

More ways to pay for a college education

Last week we discussed some new ideas for financing your child's college costs. Here are some additional ideas you may use to finance your child's education.

Zero-coupon bonds

When college expenses are preparing for the 10 to 15 years down the road, you can buy tax-free municipal zero bonds, which sell at a deep discount from their face value. If the maturity of the bond coincides with your child's college-entering age, the money would become available in time to finance the college costs. A 10-year \$1000 zero municipal yielding 7 percent may cost you

just \$400. Make sure, though, that the issuer does not have the power to redeem any zeros before their maturity date.

Creative option

You may buy shares in a non-leveraged equipment leasing limited partnership usually available through brokerage houses. The cash distributions will increase from 10 percent or 11 percent annually in the first four years to twice that much in the last few years before the partnership is liquidated. The early distributions are largely a return of part of your principal and so are not subject to taxation.



finances and you

Sid Mittra

U.S. bonds

Consider buying Series EE U.S. Savings Bonds with maturities that fall after the child's 14th birthday. The bonds currently pay at least 7.5 percent annually if held for a minimum of five years. The interest will be taxed at the child's tax rate because he will be over 14 when the bonds mature.

Non-parental gifts

A child may receive a \$10,000 gift from grandparent, other relatives, or even a friend. If the gift comes from other than a parent, the money will be taxed at the child's rate, no matter what his age. If the money comes directly from a parent, it will be taxed at the parent's rate, even though it is in the child's name.

Low-interest loans

Your youngster may be able to get a low interest student loan if he or she passes a need test that takes into consideration how much the family can pay, plus any scholarships, grants and earnings from a work-study program.

There is no test if family income is less than \$30,000; but even if yours is considerably higher, a student may qualify for a loan — if, for example, he or she attends a school with high tuition or has siblings who also are in college. An excellent booklet on the whole financial-aid process, "Don't Miss Out," is published by Octameron Associates,

P.O. Box 3437, Alexandria, Virginia 22302.

Educational Seminar: Main Topic "Impact of new tax law on your 1986 investment, tax and retirement planning." The seminar, sponsored by Observer & Eccentric Newspapers and Coordinated Financial Planning Inc. will be held 7-9:30 p.m. Tuesday, Nov. 18, at the Kingsley Inn, 1475 N. Woodward, Bloomfield Hills. For information or reservations, call 643-8888.

Sid Mittra is director of certificate program in personal finance at Oakland University and president of Coordinated Financial Planning Inc.

'Dull' stocks make money for the average investor

My investing hasn't been going very well. I've been buying stock for about five years, and my holding is worth less than I have invested. I'm enclosing the list of stocks I have bought and would appreciate your comments.

The trouble is I've never picked a real winner. I need someone to give me the name of a stock that is really going places.

As strange as it may seem, the average individual is likely to make a lot more money in unglamorous stocks than by trying to find some fast movers as you have been trying to do.

I'm not going to name the stocks you have bought because I wouldn't want anyone to think there may be some value in them just because they have come down in price.

It appears to me that you have selected stocks that were new issues with exciting stories about their revolutionary products when they were sold. There isn't one of them that had a

worthwhile record of sales and earnings when you bought them. A GREAT sounding story may draw your attention to a stock, but if it doesn't have a good sales and earnings record to back up the salesman's story, forget it. That is lesson number one.

Let me show you some examples of less glamorous stocks you could have bought five years ago and what they would have done for you by now.

You would have put each to just two simple tests: 1) You would have required them to have increased sales by at least 75 percent in the previous five years. And 2) You would have required earnings per share to do the same thing.

In 1982, you would have been able to buy Ball Corp. between 74 and 16. Recently it has been 38. It has been as high as 46.

EVEN MORE "unglamorous" is Borg-Warner Corp. You could have bought it between 11 and 204. It is now 35 and has been up to 38.

Detrex Chemical could have

been bought between 13 1/2-19 1/2 and it is now 39.

Kuhlman Corp. could have been bought between 3 1/2 and 5 1/2. It's been as high as 21 and is now 13 1/2.

I named these companies because they are companies that have had records of increasing sales and earnings, and their re-

ports are available in libraries where any potential investor can see them.

You put your money in companies that were marketed with powerful sales stories, but with no record to support them. Your stocks are now worth 80 percent of what you paid for them.



today's investor

Thomas E. O'Hara

of the National Association of Investors Corp.

Book it, load it, ship it

Continued from Page 1

times the cargo leans toward the exotic.

Perhaps you never thought of rhinoceroses on an ocean cruise, pampered by caretakers. But Irene Martin, customer service manager of Canada Maritime Agencies, Troy, remembers those rhinos well.

"It was about 14 years ago, and I was working for a shipping firm in Dearborn. It was a little wild," she said.

MIKE SWEENEY, sales and service manager for Canada Maritime, recalls having to have the tops of containers cut off to accommodate giraffes. That happened a few years ago, before topless containers came into the shipping industry.

Sweeney also remembers playing a role in moving an antique locomotive steam engine from Greenfield Village to the Netherlands, and arranging for movement of special hay from Kentucky to the Queen's stables in England.

Dymmel once arranged the export of lions and elephants to the Far East. And there were customized automobiles — each including a TV, bar, telephone, plush seats and carpeting, and bulletproof glass — for Middle East sheiks.

And, oh yes, the palm trees. Dymmel hasn't forgotten about the palm trees. "Ironically enough, they were palm trees from Florida to be sent to the Philippines, where they already have palm trees. Never could figure that one out."

Although the trade deficit isn't a happy statistic to these shipping agents, one bright spot is increased trade with China.

Seward said she sees a more immediate benefit. The federal government, which sends dollars to aid foreign countries needing food, requires that these countries spend the money on U.S.-produced rice and other grains, frozen beef, chicken and fish, and other products. The policy, she said, has helped her company's export business.

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