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Broker finds success working his life's plan

By Doug Funke
Staff writer

Plan your life, work your plan and financial success will follow.

That's the philosophy of Roy C. Belknap, a stockbroker/financial consultant for some 34 years and a recent inductee into Research Magazine Broker Hall of Fame.

The Bloomfield Township resident, who winters in Florida and spends most of the summer in Petoskey, was among the first group of seven brokers from around the country to be honored by the publication geared to investment advisers.

"When I started in the business, I didn't think I really knew what a great business it was," Belknap said. "I didn't think I was a good salesman. It worked out very well."

In our business, people recognize people who are working hard for them. You have to have knowledge. You have to work at it. You go through an apprenticeship and build clientele."

Today, Belknap spends most of his time managing portfolios for a core group of about 60 clients with assets of some \$11 million. "What we wanted to do is manage people's money for a fee, not a commission," he said.

BELKNAP'S FIRM. Shearson Lehman Brothers, provides him with computer equipment and a toll-free telephone number so clients can reach him wherever he happens to be. He loves the set-up.

"It's a lifestyle that takes me away from the hustle and bustle of minutiae," Belknap said. "My job is to get ideas and talk to people. When you're in Detroit, the phone rings off the hook with problems. Now, people can call the (Southfield) office and my staff can deal with that stuff."

Beautiful surroundings don't distract him from the business at hand.

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— Roy C. Belknap

Belknap said. "When I get up in the morning, I'm there to work. It takes discipline."

Regardless of where he's based, Belknap comes into town a couple of days each month for meetings.

Belknap graduated from the University of Notre Dame with a degree in business. He became interested in financial markets while working a summer job for an accounting firm in his native New York. A grandmother let him invest some of her money.

HEARING THE words of his father, Roy T., a production manager, — "I can't control my own fate" — while growing up and advice offered on another summer job — "If I were a young guy today, I'd go into business for myself" — also played a role in his career decision, Belknap said.

Over the years, Belknap found that he preferred working directly with people more than managing other brokers. He's also developed some conclusions about investing after more than three decades in the business.

• "Everyone has to have a life plan so you know where you're going. If you have a life plan, it becomes a financial plan later in life. The most miserable people I know are those who put a financial plan first."

• "If you want to make money, you have to own stocks. Traders lose."

Buy quality and hold on. When good stocks become cheap, you buy more. You pick good stocks and leave them alone.

• "You definitely have to be a saver today. If you're saving, you have to look at investment alternatives. You have to search out someone who knows more than you do so they can give ideas — not necessarily make decisions — on what else can be done."

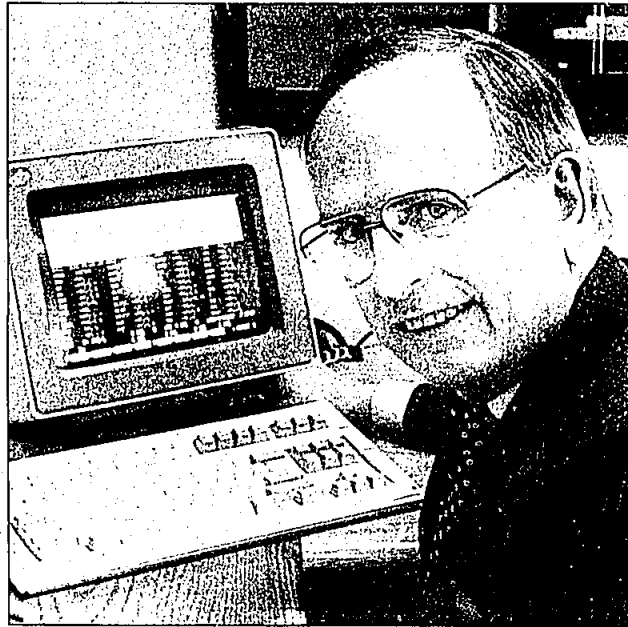
BELKNAP HAS a standard reply to those who question whether investing in the stock market is just a crapshoot where small players get hurt.

"I pull out [biblical] charts that go back to 1925," he said. "It shows how stocks have done in relation to bonds, treasury bills, CDs, inflation. No doubt about it, the way to make money was to own stocks."

"Yes, there are periods of four or five years where you won't make money. You've got to have patience. If you don't, don't buy stocks."

William R. Cole, a senior vice president and branch manager, nominated Belknap for the Hall of Fame.

"Roy is unquestionably the most professional broker I've had the privilege to manage," Cole said. "He's very client-focused and concerned. He's committed to high-quality securities. He's very conservative. Portfolios are well diversified."



JERRY ZOLYNSKY/staff photographer

Roy C. Belknap, 55, a stockbroker for more than 30 years, spends most of his time managing

portfolios for a core group of about 60 clients with assets of some \$11 million.

