

The ideas are there, but where are the products?

Let's face it, the annual SAE convention lacks some of the electricity of the Paul McCartney tour.

Maybe it's because they hand out the world's biggest name tags, which flag participants to local waiters and panhandlers. (I usually take my SAE name tag off and slip it into my pants pocket as soon as I leave Cobo Hall, until the pin opens up and sticks me in the thigh.)

But after you push your way through the crowd of Harris tweed sport coats, finish thumbing through papers with polysyllabic titles and start wandering through the convention floor, you enter an arcane world of invention and technology that starts to hook you.

NOT THE magic shows I stay away from any booth that hires a

magician to catch your attention. Likewise an industrial exhibit that uses a whole chorus line, similar to one a couple of years ago of scantily clad young lovelies with T-shirts identifying them as "Miss Flex 2000," named after a new formula polyester resin, which greeted me a couple of years ago when I ventured inside the show.

This year, I was fascinated by a four-wheeled cart with independently steered and powered wheels that zig-zagged, spun around and dipped back and forth along one aisle. It was a prototype of a robot fire truck ultimately intended to fight fires on aircraft carriers.

COMPLETED CARS are a rarity. Most of the SAE attendees are supplier types, who tend to pick up a



auto talk
Dan McCosh

short section of fuel injection hose and start gawling their booth table when they get restless.

Underdeveloped countries launch trade efforts in the basement. I've seen a few start out with sets of hand tools that seemed to be forged over a charcoal grill, and a few years later the same group will exhibit microelectronics.

The most intense efforts are

coached in cagey presentations — carefully edited teasers about research that only hints at the real thing, lest the competition learn too much. There is a hall a room attending a session on how to mold a complete car chassis out of composites in about two minutes; another crowd eats up a presentation on high-output, streamlined internal combustion engines.

THE PLACE steams with the sweat of invention, lost in esoteric details. Seemingly half the papers address social concerns — safety, ecology, recycling — which would be a surprise to a political activist who never strayed from the liberal arts.

Then comes the ponderous presentations of the major corporations. One supplier says it could be 10 years before the composite chassis is practical — 10 years for a rich and powerful company to bring a concept to market, when the process already is running in a small shop in Sterling Heights.

That's about the time span it took to build up U.S. Steel from a barrel in a back yard or the time it took to develop a practical airplane or perfect mass production in the auto

business at the turn of the century. WHICH BROUGHT me to where I always end up at the SAE's annual show, wondering what eventually happens to all this stuff, these ideas. The poverty seems not to be in a convention but in the willingness to act.

For some reason, I remember a next-door neighbor reminiscing about his childhood summers, when he regularly jumped into the water with a couple of buddies, swam three miles downstream to Peche de Belle Isle, swam back across the trout river, then took the bus home for supper.

Today they've taken the boards out of city pools, lest they suffer a lawsuit, and out kids are safe.

Or are they?

Best time to invest is now

By Sid Mittre
special writer

I am frequently asked how to find the best time to invest in the stock market. My answer is always the same. The best time to invest is now. The reason is simple: it's TIME, and not TIMING, that makes the difference.

In order to demonstrate the validity of my argument, I have developed three tables. In each case, I invest \$1,000 a year for 10 years.

Table A: investing at the stock market low.

In this case, each year I invest \$1,000 at the lowest point of the S & P 500 Index. Hence, it represents in-

vestment in the stock market at the "best" time. I should add that this goal cannot be achieved by anyone except by accident.

Table B: investing at the stock market high.

Here I invest \$1,000 each year in the S & P 500 index at each year's highest price for 10 years. That is, this table represents an investment at the "worst" time.

Table C: investing in a money market fund.

This table represents my inability to find the right time to invest in the stock market. So I put \$1,000 a year for 10 years in the money market and leave it there.

WHAT'S THE verdict? As expected, at the end of 10 years, buying at the best time outpaces buying at the worst time (\$26,151 vs. \$20,136). However, surprising though it may seem, buying at the worst time produces far better results than leaving the money in the money market fund, waiting for the best time to arrive (\$20,136 vs. \$16,370).

