

Black chamber: Better do for self

THE ASSOCIATED PRESS

DENVER — Equal opportunity for blacks in the 1990s means joining the ongoing economic revolution and not waiting for government help that never arrives, speakers said this week at the National Black Chamber of Commerce convention.

Black entrepreneurs must scramble to be successful and won't get any free rides to fortune, former Atlanta Mayor Andrew Young said.

"Nobody will wipe out poverty for us but us," Young said.

About 500 black business lead-

ers from 43 states attended the three-day convention, which ended Saturday. The National Black Chamber of Commerce has 162 affiliates and represents 60,000 businesses.

Young criticized the North American Free Trade Agreement, which opened up markets in Mexico and Canada, saying that black Americans have more disposable income than those two countries combined.

"But we didn't have a free trade agreement with the black community in Atlanta and you don't have one in Denver," he said.

That echoes the message by Harry Alford, president and chief executive officer of the National Black Chamber of Commerce, who told black leaders to stop waiting for government hand-outs — because they won't come.

"There is an economic revolution and we have got to join it, do the heavy lifting," Alford said. "Start getting involved ourselves and stop sitting back waiting for the Messiah to come."

Alford and his wife Kay established the Hoosier Minority Chamber of Commerce in

Indianapolis in 1991. He said a lot of the problem is that black business owners don't understand how to fit into the cut-throat world of American business.

"We were not advocating and understanding this game as it was being played," Alford said. "What helps is people who help themselves. Organizing and understanding how capitalization works and the power of community interaction with one another makes the community at large better."

Social Security is still a hot-button topic

OMAR DILLARD

Financial Focus



Mention the words Social Security, and you're likely to spark a debate. Younger people say they're tired of paying into a system that won't benefit them; older people say they've spent many years paying into Social Security, too, and they couldn't live without it.

Individuals aren't the only ones arguing about Social Security. This popular entitlement program continues to make news as legislators debate its future health.

Although no laws have been passed, one of the most agreed-upon solutions is to raise the retirement age. Today's laws are the same as they were in 1935 when Social Security was signed into law: retirees are eligible for full retirement benefits at age 65 or reduced benefits as early as age 62. Interestingly, though, in 1935, Americans had a life expectancy of only 61.9 years.

In other words, a system was put into place that had the expectation of paying out little or no benefits to half of all workers who paid into the system.

During the past 62 years, improvements in medicine, lifestyle, nutrition, transportation, communication, working conditions and other technologies have driven the average life expectancy from 61.9 years to 76 years — an increase of more than

14 years, or nearly 23 percent.

With the average retiree receiving benefits of more than \$7,900 in 1996, and expected to live 11 years past retirement age, the 33 million retired Americans today are scheduled to draw much more from Social Security than the system was designed for. And if you consider that 83 percent of retirees start drawing benefits before age 65, the cumulative costs are even higher.

Proponents of raising the retirement age to 70, with reduced benefits available as early as age 65, say that doing so is logical given our longer life expectancies. They add that phasing in these higher age limits over the next 10 years would be fair to workers within two to three years of retirement and provide adequate transition time to save and plan. And it still would allow the average worker

to enjoy a longer retirement than was originally planned when Social Security was signed into law.

It's important to understand that the Social Security Trust Fund is healthy today. Incoming tax revenues will continue to exceed outgoing payments until 2012. After 2012, however, Social Security trustees will be forced to supplement payments with interest and principal that have been accumulating in the Trust Fund. Today's projections indicate that, with no change in the laws, the Social Security Trust Fund will be bankrupt by 2030.

Experts say that raising the retirement age would postpone this bankruptcy far beyond 2030 and provide hope that the children and grandchildren of today's retirees will be able to receive benefits.

Invest to protect future earning power

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couraging you from buying a house? You can find a no-cost lender, and more lenders are offering no point, no-fee loans, but you will pay a higher interest rate.

When you make a down payment for less than 20 percent, you usually must buy mortgage insurance and pay the entire first year's premium at closing, nearly \$1,000 on a \$100,000 home with 5 percent down. Several mortgage insurers now let you pay your first year's premiums in monthly installments. Insurance with this feature costs a bit more over the long term, but if a lower up-front payment helps you afford the loan it may be worth the price.

Home lost value

You can still refinance your home even if it has lost value. Though most banks will not lend you more than 80 percent of your home's current value, you can find a bank with flexible guidelines. Not all lenders follow the 80 percent rule and they will let you refinance the full market value of your home at a higher interest rate.

If your credit rating isn't very good, come clean with the lender up front and offer a good explanation for your circumstance, and how they have changed for the better. Lenders are more open to understand situations such as loss of a job or huge medical bills. Convince the lender that you are actually a good risk.

Threats to retirement

A major threat to retirement is the danger that you will not save enough for retirement. A recent survey revealed that employees who save through a 401 (k) plan put in 5 percent of their salaries each year. But this may not be enough. If you save 5 percent a year for 40 years that will only be enough to yield an amount that will earn 35 percent of your income for retirement. Most people need to save closer to 10 percent or more in order to replace 90 percent of your salary.

