



SID MITRA, PH.D.

## Must have a savings plan for college

**Editor's note:** This is the second article in a nine-part series on educational planning.

**I**n this column, we will establish a formal framework for determining the amount of saving necessary to pay for the full projected costs of college education.

For this analysis, it is necessary to estimate the four-year public or private education costs, which will be assumed to increase at 7 percent per year.

It would also be necessary to assume the after-tax rate of return that would be earned on the investment of educational funds.

Table 1 (page B11) presents the framework for determining how much saving is necessary each month to meet the shortfall in a child's educational funding cost. Let us determine the monthly savings needs of the Wood family. In eight years, their son, John, is expected to be an in-state resident at a public university.

The Woods have already saved \$15,000 for John's college education, which is expected to earn an after-tax annual rate of 8 percent.

Based on these assumptions, an educational funding calculation (Table 1, see page B11) shows (line 7, child 1) that the Woods would be required to invest \$289.77 monthly to reach their educational funding goal.

Next week: Education Planning Part III.

See MITRA, B11

Sid Mitra, Ph.D., CFP, is professor emeritus of finance, Oakland University, Rochester, and owner, Mitra & Associates, a Troy financial consulting firm. You can e-mail questions or comments to Sid Mitra at smitra@oeeonline.com.

# BUSINESS & FINANCE

EDITOR MARGARET O'BRIEN • 901-2568

THURSDAY, DECEMBER 26, 1996 • PAGE 9 SECTION B

### Banking on It



Grand opening: Franklin Bank president David Simon officially welcomes seventh-grader Aaron Sanko to his post as branch president.

## Students run Franklin Bank branch

For most kids, a visit with a bank president could be an intimidating experience. However, kids at Birmingham Covington School take it in stride.

That is because the president of their branch is seventh grader Aaron Sanko, and their bank, a branch of Southfield-based Franklin Bank, is located right on campus. The official grand opening ribbon cutting ceremony for the new branch was

held Dec. 17.

Franklin Bank's Birmingham Covington School Branch is part of the school's expanded day program which offers students special classes after school for learning valuable life skills.

The banking and money management class is taught by Gail London whose curriculum incorporates a wide spectrum of

See FRANKLIN, B10

## Worksmart Company brings training to businesses



Worksmart International tries to lower the cost of training by bringing seminars and instructors to the local companies.

BY BARD PERT TEMPLETON  
SPECIAL WRITER

As a management consultant who has spent the better part of the last two decades heading up business seminars around the country, Russ Dore has logged his share of nights in hotels.

But the long trips are becoming a thing of the past for Dore today as he recently opened the greater Detroit branch of Worksmart International. The company, located in Bloomfield Hills, has designed a new twist on the seminar format.

The Worksmart concept centers on the idea of having employers, who may have several plant locations across the country, train their staffs close to home utilizing instructors who are at offices around the U.S.

"This is much more cost efficient for our clients and it's kind of nice for me too because finally I'm doing more training than travel-

ing," said Dore, who is the managing partner at Worksmart in Bloomfield Hills.

Worksmart International is a nationwide learning organization that provides training programs to companies of all sizes. The courses offered include programs on teamwork, problem solving, communication and business operations.

Having employers utilize management consultant firms for the training of employees is not a new concept but the Worksmart approach is unique.

"What primarily differentiates us from the others is that they often fly their participants to locations to take part in training sessions," explained Dore. "What we have is a network of 22 locations around the country that can provide the training right in those other cities."

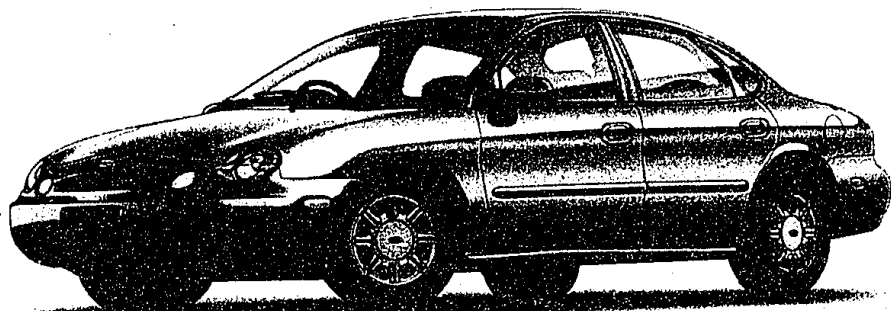
Taking the plane tickets out of the equation makes

See WORKSMART, B10

## SUBURBAN FORD DEALERS

# HOLIDAY SAVINGS ARE HERE!

## Now Lease a '97 Ford Taurus GL



For as low as

# \$199

*Open Between The Holidays*

A month (1) with a  
24 month low mileage  
(2) Red Carpet Lease  
(Includes \$1000 RCL cash)

First Month's Payment	\$199.13
Refundable Security Deposit	\$225.00
Down Payment (net of RCL cash)	\$2065.00
Customer Cash Due At Signing*	\$2489.13

## OPEN SATURDAYS TO SERVE YOU BETTER

### VARSITY FORD\*

ANN ARBOR  
3480 Jackson Road  
(313) 996-2300

### ATCHINSON FORD

BELLEVILLE  
9800 Belleville Road  
(313) 697-9161

### BRIGHTON FORD

BRIGHTON  
8240 W. Grand River  
(810) 227-1171

### PALMER FORD

CHELSEA  
222 S. Main  
(313) 475-1301

### HOLLY FORD

HOLLY  
15242 N. Holly  
(810) 634-4411

### SKALNEK FORD\*

LAKE ORION  
941 S. Lapeer  
(810) 693-6241

### HINES PARK FORD

MILFORD  
130 S. Millard Road  
(810) 963-6587

### ARRANTS FORD

ORTONVILLE  
968 M-15  
(810) 627-3730

### BRIARWOOD FORD

SALINE  
7070 Richman Ave.  
(313) 429-5478

### GENE BUTMAN FORD

YPSILANTI  
2105 Washington  
(313) 482-8581

(1) '97 Taurus GL with PEP 205A MSRP of \$20,385 excluding title, tax, license fee. Lease payment based on average capitalized cost of 93.02% of MSRP (Taurus) for 24-month closed-end Ford Credit Red Carpet Leases purchased in the Detroit Region through 1/1/00. Some payments higher, some lower. See dealer for payments/terms. Lessee may have option to buy vehicle at lease end at price negotiated with dealer at lease signing. Lessee responsible for excess wear/tear and mileage over 24,000 at \$15/mile. Credit approval/insurability determined by Ford Credit. For special lease terms and \$1000 RCL cash, take new retail delivery from dealer stock by 1/3/07. Total amount of monthly payments \$4779.12. See dealer for complete details.

(2) 12,000 miles per year, 24 month RCL contracts only.  
\*excludes tax, title and license fee.