



For sale:

Merrill Lynch's Oakland offices included in package real estate deal

By Tim Smith
staff writer

Merrill Lynch and Co. wants to get out of its real estate-related business to further emphasize its more lucrative investment and financing operations, a move happily awaited by local Realtors.

The largest securities firm in the U.S. is seeking \$500 million for a package that would include 500 real estate units — including five in Michigan — its mortgage operation and relocation division.

But until a sale is consummated, it's "business as usual," according to Jerome Baranski, vice president of the firm's Michigan real estate business. He said Merrill Lynch investment banking personnel are accumulating a list of prospective buyers.

Baranski said 155 sales agents and 40 other employees in five real estate offices and single offices in its mortgage and relocation divisions would be affected by a sale. But he stressed that all would probably be retained by the purchasing company.

MERRILL LYNCH chairman and chief executive officer William A.

Schreyer announced Sept. 29 that the firm "plans to divest itself of its realty-related business and reinvest the proceeds in its core businesses, such as global merchant banking, trading, securities underwriting, consumer markets activities and the related systems technologies needed to support these areas."

Last year, when Merrill Lynch netted \$7.12 billion in total revenue, only \$574.7 million of that was derived from its real estate operations, reportedly the division that has recorded the lowest net profit margin each year since 1980.

Schreyer said existing real estate contracts to sell and buy would not be affected by its sale. But how present listings might be handled is still in question until a sale occurs, Baranski said.

Most local Realtors contacted say Merrill Lynch's planned real estate phaseout is a good break for them.

One of them is Bud Chamberlain, owner of Chamberlain Realtors, who said any Merrill Lynch phaseout would be fortunate for others in real estate.

"They have a helluva business.

They're the leading Realtor in the area. This would open up the field to others," Chamberlain said Friday.

CHAMBERLAIN OWNS the building at 975 S. Hunter, which was leased to Merrill Lynch beginning in 1983. He said it was a coincidence that the lease expired Oct. 1, only two days after the firm's announcement.

With the expired lease, about 30 sales agents and several other employees will transfer to Merrill Lynch's Bloomfield Hills office, 1520 N. Woodward, in about a week.

Eighteen-year veteran sales agent Marianne Beer, who will be among those Merrill Lynch employees making the move to Bloomfield Hills, expressed surprise at the announcement of the sale.

"It was a shock. We didn't expect this," she said. "But we feel whoever buys Merrill Lynch — it will be a positive thing."

"It's not just the facilities but the reputation of the actual people who work here (that are included). I hope whoever buys us will want us."

Beer said she was confident Merrill Lynch employees would be retained by the buyer.

Five Michigan real estate branches in Bloomfield Hills, Troy, Rochester, West Bloomfield and Farmington Hills are on the selling block as are the relocation management and mortgage offices in Southfield and Birmingham, respectively.

If some sales agents are not retained by the purchasing company, others are waiting in the wings to hire them.

"I'm sure we'd be open to getting some of their agents. They have some excellent, excellent people," said Ed Moore, sales manager at Schweitzer Real Estate Inc./Reiter Homes and Gardens in Birmingham.

"I think everybody is wondering what's going to happen. It depends on who's buying," Moore said.

SIEB said it would be difficult for established sales agents to have to start fresh with a new company.

"Whenever somebody buys you out start at square one as far as the

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— Bud Chamberlain
of Chamberlain Realtors

rules go. It takes six months to re-establish a clientele."

Warren Gould, executive vice president of the Birmingham/Bloomfield Board of Realtors, said the eventual purchaser will probably be a large company "itching to get into real estate."

According to the Wall Street Journal, the Merrill Lynch real estate units have registered the firm's low-

est net profit margin each year since 1980. In 1985, the operations' net assets return was 0.8 percent, much lower than the 10.2 percent for its investment and financing operations and 4.0 percent for its insurance division.

Several statewide stocks and bonds offices will remain after the realty sale is completed. Merrill Lynch Realty Associates has offices in 20 states and 14,000 sales agents.

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What do you want to be when you grow up?

Girls: most popular responses

Entertainer	20%
Teacher	19%
Nurse	18%

Boys: most popular responses

Professional athlete	25%
Police officer or detective	15%
Doctor or dentist	15%

Do You Want To Be President Of The United States When You Grow Up?

Yes	37%
No	55%
Don't know	8%

Why Or Why Not?

Yes: most common responses

To be rich and famous	28%
To have power	19%
To do good in the world	17%

No: most common response

Too much work	56%
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Traditional sexual stereotyping by profession is alive and well, if a poll taken of 400 youngsters ages 8 to 10 is an indication. Girls reported wanting to be nurses or teachers; boys named professional athletes or police work for their career choices. Among girls, medicine was the only traditionally male-dominated field cited as the career choice by a significant number. Thirteen percent said they would like to be doctors or dentists when they grow up. As for boys, they were almost twice as likely as girls to say they wanted to be president for a power motive (24 percent to 14 percent). The poll was conducted by Sesame Place, a play park in Langhorne, Pa.

Teen workers elude employers

By Carolyn Smith
special writer

Julie Hardesty, owner of a convenience store in Farmington Hills, shares a business problem with Robert Schaner, a service station owner in Birmingham.

Neither can find qualified teens and college students willing to work for them.

"I drive anywhere in Wayne and Oakland counties will find bold 'Help Wanted' signs posted in windows of fast-food and conventional restaurants, retail stores and service businesses ranging from dry cleaners to car washes."

