

How can I profit from investments in 1987?

Recently, Newsweek compiled the following table from a variety of published sources:

Investment	1986 results
long-term treasury bonds	+28.2%
Dow Jones Industrials	+24.7%
long tax-exempt bonds	+22%
Standard & Poor's 500	+18.2%
over-the-counter	+8.2%
one-year CD	+7.9%
money-market mutuals	+6.3%
single-family houses	+5.5%
International	+9.0%

gold	+3.3%
utilities	+6.1%
balanced (stocks/bonds)	+8.7%
convertible securities	+5.6%
growth	+5.5%
fixed income (bonds)	+2.5%
small-company growth	+7.4%
Consumer Price Index	+1.2%

While the economy put up a spectacular performance in 1986, the key questions is: What's it going to do for an encore and how you can gain from it?

Here are some helpful suggestions:

- Thanks to the passage of the new tax law, the world out there has become treacherous. Unless you are up to the task, don't do it all by yourself. Find a competent financial planner.
- Invest in bond funds. However, since the odds of another big dip in

finances and you



Sld Mittra

Interest rates are relatively small, find a competent timing service with at least five years experience to time your investment in bonds.

- Buy common stocks, especially those with a long consistent dividend record. Since investments won't benefit from long-term capital gains tax rates in 1987, stock funds that reinvest dividends could yield significant gains for you. Here, too, a competent timing service could do wonders, especially if the stock market follows a roller-coaster pattern of 1986.

- Buy foreign bonds. Even better than the S&P were last year's returns on foreign bonds. Several mutual funds buy high-quality foreign bonds issued by foreign governments as well as world bodies like World Bank and United Nations. If the foreign currency (such as Deutsche mark and Japanese yen) strengthen in value, your investments will rise significantly in value as well.
- If you are expecting passive losses in 1987, limit limited partnerships that will generate passive in-

come to offset these losses. This is not an easy task and should be handled by your financial planner.

- Out of the dust of tax reform, limited partnerships are making a recovery. The focus is now on income, not tax shelters. Especially hot are master limited partnerships trading on stock exchanges. Because they are liquid, master limited partnerships can compete on a fair footing with stock and bonds. So, this may be the year of limited partnerships for you.

- Investment in insurance-related investment products. Various insurance-related products such as tax-deferred annuities and MINT emerged from the new tax laws smelling like a rose. But they all have limitations, so look them over carefully

before investing in them.

If in the past you have handled your finances yourself, 1987 may be the year you will want to engage a financial planner.

Educational seminar: "1987 - 75 Year of Unprecedented Opportunities." The seminar, sponsored by Observer & Eccentric Newspapers and Coordinated Financial Planning Inc., will be 7-9:30 p.m. Tuesday, March 17, at the Kingsley Inn, 1475 M. Woodward, Bloomfield Hills.

For more information or reservations, call 645-8888.

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

Federal law changed in many ways for coming year

Having trouble keeping this year's tax changes straight? Here's a recap of some of the major income tax changes affecting families:

- In 1986, there were 15 brackets, ranging 11-50 percent. In 1987, that number will be reduced to five, ranging 11-35 percent.
- Each taxpayer and each dependent in 1986 could take an exemption of \$1,000. In 1987, that amount rises to \$1,500. Each dependent over 5 years old must have a Social Security number in 1987.
- Single deductions will be re-

duced from \$2,480 in 1986 to \$2,450 in 1987. Joint deductions will increase from \$3,670 in 1986 to \$3,760 in 1987. The deduction for single heads of households will drop from \$2,480 in 1986 to \$2,450 in 1987.

- Two-earner deductions, which depended on income, had a top value of \$3,000 in 1986. In 1987, it will be zero.
- Interest paid on home mortgages will continue as deductions. Consumer interest will be gradually phased out as a deduction. In 1987, 65 percent will be deductible. State and local income taxes will be de-

practically speaking

ductible but general sales tax will not.

- Charitable contributions are deductible to itemizers and non-itemizers in 1986. In 1987, only itemizers will be able to claim them.
- Medical expenses are deductible if the amount exceeds 5 percent of adjusted gross income. In 1987, that amount increases to 7.5 percent

of adjusted gross income.

- Business expenses, union dues, tax return preparation, professional journals and the like are deductible for 1986. In 1987, these miscellaneous expenses may be deducted only if the amount exceeds 2 percent of adjusted gross income.
- Tax credits for child care remain unchanged. Tax credits for po-

litical contributions will be eliminated in 1987. In 1986, the first \$500 of unearned income isn't subject to tax. The second \$500 is taxable at the child's rate. Income over \$1,000 of children under 14 years old will be taxed at the parent's marginal tax rate.

If your children work and file separately, children of all ages who are eligible to be claimed as dependents by their parents will lose their personal exemption if they also file separately in 1987.

— Wayne County Extension & Education Center

datebook

● **WORD PROCESSING**
Thursday, Feb. 5-26 — "Word Processing Using the IBM PC and Textura Software" offered 7-9 p.m. in Bloomfield Hills. Fee: \$75. Information: 645-3535. Sponsor: Cranbrook P.M.

● **GRE EXAM**
Saturday, Feb. 7 — Graduate Record Examination offered in Bloomfield Hills. Information: 370-3120. Sponsor: Oakland University.

