BUSINESS

SUBURBAN BUSINESS LEADERS


Wilbarger

Marilyn D. Wilbarger of Axiom Real Estate Management Inc. in Southfield was named senior manager. She is directly responsible for leasing and management activities for an office/hotel complex in Jackson. She had been a vice president for property management with Continental Capital Realty in Ann Arbor.


Bieganeky

Paul J. Bieganeky of Bloomfield Hills was named manager of European sales for *Masco Industries. Bieganeky* will be responsible for sales contacts and strategies in the company's Sandhausen, Germany, office. Before joining Masco, he spent 34 years with General Motors, the past seven as a program manager for GM's Delco Chassis division.


Kurzawa

Richard B. Kurzawa was named manager of the quality management group at Ellis/Naeyaert/Genheimer Associates Inc. in Troy. Kurzawa will be responsible for direction of the company's long-time quality control system. He has 22 years of consulting engineering experience.


Goldie

Gordon B. Goldie was promoted to associate with Plante & Moran in Southfield. Goldie joined the firm in 1988 as a member of the accounting staff. His areas of specialization include corporate tax, municipalities and construction contractors.

To submit materials to this column, please send a brief biographical summary along with a black-and-white photo, if possible, to: Business Editor, Observer & Eccentric Newspapers, 36251 Schoolcraft, Livonia 48150. There is no charge.

Business braces for Clinton's specifics

■ It's apprehension on the part of some, anticipation on the part of other business owners and managers as they gauge their economic future.

BY DOUG FUNKE
STAFF WRITER

Some businesses would appear to fare better than others when it comes to applying President Bill Clinton's proposed economic recovery plan.

Apparent winners include building contractors and community colleges. Potential losers include defense contractors and hospitals.

But appearances can sometimes be deceiving. Expectations can be buoyed or dashed depending on how the details eventually shake out, business leaders said. They responded to the following Clinton excerpts:

"We must create a new unified worker training system, so that workers receive training regardless of why they lost their jobs," Clinton said in his economic address. *"We will offer people on welfare the education, training . . . they need to get back on their feet."*

That was good news to Gordon May, executive director of Oakland Community College Pontiac Center, and Bruce Sweet, director of business and industrial services at Schoolcraft College in Livonia.

Both are involved in job training and retraining programs.

SHARON LEMIEUX/STAFF PHOTOGRAPHER

Building boost: *Mason Kevin Buford is hoping President Bill Clinton's call for increased spending in construction will materialize in added jobs for his company.*

THE PRESIDENT'S PLAN
Impact on business

"We train people who are laid off or economically disadvantaged," May said. "Our programs were basically filled. We have a waiting list, but it isn't a big list."

The Pontiac Center trains about 250 people annually in such areas as heating and cooling technology, machine tool technology and business information systems.

"We now try to do training to specific employers," Sweet said. "We're canvassing all employers in our district with more than 25 employees to see what their needs are over the next five years.

"We have two job developers and their job is to meet with businesses to see what kinds of jobs they have available," May said. "We train them, then it's incumbent on the employer to employ them."

"To create jobs and guarantee a strong recovery, I call on Congress to enact an immediate jobs package of over $30 billion. We will put people to work right now and create half a million jobs, jobs that will rebuild our highways and airports, renovate housing . . ."

There's a wide-range of opinion on what this proposal will mean locally.

Drop in the bucket?

"I don't see the proposals the president made will make a tremendous impact on the building trades," said Fred Capaldi, a Rochester residential builder and president of the Builders Association of Southeastern Michigan.

His reasoning — if it cost upwards of $20 million just to put in water and sewer lines for the redeveloped Victoria Park Subdivision in Detroit, how far will the money go?

"The amount of money needed to be spent in the inner cities would be a tremendous amount," Capaldi said. "I don't know if the federal government is up to that."

Joe Malloure, president of C.A. Hull, a Walled Lake contractor and president of the Michigan Road Builders Association, projects that Michigan will receive only $76 million under Clinton's plan.

"You're not going to see the state all torn up over $76 million," he said.

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Balance key in asset allocation

Second of three parts

BY DANIEL BOYCE
and ALAN FERRARA
SPECIAL WRITERS

Last week we discussed the importance of maintaining adequate liquidity (accessibility) and diversifying investments into several different categories. Before we proceed with the discussion of asset allocation, it is important to define the categories among which investments can be allocated.

A broad distinction must first be made between interest-bearing assets (debt-based assets) and ownership assets (equity assets). Within the two broad categories, there are several sub-categories. The debt-based assets contain three sub-categories: cash equivalents, guaranteed contracts and bonds. Equity-based assets include the sub-categories of stocks, real estate, tangibles and other. Some definitions of each:

■ Cash equivalents: Interest-bearing assets with ready accessibility. They include savings accounts, money market funds, Treasury bills, short-term savings goals, and for defensive investing when nothing else looks attractive.

■ Guaranteed contracts: Higher interest rates, but with some restriction on accessibility. They include retirement plan and 401(k) plan guaranteed accounts, deferred annuities, and long-term certificates of deposit. These assets provide moderate rates of return and provide an anchor to any portfolio. They never decline in value. Frequently, tax deferral is an added benefit of investments in this category.

■ Bonds: A fixed interest rate is locked in for a long period of time. They include assets such as municipal bonds, treasury notes and bonds, and bond mutual funds. They primarily are held for steady income. Bonds may be liquidated prior to maturity by selling the bonds to another investor, but the sale price may be higher or lower than the original purchase price (prices will tend to vary with interest rate moves).

■ Stocks: Represents ownership in companies. They include stock options, stock mutual funds and foreign stocks. These offer growth and liquidity but will have significantly greater fluctuations in value in the short term. As a result, the investment time horizon should ideally be five years or longer, though they may be sold sooner if conditions change.

■ Investment real estate: includes investment property, partnerships, real estate investment trusts but does not include personal residence. Real estate is an illiquid asset that typically provides some income along with potential appreciation (growth).

■ Tangibles: These assets tend to do well in inflationary times, but they can be highly volatile. They include precious metals and collectibles (coins, stamps, oriental carpets, artwork). They tend to increase in value when bonds and stocks are not performing well and can therefore help stabilize a portfolio.

■ Other: Includes private businesses and exotic investments. This is a catch-all category and is always optional in a portfolio.

Next we'll examine a useful framework for our asset allocation model. It is helpful to divide a portfolio into the debt-based assets and the equity assets. Interest bearing assets are debt-based because the money is in effect being loaned to various organizations — the bank (savings or CDs), the U.S. government (Treasury bills or bonds), a corporation (corporate bonds) or other entity. The borrowing organization then uses this money to maintain a business or other equity asset.

For example, when you open a savings account, you are lending your money to the bank. In return, the bank agrees to pay you a specified rate of interest for the use of your money. They use your

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Average Annual Returns 1926 - 1991

U. S. Treasury Bills	*3.7%*
Intermediate-term govt. bonds	*5.0%*
Long-term corporate bonds	*5.2%*
Common stocks (S & P 500)	*10.1%*
Small company stocks	*11.6%*

FAMILY FINANCES $

Growth Portfolio (Age 40)		Income Portfolio (Age 65)
30%	DEBT-BASED ASSETS	*70%*
5%	Cash and equivalents	*10%*
10%	Guaranteed contracts	*20%*
15%	Bonds	*40%*
70%	EQUITY ASSETS	*30%*
45%	Stocks and mutual funds	*25%*
15%	Real estate	*5%*
10%	Tangibles/other	*opt*

TAMMIE GRAVES/STAFF ARTIST