

## PERSONAL WEALTH

## AVOIDING THE CRUNCH OF COLLEGE SAVING ISN'T ENOUGH

| BY HOWARD McEWEN, CFA

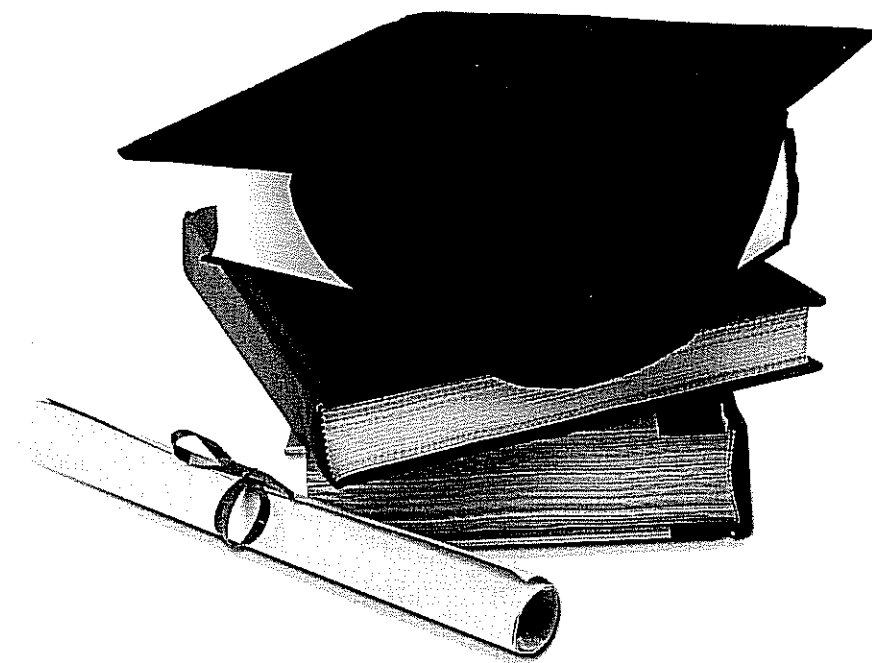
**+** NO SINGLE ACT seems to do more to damage a family's personal wealth than a son or daughter moving their tassel from one side to the other at a high school graduation ceremony.

The key to minimizing the damage isn't necessarily diligently savings during the student's first 18 years, but knowing there are a few things about the Byzantine college financial aid system whose complexity is starting to rival that of the health care system.

### Here's a few pit falls to avoid:

Don't count yourself out. College aid is designed for the middle classes. While families with two nice incomes and healthy 401k's might not get a free-ride, they may get financing options that help smooth the bumpy financial ride. A student loan – usually with good terms – is made even better if it helps a family avoid selling off highly appreciated stock or dipping into their retirement funds.

Next, read the directions. The first step in applying for financial aid is completing the 8-page Free Application for Federal Student Aid form (FAFSA). The FAFSA asks about the parent's income and assets and the student's income and assets. A common mistake is for



parents to list the value of their home equity and retirement plans on the FAFSA form.

However, tucked inside the second page of the form the instructions state, "Investments include real estate (do not include the family home)" and "Do not include the value of life insurance, retirement plans (pension funds, annuities, co-education IRAs, Keogh plans, etc.)" Many, who simply don't read the directions, list their assets as much higher than they have to and lose out on some aid.

Lastly, think twice before saving for college in the student's name. While using a UGMA/UTMA account or 529 plan can offer some tax advantages, Federal Student Aid Money counts that money as being more eligible to pay for college than if the same dollars were held in the parent's name. The reasoning is that money held by the student should be used for college, whereas, mom and dad's money will be needed for things like taking care of the rest of the family, supporting a household and retirement.

## INVESTING

## ETF

### AN ACRONYM TO REMEMBER

| BY HOWARD McEWEN, CFA

**+** IF YOUR BROKER MENTIONS ETFs during your next portfolio review, here are four good reasons you should listen.

ETFs – exchanged traded funds – are similar to traditional mutual funds, buying one offers instant diversification into several stocks, but also offers distinct advantages over their better known cousins.

