

Middle-income family can meet cost of education

Continued from back page

tribute more substantially to Mike's 401(K) plan, sell their stock at a capital gain in 1991, carefully reconsider whether Jo should go back to work (it may be worthwhile) and not shift any more of their assets into the children's names. All of these

factors affect the expected family contribution and thus directly affect the children's eligibility for financial aid. This topic will be dealt with in depth in next week's column.

It is worth noting that having two children so close together in age may actually work to their advantage.

With the children overlapping three years during their undergraduate studies, they will likely be eligible for greater financial aid than if there were no overlap. This is the result of the family's expected contribution per child decreasing in the years when more than one family member is in college.

Although the Austins have not been able to provide money for their children's education to date, it is not too late to begin planning. In fact, it is a very good time for them to review their situation and create their own opportunities.

Next week, we'll examine those complex financial aid forms and tell

the Austins how they might qualify for more financial aid.

Dan Boyce, a certified financial planner at the Center for Financial Planning in Southfield, has been recognized by Money magazine as one of the top financial

planners in the nation. Alan Ferrara is a partner in the Farmington Hills law firm of Coopers & Lybrand, LLP. Edie Harder & Lazar, both serve on the board of directors for the Southeast Michigan Chapter of the International Association for Financial Planning.

Auto makers are bypassing dealerships, selling directly to fleets

It is one of those ironies of the U.S. auto business that car companies are willing to pay as much to sell a car as they pay wages to workers to build it. The relatively steep markup between the price of a delivered vehicle and the full retail sticker price (which can run between 8 percent and 16 percent, oddly, higher for more expensive cars), is sufficient to make some dealers richer than the chairman of the board at GM, a situation that was quite shocking to the Japanese when they first started marketing their wares.

In fact, until relatively recently, the Japanese didn't even use dealers. Instead sent salesmen door-to-door. Of course, their chairman

weren't making much either, which tended to keep everybody's nose to the grindstone until recently, when a few too many Harvard Business School graduates went back to the home islands.

The independent sales franchise in the United States, as a result, is the most aggressive in the world and manages to push an amazing variety of hardware, while maintaining some semblance of a service network as well. But the system is seeing some unlikely pressure these days.

MUCH of it is coming from the companies themselves, who have been attempting to maintain sales



auto talk
Dan McCosh

volume by shipping large quantities of cars to the big rental fleets, thus short-cutting the retail markup and adding a substantial discount for big fleet orders to boot.

By itself, this cuts a substantial volume out of the retail franchise system. But it also means that the cars will return in a year or so at even more heavily discounted used

cars, sold in blocks by either the rental companies, or in some cases by the auto companies themselves.

It is, of course, dirty pool if you happen to have a substantial investment in a retail franchise, which supposedly means in principal that you won't be competing directly with the wholesale supplier.

On the other hand, the fleet sales game has kept Chrysler, notably, afloat since anyone can remember. It's no coincidence that the recently retired chief marketing guy at Chrysler, Ben Bidwell, was a former top gun at Hertz.

Curiously, while the practice of undercutting the dealer network is disquieting to dealers, it results in some tremendous savings for consumers, since they can buy a low-mileage car minus both the retail markup and the first-year depreciation.

The pressure coming from fleet sales is destabilizing the market and has the unfortunate side effect of also putting downward pressure on

used car prices, thus hurting trade-in values.

All of these are the kinds of things you would expect in a business recession, however. In fact, it is the way the real world reacts to cut prices in the face of the dismal demand for new cars these days.

In short, it is the downside of the same system that allows successful dealerships to rake in profits when times are good. At least some customers are benefiting, and that ultimately is what it will take to turn the current slide in retail sales around.

Dan McCosh is automotive editor of Popular Science magazine.

datebook

● PURCHASING MANAGEMENT

Thursday, May 16 — Installation of officers of the National Association of Purchasing Management — Metro Detroit and mini-seminar by Rick Inatome of Incomp Computer Centers. "Keys Issues in Purchasing" at the Detroit Yacht Club. Information: 1-773-3737.

● NETWORKING

Thursday, May 16 — Leads Club meets in Southfield. Information: Jo Anne Kusudo, 641-2756.

● TECHNOLOGY COUNCIL

Thursday, May 16 — Michigan Technology Council meets in Southfield. Information: 313-763-9757.

● ACCOUNTANTS ASSOCIATION

Thursday, May 16 — National Association of Accountants meets in Bloomfield Hills. Information: 838-9329.

● INVESTING SEMINAR

Thursday, May 16 — Free dessert investment seminar 7:30-9:15 p.m. in Farmington Hills. Information: Brenda Murray, 433-8546. Sponsor: Prudential-Bache Securities.

● CPA AND BANKRUPTCY

Friday, May 17 — "The Role of the CPA in Bankruptcy" presented 9 a.m. to 5 p.m. in Troy. Fee: \$105. Information: 855-2288. Sponsor: Michigan Association of Certified Public Accountants.

● CPA WEEKEND

Friday-Sunday, May 17-19 — CPA Weekend review for certified public accountants near Rochester. Information: 370-3120. Sponsor: Oakland University.

