

The Paper

So we shall
On the
In the
And I
And wonder
What we're
In the face
What we remember

Langston Hugh

Volume 58 No. 2

A Medium For People of African Descent

May 2002

CITY COLLEGE OF THE CITY UNIVERSITY OF NEW YORK

The Finance Issue

Pointers on the Path to Wealth

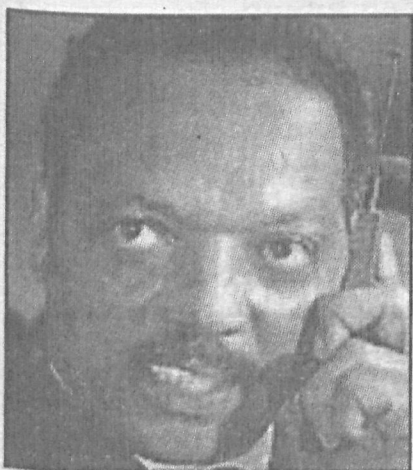


Photo courtesy of bbc.com

-By Alecia Edwards-Sibley

The Man: Jesse Jackson, civil rights activist, two-time presidential candidate, businessman and preacher, is also the mastermind behind the Rainbow/PUSH Coalition's Wall Street Project which was founded in 1997 to facilitate corporate investment in America's inner cities.

The Method: "When you expand economic investments, underutilized markets develop and the enfranchised market expands. It does not make sense to have Harlem and Wall Street on the same island and not have a car dealership or a chain store with all the people living there. I brought them a plan to build businesses."

This process of infusing an area (often 'red-lined' by banks) with investment capital is called 'green-lining'.

Rev. Jackson's second major target is addressing the issue of personal financial discipline. He believes that even those with minimal amounts of income can develop strong portfolios through

good 'save and invest' habits."

"Many people are poor because their habits are poor," states Rev. Jackson. "Seeing a person with advanced degrees one paycheck away from losing their house or using their credit card as a substitute for money... is not a good thing." He set out to change this.

The Plan: He has sponsored a ten week stock market game course for children ages 6 to 18. At the end of the course, each child was given \$200 and taken to Merrill Lynch to purchase stocks.

They had been reading and analyzing their stocks properly by the eighth week. They had also began focusing on savings, investing and leveraging rather than earning, consuming and spending.

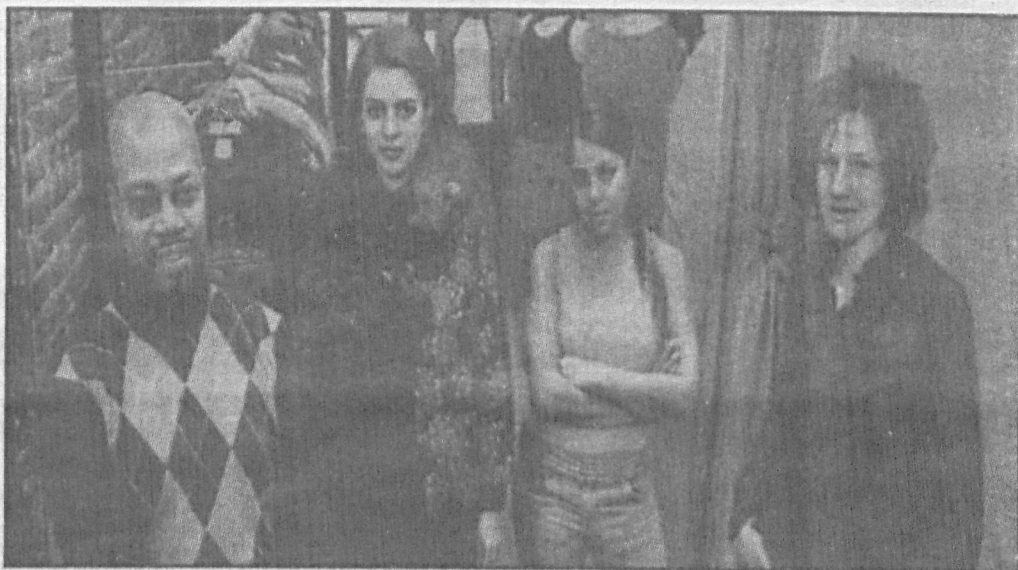
This is one aspect of changing the mindset of Black America in regards to how it views finances which the Reverend hopes will aid in the development of good personal habits.

The Man: Randall Robinson is founder and president of TransAfrica, the 23-year old human rights organization. He helped forge economic sanctions against South Africa and lobbied Congress against apartheid.

His 27-day hunger strike against U.S. policy in Haiti helped return democratically elected president Bertrand Aristide to power. His book *The Debt: What America Owes to Blacks* examines Black America's place in the country's wider financial spectrum.

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Mo' Money



Co-owners of the Boutique Forward c/o LES BID

-By Krishan Trotman

Your broke lifestyle can be changed.

It is only a myth that college students' pockets are weighed down by lint. Students that are tired of having little cash and running to Direct Loans to pay those fat bills each semester should began

exploring the possibility of becoming an entrepreneur. It is false truth within the Black communities that only those with a lot of money can start a business. Owning a successful business does not mean one's gross net has to be in an alliance with Bill Gates.

Small businesses are growing in their amount and variation.

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Courtesy of The Brownstone

The Working Woman

-By Kelechi Onwuchekwa

The mainstream media inundates us with stories of workers being laid off by the thousands in major U.S. industries every week. With these stories come numerous examples of how these people, especially women, will have trouble sur-

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Special 1969 Student Takeover Pullout

EDITORIALS

I Believe In Us...

-By Alecia Edwards-Sibley

The motivation for this issue is my belief in the attaining of wealth. I believe that the path to wealth can be fun, the knowledge transferable, and the long-term effects beneficial to our community at large. Here on campus, the potential that I see all around me is both astonishing and humbling. I also see how much money constantly flies out of our communities via brand name goods, lack of financial knowledge and discipline, and lack of self-esteem exhibited by having no financial plan nor vision.

I have a dream. For just one year, I would love to see one hundred black women with perms flaunt their natural hair, and put the money normally

spent in the salon in an investment with just a ten percent return. I would love for them to see what how much money could be generated by a simple life change. I think that it would inspire them to alter other aspects of their lives in lieu of a greater return. For ideas on how to make a financial change in your life, see page 1.