First, ETFs can take less of a tax bite. Most ETFs are simple index funds so there

is little portfolio turnover. When a traditional fund sells a moneymaker, those profits have to be passed along to the investor as capital gains. The investor picks up the tab for the taxes, thus lowering their overall return. Since indexes don't buy or sell stocks, the only thing to trigger a capital gain is selling the fund. Consequently, the investor controls his tax instead of the fund manager.

Second, ETFs are cheaper. State Street Global Advisor's ETF on the Standard & Poors 500 index (SPY) pronounced "spiders" charges a .1% management fee. That's comes to a dime in fees for a grand invested. Compared to actively managed funds which can charge between 1-3% each year, the savings in costs alone – forget performance – can affect the view from your deck chair at retirement.

Third, the number of ETFs is growing. During 2006, they quadrupled from 100 to 400. A low turnover, inexpensive ETF can now be bought on anything from a domestic index like the Dow Jones Industrial Average – known as Diamonds – to ETFs on foreign markets and commodities.

Since ETFs are traded on the exchange, you can be bought and sold throughout the day as opposed to at the end of the day for traditional funds. This allows for a fourth advantage. Options can be issued on ETFs. Want to leverage your returns? Buy some ETF call options. Want to hedge some of the risk of the ETFs? Buy some ETF put options.

All good reasons to listen up and take note when your broker mentions Exchanged Traded Funds.

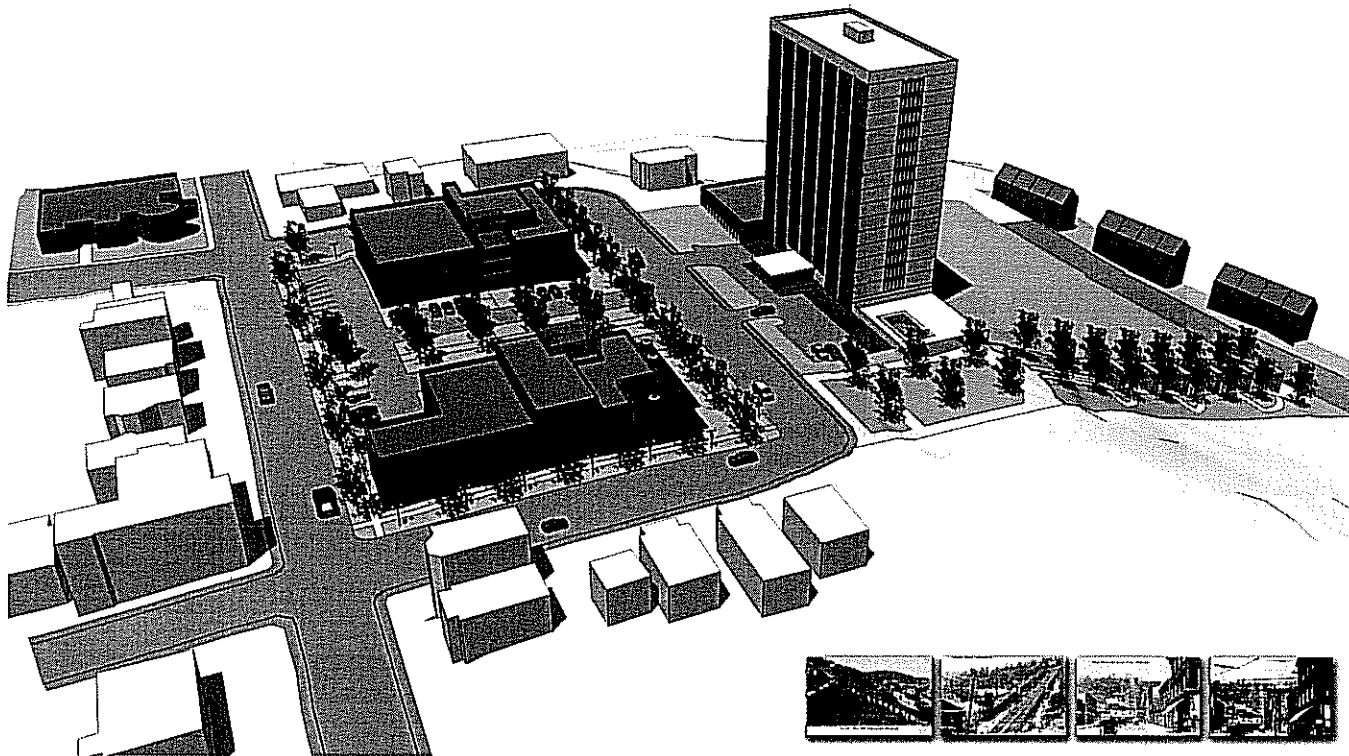


Photo courtesy of Cole Russell.