Local newspaper ads show a large number of restaurant employers willing to pay more than the minimum wage of \$3.35 an hour. McDonald's establishments in Farmington Hills and Novi offer \$4 per hour and flexible hours. So does the Burger King in Farmington. The Mayflower Hotel in Plymouth has asked homemakers — "no experience necessary" — to apply for jobs as banquet waitresses.

Some jobs may go begging, but it's not a problem unique to this area. Part of it results from a national decline in available 16- to 19-year-olds. The U.S. Bureau of Labor Statistics reports a 37-percent drop in the teen work force between 1971 and 1985. That's because births averaged 3.6 million a year between 1967 and 1970. The baby boom hit a peak of 4.2 million in 1960, then continued a course of steady decline.

IN THE LAST decade, the number of 16- to 19-year-olds has dwindled from 9.4 to 6.8 percent of the population. That doesn't include the increasing number of high school dropouts, but it does count high school graduates having problems with basic reading, writing and mathematics.

Illiteracy — or signs of it — disturbs Hardesty, who owns a 7-Eleven store at Nine Mile and Midland. "I recently advertised and got 20 applications over a two-week period," she said. "Only two people could

complete the application satisfactorily."

"Simple questions were misinterpreted, and 'yes' and 'no' check-box questions obviously showed a lack of reading comprehension."

Jobs at her store pay \$3.50 to \$4.50 an hour depending on experience.

"I've tried everything. I've put up signs in the window and notices in churches and done word-of-mouth advertising. I've attempted to work with Boys Republic (a home for boys 12-17 who are wards of the state) but only got a couple of responses. I don't know what more I can do."

Neither does Schaner, owner of the Tel-Maple Car Care at 15 Mile and Telegraph.

"I know that only a sluggish economy will bring back the workers. But that's when business will be down, when we won't need our 35 to 40 part-time workers."

SCHANER said he has advertised widely and tried to deal with people at the Orchard Ridge campus of Oakland Community College, Lawrence Institute of Technology and area high schools.

He thinks the lack of applicants is rooted in Oakland County's relative affluence, which "encourages youth to seek higher-paying positions."

Schaner also believes there are many service-type jobs with starting wages higher than his. "Business is good right now but we still can't afford to start people at more than \$4 an hour here."

Brian Bowman, store manager of Stan's Market on Ann Arbor Road — one of three in Livonia — believes competitively low wages pose a big problem in attracting young workers.

"The (Stan's Market) owners aren't paying enough," he said. "Employees under 18 start at \$3.40 an hour; those 18 or older with experience earn \$3.85."

"Really, I've been lucky here. They're having bigger problems at the other two stores," Bowman said.

BUT THE PICTURE isn't bleak

State offers free help to small fleet owners

Small businesses with at least four vehicles can receive free help from the state to increase their fleets' efficiency and reduce operating costs.

The Fleet Efficiency Program, operated through the Energy Administration, Michigan Department of Commerce, is funded by overcharge fines collected from oil companies. The program was first offered to municipalities and has been expanded to small businesses statewide.

According to Loyal Huffman of Southfield, fleet analyst, specialists look at a company's purchasing, records, preventive maintenance and trip routing procedures before making recommendations.

"We're there to find ways to save money and make their operations more efficient. We've saved considerable amounts of money for municipalities," Huffman said.

Each of the four areas has a potential for savings.

"A lot of it is record keeping," Huffman said. "A lot of companies have automated their records but

many computer programs are outdated at this point. We have a specialist who has developed a template for the Lotus 1-2-3 program that makes recordkeeping much easier."

With the rising cost of cars and trucks, some business owners have turned to leasing vehicles. But leasing options have complicated the decision.

"Leasing has become intricate," Huffman said. "There are many ways to lease such as leasing with a maintenance contract, or doing the maintenance yourself."

FEP specialists often find that fleet maintenance is put on the back burner.

"Small businesses are not maintaining their vehicles economically," Huffman said. "They don't do anything until the vehicle quits and this is costing them money."

Business owners interested in the program can call Huffman at 357-0337.

"We'll dig as deep as we have to help these people," he said.

for all employers with low starting wages, thanks to incentives.

The Gap, a retail clothing store in Westland, employs mainly high school seniors and college students, said Karen Kull, the store's assistant manager.

In her final undergraduate year at Eastern Michigan University, Kull said she worked herself up though the ranks beginning six years ago as a salesperson.

"It's a fun place to work," she said. "Our only problem has been keeping staff people during slow sales periods. Usually, they work 24 to 30 hours a week. We're slow now until Thanksgiving so several people are working only 10 hours a week. We also have trouble getting day-shift people."

The store pays minimum wage to start with salary increases after three months and each year of service. Commissions are not paid but in-store incentives are offered.

Little Caesar's pizza stations and restaurants apparently have few problems attracting teens. "Our turnover is lower than the industry average," said Sue Sherbow, assistant director of corporate communi-

cations. The company is headquartered in Farmington Hills.

Sherbow credits the company's attractiveness to possible "word of mouth" among teens, plus an offer to climb the corporate ladder at one's own speed.

"It's up to employees to learn set procedures of the business. When they do that, they qualify for raises and promotions based on performance," she said. "Workers watch others getting promoted and that's a great incentive."

Sherbow said the company pays the minimum wage to start but raises can come quickly.

"At least 75 percent of our vice presidents started out as hourly employees only a few years ago."

AN INCREASING older population is taking up some of the slack resulting from fewer teens. The U.S. Department of Commerce reports that people over 55 represent 9 percent of all fast-food workers today. The agency also claims that most employers appreciate worker's expertise, work habits and attitudes. Hardesty said she would welcome applications from older workers.

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