I believe that children should be taught about money. The book, "Everything A Kid Needs to Know About Money", is a good book for children ages 8-13. Children should be involved in family decisions about money as much as possible. Everyday monetary transactions such as bank withdrawals and deposits, or counting the change in the grocery store should involve the youngest fam-

ily members. Planning and coordinating all aspects of a lemonade stand is another fun family activity that can be accomplished with relative ease. For more information on kid financial activities see page 8.

There are many paths to achieving your financial dreams. Managing your assets while at a nine-to-five, or entrepreneurship; via a concerted effort like an investment club, or solo, or with a financial planner – just make it happen! Don't plan your next vacation, another birthday party, or another shopping spree without first planning your finances.

How much do you want to save in the next year? When do you want that house? Do you want your children to go to private school? Then get on the ball. Now is your time.

How to get financial freedom

-By Cecily Canady

There are many ways and strategies to gain financial freedom. Your financial freedom is the ability to use your money wisely and to keep your money growing constantly. Many African Americans are not educated enough about the importance and benefits of having their money invested and saved appropriately. Gaining financial independence is easy and guaranteed if done correctly and carefully. We are the only ethnic group that is least likely to build a financial nest. This issue should be used as a resource to understand and apply the steps towards your

financial security. Questions about saving strategies, retirement planning, and credit card debt can all get answered within the issue. Learning how to invest money leads to living a wealthy, comfortable and secure financial life. The amount of money spent on the latest fashion trends could be used to invest in stock options or a savings plan that will be more promising for your future.

The secret to building your finances is starting as early as possible. Many of us are still in our early twenties or maybe even younger which gives us an advantage to making more diverse investment options like

stock market, mutual funds, bonds etc. Financial planning does not work overnight it is a gradual process, which requires discipline, time and patience. The older you are the fewer choices you have to invest and the least amount of time for you money to grow. The benefits of financial planning is if it is done right it could help you to fulfill your dreams of buying a house, opening your own business or sending your children to college. Although these may not be your choices right now, eventually you will have to make these decisions and of course we would need the money to do so.

Letter to the Editor

From the CCNY NYPIRG Chapter:

An article printed in the April 25th edition of *The Paper* brings several misinformed charges against NYPIRG. The author, who did not approach NYPIRG before writing this article, uses rumor as fact. We are writing to set the record straight.

First, NYPIRG is a non-partisan organization that has never and will never endorse candidates or parties at any governmental level. Folasayo Fadahunsi is the only NYPIRG student who ran for a student government

position. As many students have done in the past, he ran for a non-Executive position and as an independent. At no time was any NYPIRG student reprimanded by the Administration because there was never a NYPIRG slate.

Second, the article incorrectly states that USG circulated a petition to defund NYPIRG. On the contrary, NYPIRG and USG have had a good working relationship all year, cosponsoring events such as relief efforts for 9/11 and "The Truth About Higher Education" forum. The fact is the petition was sponsored

by one student who has never once come to the NYPIRG office to discuss her concerns about NYPIRG. During an April 3rd meeting, NYPIRG submitted an appeal to the Student Election Review Committee (SERC) citing among other things that the student was campaigning out of the USG office, which is clearly prohibited by the City College Election Rules. In that meeting, the SERC members mentioned that this violation was a serious matter and needed to be further discussed.

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The Paper

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Personal Finances

Insurance - What Every Student Needs to Know

-By Rhonkae Peters

James, at 22 years of age, got into a horrible car accident. The car was badly damaged, and James sustained injuries to his back. He cannot walk, or work for a time, so recovery was long and painful.

Luckily his auto insurance protected him from any liability (law) suit. His health insurance can cover the medical expenses of surgery, emergency care, prescription drugs, and physical therapy.

He saved himself the worry of having to find thousands of dollars, which he clearly does not have as a college-aged man.

The word "Insurance" conjures up ideas of dishonest insurers, red tape, and an unnecessary expense in many a young person's mind. However, this is not necessarily true, as in James' case. "Insurance is a way of reducing risk - loss of life, assets, and income," said O'Brian Eduard, insurance agent for the New York Life Insurance Company.

Formally defined in the Encarta encyclopedia, insurance is, in law and business, a contractual arrangement that provides for compen-

sation by an insurer to an insured party for loss resulting from a possible event.

Either way of defining it, an insurance policy and/or program can guarantee protection against loss due to accidents and mishaps. And the likelihood of misfortune can be closer than you think.

According to the Long Term Care Insurance National Advisory Council, the chance of a house fire is 1 in 1200, chance of an auto accident is 1 in 240, and the chance of needing Long Term Care (Life/Healthcare) is 1 in 2. That is a 50/50 chance of you needing protection for yourself and your loved ones. In an economy where job-insecurity predominates, such situations are best left not to chance but to good financial planning.

The Benefits of Insurance

Apart from having personal security and medical coverage, college students stand to gain in other ways from owning insurance policies. For example, college graduates are most likely, at 74%, to gain employment from a firm that sponsors pension plans (401K) and other types of bene-

fits. This is compared to 33% for workers without high school education, 56% for high school graduates, and 61% for those with some college education.

Another advantage to policy-owners is the tax benefits. The accumulation of interest in a policy is tax-free, unlike a savings account or a mutual fund. Payouts to beneficiaries are also tax-free. Let's say for someone who owns a policy worth \$200,000.00 and the spouse is the beneficiary, the payout to that spouse in the event of the policy-owner's death is not subject to tax.

You also have the choice of borrowing against your policy without any obligation to repay. But with all good things, there is a caveat. Because of the tax-benefits attached to Life Insurance policies, government has placed a cap amount of money one can place in a policy. This is meant to prevent abuse of the industry. If a policy-owner exceeds the cap dollar amount, the policy becomes a Modified Endowment Contract, where all tax benefits are gone.

However, with all that you can stand to gain the best time to buy a policy is now. Young people in good

health can get cheaper rates. The younger you are the better.

Types of Insurance and Programs Available to Students

The various types of insurance available in the U.S are Annuity, Health Insurance, Liability Insurance, Life Insurance, and Workers' Compensation. An annuity is an annual allowance, payment, or interest income derived from funds especially designated for the purpose.