REAL ESTATE

# A WAGER ON PRICE HILL

RESTORING PRIDE AND PRESENCE | BY HOWARD McEWEN, CFA

**+** DAN BOLLER REMEMBERS THE WAY THINGS USED TO BE. He's betting those ways will return. "When I moved to Price Hill, I was able to walk to three bars, a butcher shop, a bakery, two hardware stores, a pharmacy, and a grocery store—that was my idea of living," said Boller, who moved to Price Hill from Bridgetown in 1990. "I enjoyed walking. It was convenience."

Unfortunately, most of those conveniences that drew Boller to the neighborhood have boarded up. Price Hill was never the focus of the of the fashionistas of Cincinnati. It was blue collar and proudly so. But over the last couple of decades it's taken a decided downturn. It's become sad and shabby. It's mentioned on the evening news in the wrong context too often.

However, a group of Chicago investors — unfettered by the biases, undeterred by history — see Price Hill as an opportunity.

City Lights Development is investing over \$20 million to build a medical complex already leased to the Greater Cincinnati Associated Physicians. Next to that will be retail shopping, a restaurant, and new housing. All at the site of the abandoned Price Hill incline.

The Chicago men have brought in Westside City councilman John Cranley as a partner. "This is going to be a neighborhood for everybody — whoever enjoys the views," said Cranley.

And the views, from the Queen's Tower—which City Lights bought in 2005 and is converting to condos priced between \$60,000 to \$250,000—are what will bring people to Price Hill. Someone in Queen's Tower can look east up river and wave over downtown to their neighbors in pricier Mt. Adams.

Cranley saw this as a project whose time had come. "Price Hill Will (a community group) has been working for years to build morale and improvement," he said. "The neighborhood is really rallying to the neighborhood. There's more concerted efforts to revitalize price Hill than there has been in the last twenty years."

Boller, who is the president of the East Price Hill Community Association, has been impressed so far with the City Lights group. "We're cautiously optimistic about it," said Boller. "They've been very forthcoming so far, and any of our concerns that we had—have been addressed. I think they've lined up a great

tenant for the area. They couldn't have picked anything better."

Boller isn't interested in the success of the project as much as he is focused on how it turns Price Hill back into the neighborhood he chose for convenience. He sees two things that are needed.

- First, new blood: "I think there are a lot of people on the Westside of town who have a bad opinion of Price Hill. I think it's the wrong opinion," said Boller. "I think (the people) who will revitalize it are people who are not particularly from the Westside or Price Hill."

- Second, a phrase he repeated often, "Owner-occupied."

"There are a lot of people who buy homes and rent them out," he said. "I think if people truly want to see Price Hill re-established as a great family neighborhood, they need to buy the homes to live in and not rent them out."

As for the convenience that originally drew him to the neighborhood, it's still there. "If I didn't have to stop for gas or potty breaks, I can be in Florida with only hitting two stop signs," he said.

CORPORATE ETIQUETTE

# KEYS FROM THE GATEKEEPERS

## HOW TO REACH THE PERSON IN CHARGE | BY ELAINE STONE

*The key to making the big sale or pulling off the big deal is reaching the person who can pull the trigger, the CEO or the president of the company. But getting to that person is one of the most difficult tasks in business because of the gatekeepers, skilled individuals charged with culling the wheat from the chaff. Given that fact of business, we begin this regular feature. Our first installment comes from a lady who has spent 30 years making the call on who gets in and who doesn't. —GAF*

**+** AFTER 30 YEARS as an executive assistant for a Fortune 500 company here in Cincinnati, I think I've probably heard it all — from salespeople, that is! Many salesmen and women love to think they have the winning formula to by pass the executive assistant, otherwise fondly known as the office gatekeeper, and go straight to the CEO. NOT A CHANCE! Is it a game to us? You bet!