● **LEGAL ASSISTANTS**
Saturday, Feb. 7 — Legal Assistants Association of Michigan will hold an educational seminar all day in Southfield. Non-member fee: \$45. Information: Patricia A. Kral, 355-0300.

● **PRESENTATIONS**
Mondays, Feb. 9-16 — "Giving a Presentation: Selling Yourself and Your Ideas" begins at 7:30 p.m. in Bloomfield Hills. Fee: \$20. Information: Ruth Brooks, 644-0733. Sponsor: Cranbrook P.M.

● **PURCHASING MANAGEMENT**
Tuesday, Feb. 10 — Purchasing Management Association meets. Information: 355-5200.

● **PROFESSIONAL SERVICES**
Tuesday, Feb. 10 — Professional Services Management Association meets at noon in Southfield. Information: Janice Siles, 476-6020.

● **WOMEN AND CARS**
Tuesday, Feb. 10 — AutoInfo panel of experts presented at 8:30 p.m. in Bloomfield Hills. Fee: \$12.50. Information: 255-8922 by Feb. 6. Sponsor: Michigan Professional Women's Network, American Business Women's Association.

● **SUBSTANCE ABUSE**
Tuesday, Feb. 10 — "Substance Abuse and the Workplace" offered from 8:30 a.m. to 4 p.m. in Bloomfield Hills. Fee: \$35. Information: 644-1700. Sponsor: Birmingham-

Bloomfield Chamber of Commerce.

● **PERFORMANCE APPRAISAL**
Tuesday, Feb. 10 — "The Appraisal Interview" will be offered 9-11 a.m. in Birmingham. Fee: \$12. Information: 644-5932. Sponsor: The Community House.

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● **VENTURE GROUP**
Tuesday, Feb. 10 — Southeastern Michigan Venture Group meets at 8 a.m. in Southfield. Information: Ann Martyn, 778-9362.

● **BUSINESS COMMUNICATORS**
Tuesday, Feb. 10 — International Association of Business Communicators meets. Information: Lill Donaldson, 354-7450.

● **TAX REFORM**
Tuesday, Feb. 10 — "Tax Reform and How It Affects Your Small Business" offered in Troy. Fee: \$45. Information: Ruth Probst, 524-9742. Sponsor: Start A Business Store.

● **FINANCIAL SERVICES**
Wednesday, Feb. 11 — One-day conference: "Tools for Success in 1987" offered from 8:30 a.m. to 5 p.m. in Southfield for those working with people in the financial services industry. Non-member fee: \$75. Information: Karen Allen, 963-6700. Sponsor: International Association for Financial Planning.

● **ISRAELI CONSUMER PRODUCTS**
Wednesday, Feb. 11 — "The All-Consuming Subject of Israeli Con-

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sumer Products" speech begins at 7:30 p.m. in Southfield. Free. Information: Shelly Komar Jackler, 651-1948. Sponsor: American Israel Chamber of Commerce of Michigan.

● **PREPAID LEGAL SERVICES**
Wednesday, Feb. 11 — "American Legal Access Systems" offered 6-8 p.m. in Troy. Fee: \$20. Information: Ruth Probst, 524-9742. Sponsor: Start A Business Store.

● **PLANNING CONFERENCE**
Wednesday, Feb. 11 — "Getting Inside the Strategic Management Process" conference begins at 1:30 p.m. in Troy. Non-member fee: \$55. Includes evening meeting of the Planning Forum. Information: Melvin H. Cramer, 225-2165. Sponsor: International Society for Planning and Strategic Management.

● **PLANNING FORUM**
Wednesday, Feb. 11 — International Society for Planning and Strategic Management meets at 6 p.m. in Troy. Non-member fee: \$24. Information: Melvin H. Cramer, 225-2165.

● **WOMEN IN REAL ESTATE**
Wednesday, Feb. 11 — Commercial Real Estate Women Inc. meets at 7 p.m. in Southfield. Information: Maureen Driscoll, 963-8074.

● **QUALITY CONTROL**
Wednesday, Feb. 11 — American Society for Quality Control hears Irving Bluestone. Information: 420-0122.

● **GMAT PREPARATION**
Saturday, Feb. 14-March 14 — Five-session graduate management admissions test preparation workshop offered from 9 a.m. to 12:30 p.m. in Rochester. Fee: \$130. Optional mathematics refresher course: \$35. Information: 370-3120. Sponsor: Oakland University.

● **PREBUSINESS WORKSHOP**
Tuesday, Feb. 17 — Workshop for

prospective and new business owners offered from 9:30 a.m. to 4 p.m. in Detroit. Fee: \$10. Information: 226-7947. Sponsors: Wayne State University, Service Corps of Retired Executives, U.S. Small Business Administration.

● **MEETING GLOBAL COMPETITION**
Tuesday, Feb. 17 — "Today's Solutions for Surpassing Global Competition" seminar offered from 8 a.m. to 3:45 p.m. in Troy. Free. Information: 344-2075. Sponsors: Digital Equipment Corp., Arthur Young & Co. ASK Computer Systems Inc.

● **SALES TRAINING**
Tuesday, Feb. 17-April 7 — The Best Seller non-credit sales training program will be offered 7:30-9:15 p.m. in Birmingham. Fee: \$220. Information: 477-6665. Sponsor: Wayne State University.

● **MEETING GLOBAL COMPETITION**
Wednesday, Feb. 18 — "Today's

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● **PREBUSINESS WORKSHOP**
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