Clothes make men and business

By Vincent Woody
FOR THE CHARLOTTE POST

GASTONIA – In Vincent Brooks' family, business is the foundation that makes success possible.

Brooks, owner and operator of Vincenzo's, an upscale men's clothing store in Gastonia, has been exposed to business since childhood. Through the generations, entrepreneurship has been handed down as an asset to be nurtured.

"My grandfather was the first licensed plumber in this area," he said. "He owned his own plumbing business. My father owned a community store."

It was the community store that honed Brooks' business sense. He remembers working there as a child.

"I worked with my father as a little boy," he said. "Before I opened my business he said 'Make sure your finances are together and you planned it out. Make sure you have a good product.'"

Brooks credits his father, Glendell, as a role model in a family of achievers.

"My father gave me incentives to be the best I could be," he said. "He always told me to have a positive attitude about myself."

Glendell Brooks was also a former mayor of Gastonia and prominent figure in the community. The younger Brooks polished his speaking ability as a youth minister in his church.

"I first started in 1978," he said. "In the '80s, I started noticing children were drawn to us. I started teaching them and from there I was appointed youth pastor."

Brooks, who also works at Duke Power, took several ministry and religion courses while he was at Anderson Junior College.

Brooks started Vincenzo's when he saw the lack of upscale men's clothing stores in the area. Although prices generally run higher than regular suits, Brooks adds that the product is worth it.

"My range is from $299 to $599," he said. "I have found in owning this business men like to dress, too."

Vincenzo's carries a variety of Italian suits as well as shoes, shirts, belts, and neckwear.

"Seeing the customer happy is a big thing," Brooks said. "I love the satisfaction my product gives the customer. I believe in having a good relationship with our cus-

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PHOTO/VINCENT WOODY

Vincent Brooks, owner of Vincenzo's in Gastonia, is a third-generation entrepreneur.

Figuring out your 401(k)

CHARLES ROSS

Your Personal Finance

Successful investment pros are the people you should imitate when figuring out how to manage your 401(k). And the pros agree: 90 percent of successful investing has to do with asset allocation.

Asset allocation refers to the way you divide your money among the investment options in your 401(k), like stocks or bonds. A major research study found that investment mix accounted for more than 90 percent of the variation in total return among the investors surveyed.

Most surprising was what didn't seem to make much difference. When the investors bought or sold, and whether they chose stocks or bonds that did better or worse than the pack, had little impact on the overall success of their portfolios.

Allocation above selection

If you bought Intel stock several years ago, (Intel is a computer chip maker), you've more than tripled your money by now. So how could picking a big winner like that not be more important than asset allocation? Simple. Research shows that it is more important that you know to invest in stock in general over investing in any one particular stock.

But you can't always make those brilliant calls in advance. In the long run, even the pros generally earn a little less for their shareholders than the market's overall performance. So, unless your money manager is psychic, use asset allocation to strengthen your portfolio. The key is to divide your money between stock funds and bond funds in the right balance for your financial needs and goals and your own investment personality.

Take your own measure

When you're deciding on asset allocation for your 401K, the very first person you need to consult is you. Only you can assess how much risk you can tolerate, how soon you might need the money, and how likely it is that something could unexpectedly put a snag in your financial plans.

The longer you plan to keep your money in the 401(k) plan, the more of it you can afford to put at risk in stock funds. But if an emergency should rise it could mean having to withdraw money at the bottom of a sour market.

So look at your overall financial situation. Is your job secure? Do you have other emergency resources? Is your retirement more than a decade away? If you answer no to any of these questions, then take less risk in your 401K.

