

BUSINESS MONDAY B

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DAILY LOCAL NEWS

Monday, January 19, 2009

ON THE MOVE

Robert G. Partridge was named to the board of directors of the Greater West Chester Chamber of Commerce.

Partridge is the director of communications for the West Chester Area School District with 22 years experience in the prescription pharmaceutical industry.



PARTRIDGE

The school district has expanded job shadowing and mentoring programs for its high school seniors through local businesses and is growing its partnership with the chamber.

RKM Advisors of West Chester added two people to its staff.

Katharine Dunlevy, a graduate of the University of Delaware and the Florida Institute of Technology, was named office administrator.

Christopher Blakely was named portfolio manager.

Previously, Blakely, of West Chester, ran the investment management and trust division of Willow Financial Bank. He has 18 years experience in investment banking

Financial burdenship of homeownership spread unequally

Overall, nearly one out of five U.S. households has an 'unaffordable' mortgage

By ALAN ZIBEL
AP Real Estate Writer

WASHINGTON — When it comes to homeownership, Hispanics in New Jersey, single parents in California and senior citizens in Rhode Island all have something in common: More than a third have an unaffordable mortgage.

Inequality in America has traditionally followed familiar patterns of race, age and education. Those longstanding gaps have been magnified by the real estate boom and now the historic bust, according to an Associated Press analysis of 2007 Census Bureau data.

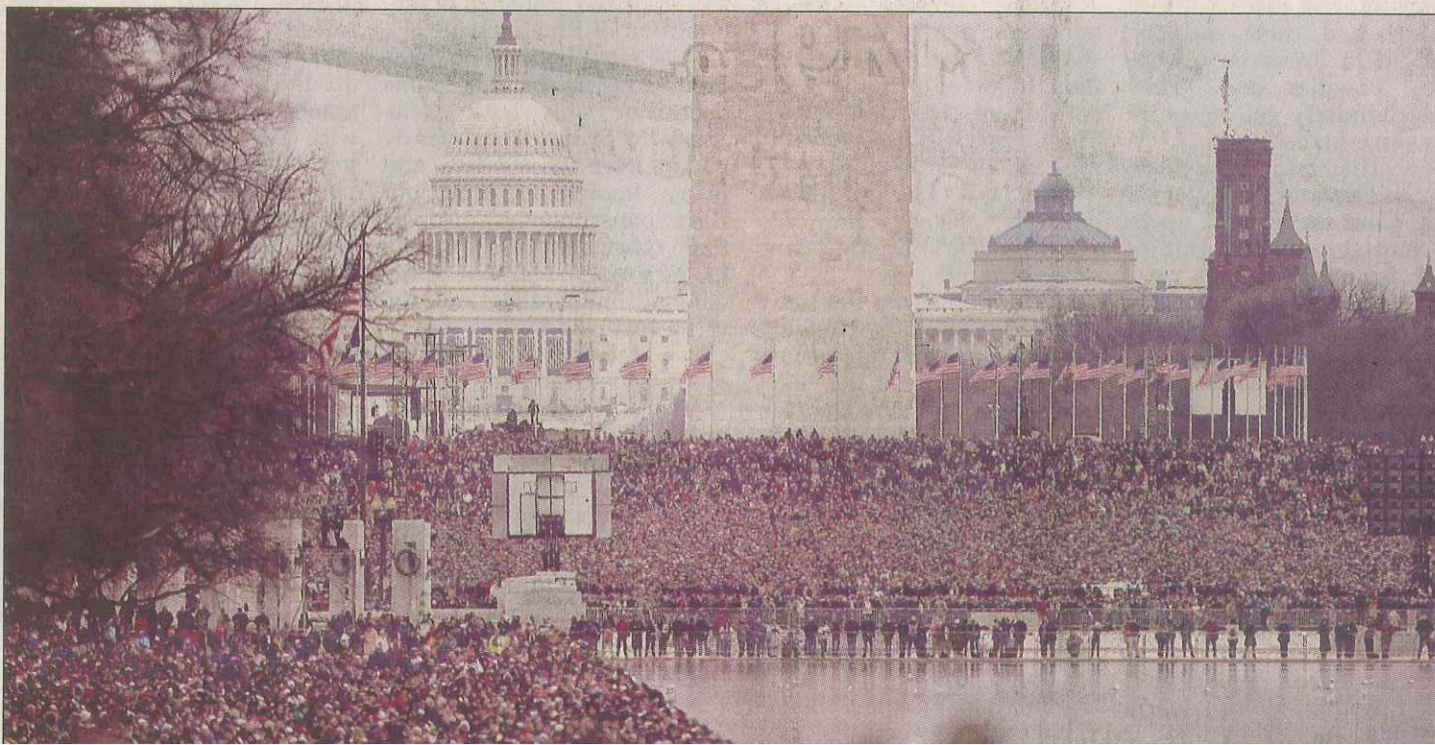
While minorities have made significant gains in wealth and home own-