These payments can be made at fixed intervals. Beneficiaries can receive the proceeds of funds that were established for their benefit on the deaths of other life insurance policyholders, or they may have policies of their own. Other forms of annuity are social security and unemployment insurance. Life Insurance follows the same concept as an annuity.

Liability is used to cover the risk of incurring legal responsibility (liability) for damages. This includes Fire Insurance, Auto Insurance, Workers' Compensation for businesses and places of employment, and

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Detox for Credit Card Junkies

-By Clare Brown

On the corner of 137th Street and Amsterdam Avenue across from City College is a table with several representatives who are offering free giveaways of t-shirts and chocolate candies. How tempting. Since you already know that nothing in this world is free, that everything comes with a cost or price, you're wondering "what's the catch"?

Well, you're signing up for a brand new Visa/MasterCard with your name on it. How exciting it must be for an eighteen year old with their first credit card! What they'll soon come to realize is that they could be signing a "debt warrant".

They could be signing their financial independence away while ruining their chances of ever having

good credit or of ever achieving the American dream in owning a home someday.

By the age of eighteen, unable to drink yet able to create a bad-spending habit; they accumulate a lifetime of debt way before getting their first "real job". Upon graduation, they will find themselves in debt instead of being debt-free (with the exceptions of a student loan).

Maria Diaz got her first credit card as a freshman and like so many young people, went crazy. She went on a shopping spree chanting, "...with a credit card I can buy anything I want..."

Tony Mendez, a thirty-five year old graduate student recently filed for bankruptcy, which seriously jeopardizes his chances of owning a home. "It was the hardest decision I ever had to make," he told me.

Credit card companies peddle their Visa/MasterCard and American Express on campuses all over cities in America, in shopping malls and street corners,

pushing their products to the many naive consumers. Consider it organized crime when they're offering you anywhere from 18-22% interest rate.

Unless you pay more than the monthly minimum, which is simply the interest due

on the principal, along with a limited use of the card, your debt will out-live you. With just the minimum payments, you're only paying the interest charge.

For example, a balance of \$4,500 with a monthly payment of \$100 per month (that includes a finance charge, minimum payment, and interest) would take you eight years to pay.

Depending on how much you owe, add fifty dollars to several hundred dollars in order to rid of the principal balance.



Courtesy www.lgtest.com

The more you pay monthly, the less time it will take to clear your debt which in the long run will save you money. Avoid late fees by paying your bills on time. Capital One, a credit card company, charges \$25 in late fees.

When dealing with credit cards, it's best to deal exercise caution. Last year Americans charged more than \$400 billion on credit cards, according to RAM Research, a credit card tracker. Many Americans have an average of nine credit cards with a balance of thousand of dollars.

It's easy to become an addict, a plastic card junkie living from pay check to pay check, hitting up family members for a loan, or to their parent's house to ease some of the financial burden.

You don't want to go way over your head in debt like Maria Diaz who learned the hard way how easy it is to spend, how quickly it all adds up, and how difficult it is to pay it back on a part-time job.

At twenty-four Ms. Diaz is high in debt and has turned to a debt management company for help. As for Tony Mendez, it will take him seven years to clear his name.

There are various groups and organizations that can help. Budget and Credit Counseling Service is a non-profit organization that helps families in debt. For more information, they can be reached @ 212-675-5070. They offer a one on one credit counseling as well as consolidate your bill to one monthly payment according to what you can afford.

They can help to negotiate a lower interest rate with the credit card companies, and settle your debt of up to 50% of money owed. There is a fifty dollars consultation fee for one year.

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Personal Finances

Who Wants to Be a Millionaire?

-By Cecily Canady

Many college grads do not think about retirement when they begin their careers simply because they feel it is too early to consider it. But if you know these investment tactics before you begin your career you could be a millionaire by the time you are ready for retirement.

If you set aside \$1,000 a year (\$19 a week) from age 25 to 34 in a retirement account earning 8% a year and never invest a penny more, by the time you turn 65, your \$10,000 investment will have grown to \$168,627. Investing your money carefully and early develops financial independence for the rest of your life.

In the early 70's Congress created tax subsidized retirement savings programs which help you to save your finances so you can live comfortably in retirement. Many big corporations and small companies that you may work for someday offer a retirement savings plan. The most commonly used and easiest strategies for retirement planning are IRA and 401(k).

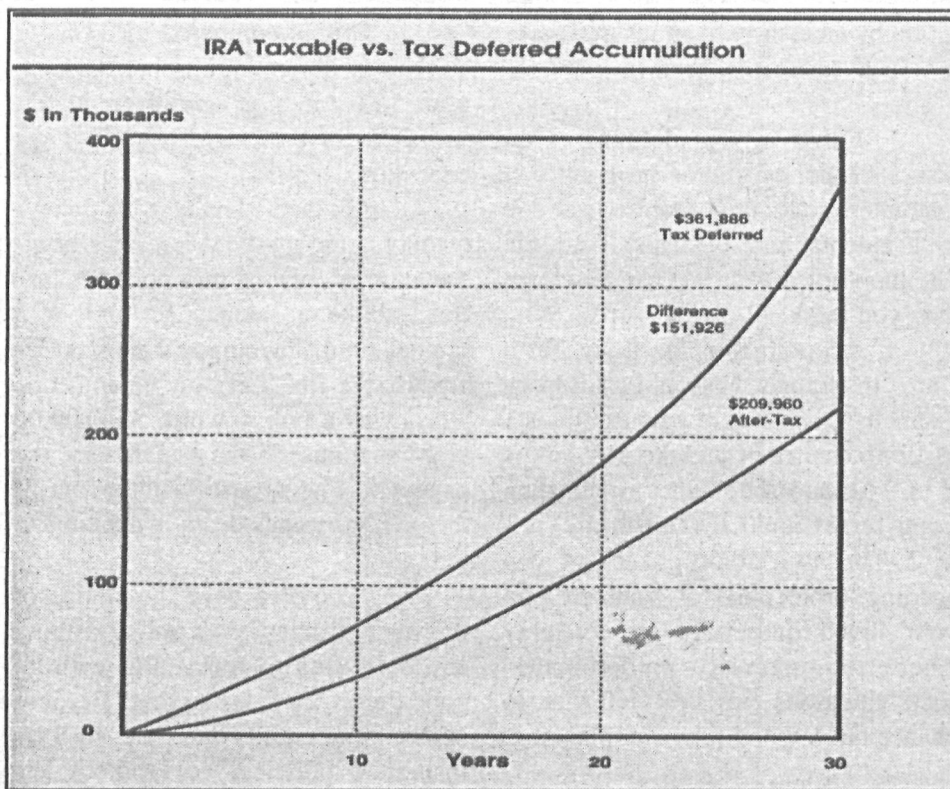
An Individual Retirement Account (IRA) is established through a bank, mutual fund or brokerage firm. An IRA allows you to save money for retirement while gaining the tax advantages of paying no income taxes until you withdraw at the age of 59 1/2. The benefits of an IRA are that you are able to deduct some or all of the contributions from your taxes depending on your circumstances.

