

# Business & Finance

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**MORE THAN MONEY**



SID MITTRA, PH.D.

## Tax breaks you always wanted

Editor's note: This is the fifth article in an eight-part series on tax planning.

In this column additional tax saving strategies involving interest and income shifting will be discussed.

**Faster interest deductions**

Generally, a deduction for prepayment of interest (including interest on home mortgages) is not permitted. However, it may be possible to accelerate one interest payment on outstanding loans. For example, if you have a note or mortgage payment due in January, and make the payment by December 31, then the extra month's interest on the tax return can be deducted.

**Residence interest**

**Consumer Loans.** Interest paid on consumer loans, credit card loans, and other similar items is not deductible. Consequently, you should consider paying off all personal loans, where possible, besides the ones that are often at high rates of interest.

**Mortgage Interest.** Interest paid on the mortgage securing the personal residence and one additional residence is deductible. You may deduct interest paid on mortgages that qualify as acquisition indebtedness to the extent such indebtedness does not exceed \$1,000,000 (\$500,000 if you are married and file a separate return). You may also deduct interest paid of up to \$100,000 on home equity indebtedness regardless of the way in which the proceeds are used. Home equity indebtedness may take the form of a home equity loan, a second mortgage or a refinancing of an existing mortgage.

To avoid the loss of deductible personal interest expense, you should consider refinancing mortgages or home equity debts up to the \$100,000 limitation and use the proceeds to reduce the consumer loans and credit card debt.

**Investment interest**

Investment interest deduction is limited to your investment income. Net investment income is defined as gross income from property held for investment plus net gains from the disposition of property held for investment and reduced by deductions which are directly connected

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Kids.com: Andy Jacob, president of World Wide Financial, assists Melissa Bricchett at the first Kids.Com@World Wide.

## World Wide Financial makes web surfing a family affair

As debate heats up over what is appropriate Internet content for young web surfers, most experts agree that parents need to be involved when their kids are online. World Wide Financial is making Internet usage a family affair at its second Kids.Com@World Wide.

The event is free to parents by calling 1-800-993-1199, ext. 447 and will take place from noon to 3 p.m. on Saturday, May 16, at Cafe Domain at 1800 S. Washington in downtown Royal Oak (corner of Fourth St. and Washington.)

Kids.Com@World Wide 2 reinforces parental participation when young children are "logged on" through an online scavenger hunt for children and their parents search

together for a series of online images and messages based on hints provided by World Wide Financial president, Andy Jacob.

The event will feature lunch and prizes to be awarded to all participants and a brief orientation on Internet usage for those who are less adept at its use.

"I'm sure most parents want an active role when their children are using the Internet," says Jacob. "Kids.Com@World Wide 2 teaches children that having their parents by their side when surfing the Web is fun."

The first Kids.Com@World Wide was held in November of 1997 and was widely attended by parents and their children from throughout southeast Michigan.

## Oakland economic forecast unveiled May 8

Nationally known economists from the University of Michigan will present the results of a 1998-99 employment forecast for Oakland County at the 18th Annual Outlook Luncheon on Friday, May 8.

The luncheon will run from 11:30 a.m. to 1:30 p.m. and will be held at the Northfield Hilton in Troy.

George Fulton and Donald Grimes, economists with the University of Michigan Institute of Labor & Industrial Relations, have consistently provided critical

information about the present and future economic environment in Oakland County.

Fulton and Grimes will prepare a report card for Oakland County which includes forecasts for total employment in private manufacturing and non-manufacturing sectors with breakdowns for various industry categories.

"The annual U of M economic forecast has proven to be an extremely accurate and useful tool in predicting job growth in Oakland County," Oakland County

Executive L. Brooks Patterson said. "Over the years, the research compiled by economists George Fulton and Donald Grimes has been good news for Oakland County and I'm looking forward to another promising outlook this year."

Luncheon sponsors include Oakland County Development and Planning, NBD Bank and Oakland Community College.

The public is invited. The fee is \$25. To register, call Oakland County offices at (248) 975-441.

## Kelly Services teams up to find jobs for veterans

**KELLY SERVICES**

Hire Quality, Inc., developer of the largest career referral service for veterans and family members, and Troy-based Kelly Services Inc., the leading global provider of staffing services, have joined forces to find employment opportunities for men and women leaving the military for the private sector.

Hire Quality will provide Kelly with thousands of job applicants each month, pre-screened for education, work experience and skills.

Kelly will then integrate this information into its branch automation system allowing its more than 1200

U.S. offices to instantly match customer job requests with the candidate records provided through Hire Quality's proprietary process.

"In the current tight labor market, it's especially exciting for us to have access to such a highly trained and disciplined group of workers," said Carl Camden, executive vice president, field operations, sales and marketing for Kelly Services.

"These men and women have skills

and experience in areas such as science, legal, information technology, office, manufacturing and electronics - all areas where we have many job opportunities."

Retired Marine Corps Major General Matthew Caulfield, chairman and chief executive officer of Hire Quality, sees the partnership with Kelly as a natural.

"Our candidates' skills, coupled with Kelly's years of experience and connections with thousands of businesses, makes Hire Quality and Kelly

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## BNI

### Group helps local workers connect

BY BARR PERT TEMPLETON  
SPECIAL WRITER

When Linda Wittstock became a realtor at Caldwell Banker Schweitzer Realtors in Birmingham two years ago she was eager to start building a client base.

"The opportunity to join a local chapter of Business Network International (BNI) seemed a good place to dive in and once Wittstock did she saw the groups referral strategies working like crazy."

"I've done \$700,000 in sales over the last six months that I attribute to my membership in BNI," Wittstock stated. "I'd say I've certainly covered my dues for the next ten years."