ership since 1990, "things are going into reverse gear," and now the homeownership rate for blacks and Hispanics is falling, said Edward Wolff, a New York University economist who studies income and wealth distribution.

Nearly 9.5 million households, or nearly one out of every five of the nearly 52 million homeowners with a

mortgage, spend 38 percent or more of their pretax income on their mortgage payment, property taxes and insurance, the AP's analysis found. That's the new threshold to qualify for the loan assistance program launched last month by Fannie Mae and Freddie Mac, the mortgage finance companies now under government control.

◆ See **MORTGAGE**, Page B2



Earnings season may provide answers

Hundreds of reports due in this week

By TIM PARADIS
AP Business Writer

NEW YORK — As hundreds of fourth-quarter earnings reports stream in this week, Wall Street's reaction will turn on companies' answers to one question: When will

moted to senior managers in the marketing group at Turner Investment Partners, an employee-owned investment firm in Berwyn.

Moore and Pickersgill are principals who hold equity ownership in the firm.

Moore, 50, will manage a team that produces new business proposals in the marketing group and will supervise the preparation of updates of the firm's business and portfolios.

Pickersgill, 28, will manage a team that does graphic design and production of communications in the marketing group. He will supervise the design and production of various Turner print, audio-visual and online communications.

They both joined Turner in 2004.

■ **Frank Haarlander** was appointed as a Pennsylvania state representative of the Asset Protection Society.

Haarlander is a certified wealth preservation planner and certified asset protection planner at Keystone Financial Solutions of Uwchlan.

The organization was created to deal with the problems that plague clients and advisers.

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People gather on the National Mall during the "We Are One: Opening Inaugural Celebration at the Lincoln Memorial" in Washington on Sunday. The U.S. Capitol is in the background.

Inaugural sleepover

Area hotels drawing hundreds on their way to Tuesday's inauguration in Washington

By **GRETCHEN METZ**
Staff Writer

Strange as it seems, area hotels are catching the spillover from travelers headed to the inauguration of Barack Obama as he is sworn in as the 44th president of the United States on Tuesday.

Motor coaches packed with teens and chaperones from Texas and Illinois are getting a good night's sleep tonight at two local Holiday Inn Expresses, preparing to get up in the wee hours and head to the nation's capital.

A group of 100 from the School of Entrepreneurship, a charter school in the Chicago public school system, are staying at the Holiday Inn Express Concordville.

The motorcoach was scheduled to arrive Sunday. Today the students are to visit Lincoln University for a tour and Tuesday go to the inauguration then back to Chicago from Washington, D.C., said Jon Beretsky, director of sales at the Concordville hotel.

"It's great to see students taking an interest in the government, and we're glad to be their home away from home

Nina Kelly, spokeswoman at the Chester County Conference and Visitors Bureau, said the Maryland Office of Tourism contacted her office a month ago to see what hotel rooms were available locally.

for a few days," Beretsky said.

Students at School of Entrepreneurship take a business and service-oriented curriculum that features intensive internships at local businesses.