The amounts in your IRA including, earnings and gains, are not taxed until they are withdrawn. Another benefit of the IRA is the flexibility that is allowed for investment. The options are not only in a savings account but in other investment choices such as stocks and stock mutual funds, bonds, certificates of deposit that are not as risky and may have a greater chance or giving you to a wealthy retired life. The maximum contribution to an IRA is \$3,000 and is deducted from your taxable income.

Depending on your marital status, however may not be able to deduct your full IRA contribution.

For example, the average age for a college graduate is 22. Over the course of 30 years, a \$3,000 yearly contribution with an annual return of 10% invested at the beginning rather at the end of the year will increase the worth of the account by \$50,000.

The most important factors to consider before contributing to an IRA are the time of year you make your



Courtesy of The Black Woman's Guide to Financial Independence

contribution and the right investment strategy. Early in the year, preferably January, you should make your contribution because it will give your money more time to begin growing as tax free.

A 401(k) plan is offered by employers and allows employees to put away a percentage of their paycheck before the money is taxed. Under a 401(k) you agree to set aside some of your income that the employer puts that amount in a company investment account.

The benefits of a 401(k) plan are immediate tax savings, long-term tax savings and a company match. Immediate tax savings pay less in current taxes since your contributions are taken out of your income before taxes. Long-term tax savings will occur because your earnings grow and compound tax-free until you withdraw them from the plan.

The great advantage of 401(k) is the company match, which can greatly enhance your savings rate. Your employer doubles your money by

matching 25%, 50% or even 100% of your money before it even starts to earn interest.

For instance, suppose your starting salary was \$35,000 and you decide to place 5% of your annual income into your company 401(k) if your company matched 100% your contribution of \$1,750, dollar per dollar, you would have a total of \$3,500 in the plan in the first year. Your yearly salary, which is taxable income would be less because of your contribution (\$1,750) to the plan which leaves you with a salary of \$33,250.

The money contributed to an IRA and 401(k) is money set aside, specifically for retirement so there is a penalty if money is withdrawn before the retirement age.

The 59 1/2 rule implies that distributions [early withdrawal] before the age of 59 1/2 merits a 10% penalty.

There are exceptions, however according to specific circumstances such as significant unreimbursed medical expenses, paying medical insurance premiums after losing your job,

disability, death, qualified higher education expenses and qualified first time homebuyer accounts. The penalties may seem unfair but it gives you the opportunity to discipline yourself in saving your money.

The continuing advantage of an IRA and 401(k) is that they are tax deferred. As the money accumulates you do not pay taxes on the income being saved, on the gains, or on the interest the money earns. This compound tax deferred growth allows you to save for retirement faster and more profitably than you could if taxes were paid each year.

With the benefits of saving for retirement through IRA and 401(k) your money can also be divided into other investments and it is able to triple before its time. Considering the disadvantages and penalties according to your circumstances, retirement planning in your twenties is the most promising and reassuring way to become a millionaire.

(Editor's Note: Of great importance is the Rule of 72 which basically lets you know how long it will take to double your investment based on the interest rate. Simply divide the interest rate by 72. Therefore, if \$100 were invested at 8%, it would take nine years for it to become \$200. See bottom graph.)

Detox for Credit

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Some organizations offer free consultation with a monthly fee for their services such as PBS another, debt management company, is one of these; their phone number is 1-800-404-8687. It's best to shop around to find the right services for your needs. It's important to maintain a good credit rating; or work your way back to one.

Here is a program for those who want to be debt-free once again:

- PAY CASH
- LIMIT CARDS TO ONE OR TWO
- Credit card consumers please beware and shop with caution. If in doubt about purchasing an item, a good tactic is to put it on hold and think about it for a day or two. You might find that you do not want it as badly as you thought.
- Remember the bill comes on a 31-day cycle. And whatever you do, don't run up your bill then say you'll worry about it when it comes because your words might be prophetic. Follow these rules and you'll be on the road to recovery. GOOD LUCK!

Rate of Return	4%	6%	8%	10%	12%
Years	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
8					\$2,000
7.2				\$2,000	
9			\$2,000		
12		\$2,000			
14.4				\$4,000	
18	\$2,000		\$2,000		\$8,000
21.6				\$8,000	
24		\$4,000			\$16,000
27			\$8,000		
28.8				\$16,000	
30					\$32,000
Final Amount (36-Years)	\$4,000	\$8,000	\$16,000	\$32,000	\$64,000

Example: 12% rate of return, your \$1,000 will double in 6 years.

Courtesy of the Black Woman's Guide to Financial Independence

Social Security/Retirement

Social Security Now

-By Beverly Garrido

Mention the term social security to a group of college students and you are bound to get some blank stares. What social security is and does for us as working individuals, and how much control we have over it are all questions that are hard to answer.

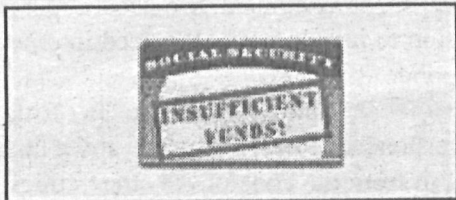
Social Security was put into effect in 1935 by President Franklin Roosevelt. Faced with the dire poverty due to the great Depression he instituted the first phase of what was first considered old-age pension and unemployment insurance programs. Social Security is one of the only work related taxation programs that promises a return in old age.

