Electric car will spark Motor City



auto, husiness is that: every, five that every five the constant of the woodwork.

DAN MCCOSH

seems like one of the dictates of the

it, rather than eliminate it.
The energy crisis that new seem The energy crisis that now seem in the distont past seemed to change all that, and for a few brief moments some kind of radical new engine or alternative form of transportation seemed to be just around

efectic or has touched at a ganu-ine flurry of innovative engineering effort, with much of it concentrated right here in the greater Detroit area. The numerous stumbling blocks — limited range, pour per-

the corner, Now, with gas at a buck a gallon, energy as an Issue doesn't the appetites of the engineers workseem quite as important as the effort to save the environment. Someone is going to point out that the two are distinctly related, but the road in the two are distinctly related, but the road in the two are distinctly related, but the road in the reason, a two-passenger car with a hundred mile range carrying around 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmentally sound 500 pounds of tozic chemicals is seen as an environmental sound 500 pounds of tozic chemicals is seen as an environmental sound 500 pounds of tozic chemicals is seen as an environmental sound 500 pounds of tozic chemicals is seen as an environmental sound 500 pounds of tozic chemicals is seen as an environmental sound 500 pounds of tozic chemicals is seen as an environmental sound 500 pounds of tozic chemicals is seen as an environmental sound 500 pounds of tozic chemicals is seen as an environm signers, who have been palming off cares that look like used bars of soap for years, now are coming forth with stunning annul-car designs alleged-by powered by electric motors. The big stumbling block is still a lightweight high-capacity battery, however, since aside from the short range, you can't exactly, stand clongside the road with a pair of jumper cables when an electric car runs, down. This critical saue-prompted the formation about a year ago of the first industry wide research, consortium—a genulineding of effort in an industry wide research, consortium, and the standard of the standard of

tech ideas for years, most of which never quite seem to make it to the big time. This one might be different, since the battery has consider

big time. This one might be dilterent, since the battery has considerable pramise even if electric cars
fall on their face.
Frankly, I don't think the electric
are business by itself will threaten
Toyou, Instead, It is likely to sput
some of the best kind of creativethinking that will result in all sorts
of glmos that will improve the
mileage of all cars, and even entirp
in your electric hedge elipper: Even
more intriguing is the way it seems
to be focusing the Detroit area'
more intriguing is the may it seems
to be focusing the Detroit area'
considerable engineering; talent,
which already makes suburban Detroit a sort of Silicon Valley with
bad winters.

All in all, the electric car inay yet
end up as the best thing to bappen
to the car business around here in
years.

BUSINESS PEOPLE

Betty L. Lowenthal, a Bloom-field attorney, is featured writer in the May Issue of Matrimonial. Strategist, a nationally circulated publication for attorney who prac-tice family law.

Farmibeton Hills resident Dorine Kurkowski, marketing director at Barton Malow Construction in Southfield, has been elected to a two-year term on the board of directwo-year term on the board of direc-tors for the Society for Marketing Professional Services.

A notional Mazda award has gone to Paul Grunans and William Wil-linmson, service advisors at Auto-bahn Mazda in Bloomfield Hills.

Bonnie Mayfield, an attorney with the law firm of Dykema Gos-sett, has received a YMCA minority schiever, award at the annual award stunction.

The designation of Certified Insurance Counselor has been conferred upon Melanle McGuffle (Esper, Underwiters, in Troy, Kenn Allen of Mendowbrook Insurance, Group in Southfield, Thomas Clapp of Molnline Agency Inc. and Susan Kirouae of Seed Roberts, Agency Inc. in Birmine. Roberts, Agency Inc. in Birming-hain; and Sharon Wall of Horizon Insurance Agency in Farmington Hills and Robert Hylant Jr. of the

ton Hills by the Professional Independent Insurance Agents of Michi-

Tom Marino has been promoted Tom Marino has been promoted to vice president of network administration and technical services, and Laura Podob has been promoted to director of service quality for Allnet Communications Services in Birmindson

Three key staff appointments have been made at Troy Marriott Hotel Appointed are Wendy Bolte and Suzan Jones to the positions of catering sales managers, and Pa-

Fidelity Financial Corporation of Michigan, halding company for fi-delity Bank, has announced the election of Birmingham residents Elizabeth Silver and Warren Rose to the board of directors.

Michael Mazzoul of Orin Jewelers with stores in Garden City, Northville and Brighton, recently attended the American Gem Soci-ety's annual educational conven-

Jeffrey Forman of Orchard Lake has been appointed clinical chief and vice president of radiation on-culogy at Hurper Hospital in the Detroit Medical Center.

