

Goodwin sees better days ahead

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for lunch, and these customers were almost like salesmen for me and helped by bringing others and bringing their projects and events here.

"The way I did things was almost in a maverick kind of way. Most men would have folded or had a heart attack doing it."

Goodwin's had his health problems, including a blood pressure condition which caused him to close a New Orleans business and move to Charlotte - with a \$250,000 debt.

He added \$30,000 more when he left Windows on Trade

restaurant and taking a beating when CityFair closed six months after he opened two businesses there.

Renaissance Place has already been a rocky venture, mainly due to arrangements to feed residents of the retirement and assisted-living facility.

But Goodwin's involvement in the community has attracted a growing clientele of regulars.

Renaissance Place has become a place to network for members of the city's African American community, while an ample number of whites also visit regularly.

Goodwin is a member of the Charlotte Civic League, NAACP,

Urban League and other local and state organizations. He also sponsors youth activities for Communities in Schools, Best Friends, Teenage Parenting Services and The Male Place.

Focus on Leadership gave Goodwin an Unsung Hero award and he has outstanding service awards from TAPS, National Women of Achievement and Uptown Optimist Club.

Goodwin, who graduated from West Virginia State College in 1968, studied culinary arts and nutrition at American University in Washington, D.C.

The Charleston, S.C., native began his food service career

working in hotels while he in college.

"My intentions are to pay everybody I owe and live a life where I will be able to help others to not fall into the same condition that I have," Goodwin said. "I think the one thing I did wrong was start with no money and brought debts from CityFair and Windows on Trade."

Goodwin said he still has not reached his ultimate dream.

"My dream is to eventually own a large cafeteria, another restaurant similar to Windows, and convention space large enough to seat over 1,000 people," Goodwin said. "Hopefully this dream will come true."

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Make real returns on investments

By Omar Dillard
SPECIAL TO THE POST

Would you believe that you can make exceptional profits on paper, yet gradually be losing wealth?

Even though your investments may appear to be providing competitive rates of return, their "real returns" may be much less. Real return is what your investment provides after you consider inflation and taxes.

H. Garrett Thornburg Jr., an investment adviser managing more than \$5 billion in assets, illustrates real return with a hypothetical dollar invested in the Standard & Poor's Index of 500 stocks in 1925. Seventy years later, that dollar would have grown to about \$1,114. Take out inflation, taxes and

expenses, however, and that dollar would now be worth about \$27.

Here's another way to illustrate real return: From 1966 through 1995, after deducting taxes, inflation and expenses, the S&P 500 provided an average annual return of about 2 percent.

Part of the reason for this is taxes. When investing in stocks and mutual funds, you pay taxes on your dividends. Your tax rate (along with the inflation rate and any investment expenses) must be factored into the dividend yield to obtain your real return each year.

You also owe taxes if you realize a gain when you sell the investment. If your investment's value has appreciated, you will lose up to 28 percent of that

increase to capital gains taxes.

Commissions and annual expenses also reduce your real return, and inflation takes a bite, too. Over the past decade, inflation has averaged 3.47 percent, which is low by historical standards, but it still has a major impact on your investment returns.

What's an investor to do? You can't do much about inflation (that's the Federal Reserve's job), but you may be able to minimize taxes. If you're in the 28 percent tax bracket or higher, you should consider the advantages of tax-exempt investments, such as tax-free bonds, mutual funds and unit investment trusts.

For example, you can find intermediate-term tax-free bonds paying about 5.1 percent.

With inflation at about 3 percent today, your real return (before expenses) is about 2.1 percent - by historical standards, an attractive real return for a conservative investment.

Tax-deferred vehicles are another way to reduce current taxes and improve real returns. With pension and profit-sharing plans, 401(k)s and IRAs, you can invest in higher-paying taxable investments while sheltering them from current taxes.

As baby boomers age, increases in Medicare, Medicaid and Social Security seem imminent - and those increases will likely be paid for with higher taxes. For this reason, it will become even more important for investors to focus on real returns. Tax-free investments can be a good way to achieve higher real returns.

How to determine filing status

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tain tax benefits, such as the earned income credit and the Individual Retirement Account deduction for non-working spouses, cannot be claimed when you file separately.

Unmarried taxpayers

For tax filing purposes, you can qualify for head of household status if you're unmarried or legally separated as of the end of 1996 and you paid more than half the cost of maintaining your own home, which was also the home for more than

half the year of a child, grandchild, parent, or other relative whom you can claim as a dependent. (If the relative is a parent, head of household status can apply if you paid more than half the cost of maintaining your parent's home or expenses of a facility caring for your parent, and the parent qualifies as a dependent.)

A lower tax rate schedule applies to heads of household versus single filers. However, if you are unmarried or legally separated from your spouse and you are not eligible to file as ahead of household or a qualifying widow(er) with a

dependent child, you must file as a single taxpayer. When a spouse dies, the surviving spouse generally is eligible to file a joint return with the deceased spouse for the year. A special filing break allows some widows and widowers to file a joint return for two years after a spouse's death.

You qualify if during the year, you furnished more than half the cost of maintaining a home for a dependent child. After two years of filing as a qualifying widow(er), you may be eligible to file as a head of household if you continue to maintain a home for your dependent child.

CPAs recommend that you carefully evaluate your filing options and estimate your tax liability under each status for which you are qualified to determine which is most advantageous.

Retirement plans

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This allows you to put away up to 15 percent of your firm's net income. A Keogh is more complicated to administer than an SEP, but it's still a good choice.

Finally, consider parking \$2,000 a year in an IRA. You may be able to write off the contributions, and your money grows in a tax-deferred account.

Investing in stocks

If you are willing to ride out price fluctuations over time, stock investing can give your retirement savings a real boost. That's because, in the long haul, stocks outperform all other investments, and, over time, are less risky than fixed-income investments.

The allocation of your funds should match your ability to withstand market ups and downs over the period between now and retirement. Younger investors might keep seventy percent of their portfolio in stocks, while investors in their 50s might want to trim back gradually until, at retirement, about 60 percent of their portfolio is in stocks. Review your holdings each year to make sure the allocation still fits your needs. With each adjustment, you'll automatically buy low and sell high.

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

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Information on our weekend executive program in Winston-Salem

will also be available.

For more information about Wake Forest's MBA programs, call (704) 365-1717 or contact us at <http://www.mba.wfu.edu>.

You Are Invited to Attend a Federal/City/County Purchasing Expo and Luncheon

sponsored by the

City of Charlotte and the Metrolina
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Wednesday, March 12, 1997

Expo 10:00 am - 11:30 am
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Cost: \$15 per person

This expo will be an excellent opportunity for CMSDC minority businesses to network with representatives from North and South Carolina. Exhibitors and Corporate Representatives have been asked to bring bid opportunities and information on HOW TO DO BUSINESS.

Cities that have responded include: Spartanburg, Greensboro, Fayetteville, Winston-Salem, High Point, Henderson and Raleigh.

Agencies responding include, but are not limited to: Guilford County Schools, Durham Public Schools, Charleston County Procurement and Cleveland County Board of Education.

For Further Information Call:
Malcolm Graham, 536-2884.