Now due to the influx in births after the war we are currently faced with the huge task supplying the "baBy boomers" with their pension. But who will supply us with ours? The social security budget stands to run deficits into 2012 and be exhausted by 2029. Some of the guidelines of Social Security benefits state that it is a compulsory coverage system, meaning that if you had your own private pension fund you would not be able to opt out of it.

Social security comprises the largest item in the federal budget with 22% of expenditures. This is all from a

program that due to the exclusion of farmers and domestics in the early period (which contained 65% of African American workers) left many, especially minorities, hanging in the wind.

Social Security does not function based on need, so even if the baBy boomers we are supplying were (and some are) millionaires they still get their allotted share.



What will happen to us and our families when we reach the age when we can no longer work or the money we have worked faithfully so hard for, disappears? We have to ensure our future is not left at the hands of this theoretical system! Take charge of your finances! One website you should find extremely helpful is Heritage.org. It contains a helpful calculator that when prompted can tell you based on your age and gender what type of refund you can expect to see when you reach retirement age. It also shows you a comparison between the social security return and a private investment retirement plan.

Now we all know the desperation we sometimes experience when we have to have that \$100 shirt or those hot new jeans that just came out, but start to think of how your money can work for you. Long-term investments give you a chance to grow with your money as well as calm many of the first time investment fears that you can become subjected to. Mutual funds also give you a chance to diversify your portfolio while maintaining some peace of mind.

If you don't know much about the stock market open a savings account, it will help to motivate you to save money and also pays you interest just for putting it in there. But yet again if you think your bound to let the debit card take over try a cd. Most banks have several different amounts and it's like a freeze on your money. You can't touch it for an allotted amount of time and it gains interest as well.

Social Security has become a system without a future. Not only will it not be around for long, but the ones hardest hit will be the ones working for lower pay and still providing for families. The only angle which we have a choice in is investing. What knowledge we can acquire has to be used for a positive outcome not only for us but also for the future generations to come.

A LESSON IN HOW A LITTLE BIT ADDS UP TO A LOT

From *Get A Financial Life*
By Beth Kobliner

Although he has never earned more than \$24,000 a year, Peter, 35, has more than \$74,000 in retirement savings. How did he do it? Peter works at a company that allows him to sock away 15% of his salary each year into a 401 (k).

His starting salary in 1982 was just \$10,000 a year, but he immediately began contributing the maximum he could to his company plan (even though his company offered no matching program) and has continued to do so ever since. For the past three years, he lived with his parents after college (he moved out at age 25), Peter also deposited an additional \$2,000 into an IRA each year.

Although it's true that Peter profited by the fact that stock and bond funds did very well throughout the 1980s and early 1990s—he averaged a 9% annual return for the years he invested—his real achievement has been his determination to contribute to his 401 (k) every year. If he continues to save the maximum in his plan, gets a 4% cost-of-living salary increase each year, and earns 8% a year on his investments, he will have more than \$395,000 by the time he turns 50. Amazing.

maximize on government funded programs which target their fields of expertise.

The Plan: "I would like to write about entrepreneurship. I think that there is something missing from the literature. I want to write something which conceptualizes the entrepreneurial process and the traits of an entrepreneur...I want to quantify the idea that the management of risk separates the gambler from the entrepreneur.

I want black children to realize that entrepreneurship is an open path for them. I believe in Muhammed Ali's words: "Service to others is the rent you pay for your time on earth.

Pathways to Wealth

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The Method: Robinson deeply believes that it is basically an issue of self-worth to demand what we deserve. "Following slavery, restrictions on federally subsidized mortgages helped whites to build home equity assets, while blacks were not allowed to build. We lost \$80 billion a generation because of that..", he states.

We must demand that the government take responsibility way past affirmative action. Robinson also believes that there has to be a global interest on the part of the black community. "We are indissolubly connected to Africa and the Caribbean. There is no separate freedom for us."

The Plan: "We must not allow ourselves to be ignored. I want to launch a Year of Black Presence in which every Black church, institution, and organization would commit to choose one day of the 130 days in which Congress is in session...to walk the hallways in support of compensation measures designed to close the economic and psychic gap between

blacks and whites in America. In this way.. Congress would never stop seeing our faces, hearing our demands."

"Robert Westley, in his book *Many Billions Gone* proposed that a private trust be established for the benefit of all African Americans. The trust would be funded out of the general revenues of the U.S. to support programs designed to accomplish educational and economic empowerment of the trust beneficiaries to be determined based on need.

"We can never have racial conciliation until we are prepared to talk openly about slavery.. and its continuing damage to a large sector of the American population."

(Editor's Note: *The Millions for Reparations March takes place on August 17th. Call 718.398.1766 for details*)

The Man: Ron Thompson is the CEO of the Midwest Stamping and Manufacturing Company, one the most profitable black businesses in America. The company manufactures metal parts for use in automobiles and has Ford, Nissan, Honda, and

Mercedes as clients.

Thompson was honored as National Minority Entrepreneur of the Year in 1989. He and his wife Cynthia have been together for over thirty years.

The Method: Thompson's father was an entrepreneur who owned a chain of drycleaners and also cofounded the first black bank - First Independence Bank.

Members of his mother's family have been in business since before the revolutionary war. He got into the transportation business (he was previously owner of a company which made parts for railroads) simply because he found out about a federal program which provided equity capital for minority investors who wanted to run a rail business.

The experience, contacts, and capital gained was the basis to establish his current company. He states, "I do believe that the real challenge is not to preserve the family business, but to preserve the family in business. To be an owner is a process".

Thompson also believes that more minority entrepreneurs should

Millions for Reparations
March on Washington DC
August 17 2002
Call (718) 398-1766

Features

They Don't Call it the Black Market for Nothing

- By Malik Lewis

Take a walk across 125th street one day this week. From Adam Clayton Powell Jr. Boulevard to Madison Avenue you'll notice that the boom-times for street peddlers are back. On every block, by every mailbox, trash can, and lamppost you'll find a makeshift display of "bootleg" CDs presented on an outstretched piece of kente cloth, which in a moment's notice becomes an unassuming bundle of material as police from the 32nd precinct patrol the area.