Beretsky said his staff will have breakfast ready for the group before they head off to the inauguration, no matter how early.

A group of 50 from A. Maceo Smith High School in Dallas is staying at the Holiday Inn Express Exton.

They left Dallas at 8 a.m. Sunday and were to arrive in Exton at 9 a.m. today.

After the nonstop trip, the students are to visit the National Constitution

Center this afternoon.

"And we're going to run up the steps of the Philadelphia Art Museum and eat a Philly cheesesteak," said Angela Fulbright, a government and economics teacher at the high school.

On Tuesday, students will board their bus at 2:30 a.m. and head for the 6:30 a.m. Maryland Area Regional Commuter, or MARC, train at Brunswick Station, Md., the only station where the group could get train tickets. The train is scheduled to arrive in D.C. at 7:40 a.m.

Students making the trip are in the top 10 percent of their class, Fulbright said.

The trip, which cost \$16,000 to \$17,000, was paid for through donations from businesses and churches in the community, Fulbright said.

The Chester County business community has reached out as well to assist the students, said Elaine LaRosa, director of sales and marketing at the Exton hotel, who has rounded up donations to make the trip more comfortable for the travelers.

◆ See **HOTELS**, Page B3

still struggling with rickety balance sheets. That revived fears that the economic recovery that some analysts have forecast for the second half of the year won't materialize.

The market has largely written off the first half of 2009. Now, stocks could take a beating if companies lead investors to believe a recovery will be pushed back to 2010.

Of the 42 companies in the Standard & Poor's 500 index that have reported results for the October-December quarter, 25 have fallen short of Wall Street's already reduced forecasts, according to S&P.

But some analysts believe that investors, who buy and sell based on how they think the economy will be faring six to nine months from now, will eventually stop reacting negatively to disappointing data.

"There will be more bad economic news. I don't think we're out of the woods on layoffs and earnings announcements but at some point it's all factored in," said John Dorfman, chairman of Thunderstorm Capital LLC in Boston.

◆ See **EARNINGS**, Page B3

Providing care for an aging parent? Consider a family agreement

Sometimes family members caring for an aging and physically disabled relative lose track of the fact that they need care themselves at times. They may also never have thought of whether the services they provide should be compensated.



JANET COLLITON

compensated at all.

The caregiver may be an immediate family member, a relative, friend, neighbor or professional service provider. The idea is to establish the rules and assure that fair (not excessive) compensation is provided.



Hotels

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Breakfast will be waiting for them when they arrive today and again at 2 a.m. Tuesday before they leave for Washington they'll have scrambled eggs, bacon, etc., LaRosa said.

"We're going to give them cases of water, cakes and donuts for the bus ride," LaRosa said. "We're happy to help."

LaRosa said she got the booking by researching every visitors' bureau from Washington, D.C., to Chester County to see what groups needed hotel rooms. The Dallas group had reservation at a Philadelphia hotel, but LaRosa said she convinced them she could go the extra mile with early check-ins, breakfasts and better service to capture the account.

"That's my job, to find out what business I can bring into Chester County

and into the hotel," LaRosa said.

Ever since the election, hotel rooms in and around D.C. have been snapped up at a frenzied rate.

Nina Kelly, spokeswoman at the Chester County Conference and Visitors Bureau, said the Maryland Office of Tourism contacted her office a month ago to see what hotel rooms were available locally.

Once that happened, the bureau put an "Inauguration Day - Stay in the Brandywine Valley" button on its Web site that takes users to a list of hotels in the region.

The Web site has gotten 2,000 hits since then, a 20 percent increase over the same period in 2008, Kelly said.

Chester County's tourism office is just one across the commonwealth pulling out all the stops to entice some of the millions expected to land in Washington, D.C., this week to come north.

The Greater Philadelphia Tourism Marketing Corp., which promotes tourism to Philadelphia and the country-

side, has "pumped up" its Philly Overnight campaign that offers two nights at a special rate, said Donna Schorr, director of communications for the organization.