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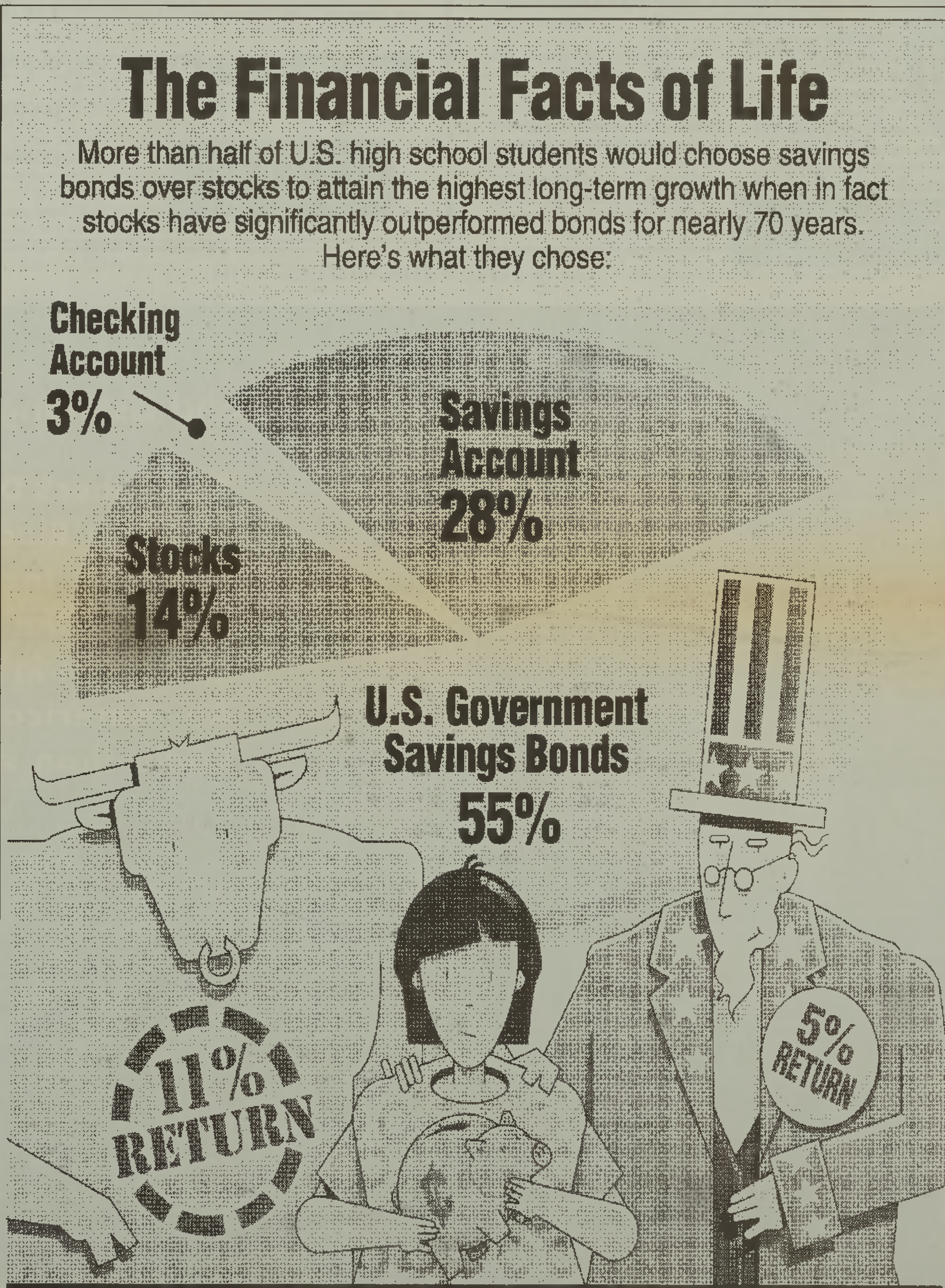

Variable annuities protects families and individuals

OMAR DILLARD

Financial Focus

A recent study by The Gallup Organization cites safety as one of the main reasons people buy annuities.

Safety, in this case, can refer to the comfort of knowing your heirs will receive at least your original investment. Combine this with the ability to defer taxes until you withdraw your money and the opportunity to participate in the markets for potentially higher returns. What you have is an effective long-term savings vehicle which can also provide you a source of retirement income.

A level of protection not found in other investments

A variable annuity is a collection of professionally managed portfolios with a built-in insurance component—often called the death benefit—provided by the claims-paying ability of the issuing insurance company.

Should market conditions cause your original investment to decline and you die, your heirs are protected against any loss of principal. Typically, with a standard death benefit, your heirs would receive the greater of the original investment, less any withdrawals, the contract value or a predetermined enhanced value.

Lock in asset growth with enhanced death benefits

Variable annuities offer the ability to select different levels of protection for your family or beneficiaries. In addition to a standard death benefit, today's annuities usually have at least one enhanced death benefit. Here are two of the most common:

- The "Step-Up" or "Ratchet": Provides that the minimum benefit be reset either annually or on a specified contract anniversary, most commonly five to seven years.

The death benefit will be the greater of the original investment, the account value on the stated anniversary or the contract value.

- The "Rising Floor" concept: Guarantees a certain minimum rate of increase for each year the contract is in force. With this option, the death benefit will be the greater of the original investment, the "rising floor" value or the contract value.

Lock in retirement benefits

Annuities grow tax-deferred during their accumulation phase—which means that your investment will compound, year after year, free from current income taxes. Contrast this with taxable dividends and interest payments, which remain fully taxable as ordinary income each year. Clearly annuities retain

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Money Management

Electronic filing tips for business

By Amanda Danchi
SPECIAL TO THE POST

If your business is among the more than 1 million targeted by the IRS as likely to be subject to the Electronic Filing Tax Payment System, chances are you have a number of questions regarding this new payment process.

To help you prepare, the N.C. Association of CPAs provides answers to the following frequently asked questions about EFTPS.

What is the electronic filing tax payment system?

ETPS is a system for initiating and paying federal taxes electronically. The system was designed in response to legislation enacted by Congress requiring the Internal Revenue Service to transform the Federal Tax Deposit paper coupon system to a more efficient electronic system. Businesses should note that the Electronic Filing Tax Payment System is for any federal tax payments it has nothing to do with filing tax returns.

Who is required to pay taxes electronically?

All employers who paid more than $50,000 in federal taxes in 1995 are required to make electronic tax payments for all deposits beginning July 1, 1997. The $50,000 total includes all withheld income, FICA, Social Security, Medicare and railroad retirement taxes you pay. Once a business meets the employment-tax threshold and is required to use the electronic system, all future deposits must be made electronically.

If your payroll taxes do not meet the $50,000 threshold, participation in the ETPS system is voluntary.

What if I missed the deadline for making payments?

If, based on your 1995 employment tax deposits, you are required to make your tax payments electronically by July 1, 1997, you should start doing so immediately.

However, in response to pressure from small businesses for more time to understand and implement the new electronic system, the IRS extended to Jan. 1, 1999 the date on which it will begin imposing a 10-percent penalty for noncompliance.

Do I need a sophisticated computer system to comply?

No. You may make the transfer through a personal computer using banking software, but you are not required to do so.

If you prefer, you can make your payment by phone, either using a touch-tone phone and following the instructions or conferring

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