Walking inward from the fringes of 125th street towards Lenox Avenue you'll get a comprehensive lesson in micro-economics at the street level as the price per-disc drops exponentially by the avenue block based on the assumed demand of pedestrians searching for the best deal; on 8th they're asking for 2 for \$5; \$2 a piece in front of Jimmy Jazz on 7th. By the time you reach the Lenox Avenue 2 and 3 trains their selling CDs at a dollar a pop, and turning a nice profit.

The "black market" music industry in New York is finally living up to its name, but where race and creativity join forces to enrich the lives of the less privileged, power and wealth always step in to stop them.

The \$3.6 billion a year

"black market" music industry has grown so omnipresent and lucrative, that President and CEO of the National Academy of Recording Arts & Sciences, Michael Greene, was compelled to deliver a state-of-emergency speech during the telecast of the 44th annual GRAMMY Awards regarding the "insidious virus" of illegal music downloading.

In his speech, Greene, cited the proliferation of illegal internet music sites, and CD "rippers" as the main contributing factors in the "disturbing disconnect" between artists and their fans, robbing artists of the hard-earned money for their work. For years that had been the job of record companies, however the advent of CD duplicating technology, and the internet have begun to cut into industry executive's monopoly of music distribution. Enter scapegoat.

Realistically, the "virus" of music piracy in the computer age impacts younger, more popular Black R&B and Hip-Hop acts than it does white artists. For Black musicians who already share an understandable feeling of exploitation at the hands of established industry executives, theft at the street level is worrisome, but hardly a primary concern.

The diversity of opinion regarding the topic of music piracy

was clear during a taping of "Politically Incorrect" which aired on the eve of the GRAMMYs where guests India.Arie, Nelly, Ja Rule, and CEO Greene discussed the issue.

When asked about bootlegging Nelly responded, "Yeah, we getting bootlegged pretty hard these days," he continued "we need to put a stop to it right now. We need internet police."

Fellow panelist Ja Rule responded, "I'm not upset about it... I'm from the code of the street ethics. You know, it's like a hustle."

To curb the CD hustle local governments have not employed Nelly's more Orwellian "internet police" approach, but have relied on the tried and true traditional response.

In 2000, as part of former mayor Rudolf Giuliani's "Operation Clean Streets" program 1,035 Black and Latino "bootleggers" at the street level were arrested, and nearly 600,000 illegally duplicated CDs were confiscated. Like the war against drugs, the frontline against music piracy has been drawn through poor neighborhoods with large concentrations of minorities.

The irony of the situation is that the racially disproportionate poverty imposed on the youth of Harlem and the South Bronx in the form of budgetary cuts to education, which limited access to conventional musical facilities, gave birth to Hip-Hop. Now the racially disproportionate make-up of the

Recording Industry Association of America (RIAA), and top tech-firms at the vanguard of the music piracy movement have given birth to the street hustle of CD "bootlegging" by people of color. The ingenuity of the urban slums which once drove industry profits through the roof now eat away at its bottom line. In true capitalist form local police have defended the honor of corporations by meeting low-level "bootleggers" with billy clubs, while tech-sector execs continue to hover above the fray.

Collectively as a trade organization the RIAA controls 90% of the legitimate recording industry in North America.

Of 150 publicly traded high-tech companies which produce the hardware required to illegally duplicate CDs only 0.6% of those 150 firms have black executive officers, and while the impact on the RIAA at the

hands of these exclusive corporate firms is far greater than that of street level CD vendors, the RIAA still focuses on "bootleggers" as the enemy.

Rep. Maxine Waters of California and other members of the Congressional Black Caucus have brought attention to the racial and socioeconomic disparity of RIAA policing practices, and have enlisted the support of the Hip-Hop community and congress towards what Rep. John Conyers called an, "artist's bill of rights".

As absurd as it is that an industry that only pays its talent \$.70 per-album would have the nerve to accuse someone else of theft, its far more ridiculous that the color line be so clearly drawn between owners and artists; bootleggers and high-tech CEOs.

In a report published by the U.S. Department of Commerce entitled, "Falling Through the Net", figures collected reflected the disproportionate access to computers and the internet between poor neighborhoods compared to more affluent ones, and between black families compared to white and Asian-American families.

Nelly exclaimed in that same pre-GRAMMY taping of "Politically Incorrect" with a half-grin, "I'm computer illiterate," which is exactly the problem. It's time that we narrow the digital divide and adapt our lifestyle to a new way of life. There is no reason why the vision and drive involved in turning a street art into a commercial product, and a commercial product back into a street commodity can't be channeled into changing our immediate circumstances for the better. Many immigrant groups achieved economic self-sufficiency through "illegal" enterprises; organized crime, alcohol bootlegging, even the trade of illicit drugs. Bootlegging our own artists may be the first step towards self-sustained ownership, management, and distribution of our own music.

I say support your local bootlegger. Encourage them to reinvest some of their profits back into community-based programs for children that expose them to computers, and the internet, and a world beyond their corner of it. Help keep the "Black Market" black. Now is the time to sing our own song.

Letter

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Lastly, the article mistakenly claims that NYPIRG receives more money than "USG, *The Paper*, and campus athletics." Although we cannot speak on behalf of *The Paper*, according to a chart handed out by the SERC, USG and Athletics receive \$4 and \$15 per student per semester, respectively. In addition, unlike other clubs on campus, NYPIRG offers a refund of the \$4 to any student for any reason at anytime.

The real fact is that NYPIRG has consistently fought hard for CCNY students. Just this year, NYPIRG students organized "The Truth About Higher Education," a forum featuring Assembly member Ed Sullivan, Chair of the Higher Education Committee, in which over 50 CCNY students learned about proposed cuts to higher education funding and the Tuition Assistance Program; collected over 950 lbs of non-perishable goods on September 14th that were donated to

World Trade Center relief efforts; mobilized and trained CCNY students to advocate and rally for higher education funding by collecting 850 letters, making over 100 phone calls, and attending lobby days in both Albany and City Hall; conducted surveys on the quality of transit service, including researching reports on subway car announcements and bus service; brought Hot 97 to campus on October 11th for an on-campus voter registration drive and educated City College students and community members about the November 2001 mayoral election; gained pro-law experience working with a NYPIRG consumer attorney to provide free consumer counseling to over 40 CCNY students and community members through the Small Claims Court Action Center; participated in a 3,000-person rally against sweatshop abuses by multinational corporations; conducted surveys and news conferences about unsafe toys and ATM rip-offs; and saved CCNY students hundreds of dollars on textbooks through the Book Exchange.

