

MORE THAN MONEY



SID MITRA, Ph.D.

How to make sense of new IRA rules

Editor's note: This is the first article in a five part series on retirement planning.

The 1997 Taxpayer Relief Act boosted awareness of the importance of long-term financial planning and made it easier to invest in IRAs.

That's the good news. But the complexity of the legislation makes it difficult to understand the new rules. And that's the bad news.

Are Americans saving enough toward retirement and other longer-term financial goals? Many observers believe not.

To address growing concerns, lawmakers included several measures in 1997's tax legislation designed to boost the national savings rate.

Deductions for IRA

For a number of years, tax law restrictions have made it impossible for many people to fund IRAs on a fully tax deductible basis.

Affected individuals are those considered active participants in employer-sponsored retirement plans who also have adjusted gross income (AGI) over specified levels.

For married couples, the active participation of one spouse in an employer-sponsored plan had been enough to trigger possible limitations on IRA deductions for both spouses if AGI limits are exceeded.

The new law restores the IRA deduction for certain taxpayers by raising the adjusted gross income limits applicable to active participants.

The new phase out ranges for deductible IRAs are shown below:

Year	Joint Return	Single
1998	\$50,000-\$80,000	\$30,000-\$40,000
1999	\$51,000-\$81,000	\$31,000-\$41,000
2000	\$52,000-\$82,000	\$32,000-\$42,000
2001	\$53,000-\$83,000	\$33,000-\$43,000
2002	\$54,000-\$84,000	\$34,000-\$44,000
2003	\$55,000-\$85,000	\$35,000-\$45,000
2004	\$56,000-\$86,000	\$36,000-\$46,000
2005	\$57,000-\$87,000	\$37,000-\$47,000
2006	\$58,000-\$88,000	\$38,000-\$48,000
2007	\$59,000-\$89,000	\$39,000-\$49,000

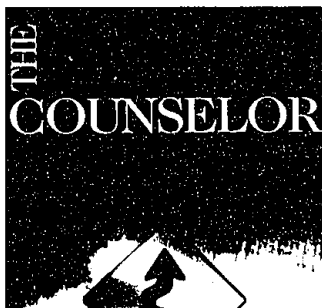
Under the new law, if one spouse actively participates in an employer-sponsored plan and the other

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Sid Mitra, Ph.D., CFP, is professor emeritus of finance, at Oakland University, and owner of Mitra, Finnegan & Associates, a Rochester Hills financial consulting firm. This column was critically reviewed by Professor Jerold Grossman of OU. You can email questions or comments to Sid Mitra at smitra@oakline.com.



On the shelf: Local PR veteran Jeff Caponigro's new business crisis management book is out. He kicked off book signings Thursday night at the Border's in Birmingham.



Jeffrey R. Caponigro

Book helps manage crises

Every business has problems that, if not managed properly, can turn into crises.

And public relations veteran Jeffrey Caponigro, of Troy, wants to help prevent that with his new business crisis management book, "The Crisis Counselor: The Executive's Guide to Avoiding, Managing and Thriving on Crises That Occur in All Businesses."

Most businesses are sorely unprepared for a crisis, said Caponigro, who has helped clients manage more than 100 crisis situations during his 19-year public relations career.

"A common mistake is thinking that crises are only those disasters"

reported about in newspapers or seen on television—such as plane crashes, shootings in the workplace and product tampering," he said. "Most businesses fail to prepare for the more common crises, such as lawsuits, employee layoffs, quality problems, negative media coverage and poor financial performance. It takes years to establish a solid reputation in business and it can be destroyed in the matter of minutes by a poorly managed crisis."

Caponigro is the President & CEO of Caponigro Public Relations Inc., based in Southfield, and is one of the Midwest's most respected public relations counseling firms.

Caponigro said "The Crisis Counselor" is intended to help any business from a start-up to a Fortune 500 company.

"It offers a new way of thinking in business today—a mindset that encourages advance planning, fixing problems before they turn into crises, and helping a business insulate itself from future crisis situations," he said.

An Internet website provides additional information on the book. Its address is www.crisiscounselor.com.

The book includes the following:

- The seven steps to effectively prepare for and manage a crisis;

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Oakland Development gets new counselor

Lynda DePlauty Earhart has joined the Oakland County Development & Planning Division as a small business counselor.

She will assist small companies with their start-up or expansion plans and answer questions about legal, financial and marketing issues.

Earhart was the program director and senior business consultant for the Oakland County Region of the Michigan Small Business Development Center in Troy, prior to joining the county



Earhart

staff. She has more than 15 years experience in the small business community and was once the owner of a publishing company, a freelance writer and the communication manager for the Travel & Tourist Association of Southeast Michigan.

Earhart has a bachelor of science degree in administration from central

Michigan University. She lives in Rochester. Oakland County Development & Planning offers a comprehensive array of community planning and business development services.

Commonly requested services are business development, site location, small business, export and financial assistance, community planning, market research data, maps and aerial photos.

The web site address for Oakland County is www.co.oakland.mi.us.

