

## Women and retirement

CHARLES ROSS

### Your Personal Finance



If you're a woman and you think you should be saving more towards retirement, you're probably right. Believe it or not, you will need more money for your retirement than the average man.

There are several reasons for this inequity. On average, women live longer than men, and so have more retirement years to pay for. Women often have fewer retirement benefits, since they tend to switch jobs more frequently than men, and Social Security benefits will probably be smaller, too.

It's important that you take charge of your finances. First, make disciplined saving and smart investing your highest priorities. Begin by figuring out your current net worth. Find out how much you will get annually from Social Security and other resources. Unless this total equals 75 percent of your current income, it's time to get serious about saving.

### Making saving easier

When planning for a successful retirement a rule of thumb in setting your savings goal is to try to put away about 15 percent of your pretax salary. Finding the money to squirrel away can be challenging, but start in simple ways. If you usually get a refund from the IRS, adjust your withholding and put the extra money into a mutual fund. Bank your raises and bonuses. Be sure to look for ways to squeeze what you're making now. Put a limit on luxuries like dinners out.

Start out saving whatever amount you can, even if it is only small, just to establish the habit. Then increase your deposits when you can. Once you get your savings plan in gear, make it automatic by signing up for automatic withdrawal from your paycheck or checking account.

### Tax-deferred savings plans

If your employer offers a 401K plan, get into it. 401K plans allow you to tuck away up to 15 percent of your pretax income in a tax-deferred account. Many employers also contribute a matching amount, typically 50 percent of your deposits up to six percent of your salary. This not only reduces your taxable income, but your savings will grow tax-deferred until you begin withdrawals.

There is one thing to watch out for: if you change jobs, don't derail your retirement savings by cashing out your 401 K plan. By doing that you would owe taxes on the withdrawal if you are under 59 1/2, plus a 10 percent penalty. Instead, leave the money in the account if you can, or roll it over into your new employer's plan or an IRA.

Check out your 401K plan. It can turbocharge your savings.

### Self-employed, no employer

Women who are self-employed, own small businesses, or stay home while their spouses work, need to save for their retirement like everybody else. There are several options. Self-employed women or women who employ only a few people might consider a simplified employee pension, or SEP. This allows you to defer taxes on 15 percent of your earned income.

You can set up SEPs with banks, brokerages, insurance or mutual fund companies. Another option for small business owners is a Keogh plan.

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# Investors differ along racial lines

Blacks less likely to go high-risk than whites

By Herbert L White  
THE CHARLOTTE POST

African Americans want top returns on their investment but are less willing than whites to take the risks necessary to make more money, according to a poll for Money magazine.

The poll, whose results appear in the March issue, reports that Americans' decisions on investing often differ according to race, due largely to different lev-

els of investment experience as well as life experience. The poll was conducted in November and December by Roper Starch Worldwide and surveyed 974 adults nationwide about their investing habits. Half of the respondents were African American; the other half white. The study's margin of error was 4 percentage points. The poll, commissioned by Chicago-based Ariel Mutual Funds, found:

- African Americans aim for higher returns than whites on average, but investment choices fall short. Blacks said they seek an average of 14.7 percent

annual return, more than 3 points higher than the 11.2 percent anticipated by non-blacks. But African Americans are less likely than whites to have investments such as stocks and mutual funds, which are most likely to achieve such returns.

- Black women are more likely to call the financial shots in their households. Women are the primary financial decision-makers for 21 percent of black married couples, while wives are in that role for only 10 percent of white couples.

- African Americans are more likely to rely on financial advis-

ers and less likely to listen to friends or family members. Fifty-four percent of black respondents say they would depend on a financial adviser or planner when making savings and investment decisions vs. 46 percent of whites. Thirty-one percent of African Americans are inclined to ask friends or family for money advice, compared to 39 percent of whites.

The magazine also offers advice on how African Americans can increase wealth despite a median net worth (\$4,418) that is a tenth of whites (\$45,740). To realize higher

returns, the magazine suggests:

- Boosting ownership in stocks and stock funds, starting with investing through employers' professionally-managed 401(k) or 403(b) retirement savings plan.

