have the nation's highest tobacco usage and lung cancer rates.

BLACKS' OPPORTUNITIES WITH BIG THREE AUTOMAKERS

Minority Business Entrepreneur magazine reports that in their recent Memorandum of Understanding, Big Three automakers vowed to nearly double their purchase levels from minority businesses - \$3 billion worth over the next three years. Profiles of companies that currently provide vendor services to automakers include: Louisville-based Active Transportation which made nearly \$350 million in 1977 transporting new Fords from the factory to dealer showrooms. Saturn Electronics & Engineering supplies the Big Three with actuators, power junction blocks, body controllers and other electronic products. Plastech, located near Detroit, made \$300 million last year, and employed over two thousand employees supplying interior and exterior molded components and bumpers to the Big Three. Paper Plus makes over \$3 million supplying paper products to Chrysler. To get listed, potential suppliers should contact the special supplier managers at Ford, Chrysler and General Motors, and the New York City-based National Minority Supplier Council.

BUSINESS

Never too late to invest, right approach key

Special to Sentinel-Voice

If you're in your late 40s or early 50s and haven't saved a nickel for retirement, you may think it's too late to start.

Not so. Embarking on an investing plan now can go a long way toward providing you the secure retirement you've always dreamed about.

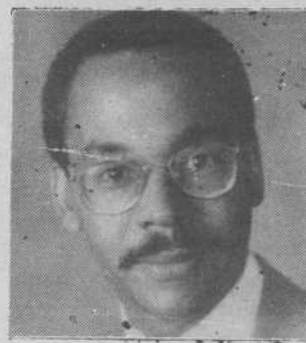
Still skeptical? Take a look at the numbers: If you're 45 and start stashing away \$400 a month in an investment earning 10 percent annually, you could end up with a nest egg worth \$306,279 when you're ready to retire in 20 years.

Of course, this is only an example and doesn't reflect the performance of any specific investment, but it shows the savings power potential.

Remember, procrastinating doesn't pay. If you let two years pass before initiating a savings plan and invest for 18 years instead of 20, your account could potentially grow to \$242,227 instead of \$306,279 — a difference of \$64,052, or

Financial Report

By Fred T. Snyder



more than 20 percent.

You have to be able to save to reach your goal. If you want to put away \$400 a month as mentioned in the previous example, that might mean trimming your budget and refinancing your debts.

Here are three ideas for investing the money: Contribute to your 401(k).

If your employer offers a 401(k) retirement plan, your contributions are not currently taxed, thereby reducing your taxable income. If you contribute the maximum \$10,000 annually and are in

the 28 percent tax bracket, that puts \$2,800 more per year (\$233 per month) in your pocket.

What's more, many employers match a portion of your contributions, providing a built-in return on top of the potential the money without penalty until you're age 59 1/2 and you'll owe taxes on your withdrawals when you begin receiving the income.

Invest in a Roth IRA. The beauty of this plan is that your after-tax annual contributions grow tax free.

Working individuals and

unemployed spouses can contribute up to \$2000 per individual per year in a Roth as long as your individual income doesn't exceed \$95,000 (\$150,000 if married). Other restrictions apply, so be sure to consult your tax adviser.

Use dollar-cost averaging to buy stocks. Dollar-cost averaging means you invest the same dollar amount at regular intervals — monthly, for example — into a specific investment, let's say growth stocks.

This technique allows you to buy more shares when prices are low and fewer shares when prices are high. Keep in mind that this method doesn't guarantee profits or protect against losses in declining market.

While you can't change the past, you can help control your financial future with the right approach.

This article was provided by A.G. Edwards & Sons Inc., Member SIPC.

The Hartford donates \$25,000 to fund BEEP newsletter

Special to Sentinel-Voice

Hartford, Conn. — The Hartford Financial Services Group has donated \$25,000 to fund the Black Executive Exchange Program quarterly newsletter's first year of operation.

BEEP, a program of the National Urban League, builds links between industry, government and predominately black universities. The BEEP newsletter provides an opportunity for participants to communicate, make suggestions, offer criticism and discuss the program.

The newsletter also showcases participants to senior management in the companies and government agencies employing BEEP participants and graduates, according to Nadine Medley, BEEP's executive director.

"BEEP is a program that provides such worthwhile activities as mentorships for college students," said Steve Hasenmiller, president of The Hartford Financial Services Group's Personal Lines Unit. "This newsletter promises to be a valuable communications tool that will enhance the good work being done by the program. We are pleased to be able to fund its first year."

Said Medley: "Through the years The Hartford has taken a leadership role in helping us establish and refine the program. This donation is just one more example of the value the company places on our program. We are grateful to The Hartford for this support." The Hartford has been

involved with BEEP since 1979.

Dr Jerome Bartow, a senior vice president of The Hartford

until his retirement in 1995, helped BEEP expand its new scope when he served as chairman of the BEEP

Executive Advisory Council, from 1982 to 1993. Bartow continues as a member of (See BEEP, Page 7)

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