

STRICTLY BUSINESS

Insuring your auto properly

CHARLES ROSS

Your Personal Finance



One kind of auto insurance that's almost always required by law is liability insurance, which compensates victims of accidents caused by you or your family, and pays legal costs if you're sued.

There are two basic types of liability insurance. The first is bodily injury liability, which pays for the other person's medical costs. It can be purchased with a "single limit" or a "split limit." Single-limit coverage pays up to a specified dollar limit, and split-limit, which is slightly less expensive, restricts how much each accident victim can receive.

The second kind of liability insurance, property damage liability, pays to repair or replace another person's property. Many states require a minimum amount of this kind of coverage, but if you have a lot of assets to protect, the minimum may be insufficient for you.

Uninsured, underinsured

Uninsured-motorist coverage insures you, your family and your passengers if you are hit by a driver who carries no liability insurance or if you're in an accident with a hit-and-run driver. Like liability coverage, an uninsured motorist policy has a bodily injury and property damage portions.

In some states, uninsured-motorist coverage is mandatory, with minimums typically set at around \$25,000 per person, \$50,000 per accident and could cost about \$10 per year. But it is a good idea to have more coverage, in amounts equal to your bodily injury liability coverage. Raising this coverage to \$100,000 per person, \$300,000 per accident only costs about \$7 more on average.

Underinsured-motorist coverage pays your expenses after the other driver's coverage has been exhausted. Though not mandatory in all states, it's a good idea to carry this coverage at the same level as your bodily-injury liability insurance.

Medical payments

One type of auto insurance that's optional in most states is medical payments coverage. It pays, after an accident, for medical costs and even funeral expenses, regardless of who was at fault.

Towing and labor insurance is probably unnecessary if you belong to an auto club that provides towing services. It's probably cheaper simply to pay any towing bills out of your own pocket.

Charles Ross is host of the nationally syndicated radio program, "Your Personal Finance," and author of *Your CommonSense Guide to Personal Financial Planning*.

Ethnic market is hot topic for Coke, Pepsi

By Herbert L. White
THE CHARLOTTE POST

America's soft drink war has moved to a new battlefield: ethnic markets.

Responding to the nation's changing racial landscape and rival Pepsi-Cola's lead in popularity among people of color, Coca-Cola is gearing its marketing to increase its share. Atlanta-based Coke is pulling out all the stops with a national campaign to attract African Americans and Hispanics, including five advertisements for Coke Classic and Sprite on the Soul Train Music Awards earlier this month. Coke also sponsored Sprite Night, a party shown live on Black Entertainment Television. Coke's goal is to increase its market share among people of color to 50 percent by 2000.

Coke, the world's No. 1 soft drink, has a ways to catch up to No. 2 Pepsi among African Americans. Pepsi leads among 19- to 24-year-olds 28 percent to 18 percent; among 25- to



PHOTO ILLUSTRATION/HERBERT L. WHITE

34-year-olds, Pepsi leads 32 percent to 19 percent. People of color make up 20 percent of the \$52 billion carbonated drink industry, a segment that's growing faster than the general market.

Pepsi pioneered ethnic marketing two decades ago, becoming one of the first American corporations to specifically gear advertisement and programs toward blacks and Hispanics. To stay competitive, soft drink companies are recognizing the changing demographics and tailoring their messages. Coke is upping the ante among black consumers by sponsoring popular events such as the CIAA basketball tournament and Bayou Classic football game between Southern and Grambling universities in New Orleans, as well as the Soul Train Awards. Not to be outdone, Pepsi announced in March it will be a sponsor of the Essence Awards, which honors African American women.

"You can no longer pretend you have a homogenous market," Tom Pirko, president of New York-based marketing firm Bevmark, told the Atlanta Journal-Constitution. "America is changing radically demographically. If you're not cognizant about your changing consumer base, you're lost."

I think we're going to see a lot more ethnic marketing."

Coke won't disclose how much it's spending on ethnic marketing, but the company is committed to cutting into Pepsi's lead, says Stephen C. Horn, chief of minority marketing.

"We don't want to create messages that just let people know we know what they look like," he said. "We want a deeper message."

"You can no longer pretend you have a homogenous market."

Tom Pirko, president of Bevmark, a beverage marketing firm

Money management

Time to take advantage of '96 tax-saving opportunities

Amanda S. Danchi
SPECIAL TO THE POST

Now that your 1995 tax return is completed, chances are the last thing you want to think about is taxes.

