

Come hear half of the first openly gay Congressional couple.

Herb Moses, partner of Congressman Barney Frank, will speak on being *Out in Washington* Monday, June 23, 7 PM, Holiday Inn Center City, 230 N. College St., uptown Charlotte. Speaker at 7 PM; dinner at 8 PM

Tickets: \$25 for dinner and speaker; \$10 for speaker. MasterCard and Visa accepted. Call 573-3750 for reservations.

A humorous look at being "out" and about in the Washington political scene.

The first male couple to dance together at the White House and attend the Congressional Christmas card photo sessions.

A fundraiser for The Gay & Lesbian Switchboard of Charlotte

money matters

Investing for growth, income

by J. Lynn Davidson
Special to Q-Notes

When you invest, what are you hoping to achieve? Are you looking for your capital to grow? Do you want to receive income from your investments? Or a combination of both?

Let's take a closer look at "growth" and "income" investments to see what they are — and what each can do for you.

Investment growth. You want your investments to grow so that you can achieve long-term goals, such as college for your children and a secure retirement.

What type of investment offers the greatest possibility for long-term growth? Stocks. In fact, over the past 70 years, common stocks — as measured by a leading index, the S & P 500 — have shown an average annual return of 10.7 percent, compared to just 5.1 percent for long-term bonds and 3.7 percent for Treasury Bills. In fact, although stock prices will certainly fluctuate on a daily, monthly or yearly basis, over the long term, they have always trended up. Also, the longer you hold on to stock, the more their volatility is smoothed out — and the less likely it becomes that you will lose money.

So, to meet your goals, you may want to purchase stocks or stock-based mutual funds. The question is, how many? Or, more accurately, what percentage of your portfolio should you devote to stocks?

There's no hard and fast rule to follow. Different people have different investment personalities and different tolerances for risk. But, as a general guideline, if you've got 20 or more years before retirement, you may want to be fairly aggressive in your portfolio with a majority of your holdings in stocks and the rest in bonds and "cash" instruments, such as money market funds.

Conventional wisdom holds that, as you move closer to retirement, you should significantly reduce your stock holdings in favor of bonds and cash investments. But before you call your broker with a "sell" order, you'll need to take a couple of factors into account.

For one thing, people are retiring earlier and living longer. You could easily have 20 or more years of retirement to fund — so you'll need investments that can keep on making money. Furthermore, only stocks are capable of significantly outperforming inflation which can drastically reduce the purchasing power of your supposedly "safe" investments.

Even during your retirement, you're going to want the growth potential offered by stocks. You may want to increase your bonds and cash, but you can't afford to ignore the stocks.

Earning current income. When you own income-producing investments (some stocks, corporate and municipal bonds, CDs, US Treasury securities), you'll earn interest or dividends which will be taxed every year at the same rate as ordinary income. This is true even if you just reinvest the earnings back into your investment. So, if you're putting your money into high-yielding stock funds that pay a lot of dividends, you could be looking at a much bigger tax bill than if you had invested in mutual funds whose

chief goal was to earn long-term capital gains. You'd have to pay taxes on these capital gains, too, of course, but only in the year in which you sold your shares of the fund. Plus, although capital gains are also taxed as ordinary income, these taxes "max out" at the 28 percent tax bracket, so if you're in the 31 percent bracket, you'll get a break.

Why would you invest for current income? For one thing, you can use the money to help supplement your paycheck. Or you might want to spend part of your investment earnings and reinvest the rest.

If you're retired, you may need income-producing investments to help meet your daily expenses. But how much of your retirement portfolio should you devote to income-oriented investments? That depends on two key factors:

- Amount of retirement income needed — Most financial experts say that you'll need between 60 percent and 80 percent of your final year's working income for every year of retirement. Your particular needs will depend on many things; how much you plan to travel, where you want to live, etc.

- Other sources of retirement income — You'll need to consider how much income you can draw from your IRA, 401(k) or other pension plan. The more money you've got in these plans, the less you'll need from investments.

The winning combination. There are no magic formulas for successful investing. But by having the right mix of growth and income investments, you should be able to meet your needs for income today — and your goals for tomorrow. ▼

[The writer is a personal financial advisor for American Express Financial Advisors, Inc.]

Barney Frank's partner to speak at fundraiser

by Jennings Fort
Special to Q-Notes

CHARLOTTE—The Gay & Lesbian Switchboard of Charlotte will sponsor an evening with Herb Moses, partner of openly gay congressman Barney Frank (D-MA), on Monday, June 23, at the Holiday Inn Center City, 230 N. College St.

Speaking on the topic "Out in Washington," Moses will offer a humorous and entertaining look at his experiences on the Washington, DC political and social scene. Moses and Frank were the first gay couple to dance at the White House and Moses attended the Congressional Wives Tea. He and Frank also attended congressional Christmas card photo sessions with George and Barbara Bush.

Moses, a mortgage banker, will also describe the acceptance and the controversy he and Frank have experienced as the first openly gay congressional couple.

Proceeds will benefit The Switchboard which provides information, referrals and peer counseling to anyone interested in gay issues in Charlotte and the surrounding community.

Moses will speak at 7:00pm with dinner at 8:00. Admission is \$25 (dinner and speaker); \$10 (speaker only). For more information or for a reservation, call The Gay & Lesbian Switchboard of Charlotte, (704) 573-3750. ▼

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