

8A

STRICTLY BUSINESS

Living single life

CHARLES ROSS

Your Personal Finance



It's a fact of single life: compared to each member of a dual-income household, single persons spend more. Singles don't have anyone to split expenses with, or to help them save for retirement. To make matters worse, singles can be extremely free-spending, which can build up debt dangerously fast.

If you're single, budgeting should be your highest priority. If your income is stretched to the limit, cut back where you can. Cancel your cable, your cell phone, your call-waiting and message services, and you could save as much as \$100 a month. Pay off your debts, even if you only pay a little each month, and start saving consistently. Sound budgeting is the best way for singles to get into good financial shape.

Housing

Lower income, higher spending, and the difficulty of scraping together a down payment on one salary can keep single persons from becoming home owners. One option is to buy with a friend or partner, doubling the available income and increasing the price you can afford. But there's a major drawback. With two names on the mortgage, what happens if one of you decides to move? You could lose the house, or the friend.

Singles may qualify for a mortgage with no money down, but they'll pay a higher-than-market interest rate. If you decide to buy on your own, decide what price you can afford and what you're willing to sacrifice in order to buy a house.

Here's a tip: don't stop putting money in a saving account in order to make house payments.

Investing

The financial question singles ask most often is, "How do I afford everything I want now and still take care of my future?" Part of the answer is in smart, well-planned investing.

Identify your goal: A down payment on a house by age thirty, or financial security at age 60. Having a specific goal helps you determine what kind of investing will work best for you.

For a goal that's only a few years away, don't be tempted by high-yield funds. They're also high risk, and you won't have time to recover from losses. Choose something less risky, such as a bond fund, and add to it regularly.

For a longer term goal like retirement, a higher yield/higher risk stock mutual fund is fine, and should yield better over the long haul.

Insurance

Statistics suggest that one in four adults will be disabled for at least a three month stretch before age 65. For a single person, this can mean losing everything, property, savings, and financial security. You should have disability insurance to replace at least sixty percent of your income. Check what your employer offers. Only 40 percent of workers have adequate coverage through their employers.

If you are not covered, or don't have enough coverage, you can buy disability insurance on your own. Figure on paying a premium equal to about two percent of your income.

1st in tourism

By Herbert L. White
THE CHARLOTTE POST

Charlotte is still the state's top tourist magnet.

According to the N.C. Division of Travel and Tourism, travel and tourism brought in \$2.2 billion in revenue to the city and Mecklenburg County last year, up from \$1.9 billion in 1995. The industry also brought in more jobs in '96, with over 40,000 people employed in hospitality. In 1995, 35,850 people were working in the industry.

Travel and tourism is expected to be North Carolina's No. 1 industry by the turn of the century, surpassing agriculture.

Charlotte is already the state's top tourist attraction, with more than \$95 million in state tax receipts and \$46 million in local tax receipts.

Charlotte, the largest city in North Carolina, has some of the state's most popular attractions: the NBA's Charlotte Hornets, NFL's Carolina Panthers and Carowinds theme park.

"It's apparent that the benefits of the travel and tourism industry in Mecklenburg County is an integral part of the economic, social and cultural well-being of our city," said Melvin Tennant, president and CEO of the Charlotte Convention & Visitors Bureau.



PHOTO/PAUL WILLIAMS III

Charlotte, North Carolina's largest city, is also the state's top tourist attraction. The N.C. Division of Travel and Tourism reports that \$2.2 billion was spent on tourism and travel in Charlotte last year, an increase over 1995's \$1.9 billion.

Driven to succeed



PHOTO/CALVIN FERGUSON

Reggie Hubbard's Metrolina Dodge is a state-of-the-art auto dealership. Metrolina is the crown jewel in Hubbard Automotive Group.

Hubbard leads Metrolina

By Winfred B. Cross
THE CHARLOTTE POST

Call Metrolina Dodge and owner Reggie Hubbard greets you and directs you to the proper extension.

OK, OK, so it's a recording. But it is Hubbard's voice and he does want customers to feel

welcome at his new 65,900 square-foot Metrolina Dodge dealership at 9131 South Blvd., a few blocks below the old dealership. It opened Jan. 13, Martin Luther King Jr.'s birthday.

"Actually we didn't plan it that way," Hubbard said. "But it was the way things fell with

the installation of the shop equipment and floor being installed on that day. Is there any significance? Well, since the dream which (King) had was for all to pursue their dreams, I think the opening of this dealership is a fitting tribute to living the dream."

