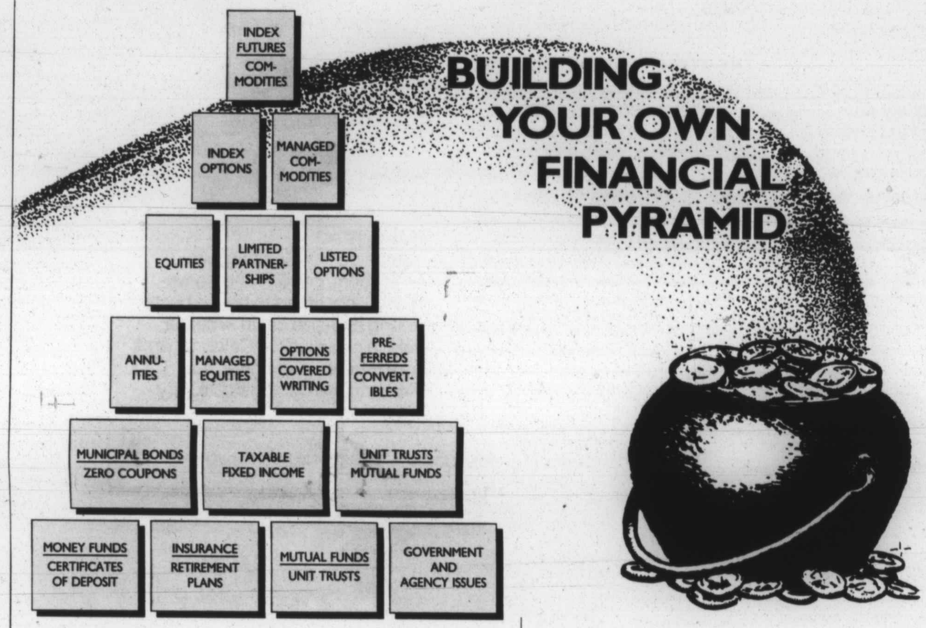
SELF HELP

BY ROBERT SHACK

BUILDING YOUR OWN FINANCIAL PYRAMID



With a little prodding, most people would probably admit they need to organize their finances better. They don't know if they have too little or too much life insurance — and what the best kind is for them. They're not sure they have made the right investments or are getting the highest possible return. Each time they hear about a new financial product or service, they wonder if they ought to sign up. Frequently they do, so they end up with accounts here, there and everywhere.

In short, these people know they need to do some basic personal financial planning, but they don't know where to start. Actually, getting started is much easier than they — or you — might suspect. You can make use of a simple concept — which we at Shearson Lehman Brothers call the "financial pyramid" — to help set your priorities and allocate your funds.

The financial pyramid is a way to picture the common sense idea that you should first establish a relatively large foundation of secure, low-risk investments and then move up, tier by tier, to potentially more rewarding (and also riskier) growth-oriented and tax-advantaged investments. The peak of the pyramid is reserved for the most speculative investments, which should be made only with "play" money — that is, money the investor is fully prepared to lose. The philosophy is that you should first establish a safe, broad investment foundation on which to build. And, like a pyramid, as you progress to the risky pinnacle, the proportion of your total investment decreases.

Since each person's financial goals and needs, as well as attitude toward risk, are different, the stones in every pyramid are of different shapes and sizes. For example, a recent college graduate's pyramid would most likely consist of just part of the bottom tier completed with savings in the form of cash equivalents (such as bank accounts, money market funds or CDs) and term insurance.

An executive in her early thirties who started financial planning early, however, would already have her pyramid half built. With her safe investment foundation already in place, she is now free to put more money into growth and tax-sheltered investments.

A younger executive might plan for growth stocks or aggressive growth-oriented mutual funds to be at the top of his pyramid. But another investor with similar assets and income might be more adventurous. She might be comfortable putting a small portion of her funds into options, gold and silver and financial futures.

Deciding how you will build your own financial pyramid is a step you can and, indeed, should begin to do on your own because it will help you clarify your objectives. Once that first step is taken, you should consult an investment professional, such as a Shearson Lehman Brothers Financial Consultant. With expert guidance, you can make any necessary refinements in your priorities, properly allocate your funds among them, and select the specific financial products that will meet your particular goals. ■

Robert Shack is vice president of Shearson Lehman Brothers, New York City.

. . . Spike Lee

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Spike first became interested in making movies while majoring in Mass Communications at Morehouse College in the late seventies. He went on to get his Masters degree in film at New York University, where he made a short film for his thesis, entitled **Joe's Bed-Stuy Barbershop: We Cut Heads.** That effort ultimately played in a film festival in 1983, earning Spike his first taste of critical recognition.

Spike's road to success was short but not free of potholes. After **Barbershop,** a couple of big-time agents quickly signed him up but got him no work at all, so Spike put his career in his own hands. He formed his own company, Forty Acres and a Mule Filmworks, and wrote a script about a bicycle messenger and his family. Failing to hustle enough funds to turn it into a major production, Spike decided to set his sights lower and make a simpler, less expensive film.

The result was **She's Gotta Have It,** made possible by a small grant from the New York State Council for the Arts, some nickels and dimes from his friends and the cooperation of the actors and suppliers who believed in the film strongly enough to hold out for a year before being paid. The film was shot last year in 12 quick days on a budget of $175,000. Spike began production with a mere $22,000 in hard cash.

Spike took his film to the Cannes Film Festival in July, where he won the **Prix de Jeunesse,** or Youth Award. In August, **She's Gotta Have It** premiered in New York City. The critics raved. One even proclaimed Spike the "black Woody Allen," a distinction Spike would rather do without.

"Whenever there's a level of excellence to be achieved, there's always some white person who's held up as the standard," says the Agitator. "A good composer is compared to Leonard Bernstein. Why not to Duke Ellington?"

Within two months of the premiere, **She's Gotta Have It** opened in 15 cities, including Atlanta, where Mayor Andrew Young declared the September opening date **Spike Lee Day** in the Morehouse graduate's honor. One can't help but wonder if Mayor Young or his staff saw the film in advance. **She's Gotta Have It** barely escaped an 'X' rating. The sex scenes may not be porno, but they are mighty graphic.

Spike is still working on the script for his second film, **School Daze,** about a homecoming on a black college campus hung up on differences of skin color and social class. Black class prejudice is one of Spike's pet peeves. "When people get a few little crumbs of success," says the Agitator, "they try to distance themselves from other people."

And what about you, Spike?

He smiles with those intelligent eyes. "Everybody will be waiting for me to change. They'll be watching closely." But Spike says he has no interest in stardom. He'll "never" go to Hollywood. He'll still be the same guy, he says, still living in Brooklyn. ■