Finance from page NEXT PAGE

He has been faithfully contributing to an HA each year since 1974, but this alone will not provide nearly enough for their needs. With projected new contributions growing at reasonable rate of return, at best his HA income would only match his expected \$750 monthly income from Social Security (inflation-adjusted). Both sources would provide \$1,500 per month, for below their corrent income and their retirement goal.

goal.

Realistically, Al and Fran need to re-examine their expectations. Un-less they come across a wimifall, such as an inheritance or winning the lottery, this goal is clearly unat-chiable. They would have to save more than their total income each year to be able to retire at age 65 at that income level.

that income level.

To assess their options more ef-fectively, they should examine closely their expenditures to find-out exactly what it takes to main-tain their current lifestyle. Tracking monthly expenditures is a first step bothly increase.

in this process.

Then they need to see if there are any expenses that can be reduced. For example, they were planning on maintaining both their home in Liconia and their entage up north. They may find they can afford only to keep one or the other. These deci-aions should be faced now, so that they can adequately prepare for any transition at retirement.

Examining their expenditures will also help them manage their current income more effectively.

They tend to use their credit cards regularly, which leads to frequent impulse buying. The high interest rate that they pay on these credit cards further increases the cost of these purchases. By planning these shead of time; they can make their income go further. Thus they need to embark on an aggressive savings campaign, Using tars-deductible dollars is the most efficient, way to build their assets for retirement. At a minimum, we would suggest that Al establish a Simplified Employee. Pension (SEP) plan. Using this, he can contribute and seduct slightly mure than 12 percent of this net self-employment, income. This type of retirement plan is extremely easy to set up and maintain.

Self-employed pension

Better yet, he should consider ga-tablishing a combination of two re-tirement plans that maximizes his ability to make tax-deductible in-vestments. This would involve the setting up of a profit-sharing plan-and a money nurchase persism than and a money purchase pension plan for cell employed individuals. To-gether, these two plans allow him to contribute up to 20 percent of this income after other business ex- ment assets.

penses.
These plans are sometimes called Keoph plans, although that term is technically outmoded. The report-ing and, filing requirements for these plans are somewhat more complex than for the SEP, but the

additional tax savings is well worth it. Al should consult with his CPA or financial planner to make the determination of what plan is best for him.

The Gingrichs are unhappy with the amount of taxes they pay. Not unity do all these plans provide for tax-deductible contributions, but they grow without subjecting the income to current taxation. Not until money is withdrawn is it taxed.

The tax deductibility of these retirement plan contributions allow the Gingrichs to put away mure in swings than they would otherwise, be able to manage. Also, they will probably be in a lower tax bracket at retirement, and thus will save significant tax dollars when the income is withfrawn.

significant tax dollars when the income is withdrawn.

Al needs to examine his life insurance coverage. He owns, only a 100,000 universal policy bought in, 1993. If he died, Fran would be left in a terrible position. She has minimal job skills, so perhaps she would earn \$1,000 per month.

As a widow, she would not be elimined to be considered to be considered to the position of the provided from investment of the \$100,000 life insurance; proceeds, and their \$75,000 of other investment assets.

Thus, she would be faced with a severely reduced standard of living and would face some hard choices. At should buy another \$200,000 to \$250,000 of life insurance to be carried at least during the next five to eight years or until he is retired.

This buys them time to build their asset buse.

Aggressive investments?

Currently, with the exception of a small mutual fund, all of their investments, ore in interest-bearing bank accounts. They need to work with their financial planner, or a broker to incorporate some growth into their portfolio.

Fran asks, "Should we be much more aggressive in our investment, so that our assets grow faster?"

To a limited extent, the answer is yes, but they need to be cautious. The hidden assumption here is that by taking additional risk, they would be assumed of additional returns. If they speculate, they could lose significant amounts of money which they cannot afford to do.

tose significant amounts of money, which they cannot afford to do. We make a clear distinction between "speculating" and "investing," Speculation implies taking high risks with the hopes for extraordinary gains; investing is a high risks with the hopes for ex-traordinary gains; investing is a more prudent method of accepting some additional risk, with the rea-sonable expectation of higher rates of return over time. We believe Al and Fran can and should embark on an investment program, but avoid speculation.

Back to Basics:

How to invest when interest rates are low.

Topics to be discussed:

- · Developing an Investment Portfolio
- Protecting Your Savings From Inflation

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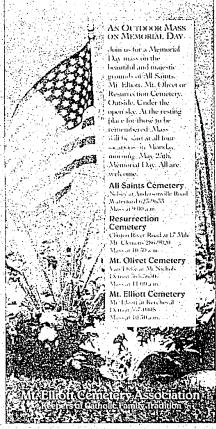
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May 4, 1992