Features

Mo' Money

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Some Ideas

Hand-made Jewelry - Buy materials for less and create the jewelry you would love to see

Bridal Consultant - Plan Weddings. People are too busy with work and life to create their dream wedding; so create it for them.

Child Care Services - If you love children, take care of them for working parents. Contribute to childhood development and help a parent get out on a Saturday night. Provide a transportation service for parents who find it inconvenient to take their children to school. Parents always need an extra-hand

Consulting Service - Find a subject your most knowledgeable in and help someone else; i.e. computers, fundraising, accounting, career counseling, fashion, writing

Food Services - Open a restaurant or even a lemonade stand

Gift Basket Service- Create gifts for loved ones

Information Consultant - Find the data your clients need

Personal Concierge - Simplify the lives of stressed out clients and help them take care of their business

A small business that is on the rise is medical billing. Medical claims billing is excellent self-employment for students that are efficient with numbers and computers.

Doctors use medical claims processing businesses for billing services and assistance. The medical billing processor electronically transmits insurance claims directly to the insurance company or company's check-generating computers.

A billing expert is in high demand in the medical field because they can dramatically increase a doctor's revenue. Get more information on medical claims processing businesses and start your own. The task seems simple and you can earn great money working from home.

The majority of students that own businesses agree about the hard work involved, but they also agree about the increase in independence.

With the increased tuition of CUNY due to the student activity fees and the TAP cutbacks, the hard work is a small price to pay for financial independence.

Financial Help

If you're sick of the system playing you like a hamster on a wheel, here are places to start:

1. Project Enterprise - 212.873.8503
2. UMEZ - Upper Manhattan Empowerment Zone -212.410.0030
3. Great Harlem Chamber of Commerce - 212.862.7200
4. Caribbean Chamber of Commerce - 718.834.4544
5. AWED - American Women's Economic Development Co. - 917.368.6100

These organizations provide service and support for individuals starting their own business; they furnish training services in money management and also offer small loans; they also create collaborative groups of new small business owners and support each member in areas such as budgeting and balancing checkbooks.

The most prevalent setback with most small business owners is financial planning and consistency in monitoring it, therefore, these services are fundamentally important for a business' longevity.

UMEZ has a program called BRISC Investment Fund (The Business Resource & Investment Service Center) that assist entrepreneurs located in Harlem, Washington Heights, and Inwood communities. They provide Direct Loans from \$25,000 - \$200,000.

Incubators

Incubators provide business training, as well as space, to start-up businesses. They allow groups to have stores that they may not be able to afford if they were operating on their own. Organizations similar to the National Business Incubators Association charge their subtenants a very small monthly rent for a space. The collective can operate or manage their business from there.

The incubator system is very beneficial for entrepreneurs interested in fashion or owning a store because the rent in New York is incredibly high.

Dina Adkins, the chief execu-

tive of The National Incubator Association, stated "there are 1,000 incubators across the country, but few in New York City because rents are high."

The Lower East Side Business Improvement District (BID) renovated a building in SoHo and infiltrated a boutique between Broome and Grand Street called Forward. It will allow incubator designers an opportunity to display and sell their work in a major shopping district. The first group of designers was chosen from a field of about 100, they paid \$4,200 each for six-month subleases, with the possibility of renewal for six more months.

Banks

There are alternatives to starting a small business without much help or support from organizations. Many small business owners need loans and turn to the banks for a support. If you're going to seek a bank loan follow these guidelines to finding the best bank for you:

1) First choose whether you want a large bank or small. Large banks have two divisions: commercial and retail. Commercial caters to small business (\$3 million sales), mid-market (\$3 - \$20 million in sales), Large business (20 million). Retail is for personal accounts.

2) Find out if the bank classifies your industry as undesirable. Just call bank and ask: "In your bank's law policy manual, on the section titled 'Undesirable Loans,' is my industry listed.

3) Your chosen bank has to understand your industry, so they can understand how they will be paid.

4) Make sure the bank is small enough by asking questions about loan-to-cost, cash-coverage ratio, and debt-to-income ratio.

5) Is the bank large enough to accommodate your needs? Banks have legal lending limits based on its equity. Banks with less than \$100 million dollars will not accommodate small business with \$10-\$15 million in sales.

The Internet

Many businesses are being operated from the Internet. The eMarketer is becoming more popular with small business tired of paying for spaces. Small businesses use the Internet as a marketing tool and as a medium to advertise and/or bring in more customers.

Fleet Bank has very good relationships with Visa and Mastercard e-commerce centers.

The main concern with an e-commerce company is the distribution source. If the business is small, a reputable distribution company might not want to consider it because the volume of merchandise to be sent out may be too small.

An alternative is to package all the items yourself and ship them out via UPS. Web-sites can be built very cheaply and customized as often as necessary. This path is also a good alternative as it levels the playing field somewhat in terms of race and gender.

Close to Home

Alecia Edwards of CCNY owns two small businesses: a t-shirt company named SirenShirts and a leather jewelry company called Frogrrrl. She advises students to "stop working and start your own business. It's so much better. Just go to any chamber of commerce and ask for help. They are very helpful in assistance in balancing your check book and everything else."

In addition to wholesaling, Edwards works as a vendor to market her product, as an alternative to opening a store. This illuminates rent charge so one can keep all the money earned rather than accumulating more bills. Vending merchandise such as the t-shirts requires a license but it is accessible; hand-made products do not require a license.

Another idea is to buy accessories from the wholesale district near 34th Street and vend already made items. The items are sold extremely low in cost and you can set your prices where you can profit.

Additional Information

In every matter one should always invite his or herself to do further research. If you are considering a small business as a form of income, you can get more information at: www.entrepreneurs.com and www.smallbizbooks.com

There are many small things to that can be thought of as a small business. It is said that people can't live from being creative, but it is not so. Creativity is always appreciated and can be a means of putting breakfast, lunch, and dinner on the table. The main idea is to trust yourself, do your homework and start somewhere. The more you depend on the system, the more points your accumulating for disappointment. So secure your life by being in charge of your money and become an entrepreneur.

