

# STRICTLY BUSINESS

## Mutual fund basics

CHARLES ROSS

### Your Personal Finance



The most accurate measure of the performance of a mutual fund is its total return. Total return is a yardstick that figures in factors such as dividends, capital gains or losses, and any decrease or increase in the fund's share price.

Many people mistakenly believe that a fund's yield is the best gauge. Others think that the income the fund paid is the most useful barometer. But there is one measure that is even more revealing; it's called the fund's "real return." This calculation shows how the fund did after subtracting the inflation rate from its performance. The resulting number is a reflection solely of the actual growth of the fund; it gives you a number that is not "inflated."

Knowing how to evaluate your fund's performance can help you make more money.

### Risk and reward

Suppose someone offered you two investment possibilities: Two companies issuing bonds at the same time with identical maturities, and one company's bonds carry a much higher interest rate. Which would you think is the financially weaker of the two companies?

If you guessed the one with the lower interest rate, guess again. The weaker company would be the one with the higher interest rate, because the higher the return, the higher the risk. In the investment world, there are no free lunches. So watch out for investments with high returns that seem too good to be true, and consider how much risk you are willing to take with your money in order to get those high returns.

### Fundamental investing

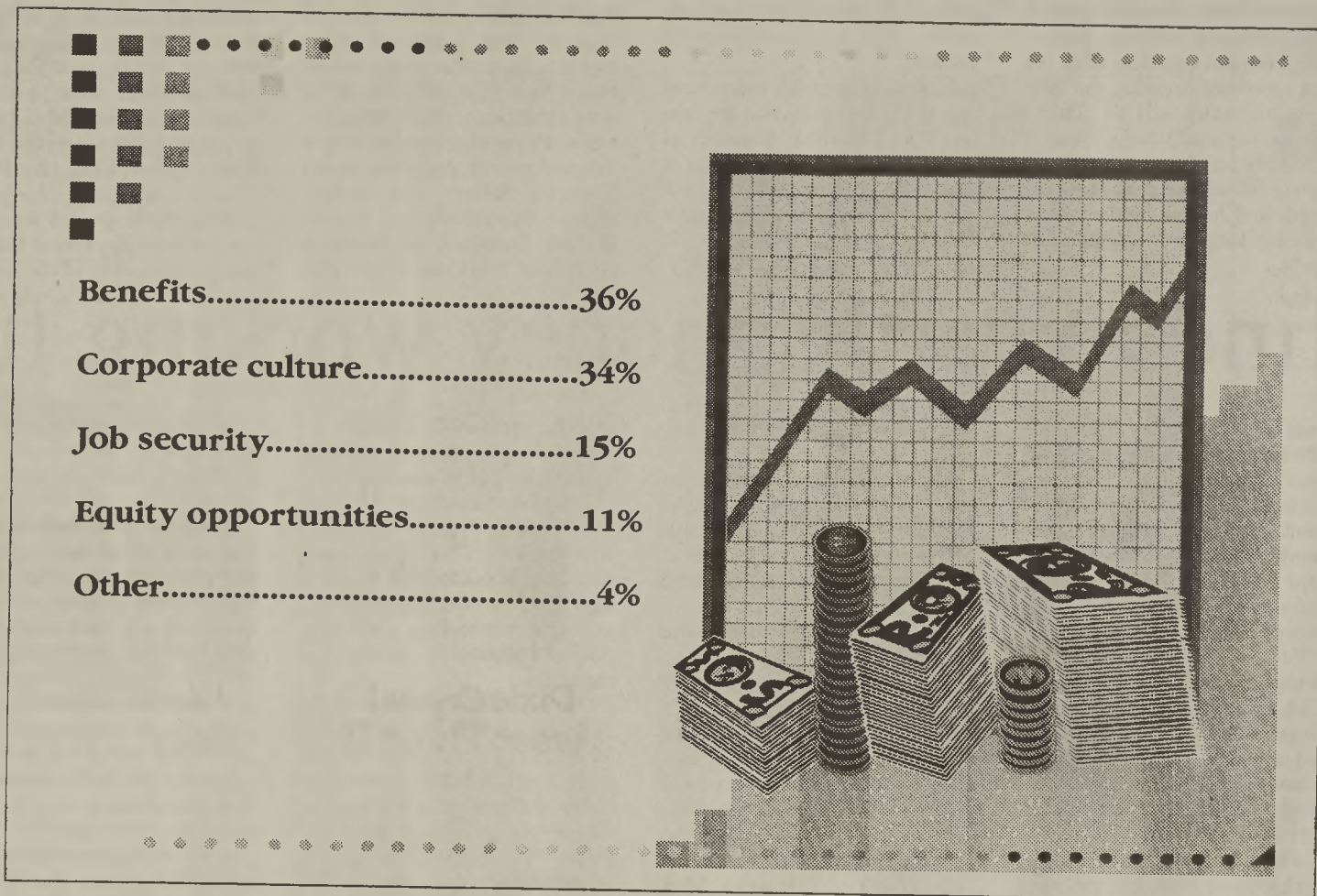
Do you know which type of investing historically has offered the best protection against inflation? Many people would choose bonds or money market funds over stock portfolios. But the facts show that in the past 69 years, stocks have had returns that average over seven percentage points above the rate of inflation, while bonds and money funds have averaged only two points over inflation. Those five percentage points would have made a tremendous difference over the years.