But if you want to lower this year's tax bill, now is the time to put some plans in motion if you haven't already done so. You don't need a grandiose scheme or a complex strategy to save significant amounts. According to the N.C. Association of CPAs, a simple change in how you make your charitable contributions or how you use your 401(k) plan, for example, can save hundreds of dollars or more.

Try taking advantage of some of the following tax-saving opportunities right away.

Take 401(k) to the max

Contributing the maximum to your 401(k) plan is one of the easiest ways to keep more of what you earn. Money you deposit in these qualified retirement plans reduces your gross compensation, so you won't be paying tax on that money next year. Meanwhile, the money accumulates on a tax deferred basis until you decide to withdraw it. If your company matches contributions on your behalf, you benefit even more.

Shift Income to the Kids

It's still possible to shift income to your children, despite what you've heard about the Kiddie Tax. For children under age 14, the first \$650 of investment income is tax-free and the next \$650 is taxed at the child's tax rate rather than at your highest marginal tax rate. The investment income of children 14 years of age and over is taxed at their own tax rate. Keep in mind, however, that in return for tax savings, you lose some control over assets you shift to your children.

Use the home advantage

Since interest on personal debt is not deductible, consider using a home equity loan to replace consumer debt. The interest on up to \$100,000 of home equity borrowing is deductible, and you may use the proceeds for just about anything, from buying a new car to financing an education to paying off your credit cards. Be mindful of the risk involved—you can lose your home if you can't keep up your payments.

Give to Charity

When you donate appreciated stock shares or other securities you have held for over a year, you get a deduc-

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Good credit records important to all of us

By Dexter Hill
SPECIAL TO THE POST

Whether you're a student entering the job market, a single or married person beginning a career, a wage earner with a growing family or an individual who routinely pays cash for purchases, establishing good credit records is important.

Credit — the ability to borrow then repay a sum of money, usually within a specified amount of time and with an added interest charge for the service — is crucial in today's economy. Most Americans cannot afford to pay cash for such major acquisitions as a car or a home.

Credit provides the means to such purchases.

To buy on credit, however, you must prove that you can pay your bills on time and do so consistently. Once you build a reputation as being financially responsible, your credit record will reflect the fact that you can repay debt in a timely manner. On the other hand, if you do not fulfill your financial commitments, this will also become a permanent part of your credit history.

Gradually, as you prove your willingness and ability to handle debt, numerous advantages will follow. Once you build a satisfactory credit record, the privilege of pur-

chasing additional, more expensive products and services becomes a reality. That dream of owning a home or driving a favorite car can come true.

In addition, having credit can be useful in emergencies when cash is not easily available. Safety — not needing to carry or keep large amount of cash on hand — also is an important advantage of having credit.

A strong credit record can be beneficial in employment searches. Many employers check job applicants' credit history during the interview process. A person who demon-

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In Business

Shell lawsuit threatens to break glass ceiling

By Muthoni Wambu
NATIONAL NEWSPAPER PUBLISHERS ASSOCIATION

Five African American employees of Shell Oil in Houston are bringing charges alleging that the Fortune 500 company maintains racially discriminatory policies that keep African Americans locked in dead-end positions. "This is not a case of blatant racial epithets, it's a glass-ceiling case," says Gregg Rosenberg, one of the lawyers in the case. "It is a practice of not promoting employees to

senior level positions based on the amount of melanin in a person's skin."

The Texas lawsuit follows a \$100 million discrimination complaint filed just last year by the San Francisco-based law firm Hancock, Rothert and Bunshoft on behalf of 10 other African American Shell employees. According to Ernest J. Beffel, head attorney for the California suit, "This identical action against Shell further illustrates the company's intrinsic system of glass ceiling practices. As long as Shell continues to deny the existence of this problem, we'll

see more of these cases arising." The San Francisco case is still pending.

Jimmy Hunter, a 42-year-old senior engineer, has been a career employee with Shell since 1979. A native of Los Angeles, Hunter came to Shell from the Army Corps of Engineers.

"Between 1982 and 1985, there were no other engineers that built more service stations than I did, which accrued directly to the bottom line," said Hunter. He has twice received the Laurel award, the highest honor given to the company's exemplary employees.

"We were taught to play by the rules. From the day I started until 1988, I lived and breathed Shell Oil Company.

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