

Sell or add
fund holdings

CHARLES ROSS

Your
Personal
Finance

It's a good idea to do periodic check-ups on your investment portfolio and trim dead wood. But how do you know whether to sell or hold on? If a stock fund is underperforming, you should give it a year or two. Bond funds, however, should be given less time to recover.

How do you determine if a fund is underperforming? Compare your fund with other funds within the same category. One reason why a fund may not be doing well is expenses. If your fund is charging significantly higher fees than the average, consider jumping to a similar well-managed fund that is not charging such high fees. If you're not sure about selling, unload only a portion of it. But be careful, because a poor performer now can suddenly come roaring back.

Trim fast growers

If you're looking for ways to strengthen your investment portfolio, consider getting rid of some of your fastest growing funds. It sounds crazy, but here's why it's financially healthy:

Suppose your current stock fund investment allocation is one-third growth funds, one-third international funds, and one-third technology fields. What happens if the technology sector fund you own grows like wildfire? It may be time to trim it back, even if it has been a top performer in its category. This disciplines you to sell after a run-up in prices and buy other funds that may be poised to grow. Another reason to trim back a fast grower is to use capital losses you've taken, or plan to take, in a disappointing fund to offset those gains in another.

Adjust to meet current needs

You may have bought your funds for many different reasons. Perhaps you bought a fund for its long-term growth potential to meet anticipated retirement, or educational needs. Maybe you bought it because of high expectations for the areas in which the fund invests, or because it was a new fund and might benefit from the company's hottest investment ideas.

If your reason for buying the fund has changed, or no longer exists, it may be time to sell. For example, if you bought a fairly aggressive fund to provide for a child's college education, it may be time to sell if your child will need the funds in less than a year. Also, as you approach retirement age, you should lower the risk level in your investment portfolio.

Add more of a successful fund

If you want to strengthen your investment portfolio, you may be tempted to diversify by investing in some hot new

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Heritage
for saleBy John Minter
THE CHARLOTTE POSTAttorney opts to open
afrocentric shop

Mary Wilson just completed her first year running her own business, the popular Heritage House afrocentric shop on Kings Drive.

Though she always wanted her own business, Wilson gave up a high-powered career as a corporate attorney to open Heritage House a year ago.

"I found that the glass ceiling was always there, no matter how high you go," Wilson said. "I'm a Type A person. I'm used to working 12-14 hours per day. I thought, if I was going to work this hard, I needed to use this energy and productivity for the benefit of

my family."

Wilson worked for such firms as Hoechst Celanese, Fieldcrest Cannon, Duracell and a division of Marine Midland Bank. She moved back to Charlotte in 1994, where she'd lived about two years while working for Hoechst Celanese, after the Marine Midland division was relocated from Connecticut to Buffalo.

"My family and I had always intended to come back to Charlotte and saw that as a window of opportunity to move back," she said.

Wilson's family includes husband Cornell Wilson and three children - Cory, 15, Candace, 14, and Caryn, 7.



PHOTO/PAUL WILLIAMS III

Mary Wilson with some of the art objects and accessories which fill her Kings Drive shop.

Cornell Wilson, a native of Hartsville, S.C., is a colonel in the U.S. Marine Corps reserves and a telecommunications systems salesman for Siemens Rolm. The couple met in northern Virginia shortly after Mary Wilson graduated from the University of Virginia and he was still on

active duty with the Marines.

Mary Wilson said she's having the time of her life running Heritage House, which is developing a reputation for high-quality but well-priced art objects, prints and a growing inventory of books.

"Many stores serving the afrocentric market don't do a

good job of presenting their products," Wilson said. "I wanted to do it in an upscale way. I wanted to let my customers know I valued them and they were worth my time."

The store is 2,600 square

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Money management

Divorced
parents: A tax
guide to helpAmanda S. Danchi
SPECIAL TO THE POST

Divorced parents experience some unique challenges and rewards in both their personal and tax lives. The North Carolina Association of CPAs points out the following federal income tax provisions that may be of interest to such parents.

Dependency exemption

For starters, special rules determine which divorced parent can claim the dependency exemption for a dependent child. Generally, the law gives the exemption to the parent who has custody of the child for the greater part of the year. This is the case whether or not that parent actually provided more than half of the child's total annual support.

For divorced couples with a pre-1985 divorce agreement, the non-custodial parent may be eligible for the dependency exemption if the agreement so provides and that parent pays at least \$600 for the child's support during the year. Parents do have some flexibility in working out the most suitable arrangement. By signing Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents, the custodial parent may agree to let the non-custodial parent claim the exemption. The non-custodial parent then attaches the form to his or her tax return for each year the exemption is released.