In the 1970s Americans saved closer to 10 percent a year. Currently, the U. S. savings rate stood at around 4 percent. The Japanese save over 12 per-

cent and the Germans 8 percent.

CHARLES ROSS is host of the nationally syndicated radio program, "Your Personal Finance," and author of "Your CommonSense Guide to Personal Financial Planning."

Trained entrepreneurs will succeed

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nological proficiency. The entrepreneur must possess some knowledge about technology and take the initiative to hire individuals who can implement technology plans and programs.

6) Global-thinking. More and more businesses today are going international. Operating in a global environment means that entrepreneurs must understand the trends and economic and legal issues that have an impact on international markets and products' as well as local customs.

7) Flexible-minded. The successful entrepreneur is sensitive to the changing marketplace, competitor strategies, and customer preferences and adapts products or services accordingly.

8) Bottom-line oriented. Making money — and profits — requires managing money successfully. Being

financially astute, carefully managing vendors and suppliers and hiring the right team of financial advisors can help a business prosper.

9) Socially responsible. Being socially responsible can also contribute to a company's success. In today's business and social climate entrepreneurs that are looking to provide a social benefit by making a commitment to serve the economically disadvantaged, protecting the environment, or adopting some other social cause, are more likely to be favorably perceived by end-users of their products and services.

10) Future-oriented. Successful entrepreneurs don't get overwhelmed or consumed by day-to-day problems. They have a vision for the future of their company and make an effort to understand the trends and forces that will impact their ability to achieve that vision.

BUSINESS BRIEFS

Tom Baldwin has been named director of BB&T's new call center, BB&T Direct.



Baldwin

The call center, scheduled to open in September in Whiteville, will handle customer inquiries 24 hours a day through a toll-free number. The center will have 50 employees when operations begin, with an eventual staff of 200. When United Carolina Bank merges with BB&T in September, the center will take on UCB customers.

Baldwin, a Winston-Salem native, joined UCB in 1988 and was senior vice president in charge of branch administration.

He earned a bachelor's degree from Johnson C. Smith University in Charlotte and graduated from the Stonier Graduate School of Banking at the University of Delaware in Newark.



Feimster



Hammett

US Mortgage Group Inc. has hired Michelle Feimster and Teredsa Hammett as mortgage originators.

Feimster was

previously an account representative for a long-distance carrier service, while Hammett has three years experience in the mortgage industry in processing and originating.

US Mortgage specializes in home financing.

Charlene Davis has joined PNC Mortgage as a loan officer.

Davis, who has 10 years' experience in mortgage banking, will be responsible for developing new business in Charlotte. She previously was employed with Wachovia Mortgage as a loan officer after serving as branch manager and marketing officer with Wachovia Bank.



Davis

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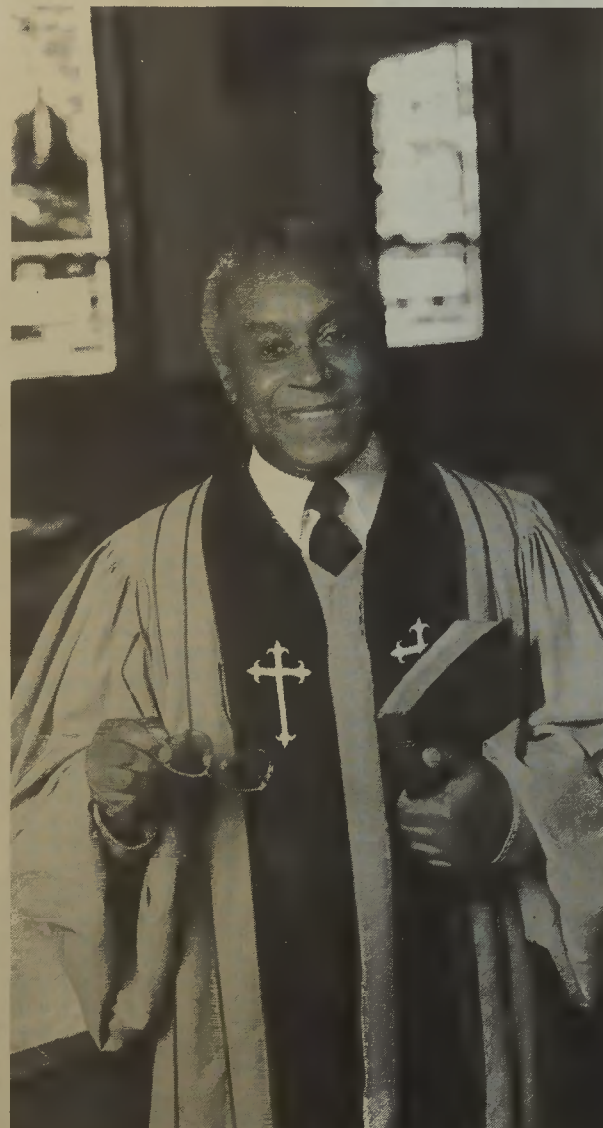
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