- If you want to hire a professional planner, choose one who understands your needs and financial temperament. For referrals, call a trade group like the International Association for Financial Planning at (800) 945-4237 or the National Association of Personal Financial Advisors at (800) 366-2737.

## Money Management

# How to determine tax status

By Amanda S. Danchi  
SPECIAL TO THE POST

Most taxpayers don't put enough thought into determining their filing status. That's a mistake that could cost you extra money in taxes, cautions the N.C. Association of CPAs.

Your filing status affects certain filing requirements, such as the amount of your standard or itemized deductions, eligibility to claim certain credits and deductions, and your correct tax liability. So, it's important to choose the most appropriate filing status to suit your individual circumstances.

### Married taxpayers

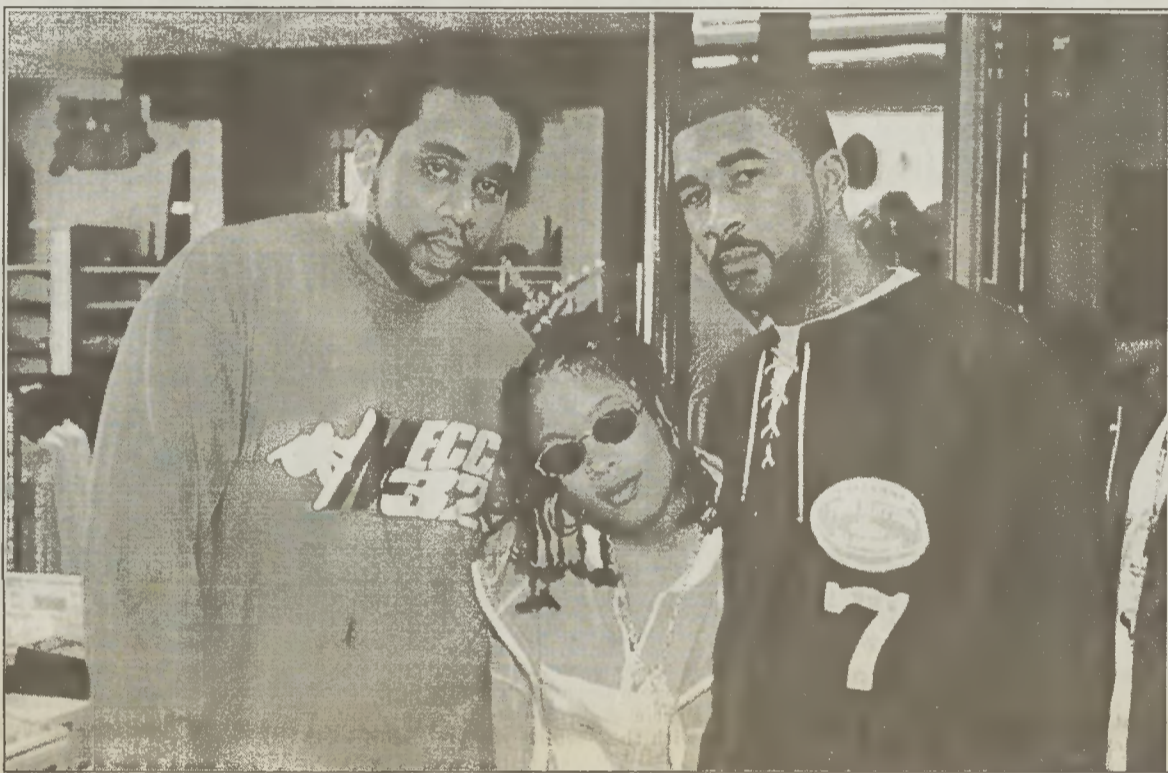
If you're married, you and your spouse may choose to file either jointly or separately. In most cases, a joint return will result in a lower tax bill, but there are a number of reasons why you may want to file separate returns instead. For example, spouses who are no longer living together may choose to keep their financial affairs and their tax bills separate for personal reasons.

