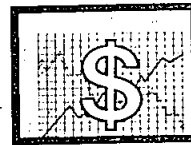


# Business

Marilyn Fitchett editor/953-2102



O/E Thursday, January 23, 1992

12B(F)

## Laid-off retail employees face slim pickings

By Doug Funk

The 500 or so Highland Superstores employees who have been or will be laid off in a cost-cutting move face a difficult time finding comparable jobs, consultants familiar with the industry said.

Highland, a publicly-owned company that sells appliances and home entertainment equipment, has headquarters in Plymouth and 49 stores in the Midwest including Westland, Southfield and Troy.

**'People unemployed will have a hard time finding jobs. In the retail industry, January, February and March generally are downers anyway. It's going to be a long time before they (employers) even start taking resumes.'**

— James V. McTevia

Jobs," said James V. McTevia, president of an East Detroit distressed debtor consulting firm that carries his name. "With the situation in the retail industry today, there are simply not going to be jobs out there."

"In the retail industry, January, February and March generally are downers anyway," McTevia said. "It's going to be a long time before they (employers) even start taking resumes."

"IN METRO Detroit, look at what usually happens after Christmas. Even good times, people brought in temporarily are laid off. These aren't good times," he said.

Ronald P. Leonetti, who owns a senior management strategist company in Southfield specializing in retail, concurred with McTevia's observations.

"These detached are going to have a very difficult time getting re-attached," he said. "The trend in retailing doesn't suggest there's an abundance of jobs."

"It doesn't seem like we're going through a cycle, but a transition," Leonetti said. "Other large employers have also gone through reductions through attritions, buyouts or other methods."

Joseph O'Connor, president of Consumer Market Analysts in Birmingham, echoed similar thoughts.

"The job market is tight now, especially for professionals, especially in retail where they're cutting back," O'Connor said. "I would think it would be difficult (to find jobs) with the recession we're in."

"I KNOW from personal experience, people we work with, retail or otherwise, are going through restructuring," he said. "Whenever you are today, if you're in middle management, you have a heckuva job to convince someone you have something to offer them."

McTevia doesn't see much hope for improvement any time soon. "Can people go out of Michigan? No. It's a recession trend nationally," he said. "You can go to West Palm Beach and shoot off a cannon in the malls and not hit anyone."

"A repairman may be able to eke out some income, but other stores surviving have their own work force," McTevia said.

Jay A. Weeden, an owner of Strategic Edge, a South-



field retail planning firm, sees a mixed bag of opportunity.

"There's two ways to look at it. If you have a highly productive professional salesperson on commission, they may get a job with another organization," he said. "Corporate staff may have a difficult time. So many companies are consolidating and merging."

PEOPLE WHO lose their jobs should take advantage of any unemployment services Highland might offer, Leonetti advised.

"Knock on doors, respond to ads, make yourself available to people you know — friends, church members, old associates," he said. "You can make a substantial list of contacts. Make phone calls, set up breakfast meetings or coffee meetings."

Highland has offered "severance pay, various job counseling and referral assistance" to employees who were laid off, Wineberg said.

Highland reported a loss of \$156.9 million on revenues of \$420.8 million through the first nine months of its current budget year.

Highland reported a loss of \$11.7 million on sales of \$860.8 million during fiscal 1990 and a loss of \$12.4 million on sales of \$924.7 million in 1989.

"The streamlining of our work force and operations, both in our stores and in our corporate office, is designed to enable Highland to become an even lower-cost operator," said Ira Moody, president and CEO.

"The lower our costs, the lower our prices can be. At the same time, we have designed the changes to maintain our high level of in-store and after-the-sale customer service," he added.

**'The job market is tight now, especially for professionals, especially in retail where they're cutting back. Whoever you are today, if you're in middle management, you have a heck of a job to convince someone you have something to offer them.'**

— Joseph O'Connor

Highland also was to meet with creditors this week in an effort to restructure debt payments. A lawyer representing suppliers said his clients were owed in excess of \$100 million.

Moody confirmed that Highland has no plans to close any of its existing stores.

The layoffs — in all areas of the company's operations — were announced last week to stem a tide of red financial ink. Most have already occurred, said Danette Wineberg, a Highland spokeswoman.

The 500 jobs due to be cut represent nearly 18 percent of Highland's current work force of 2,800 full and part-timers.

"People unemployed will have a hard time finding

## Track expenditures, plug leaks to climb out of hole

By Dan Boyce and Alan Ferrara

Special writers

Second of two parts

Local financial planning experts reviewed the data of the family profiled here and made general recommendations based on the participants' resources and goals. The information is for educational purposes only; references are not intended as discrimination or endorsements in this newspaper or the advisers.

To receive a free financial planning brochure or to obtain a questionnaire to participate in this column, contact the Center of Financial Planning, Dept. 100, 2621 Central Park Blvd., Suite 604, Southfield 48076 or call 948-7200. Names of participants are withheld upon request, and submitted financial data is confidential.

"Beware of little expenses; small leaks will sink a great ship," said



Benjamin Franklin. This month's profiled couple, Joe and Phyllis Harris, need to plug those expense leaks from their monthly budget lest their entire financial ship founder.