Family Money

-By Alecia Edwards-Sibley

Two of the most important facets of teaching children about money are to make it fun, and to make it applicable. Using their daily interests and games is a powerful technique to keeping financial knowledge interesting; the more grown-up they feel the better.

Ages 2-4

Game #1

Goal: To teach your child to identify a coin three ways - by its size, its name, and its number or value.

Tools: Paper, pencil, and various coins (at least one penny, nickel, dime, quarter, half-dollar, and one-dollar coin). Trace each coin on the paper, and under the circle, write out the name of the coin and its denomination (for example; quarter = 25 cents).

Rules: Call out the name of a coin and see if your child can select the proper coin and place it in its proper circle.

How to win: The child wins when he places all the coins in their proper circle

Game#2

Goal: To show a child the value of money and to understand its value.

Tools: First, conduct a fun treasure hunt for all the loose change in the house; don't forget coat pockets, old purses, and the couch, of course.

Rules: Help your child divide the treasure into piles of quarters, dimes, nickels, and pennies.

How to win: Everyone wins by trying to come up with as many variations as possible for creating a dollar.

Ages 5-8

Goal: To teach your child to give and receive correct change.

Tools: Take five dollars worth of change and divide it into denominations within small shallow boxes; this will be your "cash register". Put together some "groceries" (it is best to use favorite households items), making sure to price each one.

Rules: With your child as cashier, use a \$5 bill to purchase an item. Help him to give you correct change. Gradually increase the number of items. Use different situations: 3 for \$1 items; but one get one free; trying to buy an array

of items which cost more than \$5.

How to win: See who can buy the most groceries for \$5, or who can buy the healthiest meal with \$5.

Ages 9-12

Goal: To teach your child about banking (can also work with younger children)

Rules: Open a pass account at a bank with children's banking. A passbook account is better because the passbook is stamped every time a deposit is made. Even if it doesn't, a regular savings account will send home monthly statements, which lends a very grown-up feeling. Go with the child to deposit her money and confirm her balance. Set a goal - (something to purchase, for example) after two weeks of saving. After a while, save for a longer period for a more expensive item.

How to win: The child wins based on how long she can save for a certain item - the longer the better. This would be a good opportunity to introduce a 401k-type matching program. The child dictates how she wins by how disciplined she is about her savings.

**The Bridge Street
Economic Development
Corporation
will be holding personal
wealth aquisition classes
beginning in early June**

**Call now to reserve your
space
718.573.8725**

Financial Fun for the Summer...

Ideas for fattening your child's piggy-bank

There are many ways in which your child can have fun this summer as well as learn about creative ways to make money. There is no reason why even a child under age ten cannot contribute to their basic expenses. There is also an intrinsic spirituality innate in a healthy financial life: tithing can be taught, as well as the joy that comes from trusting in one's natural talents and interests.

Almost anything can be turned into a money-making venture for a child. The main point is to use their natural interests to propel them.

The lemonade stand

- Revolutionize the lemonade stand by adding food coloring to your lemonade (Power Pink for girls and Blue Bomber for boys). Your special colored flavors can cost a little more, too.
- Have a price for re-fills
- Have different size cups available
- Simple, low-cost decorations for the stand, like balloons, attract attention to the stand. They can also be used as a "give-away" for customers that purchase a large drink or have refills.
- Have an incentive program such as giving a free drink after a certain amount of drinks purchased.

Services

- Errands - good for older children. They can run errands for busy parents or older neighbors.
- Older children can do baBysitting, or teach ABC's to younger children
- Helping other families with their chores

The Arts

- Your child can sell matted works of his/her art
- Children who do more unusual forms of art such as origami or computer art may sell their creations at an "art show" at home
- Children interested in acting or dance can stage a short production with like-minded friends from school or church to which they charge for tickets.
- Give your child a Polaroid and have them take pictures of other children in the park and charge them.

A word about allowance..

Many parents have questions about allowance - when to start, how much, for how long and under which conditions to withhold it. It goes without saying that if we are to teach our children about money management, they must have real money of their own to manage. Giving weekly allowance is one of the best ways for them to allocate their money properly; if it is all gone by Wednesday, the onus lies on them.

There is an ongoing debate re: whether children should get money for chores. I think it is a perfect microcosm of the real world, and that parents should take advantage of this opportunity to impart their work ethic and observe their child's work style up close.

An easy way to determine how much to give your child is proffer a dollar for each year, ex: five dollars

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Investing \$100/Month...

	5 yrs	10 yrs	15 yrs	20 yrs	25 yrs	30 yrs	35 yrs	40 yrs
5%	\$6,810	\$15,502	\$26,595	\$40,754	\$58,823	\$81,886	\$111,319	\$148,885
6%	\$6,984	\$16,331	\$28,839	\$45,577	\$67,977	\$97,953	\$138,068	\$191,750
7%	\$7,163	\$17,208	\$31,298	\$51,060	\$78,776	\$117,651	\$172,174	\$248,645
8%	\$7,345	\$18,137	\$33,994	\$57,294	\$91,528	\$141,830	\$215,740	\$324,337
9%	\$7,532	\$19,120	\$36,951	\$64,385	\$106,595	\$171,543	\$271,472	\$425,225
10%	\$7,723	\$20,161	\$40,192	\$72,453	\$124,409	\$208,084	\$342,845	\$559,878
11%	\$7,919	\$21,262	\$43,746	\$81,634	\$145,476	\$253,054	\$434,329	\$739,789
12%	\$8,119	\$22,427	\$47,643	\$92,083	\$170,401	\$308,423	\$551,666	\$980,343
13%	\$8,324	\$23,660	\$51,916	\$103,976	\$199,893	\$376,614	\$702,210	\$1,302,100
14%	\$8,534	\$24,964	\$56,600	\$117,513	\$234,794	\$460,610	\$895,399	\$1,732,547
15%	\$8,748	\$26,344	\$61,736	\$132,921	\$276,099	\$564,082	\$1,143,318	\$2,308,370