BNI helps business people generate referrals through word-of-mouth advertising in a structured professional environment. Chapters are formed with a maximum of 35 to 40 members with one person per profession represented.

Founded in California in 1985, BNI is now the largest referral networking organization of its kind in the world boasting 18,000 members in 900 chapters.

Dearborn stock broker Brian Maxson, was so impressed after two years of membership, he bought the franchise for southeast Michigan. He and his wife Cara, have launched 25 chapters in five counties.

"Businesses that benefit from our concept are many," Maxson said. "Our most active, like say a printer in Farmington Hills, an advertising specialty rep from Southfield, a chiropractor from the west side, and a photographer from Dearborn, all are growing their business and getting new business because of the dynamic of networking with a purpose."

The southeastern Michigan region boasts 30 percent annual growth with 25 chapters currently holding weekly

meetings and exchanging anywhere from 60 to 150 leads per month. Eleven of the BNI chapters in southeastern Michigan are located in Oakland County.

"Word of mouth" advertising is often ignored or under valued as a tactic in earning new business," said Cara Maxson. "The age-old adage is more true now than ever - people naturally trust a personal referral more than a blind contract or name from a directory."

Unlike traditional networking organizations like chambers of commerce or Rotary Clubs, BNI chapters meet solely to share referrals. There are no speakers at meetings, nor do members strive to conduct any other business, such as fund raising or community projects.

Area BNI chapters aren't under any specific geographic guidelines as far as membership and referrals go. Once a chapter has a representative from each profession membership closes and that often spawns the creation of a new chapter nearby.

"I really like the fact that it's not based on one geographic area because I don't want to just provide my services to say Birmingham I want to be able to work all over the place," said Beth Knabel, owner of ArtFX Marketing and Communications in Bloomfield Hills.

Wittstock has of course enjoyed a huge return on the time and efforts she has put forth with BNI but she admits the system takes a little time to perfect.

"I was new in my field and I did join looking for leads but this is not immediate gratification," she said. "I was in it for about a year before I got some real substantial leads but it works."

The time given to the referral program, a meeting each week, allows

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## Commission hails record employment

Led by increases in retail trade, the number of people employed in Michigan reached another record high in March.

The Michigan Jobs Commission announced last week that there were 4,852,000 people employed in the state in March. At the same time, the state's unemployment rate matched the record lows recorded in December and January, 3.9 percent.

"Our unemployment rate has been very stable over the last year," said Doug Rothwell, Michigan Jobs Commission CEO and Department Director, "but we'll never get bored reporting the same numbers, because it means people are working."

In fact, the state's jobless rate has been between 3.9 percent and 4.1 percent for nine of the last 10 months. The March figure represents a drop of two-tenths of a percent from February.

This rate keeps the state below the national rate of 4.7 percent.

This column highlights promotions, transfers, hirings and other key personnel moves within the Oakland County business community. Send a brief biographical summary - including the towns of residency and employment and a photo, if desired, to: Business Milestones, Observer & Eccentric Newspapers, 805 E. Maple, Birmingham, MI 48009. Our fax number is (248) 644-1314.

**Caprice Aerts**, president of Artspace in Birmingham, was recently named to the Associated Landscape Contractors of America's board of directors. Artspace specializes in interior plant design, sales, installation and horticultural service for corporate, retail and large residential customers.

**Douglas Allison** of Birmingham has joined the board of trustees of the Heritage Foun-

ation, a public policy research group based in Washington, D.C. He was previously an executive at Ford Motor and is the chairman and CEO of Allison-Fisher, Inc. in Southfield.



**Barbara Allushuski** of Ann Arbor has been named senior vice president and general manager for Clark, Poynton & Associates' Michigan region. Allushuski, based in Southfield, will be responsible for gaining new business and managing new clients.

**Tom Burland** of Troy has been elected president of the Advertising Production Club of Detroit. Burland is a vice president and production man-



**Dan Cohen**, a Farmington Hills attorney, has been appointed as a Michigan delegate to the Small Business Congressional Summit to be held June 17-19 in Washington, D.C. by Congressman Joe Knellenberg. Cohen is a shareholder and practicing attorney with the firm of Charfoos, Reiter, Peterson, Holmquist & Pileback, P.C.

**Terry Farida** of Farmington

Hills has been named vice chairman of membership for the Association Food Dealers of Michigan. He is president of Value Center Markets in Warren and Livonia.

**Jodi Knorr** has been named a equity partner at First Edge, Inc. in Bingham Farms. She has been director of sales and consulting at the company since 1993.



**Kelly Kopec** of White Lake was recently promoted to associate media director at Solomon Friedman Advertising in Bloomfield Hills. She was previously a

media buyer. She will be responsible for the planning, buying and placement of print advertising for non-entertainment and business-to-business accounts.



**Willow Korpela** has been named CFO and director of corporate planning for Work-Place Integrators in Bingham Farms. He will be responsible for all Korpela accounting and financial matter for WPI. She was previously vice president of finance and treasurer for Seattle Communications in Seattle.

**Dawn Marie Lucas** has been promoted to staffing manager at Accountants, Inc., a personnel company in Southfield. She was previously the office coordinator in Bloomfield Hills. She will be responsible for recruiting and placing candi-

dates for temporary positions.

**George Miller** of Bloomfield Hills has been named president of the Matilda E. Wilson Fund. He was elected to the position following the retirement of Pierre Heiler.



**Jeff Ormond** of Sterling Heights has been promoted to day executive at Eisbrenner Public Relations in Troy. He is responsible for implementing day-to-day account activities including compiling media analysis reports and writing news releases for several of the firm's automotive and service clients. He joined Eisbrenner in 1996.

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