Last week, when we reviewed their credit card and debt problems, we saw that there were two methods that would work well in making these debts more manageable. Our comments this week will focus on helping them get the most from their \$45,000 income.

The Harrises are living at the edge. Any unforeseen major expense or temporary loss of income could push them into insolvency. They need to take steps now to build a more secure foundation.

This financial dilemma is one that

is faced by people of all income levels — from people who earn \$15,000 per year to those earning more than \$250,000 per year. It is probably difficult for the Harrises to believe that someone earning \$250,000 per year could get into financial difficulty. But it is not how much one makes that determines financial success. It is the rate of expenditures in relation to that income that is the primary factor influencing financial security.

Most people think they would be in great shape if their income were about 20 percent higher than it is currently. But there are always more consumer goods on which to spend money. We all face choices, and Joe and Phyllis have sufficient income to be successful financially if they choose.

Understanding and accepting this basic financial truth is a powerful key to helping the Harrises to make progress toward their goals. They need to make sure that their dollars are being put toward those areas that are of greatest importance to them. They should ask themselves the golden question: When does "more" become "enough?"

THE HARRISES should begin by developing a formal spending plan. They have been operating by the "seat of their pants" ever since they were married. Despite the best intentions to pay off debts each month, when the end of the month comes there is rarely any money left.

Instead of handling their money in this haphazard fashion, they need to run their financial affairs like a small business. In essence, their family unit has revenues of \$45,000, and they should plan to have a "profit" (money left over) at the end of each year or month.

The first step in preparing this spending plan is to track their expenditures. If their situation was not so critical they could start keeping records on a month-by-month basis in 1992. But they need to start this process immediately.

They should look back over their records for 1991 and come as close as they can in estimating their monthly outlays. They may want to use the format in the Cash Flow Worksheet (accompanying this article). It summarizes the expense categories in a monthly format, and it minimizes the need to flip pages or get mired in unnecessary detail.

Joe and Phyllis don't need to track down how every dollar was spent. Their checkbook and charge statements should provide them with 90 percent of the detail necessary to categorize expenses. Their cash expenditures can simply be lumped together under the "allowance" cate-

Financial Position	
ASSETS	
Invested Assets:	
Checking & Savings	\$800
Stock	550
IRA	2,650
Tax Sheltered Annuity	3,200
Total Investments	\$7,200
Non-Investment Assets:	
Residence	\$135,000
Autos	22,000
Boat	5,000
Computer	2,000
Other Possessions	15,000
Total Non-Investments	\$179,000
<b>TOTAL ASSETS</b>	<b>\$186,200</b>
LIABILITIES	
Mortgage	\$70,000
Home Equity Loan	10,400
Auto Loan	10,000
Auto Loan	8,000
Charge Card	500
Charge Card	1,300
Charge Card	2,000
Charge Card	4,500
Charge Card	5,000
<b>TOTAL LIABILITIES</b>	<b>\$111,700</b>
<b>NET WORTH</b>	<b>\$74,500</b>

Cash Flow Worksheet		
Expense	Jan.	Feb.
Food		
Gasoline		
Wash Away From Home		
Household		
Expenses or Rent		
Auto Property		
Finance - Home		
Interest		
Telephone		
Utilities and Services		
Household Supplies		
Auto, including auto shop		
Insurance		
Charity		
Charities		
Travel/Entertainment		
Car Payment		
Car Insurance		
Car Expense - Gas		
License, Parking, Lapse		
Car Repairs, Tires		
Personal Services		
Beauty/Barber		
Drug/Sunscreen		
Alcohol		
Life Insurance		
Education/Recreation		
Tuition, School Supplies		
Memberships or Classes		
Sports, Events, Theater, etc.		
Subscriptions		
Holidays		
Gifts		
Tax-Deferred Expenses		
Health Insurance		
Taxes - Fed., State, Local		
Retirement - Social Security		
Contributions		
Club		
Dues - Union Club		
Other Deductions		
Income & Investments (Net of Tax)		
Other Misc. Expenses		
Gifts		
<b>TOTAL MONTHLY EXPENSES</b>		

Please turn to previous page

# WOW!

A new year of excitement and value from the 32 shops and services at Bloomfield Plaza.

Argyle Shop  
Bloomfield Plaza Shoe Service  
Breath Of Spring Florist  
Chase Cleaners  
Colombo's Barber Shop  
Concourse 1-Hour Photo  
Dainman Hardware  
D.O.C. Optique  
Don Thomas Sporthaus  
Elliott Travel Service  
Frames Unlimited  
Gail's General Office Supply  
Gallery Restaurant  
J. Bakshi Salon  
Kroger  
Leonard Et Cetera  
Loretta Lorion  
Machus Red Fox  
Madeline  
Mail Boxes Etc.  
Maple 3 Theatres  
Metro News  
Michigan Chandelier  
Michigan National Bank  
R.I.K.'s Total Cuisine Center  
Roz & Sherrin  
Santers  
Sauces 'n' Tosses  
Sav-On Drugs  
Studio 330  
United Good Housekeeper  
The Workout Company

Come see for yourself!

Bloomfield Plaza

Telegraph at Maple