

Profits in interest hikes

CHARLES ROSS

Your Personal Finance



When interest rates are on the rise the causes can include robust job creation, lively retail sales and surging commodity prices, in short, a rejuvenated economy.

Given the current economic scenario, some experts fear that there may not be much room left for expansion. This may prompt Federal Reserve action to increase short-term interest rates.

Rising interest rates are bad news for stocks because bonds and bond funds provide increasingly attractive returns and draw investors away from stocks. Some stocks and stock funds that fare badly during a rising interest rate period are utilities, financial services and real estate. Funds that may profit in rising-rate environments include gold funds and internationals. With careful investing, rising interest rates can mean rising profits too.

Utilities are one kind of fund to be avoided. For example, during a rising period in 1993-94, 30-year Treasury bonds rose and the Standard and Poor's 500 held steady, while utility funds averaged a 13 percent loss. Funds that invest in banks, insurance companies and other financial services did better than utilities in the 1994 rate rise but still lost ground. And the Real Estate Index lost 11 percent in 1994. These kinds of investments should be avoided during rate-rise periods.

Funds that profit

There are two funds that tend to be profitable during these periods.

One is the most favored of inflation hedges, the gold fund. During a rate rally in 1987, gold funds roared ahead 48 percent, a shining performance by anyone's standards. In fact, during that period 15 of the top 20 funds were precious metals portfolios.

Investing globally is a second way to increase your odds of defying domestic doldrums. Diversification can reduce the overall risk of your fund portfolio.

Legendary global investor Sir John Templeton advises: All nations suffer bear markets, but they do not occur at the same time. Therefore a fund that invests in many nations will not lay captive to market cycles like a fund that invests in only one.

'Sambo' comes back

THE ASSOCIATED PRESS

NEW HARMONY, Ind. — Bookstore owner Robert J. Brooks kept copies of "Little Black Sambo" in a back storage room for years, sensitive to complaints that the children's fable demeans blacks.

But soon the book will be prominently featured in a window display at Brooks' store,

Golden Raintree Books, here.

The occasion is the release of two new versions of the book, one by two African Americans, writer Julius Lester and artist Jerry Pinkney. The other is set in India.

"Part of the statement we are trying to make is that just because something has racist or stereotypical elements doesn't mean it is not without virtue.

There is a clear case if you take the racism out, you have something quite delightful and wonderful," Pinkney said.

Although he didn't want to contribute to racial stereotyping and prejudice, Brooks said he didn't want to be a "part of the system that censors reading."

He said he's always loved Helen Bannerman's 97-year-old children's fable of the quick-wit-

ted boy who bested some dim-witted tigers.

The retelling of "The Story of Little Black Sambo" is one example of many classic texts that are being revisited by authors, editors and illustrators in an attempt to free the magic of the stories from the prejudices of their eras.

"Cultures have a way of

changing literature to make it appropriate for them," said Marie T. Wright, an associate librarian at Indiana University-Purdue University at Indianapolis. She also teaches a children's literature course.

"It is part of what communication is all about — telling the

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PHOTO/CALVIN FERGUSON

Dr. Hazel Juanita Harper, president of the National Dental Association, keyed the Old North State/Palmetto dental associations last week.

Harper keynotes dental confab

By John Minter
THE CHARLOTTE POST

Dr. Hazel Juanita Harper, the recently installed president of the National Dental Association, was keynote speaker at the fourth annual meeting of the Old North

State/Palmetto dental associations Friday at McDonald's Inn on Beatties Ford Road.

Dr. Thomas Mack was local arrangement chairman for the event. Dr. Gwyn Davis is a member of the steering

committee for the joint meeting of the N.C. and S.C. associations of African American dentists.

Harper, a graduate of Howard University College

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Briefs

• Derrick L. Young has been named banking officer of Wachovia Bank of North Carolina N.A.

The announcement was

made by Bruce A. Ledwith, Wachovia's sales finance manager.

Young began his career with the bank in 1994 as a sales

finance management associate in Wilmington. In 1995, he was promoted to dealer credit manager, his current position.

Young, a native of Raleigh, is a 1994 graduate of N.C. State University.

Fannie Mae donates new computers

By John Minter
THE CHARLOTTE POST

Charlotte's NAACP Community Development Resource Center will receive new computers from a grant by Fannie Mae, the nation's largest source of home mortgage funds.

The \$36,000 grant to the national NAACP will buy 16 computers that will be placed in eight of the organization's CDRCs. Others are in Atlanta, Baltimore, Las Vegas, Columbia, S.C., Austin, Texas, and Richmond, Va.

The computers will be used in home buyer education efforts.

The combination of computer hardware and Fannie Mae's Desktop Home Counselor software will increase each CDRC's capacity to provide quality home

buyer education to its clients. CDRC staff received training from Fannie Mae staff in the use and capabilities of Desktop Home Counselor.

"The NAACP, through its Community Development Resource Centers, is an able partner in guiding lower income or minority borrowers to home ownership. Fannie Mae is pleased to provide resources that will help us both meet our shared goals of increasing home ownership opportunities to underserved buyers," said Julie Gould, Fannie Mae's vice president for community lending.

Fannie Mae has also provided free copies of Desktop Home Counselor to more than 500 nonprofit organizations since the 1994 announcement of its

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Money Management

Charitable gifts merit tax break

By Amanda Danchi
SPECIAL TO THE POST

Are you thinking about giving thanks for your blessings this Thanksgiving by making some charitable contributions? Before you reach for your checkbook, read what the North Carolina Association of CPAs has to say about the tax advantages of donating appreciated property.

Whether it's shares of stock in a high-tech company or the antique armoire you inherited, donating appreciated property can save you valuable tax dollars — in most cases, significantly more than donating cash. Appreciated property has a fair market value in excess of your adjusted basis — that is, your original cost adjusted by certain increases (such as capital expenditures for improvements) or decreases (such as depreciation). Such property includes stocks, bonds, real estate, antiques, and jewelry.

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