Investors are also unaware of the overriding importance of asset allocation. This refers to the way in which you divide your money among various investment options. The percentage you invest in stocks, bonds and money funds you assemble has a greater impact on long-term returns than your choice of individual funds.

### On-going costs and fees

What is your mutual fund's See **MUTUAL** on page 8A

## Cultural revolution



ILLUSTRATION/CHARLES RAMSEUR JR.

## Companies change to keep best workers

By Herbert L. White  
THE CHARLOTTE POST

Job applicants are as likely to ask about corporate culture and benefits as salary, a survey reveals.

Thirty-four percent of executives said applicants most often talk about corporate culture, while 36 percent said benefits was the leading subject of inquiry. The sampling was developed by Robert Half International Inc., the world's

largest staffing service. The survey was conducted by an independent research firm, which polled 150 executives from the country's 1,000 largest companies.

"A healthy corporate culture is moving up the chain of importance for job seekers," said Max Messmer, chairman and CEO of Robert Half International. "Employees are taking a harder look at how they spend their time and whether there is a com-

fortable fit with a prospective employer. This may reflect today's heightened awareness of stress on the job and an increased appreciation for the larger goal of overall personal achievement."

Companies are more likely to reach out to employees to provide benefits that go beyond money. It includes flexible work conditions, career training and time off for family matters.

"In these days of lower

unemployment, many companies are consequently looking for ways to create an appealing working environment, beyond monetary rewards, through such initiatives as more casual dress, skills training and family-friendly programs," Messmer said.

Lynn Dreyer, Robert Half's area manager for North Carolina, said keeping good employees happy is a top priority.

See **CULTURE** on page 8A

## Social Security: Retiring the uncertainty

By Amanda S. Danchi  
SPECIAL TO THE POST

How much will you actually receive in Social Security benefits when you retire? According to the North Carolina Association of CPAs, it depends on a number of factors, including your retirement age and your contributions to the Social Security fund. Here's what you should and should not expect. You should expect to get an estimate of your future Social Security benefit. Don't wait until you retire to find out how

much you're entitled to. Review your Social Security account in advance so that you can plan ahead and, if there are any discrepancies, correct them before payments are due to start. To do so, call (800) 772-1213 and ask for a Request for Earnings and Benefit Estimate and Statement. Return the completed form to receive an official statement of your earnings history, as well as monthly benefit estimates for retiring at age 62,

65, or 70. You should not expect to receive Social Security benefits automatically. You must apply. The Social Security Administration recommends that you sign up for benefits up to

three months before you become eligible, either by calling or visiting your local Social Security office. When you apply, bring your Social Security number, birth certificate, last year's W-2 or a copy of last year's self-employment tax return and, if

you served in the military, your discharge papers. You should expect to be eligible for Social Security benefits if you have

See **RETIRE** on page 8A

See **WOMEN** on page 8A

### Money Management

## Trial lawyer keynotes banquet

One of America's top trial lawyers will keynote a banquet of African American Xerox employees Saturday.

Willie Gary, who rose from being a migrant farm worker in his youth to a lawyer who has won millions in judgments for his clients, will speak at Minorities United in the Southeast Region at the Adam's Mark Hotel. The banquet starts at 6:30 p.m.

Gary, a graduate of Shaw University in Raleigh and N.C. Central University Law School in Durham, recently won a \$500 million judgment in a lawsuit. Gary is also a well-known philanthropist who gives fre-

quently to causes that benefit the African American community. Among those gifts is \$10 million he pledged to Shaw, where he earned a bachelor's degree in business administration. He has been featured in magazines, newspapers and television, including "The Oprah Winfrey Show," "Lifestyles of the Rich and Famous" and ABC News as a Person of the Week.

Gary will speak on the keys to success and winning. "Don't be denied," he likes to say. "It's out there so just go out and get it. I know there's racism out there, I know there's poverty. Rise above it."

Tickets for the banquet are \$35. For more information, call Jackie Robinson at 551-2003.

Herbert L. White

## Hands-on demonstration



PHOTO/FRANK WILLIAMS

Sylvia Grier (seated) tests an ergonomic keyboard/chair at the Metro Minority Suppliers Development Councils mini trade expo at Nations Ford Baptist Church.

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