Medical expenses

Regardless of who has custody, each parent can deduct medical expenses that he or she incurs for the child. Qualified costs include unreimbursed physician and dentist fees, costs for prescription drugs and insurance premiums. Of course, keep in mind that medical costs are deductible only to the extent that their total exceeds 7.5 percent of adjusted gross income.

Child care credit

If a custodial parent pays someone to care for the child (under age 13) while he or she works or looks for work, that parent may be entitled to a child care tax credit. This applies even if that parent has released the right to a dependency exemption or, under pre-1985 divorce decree, is not entitled to a dependency exemption with respect to the child. The child care credit ranges from 20 to 30 percent of qualified expenses paid during the year, with the exact percentage based on the parent's adjusted gross income. The credit applies only to total annual expenses of up to \$2,400 for one child and \$4,800 for two or more children. If the parent participates in an employer-sponsored, dependent-care assistance plan, the \$2,400 and the \$4,800 limitation on the amount of expenses eligible for the credit must be reduced by the amount excluded from the parent's income under this plan.

Child support and alimony

Child support is generally neither taxable to the receiving spouse, nor deductible by the paying spouse. Alimony, on the other hand, is deductible by the person who

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Store specializes in black memorabilia, artifacts

By Patti Lanigan Horvat
THE ASSOCIATED PRESS

BIDDEFORD, Maine - Aunt Jemima and Uncle Moses salt and pepper shakers peer out from a display case at Antiques USA in Arundel. On a nearby shelf sits a metal bank in the shape of a black man's head and shoulders. When his outstretched hand moves a coin toward his wide, red-lipped mouth, his bulging, dark eyes roll up into his head.

The items represent a category of increasingly popular collectibles, black memorabilia - lawn jockeys, old Cream of Wheat ads, Topsy Turvy dolls and mammy cookie jars. But among collectors, the dealers who sell them and scholars of black American culture, the way they depict African Americans raises questions about residual racism in

American culture.

Patty O'Leary, a collector of black memorabilia shopping in Antiques USA, holds a cloth doll in a red dress and kerchief with gold hoop earrings. "I'm from Connecticut originally, and my grandfather owned a farm. He had a tenant farmer who had been born into slavery down south. We loved him. He used to tell us stories and make us corn husk dolls," she says.

When O'Leary grew up, she became interested first in sermons and then in dolls before she became a serious collector of black memorabilia.

"A lot of it is racist with the big lips and Uncle Tomism," she says, but the rag doll in her hand and the Aunt Jemima cookie jars don't offend her. She points out a framed magazine ad from the early 1920s on the wall that does offend her. In it a white

boy sitting in a wooden cart with Cream of Wheat on the side holds a whip and reins attached to an elderly, black man with a stogie. The boy is cracking the whip.

The caption reads: "Giddap Uncle."

O'Leary, who also has a home in Ogunquit, teaches history and American literature to high school and college students in Connecticut and is the moderator for a group called Students United for Racial Equality.

"I use the collectibles as a teaching tool to show how offensive they can be," she says. Definitions of offensive vary from individual to individual, however.

O'Leary's husband, Jerry O'Leary, teaches eighth grade history in Connecticut. He disagrees with her theory that

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Americans are comfortable
with their trillion dollar debtBy Vivian Marino
THE ASSOCIATED PRESS

While most consumers are accustomed to buying homes, cars or clothing on credit, the idea of taking out what amounts to a loan for a burger and fries would have given some people heartburn only a decade ago.

Today it's common to make routine purchases with plastic - including groceries, dental visits, cab rides and Big Macs. Some people even pay their taxes, parking tickets or buy stamps with credit cards.

MasterCard says govern-

ment transactions and fast-food purchases are two of its fastest-growing markets. (About 16 percent of all consumer purchases are made with credit cards.)

"People are using credit cards in places that they never could before; this is a structural change," said Sandra Shaber, a consumer economist for the Wefa Group in Eddystone, Pa. "There is no other industrialized country that has as widespread credit use as the United States."

Total U.S. consumer debt

now exceeds \$1 trillion. By

contrast, the U.S. savings rate is the lowest of any industrialized country at 4.5 percent.

While credit use is growing in some parts of the world, particularly Asia, many foreign consumers prefer to use debit cards or smart cards - computer chips embedded in plastic that act as repositories of digital cash. Strict privacy laws also make it harder to market credit cards abroad than in the United States.

Geoffrey Meredith, president of Lifestage Matrix Marketing of Lafayette, Calif., says the

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