Speaking on behalf of "admins" everywhere, I'd say we welcome the diversion in our day. It keeps us sharp, on our toes and gives us new material to share when we are lunching with our counterparts.

### What Doesn't Work

Let me share a few lines I have heard over the years—things that do not work.

- "Ah, yes, I'm a good friend of (the president of the company), is he in?" —When they mispronounce (his) last name they are dead in the water.
- "Yea, (the Chairman of the Board) had me on hold and we were disconnected." —Hmm, that doesn't seem possible since (the chairman) has been in a meeting for several hours, I don't know how he could put someone on hold. See ya.
- "Kevin there?" they ask. "May I tell him who's calling?" I politely respond. They answer, "Bob". So I say, "May I have your last name and the nature of your call?" He replies, "Just tell him it is Bob and he will take my call." I don't think so! —I don't care if your name is Bob, Tom or Susan, if you are not willing to share your last name and give me a little information then I'm not willing to continue the conversation.
- And, as if the phone calls weren't bad enough, I love the letters of introduction asking for an appointment with (our top executives) replete with misspellings of their first or last names. I can't speak for all assistants, but I think it is generally known that we immediately place those in File 13.

Am I here to bash salespeople? Absolutely not! They probably have the toughest job in the workforce. At (our corporation), our salespeople are the backbone of our company, so I know how challenging the job can be.

### What Does Work

I do have some pointers that might help direct salespeople to where they need to be in the organization to make that sale.

- First, assume the executive assistant who represents the CEO you are calling has many years of experience. Introduce yourself immediately (first and last name please) and the company you are representing.
- Second, ask politely for a minute of his/her time to direct you to the most senior person in the organization with whom you could speak regarding your product or service.
- Third, don't launch into an explanation of the product or service your company provides because we are very busy people and we don't have the time to listen. Save your words for your future presentation. Remember, if the CEO's assistant transfers you to the correct department or division head, you've greatly increased your chances of getting the appointment.
- Finally, it's okay to start at the top, but don't expect to speak to the CEO out of the gate. You're sure to meet him or her at the closing once you have made that sale.

*Elaine Stone is the Senior Executive Assistant to the President and CEO and Chairman of the Board of a Cincinnati Fortune 500 company.*

# THE SIGNATURE GESTURE

## THE IMPORTANCE OF A HANDSHAKE | BY HOWARD McEWEN, CFA

**+** IN THE WORLD OF BUSINESS, first impressions are, sometimes, everything and that begins with the simple act of a handshake, whether it's during a job interview or a sales call. Always be aware of the small things that can leave a lasting impression.

"It's all about common sense and thinking about the other person," said Cathi Fallon of the Etiquette Institute.

In her class, *The Power of First Impressions*, Fallon polishes the manners of new grads and CEOs alike. She starts with the handshake. "It's your signature," she says.

She's broken down this business ritual into five categories and what each reveals about you:

- 1—THE LIMP-FISH:  
I'm shy and lack self-confidence.
- 2—THE BONE CRUSHER  
I want to control you.
- 3—THE GLOVE  
Where the left hand covers the normal handshake. It says I want to be friendly —*too friendly.*
- 4—THE FINGERTIP HOLDER  
I want to keep you at a distance.
- 5—THE FINAL/GOOD HANDSHAKE  
This is the one that should be executed in business dealings. "It should be web-to-web, pump two to three times and it's done," said Fallon.

But other matters arise. For instance, some men are not sure how to shake a women's hand.

"If it's a women under the age of 60 just give a firm handshake," said Fallon. "Especially if she is in the business arena, she should know that that first handshake is very important in creating a first impression."

And what if you fumble a handshake? "Just make a joke out of it and move on," said Fallon.

"You'll recover. Just don't bring huge attention to the error."

What if someone is disabled and can't extend a hand or doesn't have a right hand: "Let them decide which hand they want to extend," Fallon advises. "If they never extend their hand just warmly touch their shoulder - just put them at ease."

## TWO FREQUENT HANDSHAKE MISTAKES

### 1ST MISTAKE

A person stays seated and reaches across the desk and shakes hand.  
Not right, said Fallon. —"Stand up. Come around the desk and shake their hand."

### 2ND MISTAKE

People putting their nametag on the wrong lapel at networking events.  
—"It goes on the right, the place where eyes are drawn when shaking another's hand."