Metrolina Dodge's new digs are nearly a dream house. The

See HUBBARD on page 9A

Social Security will use taxes for survival

OMAR DILLARD

Financial Focus



In part one of this series, we discussed that, while healthy today, Social Security faces possible bankruptcy in 2030. What steps should our lawmakers take to ensure a secure retirement for our children and grandchildren?

That's a question the presidential advisory council on Social Security attempted to answer when it recently issued three proposals designed to improve the long-term health of Social Security. While one proposal would essentially maintain the current benefit structure, two new ideas were set forth in the recommendations: allow the government to invest part of the fund's surplus dollars in the stock market, or "privatize" the system by allowing workers to invest part of their payroll taxes into individual accounts and choose their own investments.

Currently, the fund's surplus dollars are invested in U.S. Treasury bonds. This is a safe investment, but stocks have historically provided better returns. Over the years the stock market has averaged a 10 percent return vs. 5 percent on government bonds. Experts believe that the increased return on the fund's assets would help postpone the projected date of Social Security bankruptcy beyond 2030.

It's an intriguing idea; however, there are those who question the prudence of handing the government power to make investment decisions. Investing Social Security funds in equities would allow government officials or their political appointees to control a huge portion of the investment capital in our stock market. In an era when other countries are fighting to remove government influence from their stock markets, is this the direction we want to go?

Privatizing Social Security would keep government entities out of the market, but this idea raises a lot of questions as well. Social Security is a pay-as-you-go system that takes money from workers and gives it to people who are already retired or disabled. The system does not set aside your tax dollars in an account with your Social Security number on it and then give those dollars back to you when you retire. If workers are able to invest their own payroll taxes into individual accounts earmarked for their retirement, the current tax revenue stream dries up. Where will the government get the funds to pay benefits to the 43 million who already are drawing Social Security checks? Who will foot the bill if people make poor investment choices and lose all or some of their personally invested money? And, what happens if the stock market collapses 10 to 15 years from now, wiping out the majority of savings just when the baby boomers are ready to enter retirement?

The answer to these questions should sound familiar: the money will come from workers in the form of increased taxes. Unfortunately, it's unlikely that more taxes alone would be enough. If the worker-to-retiree ratio drops to 2-to-1 in 2030 as expected, it would take almost all of one worker's remaining wages (after state and federal taxes) to support one retiree.

Another issue surrounding privatization involves a more fundamental question about the role the government should play in our lives. Should it be in the business of mandating that everyone save for his or her own retirement? Or should the federal government stick to its original mandate of providing a social safety net that will keep retirees and the disabled above the poverty level?

Other ideas need to be explored in conjunction with the advisory council's proposals. In order to cut down on the number of years the fund pays out benefits, the retirement age should be raised to 70 -- sooner, not later. This is a logical first step.

OMAR DILLARD is an investment representative at Edward Jones investments in Charlotte.

Walker, McCullough honored by U.S. business agency

By John Minter
THE CHARLOTTE POST

Charlotte business consultant Bill McCullough and First Citizens Bank executive Lynne Walker have won federal Small Business Administration honors.

McCullough, of McHenry Associates, is the national 1997 Minority Small Business Advocate of the Year. McHenry Associates is a business management and financial consulting firm.

The award is given annually to the business people who

"embody the best of the entrepreneurial spirit" and "demonstrate the capacity of small businesses to create jobs, be innovative and make our communities and country a better place to live."

"I was certainly shocked and honored," McCullough said. "For me it was a culmination of long years of effort to make sure

these folks have what they need to grow."

Such extraordinary effort is "absolutely necessary," McCullough said. "I was quite aware of the issues...as a former banker, I knew both sides."

McCullough, who founded McHenry Associates in his home in 1986, resigned a West Point commission after the death of his mother and illness of his father.

The 1969 Second Ward High School graduate has worked in marketing at Southern Bell (now BellSouth) and banking at First Federal Savings and Loan

and First Union National Bank. He is involved in numerous local community and business efforts, including Central Piedmont Community College's Small Business Advisory Committee and the West Charlotte Business Incubator.

McCullough is a past member of the Mecklenburg County Citizens

Capital Budget Advisory Committee and has worked with the N.C. Institute-Minority Economic Development and small business task forces for First Citizens and Southern National banks.

First Citizens Bank's Walker was selected N.C. Financial Services Advocate of the Year. Walker is First Citizens senior vice president and manager of commercial banking for Mecklenburg. She joined the company four years ago, moving over from Wachovia Bank.

Walker said her award was for See SBA on page 9A



McCullough



Walker