The regional tourism office also put together a Philly to-do list for political junkies that includes a visit to Independence Hall and the National Constitution Center, now featuring the America I AM exhibition, which celebrates the contributions of Africans and African-Americans over nearly 500 years.

The Pennsylvania Tourism Office is promoting a past-presidents itinerary for historic junkies touting visits to Wheatland, the Lancaster home of James Buchanan, the nation's 15th president, as well as a stop at the train station where President Abraham Lincoln arrived to deliver the Gettysburg Address.

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U.S. in 'economic Pearl Harbor': Buffett

OMAHA, Neb. (AP) - Billionaire investor Warren Buffett says the U.S. is engaged in an "economic Pearl Harbor."

In an interview that aired Sunday on "Dateline NBC," the chairman and CEO of Berkshire Hathaway Inc. said the nation's economic situation is not as bad at World War II or the Great Depression, but it's still pretty severe.

Buffett said Americans are in a cycle of fear, "which leads to people not wanting to spend and not wanting to make investments, and that leads to more fear. We'll break out of it. It takes time."

Buffett's interview centered on President-elect Barack Obama and the tough task he faces in fixing the U.S. economy.

"You couldn't have anybody better in charge," the Omaha resident said of Obama, who'll be sworn into office on Tuesday.

As one of Obama's economic advisers, Buffett said the president-elect listens to what his advisers say, but ultimately comes up with better ideas.

He predicted that Obama will be able to convey the severity of the economic situation to the American people and explain their part in alleviating it.

As to how long the crisis would continue, Buffett said he didn't know.

"It's never paid to bet against America," he said. "We come through things, but it's not always a smooth ride."

Omaha-based Berkshire owns a diverse mix of more than 60 companies, including insurance, furniture, carpet, jewelry, restaurants and utility businesses. And it has major investments in such companies as Wells Fargo & Co. and Coca-Cola Co.



BUFFETT

Colliton

(From Page B1)

part time. All of the other children live in other states and rarely visit their mother, although they are in touch by telephone.

Mrs. Johnson has investments of \$50,000 in stocks, bonds and cash which she received when her husband died a few years ago. While physically weak, she is competent to make her own decisions.

The parties might draft a personal services contract to compensate Lisa a reasonable amount for her time and services from Mrs. Johnson's funds.

Payment could be on an

provided that the payment is reasonable for the amount of time and type of services to be provided.

Reasonable can be decided based on what comparable services cost in the community and should definitely be documented. I recommend that clients keep a journal of what they do.

Lisa, who is giving up time from her employment and from her own family to assist her mom, would likely feel greater motivation to provide the services in the first place if she is compensated something for her time.

Also, if Mrs. Johnson were to die, Lisa would have received some payment for her services. Often, in families, one family member assumes the primary responsibility for care. When her parent

enter a nursing home after receiving Lisa's services at home and later need to apply for Medicaid, the sums she paid to Lisa may reduce the amount that Mrs. Johnson would need to "spend down" before qualifying for Medicaid.

Importantly, if handled this way, the payment would not be considered a gift, which has serious consequences under Medicaid. Lisa may have to pay income tax but, if properly structured, handled and described, gifting should not be an issue. The agreement needs to be handled in a business-like manner.

The personal services contract should specify the services provided, the amount of compensation and the basis for compensation. Without a

offered her time and services for free. The agreement needs to be entered into before the services for which compensation is being provided.

When in doubt, family members should request professional assistance to assure that they are acting properly.

Janet Colliton is a West Chester attorney whose practice is limited to elder law, Medicare, Medicaid, life care, retirement, and special needs and estates. She is principal of the law firm of Colliton Law Associates PC and, with Jeffrey Jones, Certified Senior Advisor, of Life Transition Services LLC. Questions may be directed to her of fice at 790 E. Market St., Suite 250, West Chester, PA

Report: New York to lead U.S. cities in job losses

NEW YORK (AP) - Only five metropolitan areas in the U.S. will escape job losses this year, according to

that has punctured the California economy.

After New York and Los Angeles, the Miami area is