Patricia B. Whitney, Belknap's daughter and herself an account representative, said her dad persuaded her to go into the business.

"I always admired him when

growing up that he had something he loved to do so much," she said. "He just loves business, the study of business, finance, how business operates. He loves to work, help people, see investments work."

Belknap is active in several church organizations and serves on the finance committee for the Archdiocese of Detroit. He also enjoys fishing, skiing and tennis. He and his wife, Maureen, have six children.

Insurance, savings plans deserve closer attention

By Alan Ferrara
and Dan Boyce
special writers

Local financial planning experts reviewed the data of the family profiled here and made general recommendations based on the participant's resources and goals. The information is for educational purposes only; references are not intended as discrimination or endorsements by 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 948-7900. Names of participants are withheld upon request, and submitted financial data is confidential.

A wise man once said, "Judge each day not by the harvest but by the seeds you plant."

This month's family, the O'Tooles of Farmington Hills, are interested in planting the seeds of good financial planning to multiply their short and long-term harvest.

Paul O'Toole, 45, is an electronics technician; his wife Joan is a public schools elementary teacher. They each earn about \$38,000 per year. They have a 3-year-old son and plan to have a second child within the next two years. Their long-term goals include simplifying their children's lives, planning for their children's college education and preparing for their own comfortable retirement.

Their near-term goals include purchasing a new automobile within the next six months and moving to a larger home in about five years.

The O'Tooles have a number of financial strengths to help them along the way, including two steady incomes, ownership of their home, good auto, homeowners and medical insurance and a college savings established for their son through a Michigan Education Trust investment.

THE OTOOLES also have some financial weaknesses that they should be concerned about. First, they have little regular savings or investment. And their debt interest rates are high. Currently they have no wills or estate plan, and life in-

Financial Position

ASSETS	
Investment Assets:	
Checking Accounts	\$2,500
Money Market Savings	6,000
Deferred Annuity	6,800
IRA - Bank CDs	3,200
TIAA Retirement Savings	82,500
Total Investments	\$101,000
Personal Use Assets:	
Home	\$111,000
Auto	2,000
Other Possessions	15,000
Total Non-Investments	\$128,000
TOTAL ASSETS	\$229,000
LIABILITIES	
Home Mortgage	\$75,900
Auto Loan	3,600
MET Loan	2,700
Appliance Loan	1,800
Credit Cards	2,000
TOTAL LIABILITIES	\$86,000
NET WORTH	\$143,000

The Bottom Line

STRENGTHS	
• Two steady incomes.	
• Own home.	
• Good auto, homeowners and medical insurance.	
• College savings established for child.	
• Tax-deductible savings plan available at work.	
WEAKNESSES	
• Little regular savings or investments.	
• No wills or estate plans.	
• Inadequate life insurance on both.	
• Debt interest rates are high.	



insurance coverage on both may be inadequate. For the O'Tooles to make any headway they will have to overcome their inability to save on a regular basis.

We would suggest they begin saving on a monthly basis, and the simplest way to do this is payroll deduction plans available through their employers.

Joan is interested in reducing taxes. She asks, "Does a tax-sheltered annuity available to educators further reduce taxes? If so, how does it work?"

The tax-sheltered annuity (TSA) does reduce taxes and is an excellent way to build retirement savings. Salary that is deferred under a TSA is not subject to current income taxation but is taxed only when withdrawn later.

In addition, the deferred funds are invested and the annual earnings in such funds build up tax deferred until withdrawn. Thus, more money can be saved on a pre-tax basis, and the funds can grow faster through compounding of larger amounts that haven't been subject to current tax.

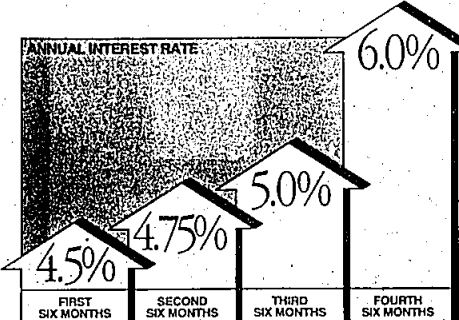
AN EXAMPLE OF the power of such tax-deferred earnings is illustrated by the amount Joan accumulated by working as a college instructor for eight years. A percentage of her income was automatically put away for her retirement, and it is now by far the O'Tooles' single largest asset.

Paul can save in a similar manner through his 401(k) plan at work. We suggest the O'Tooles begin their retirement savings by allocating 4-5 percent of their income to these plans, and gradually raise that amount toward a target of 10 percent.

Another reason to try to increase savings is to provide a nest egg in case of emergencies or unexpected events. And if Joan decides not to return to work immediately after the birth of a second child, savings will be available to help during that interim period.

In reviewing the O'Tooles' expenses, we find that the debt payments are not overwhelming, but

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