Palace, Pine Knob earn national recognition

Two of Palace Sports and Entertainment's most visible properties maintained their national status as The Palace of Auburn Hills was named 1997 "Arena of the Year" by Performance magazine and Pine Knob Music Theatre was labeled the country's busiest, most attended and highest grossing amphitheater by Amusement Business in their 1997 year-end issues.

It is the eighth time in 10 years The Palace has been honored as the year's top arena by Performance in its annual readers poll. Another entertainment trade magazine, Pollstar, has also nominated The Palace for its annual

"Arena of the Year," with results to be announced in a few weeks. The Palace has earned Pollstar's honor twice in previous years.

Amusement Business has amended its 1997 Top 10 Facilities of 15,001 and More chart to place The Palace as North America's second busiest and second highest grossing venue.

These figures do not include the professional sports teams housed in each arena.

The same publication placed Pine Knob at the top of its 1997 Top 10 Amphitheaters chart, with the facility leading the way in most shows, highest

attendance and highest gross.

The outdoor facility's ongoing success earned it its seventh consecutive nomination as "Amphitheater of the Year" by Performance, going back to 1991 when Palace Sports and Entertainment began ownership and management of the venue. Pollstar has nominated it as "Best Large Outdoor Concert Venue" for the sixth time in seven summers, with results to be announced soon.

Earlier in 1997, Pine Knob earned a nomination as Venue of the Year from the Country Music Association at their annual awards.

Jobless rate stays steady, low in Dec.

Unemployment rates held fairly steady from November to December in most of Michigan's 10 major labor markets but showed significant declines for the year, according to seasonally unadjusted labor force data compiled by the Michigan Jobs Commission (MJC).

"Seasonal work force declines, combined with holiday retail hiring, edged December jobless rates down in six of the 10 major markets, but the rate changes in all the areas were minor, averaging less than half a percentage point," Doug Rothwell, CEO and MJC department director, reported.

The Benton Harbor area had the largest unemployment rate decline, as its rate dropped four-tenths of a percentage point to 4.0 percent. Rates also fell in the Flint, Grand Rapids/Muskegon/Holland, Detroit,

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This column highlights promotions, transfers, hirings and other key personnel moves within the Oakland County business community. Send a brief biographical summary—including the towns of residency and employment and a photo, if desired, to: Business Milestones, Observer & Eccentric Newspapers, 805 E. Maple, Birmingham, MI 48009. Our fax number is (248) 644-1314.

Ruben Acosta of Detroit and Michael Caldwell of Wixom have become shareholders in the law firm of Pink Zeamer, P.C. in Farmington Hills. Acosta concentrates his practice in commercial litigation, land use controversy and environmental matters. Caldwell focuses on

environmental litigation, toxic tort and insurance coverage.



Forbes

Michael Forbes of St. Clair Shores has been named an Equity Research Analyst at the Detroit-based investment securities firm of Roney & Company. In this position, he will be responsible for supporting and strengthening the firm's research on the financial services sector focusing on Midwest banks and thrifts.

Gerald Hall of Clarkston has been named director of the Oakland County Family Independence Agency. He has been acting director for 15 months. He has held positions as deputy director and manager of the Madison Heights District office of the Oakland County FIA.



Kamnick

Mike Kamnick, who will be relocating to Sao Paulo, Brazil, has been appointed vice president of operations for Lear Corporation's Latin American division. He will be responsible for manufacturing, engineering, sales and program management functions. He joined Lear in 1985.

Stephen Kazman has joined Troy's Chris Steak House in Troy as executive chef. He was previously with Morton's of Chicago Steakhouse in Southfield. He will supervise training of all kitchen staff, inventory,

ordering, handling labor costs and is responsible for banquets and menu items.

Richard Lowenstein has been named president-elect of Glenview's Community Food Bank in Detroit. He will be succeeding retiring president Gene Gonyea Dec. 31. He has been president of Volunteer Impact and involved in Lowenstein Poultry where he was the vice president.



McFarlin

Jim McFarlin of Southfield has been named senior editor of publications for the Aegle Group, the magazine arm of C-E (Campbell

Ewald) Communications. He will be responsible for supervising the writing quality of more than 30 periodicals published by Aegle for clients such as Chevy Trucks, Farmers Insurance, DirectTV and Gillette. He is a 16-year veteran of the Detroit News and is currently the television critic and entertainment writer for The Detroit Sunday Journal.



Mozena

John Mozena of Grosse Pointe Farms has been named an account executive at the Farmington Hills-based Marx Layno & Company. He previously worked as associate editor of Health Care Weekly Review in Southfield before joining the firm in October 1997.



Pinto

Liz Pinto of Troy has been named director of marketing for RECARO North America in Southfield. She will be responsible for developing and implementing marketing plans and advertising, communications, media relations and special events. She was previously an account director for Hedco & Company.



Schubot

Brian Schubot of Bloomfield Hills has been named president of Jules R. Schubot Jewellers in Troy. He is the third generation to run the business. He will be responsible for supervising

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