So the moral is this: it is TIME, and not TIMING, that makes a difference in stock market investing.

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

Table A: Investing at Stock Market Low

Date	Cumulative Investment	Year-end Value
2/27/79	\$1,000	\$1,175
3/27/80	\$2,000	\$2,992
9/25/81	\$3,000	\$3,950
8/12/82	\$4,000	\$6,206
1/3/83	\$5,000	\$8,844
7/24/84	\$6,000	\$10,552
1/4/85	\$7,000	\$15,236
1/22/86	\$8,000	\$19,309
12/4/87	\$9,000	\$21,429
1/20/88	\$10,000	\$26,151

Table B: Investing at Stock Market High

Date	Cumulative Investment	Year-end Value
10/5/79	\$1,000	\$983
11/28/80	\$2,000	\$2,271
1/6/81	\$3,000	\$3,095
11/9/82	\$4,000	\$4,750
10/10/83	\$5,000	\$6,781
11/6/84	\$6,000	\$8,191
12/16/85	\$7,000	\$11,781
12/2/86	\$8,000	\$14,926
8/25/87	\$9,000	\$16,439
10/21/88	\$10,000	\$20,136

Table C: Investing in Money Market

Date	Cumulative Investment	Year-end Value
1/2/79	\$1,000	\$1,100
1/2/80	\$2,000	\$2,100
1/2/81	\$3,000	\$3,200
1/4/82	\$4,000	\$4,400
1/3/83	\$5,000	\$5,700
1/3/84	\$6,000	\$7,000
1/2/85	\$7,000	\$8,400
1/2/86	\$8,000	\$9,900
1/2/87	\$9,000	\$11,500
1/4/88	\$10,000	\$13,300

Oakland County will help small businesses qualify for SBA loan

By Mary DiPaolo
special writer

I heard that Oakland County has a development company to help small businesses get loans through the Small Business Administration. Can you give me more information about this program and its eligibility requirements?

The Oakland County Local Development Company assists small to medium Oakland County businesses obtain money by acting as an agent

to analyze, package and submit loan requests to the Small Business Association's SBA loan program.

The SBA 504 program offers long-term, fixed-rate loans for buying or building fixed assets. The types of projects eligible for loans include land and land improvements, building construction, acquisition or expansion, new or used equipment acquisition, leasehold improvements, construction cost overrun, professional fees and interest and points on interim loans.

BUSINESSES ELIGIBLE for loans are "healthy, expanding, for-profit businesses that have been in operation two years or more."

They must also have a net worth of less than \$6 million and an average net profit after taxes for the previous two years of less than \$2 million.

Businesses that do not qualify for loan assistance are passive income and real estate investment companies, lending institutions, unregulated media such as newspapers and television, gambling facilities, recre-

ation facilities that are not open to the public and non-profit organizations.

PROJECTS THAT receive these loans range between \$150,000 and \$2 million. The maximum amount the SBA can contribute is \$750,000. But this cannot be more than 40 percent of the total project. Projects typically are financed 50 percent by private lenders, 10 percent by the business and 40 percent by the SBA.

Because of the SBA contribution, the private lender can reduce the amount of equity normally required.

WHEN THE project is completed, the SBA reimburses the private lender by the amount of the SBA's loan commitment. Money for SBA loans comes from the sale of guaranteed debentures on the open market. As a result, the interest rate of the SBA is determined at the debenture sale after the project is completed. The interest rate for the bank loan is negotiated separately.

More information regarding this program and the SBA's loan terms, fees and application procedure is available by contacting Jeffrey A.

Kaczmarek, manager of the county's economic development division, 1200 N. Telegraph, Pontiac 48055, by calling him at 858-0737. He also can submit fax requests by calling 858-1080.

Mary DiPaolo is the owner of MarketTrends, a business consulting firm. She is also producer and writer of the cable television series "Chamber Perspectives."

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