● CMA REVIEW

Saturday, May 18 — Certified Management Accountant examination review part four 8 a.m. to 5 p.m. near Rochester. Fee: \$95. Information: 370-3120. Sponsor: Oakland University.

● BLACK WOMEN

Saturday, May 18 — National of 100 Black Women meets in Detroit. Information: 534-9746.

● WORDPERFECT 5.1

Saturday, May 18 — Course on columns and tables for WordPerfect 5.1 9 a.m. to 12:30 p.m. near Rochester. Fee: \$60. Information: 370-3120. Sponsor: Oakland University.

● LOTUS 1-2-3

Saturday, May 18 through June 8 — Lotus 1-2-3 version 2.2 workshop 9 a.m. to 12:30 p.m. near Rochester. Fee: \$160. Information: 370-3120. Sponsor: Oakland University.

● LEGAL SECRETARIES

Monday, May 20 — Oakland County Legal Secretaries Association meets in Bloomfield Hills. Information: 649-3333.

● FINANCIAL PLANNING CERTIFICATE

Monday, beginning May 20 — Personal Financial Planning Certificate program begins at Adam High School in Rochester Hills. Information: 370-3120. Sponsor: Oakland University.

● PERFORMANCE APPRAISALS

Tuesday, May 21 — "Conducting Effective Performance Appraisals" 9 a.m. to 4:30 p.m. in Southfield. Non-member fee: \$225. Information: 353-4500. Sponsor: American Association of Employers.

● APPRAISERS SOCIETY

Tuesday, May 21 — American Society of Appraisers meets in Farmington Hills. Information: Lisa Hobart, 658-0769.

● CREATIVE THINKING

Tuesdays, May 21 and 28 — Creative thinking workshop 7-9 p.m. in West Bloomfield. Fee: \$65. Information: 737-7252.

● FINANCIAL PLANNING

Tuesdays, May 21 through July 23 — "Do-It-Yourself Financial Planning" course 6:30-9:30 p.m. near Rochester. Fee: \$245. Information: 370-3120. Sponsor: Oakland University.

● WRONGFUL DISCHARGE

Wednesday, May 22 — "Wrongful Discharge" 9 a.m. to noon in Southfield. Non-member fee: \$125. Information: 353-4500. Sponsor: American Association of Employers.

● WOMEN'S ECONOMIC CLUB

Wednesday, May 22 — Women's Economic Club meets in Detroit. Information: 963-5088.

● INVESTING SEMINAR

Wednesday, May 22 — Free dessert investment seminar 7:30-9:15 p.m. in Farmington Hills. Information: Brenda Murray, 433-8546. Sponsor: Prudential-Bache Securities.

● FIRST AID

Wednesday-Thursday, May 22-23 — "CPR and First Aid Training" 12:30-4:30 p.m. in Southfield. Non-member fee: \$50. Information: 353-4500. Sponsor: American Association of Employers.

● NETWORKING

Thursday, May 23 — Leads Club meets in Southfield. Information: Jo Anne Kusudo, 641-2756.

● WORKFORCE REDUCTIONS

Thursday, May 23 — "What Are the Pitfalls and How To Avoid Them" presented 8:30-11 a.m. in Detroit. Non-member fee: \$75. Information: 966-1002. Sponsor: Employment Legal Issues Forum.

● WOMEN'S NETWORK

Thursday, May 23 — Strive network meets in Troy. Information: Joan Sheridan, 693-7039. Sponsor: National Association of Female Executives.

● NETWORKING

Thursday, May 30 — Leads Club meets in Southfield. Information: Jo Anne Kusudo, 641-2756.

● CPA CONFERENCE

Thursday, May 30 — "Current Accounting Issues Conference" 8 a.m.

to 5 p.m. in Troy. Fee: \$105. Information: 855-2288. Sponsor: Michigan Association of Certified Public Accountants.

● LOTUS 1-2-3

Monday, June 3 — "Introduction to Lotus 1-2-3" 9 a.m. to 5 p.m. in Southfield. Non-member fee: \$225. Information: 353-4500. Sponsor: American Association of Employers.

● LOTUS 1-2-3

Wednesday, June 5 — "Introduction to Lotus 1-2-3" 9 a.m. to 5 p.m. in Southfield. Non-member fee: \$225. Information: 353-4500. Sponsor: American Association of Employers.

● WORDPERFECT

Thursday, May 23 through June 20 — Intermediate WordPerfect class meets 6:30-8:30 p.m. near Rochester. Fee: \$150. Information: 370-3120. Sponsor: Oakland University.

● WORDPERFECT

Tuesday, June 4 — "Introduction to WordPerfect" 9 a.m. to 5 p.m. in Southfield. Non-member fee: \$225. Information: 353-4500. Sponsor: American Association of Employers.

● WORDPERFECT

Thursday, June 6 — "Advanced WordPerfect" 9 a.m. to 5 p.m. in Southfield. Non-member fee: \$225. Information: 353-4500. Sponsor: American Association of Employers.

● PERSONNEL LAW

Tuesday, June 4 — "Personnel Law Update" 9 a.m. to noon in Southfield. Non-member fee: \$125. Information: 353-4500. Sponsor: American Association of Employers.

● BASIC SUPERVISION

Tuesdays, June 4-25 — "Princi-

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