You might also seriously consider filing separately if you have reason to question the amount of income your spouse is reporting or think he or she may be overstating deductions. When you file jointly, the IRS can hold you personally liable for the full amount due on the return - even if it's your spouse's activities that led to underpayment. Although there is an innocent spouse rule which may limit your liabilities in special cases, filing separate returns is an easier way to avoid problems. Filing separately also may make comparable incomes and one spouse has high medical expenses, miscellaneous itemized deductions, or casualty losses. That's because these deductions are subject to an Adjusted Gross Income limitation - that is, only those amounts exceeding certain percentages of AGI are deductible.

When you file separate returns, you reduce the AGI on which the deduction is based and, in turn, increase your deduction. Medical expenses, for example, are deductible only to the extent that they exceed 7.5 percent of AGI. So, if you and your spouse file a joint return with a combined income of \$100,000, only those medical expenses that exceed \$7,500 (7.5 percent of \$100,000) are deductible.

If however, you file separately and your income is \$40,000, your medical itemized deductions on a separate return, your spouse must itemize as well. He or she cannot claim the standard deduction. Also, cer-

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PHOTO/PAUL WILLIAMS III

Emmanuel Choice (left) and Malcolm Dowdy flank rapper Da Brat during a promotion at Urban Essentials. The shop, which opened in 1995, sells upscale casual wear.

# Urban wear goes upscale

By Kaia Zawadi  
THE CHARLOTTE POST

Casual is cool at Urban Essentials.

The Charlotte boutique, located at 809 East Arrowood Road, sells upscale casual wear for everyday living. Comfort is in, and customers are willing to pay premium prices to have it.

"We focus on black designers and selling their clothes," said Malcolm Dowdy, who co-owns the store with Emmanuel Choice. "Urban Essentials promotes such clothing lines as Maurice Malone, Karl Kani, Phat Farm by Russell Simmons. We have a full scale

of prices. Jeans range from \$40-\$80, shirts \$12-\$100."

Choice and Dowdy, who are both in their 20s, started Urban Essentials in 1995 and are already planning to expand into other cities. Men's fashion, which is traditionally gender-exclusive, is not the case for gear offered at the store. Not only can women wear everything in stock, but the urban look also breaks cultural boundaries.

"Our clothes are unisex. A woman can buy a shirt and a pair of jeans and it will look good on her," Dowdy said. "Our client base is growing. We cater to all ages and ethnic groups."

New York natives Dowdy and Choice have aggressively marketed Urban Essentials, with television, billboard, radio and magazine ads as well as street promotions. Two commercials display clothing ranging from Karl Kani to Wu-Wear and rap artist Da Brat made a guest appearance last Saturday to sign autographs and do a little shopping.

"Special guests is something we try to do every once in a while," Dowdy said. "They add to promoting the business."

Other recording artists have made special appearances at the store, including Mona Lisa, Dru Hill, Goodie Mob and Redman. Some professional

athletes, including members of the Carolina Panthers, drop in from time to time to see the new flavors offered.

Controlling their own economic destiny was the driving force behind Choice and Dowdy's decision to open Urban Essentials. Their dream was to cater to the clothing tastes of black males while offering opportunities to other African Americans to run a business.

"We offer job opportunities in marketing, promotions and sales," Dowdy said. "Overall, business is doing well. Plans include expansion into kids (clothing) and footwear" as well as women's gear.

# Renaissance Place restaurant turns corner at downtown location

By John Minter  
THE CHARLOTTE POST

Ron Goodwin's has operated restaurants in downtown Charlotte for a decade, at Church and Trade, in CityFair and currently on Tryon Street at Renaissance Place.

His efforts have not been without their troubles, but the opening of the TransAmerica building a block away from his Renaissance Place restaurant may be a boon to Goodwin's fortunes.

With just one floor of the 25-plus story building open, Goodwin's already seeing an additional 70 people a day for lunch and the new customers want him to serve breakfast, too.

"The key to success is staying the course," Goodwin said. "We knew that eventually downtown was going to be a successful area, and if I didn't make it downtown by staying the course, I would not have the stamina to last anywhere in the city."

The new customers have helped Goodwin, who also operates Affairs to Remember catering service, complete his first four-month stretch of profitable bottom lines.

"I have had some very, very loyal customers who have stuck with me," he said. "When the restaurant didn't have but 30 people per day

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FILE PHOTO

Ron Goodwin's Renaissance Place restaurant has put together its first string of profitable months.