

Popular investments change drastically year to year



finances and you

Sid Mittra

TABLE I

Asset Category	Compound Investment Returns		Return		Ranking	
	1970-1980	1970-1980	1980-1986	1980-1986	1980-1986	1980-1986
Oil	35%	1	-16%		8	
Gold	32%	2	-8%		7	
Stamps	22%	3	2%		6	
Diamonds	15%	4	2%		5	
Housing	10%	5	4%		4	
T-Bills	8%	6	11%		3	
Bonds	7%	7	15%		2	
Stocks	6%	8	17%		1	

A popular myth, which never seems to die, is that you can make successful investing decisions by putting your money in whatever seems to be popular.

Take a look at Table I, prepared by Raymond James & Associates Inc. In case you are wondering, the 1980-86 ranking is not permanent either; in fact, it is already changing.

Another persistent myth is that mutual funds can be selected by referring to the latest issue of a financial magazine like Money, Business Week, Forbes or Time.

Table II should dispel this myth. The top 20 mutual funds during 6/78 to 6/83 virtually disappeared during the next five year period.

My message to you should now be clear: Do not be distracted by fads, sales talks and unsustainable claims. Seek the advice of a professional and invest for the long-term.

Happy investing in 1989.

Sid Mittra is a professor of finance, school of business at Oakland University and owner of Coordinated Financial Planning.

Table II

Performance of Mutual Funds 1978-1988

Fund	Performance 6% 8-8 1/2	Ranking (out of 363)	Performance 8 1/2-9 1/2	Ranking (out of 363)
Fidelity Magellan	47.1%	1	15.8%	22
IDS Growth	38.4%	2	3.0%	316
Quasar Associates	37.8%	3	10.2%	162
Amers	36.9%	4	7.3%	247
Hartwell Emerging Growth	36.3%	5	2.2%	324
New England Growth	35.7%	6	10.4%	153
Massachusetts Capital Development	35.5%	7	5.0%	277
20th Century Select	35.1%	8	9.8%	187
Constellation Growth	35.1%	9	6.9%	258
Loomis-Stuyves Capital Development	35.0%	10	12.4%	95
United Vanguard	34.9%	11	9.9%	170
Stein R & F Capital Opportunities	34.6%	12	1.2%	332
20th Century Growth	34.6%	13	9.9%	172
Tudor Fund	34.6%	14	7.1%	254
Wielgarten	34.3%	15	11.4%	130
Lehman Capital	33.6%	16	9.4%	190
American Capital Venture	33.5%	17	2.0%	326
Explorer Fund	33.4%	18	-1.8%	343
Solliman Capital	33.0%	19	3.7%	306
American Capital Pace	33.0%	20	9.7%	181
S & P 500	18.0%		14.5%	
Averages	35.6%	10	7.3%	222

Realism, not wishful thinking, determines resolution's worth

Be they set for personal or professional reasons, the key to keeping resolutions boils down to the answer behind one simple question: "Am I being realistic?"

For example, is it realistic to assume that your wildly successful "new" business venture will be equally successful over the next 12 months?

If your answer is yes, then you must have analyzed and identified specifically those factors that have contributed to your past prosperity. If you don't know why you've been successful, you won't remain so for long.

You must also realize that unanticipated growth, no matter how minimal, will require stronger managerial control over your company's resources now and in the future. The experts tell us that unmanaged growth quickly can zap company resources (such as labor, capital and raw materials). Keeping this in mind, the newly successful small business owner has much to think about and do in maintaining operational growth over the new year.

For those who have thought about starting a business in 1989, resolve



focus: small business

Mary DiPaolo

to objectively plan for it. There isn't a business in this world that has made it without the benefit of realistic planning. Typically, it takes six to 12 months to identify and outline the activities that must be carried out before the business officially opens its doors; another six months are necessary to plan projected revenues and expenses on a month-by-month basis.

It is just as important to obtain the right kind of assistance, when and where it is necessary, to help transform your vision into a reasonable plan of action. Starting a business represents an exciting opportunity and can ultimately provide you with an entirely new way of life. Don't sell yourself short by ignoring the obvious: Plan your work and work your plan.

Lastly, resolve to benefit by the experience of others. No one can possibly know, do or be it all in any given professional situation or circumstance. Joining the appropriate business groups, attending lectures and seminars and reviewing key publications are just a few of the methods available to help you achieve small business success now and in the years to come.

For more information on sources of assistance available to business owners, readers may call me at 474-1149. Have a happy and successful new year. Mary DiPaolo is the owner of MarkeTrends, a Farmington Hills business consulting firm. She is also producer and host of the cable television series, "Chamber Perspectives."

marketplace

Federal-Mogul Corp. established a scholarship to support automotive aftermarket studies at Northwood Institute, a private business college. The Jeanne S. Peck Memorial Scholarship is offered to dependents of Federal-Mogul employees and Northwood Institute.

Great Lakes Telecommunications Inc. of Southfield formed a new division: Talking Yellow Pages. Talking Yellow pages is an electronic information system designed to provide detailed information about member's business.

Midwest Guaranty bank opened Jan. 3 at 1475 W. Big Beaver near Crooks in Troy. Midwest Guaranty is a wholly owned subsidiary of Midwest Guaranty Bancorp Inc.

Recylecne Products Inc. appointed Bailey, Klepinger, Medrich, and Mulhberg Inc. as its national advertising agency.

OMNI Marketing Systems Inc. developed a program that prepares a mailing to potential customers. The mailings can take on many forms. For instance, a personal letter from the store manager with an imprinted plastic check cashing card, and a certificate for a dozen free eggs or other similar offers.

Booms Stone Co. of Farmington Hills was accepted into The Marble Institute of America, an international trade promotional association.

American Institute for Preventive Medicine recently moved to new and expanded offices. It is now at 24450 Evergreen Road.

Yellow Pages Publishers Association moved its headquarters. The new location is 340 E. Big Beaver, on the fifth floor of the Troy OfficeCenter. The new telephone number is 688-8880.

French & Rogers Inc. of Troy was named advertising, marketing and public relations agency of Ferraroli Inc. of Troy. The account will be handled by Paul von Jaakowsky, account executive.

Hot Springs Spas & Saunrooms announced the grand opening of its new Rochester Hills showroom, at 3310 S. Rochester Road in the Oakridge Plaza near M-59. Showroom hours are from 11 a.m. to 8 p.m. from Monday through Saturday, and noon to 5 p.m. on Sunday.

Danish Club will move to the mezzanine level of the American Center Building, 27777 Franklin Road in Southfield.

J & L Industrial of Troy named McCann Direct Detroit as its marketing agency.

Mrs. Kay's Wallpaper, Blinds & More of Farmington Hills has opened three new stores in Rochester, Waterford and Novi.

Votrax Inc. announced today the establishment of a new Documentation and Training Group.

Church's Lumber Yard appointed R.E. Launs Inc. Southfield as its advertising and public relations agency.

Cushman & Wakefield of Michigan, a branch of the nation's leading commercial real estate brokerage firm, has completed lease negotiations for Dana Commercial Credit Corp. during its move to Columbia Center in Troy.

University of Detroit Center for Entrepreneurial Enterprise is having a workshop seminar entitled "The Nuts and Bolts of Improving Your Own Independent Business." The workshop will be offered in several locations in Oakland, Macomb and Wayne Counties from 10:30 a.m. to 4:30 p.m. Saturday, Dec. 10. For more information, call 335-1200.

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