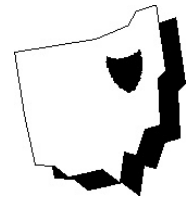




# UNIT OPERATIONS

OFFICIAL NEWSLETTER OF THE AKRON SECTION AIChE



November 2001

## NOVEMBER MEETING

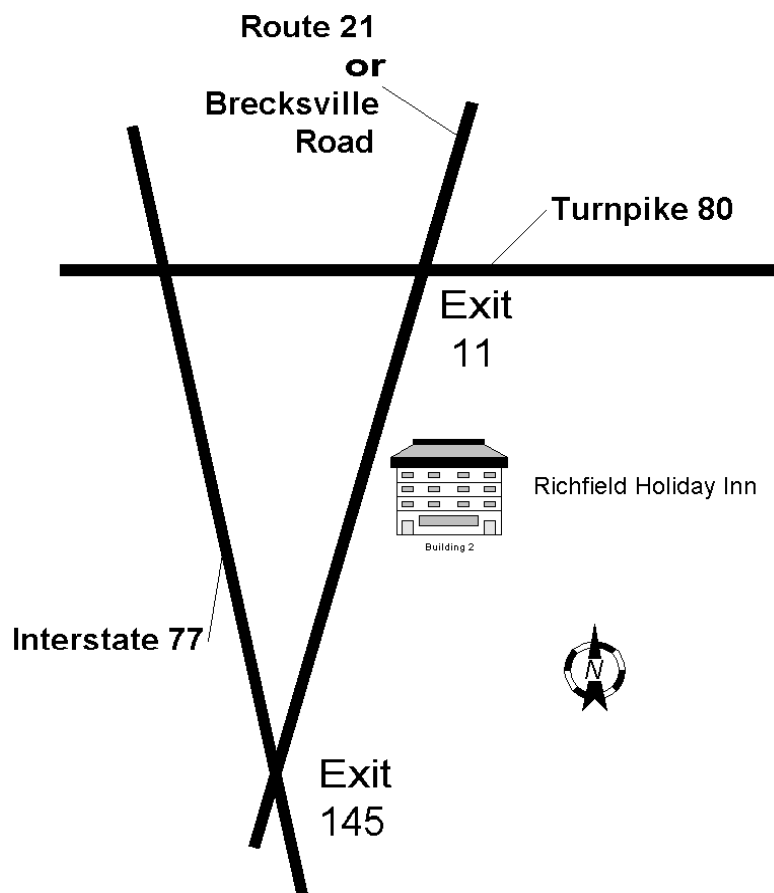
### JOINT CLEVELAND/AKRON AIChE MEETING

#### "The Role of Chemical Engineering Education in Industry A Round Table Discussion"

- DATE** Thursday, November 15, 2001
- LOCATION** Holiday Inn, Richfield (*see map next page*)  
4742 Brecksville Road (at Route 21 and Ohio Turnpike)  
Richfield, OH  
(330) 659-6151
- PANELISTS** Prof. John Angus, CWRU  
Prof. H. Michael Cheung, Univ. of Akron  
Prof. Joan Belovich, Associate Dean at CSU  
Mr. Ben Horwitz, PPD  
Mr. Fred Glock, PolyOne  
Dr. Jim Stevens, Washington Group
- SCHEDULE** 5:30PM Social, cash bar  
6:30PM Round Table Discussion  
7:30PM Dinner and continued discussions
- MENU** Chicken Marsala or Roast Sirloin of Beef  
Dinner includes iced tea, garden salad, rolls & butter, chef's potato dish, chef's vegetable, and Dutch apple pie with ice cream
- COST** \$20 per member; \$5.00 for students
- RSVP** **Chuck Roe** by noon **November 12th** at (216) 344-8211 or preferably by email at [charles\\_roe@ici.com](mailto:charles_roe@ici.com)

**NEWSLETTER GOES ELECTRONIC** In the interest of saving postage and streamlining the distribution process, the Akron Section of AIChE will be distributing its monthly newsletter electronically to its members. For a while we will distribute the newsletter in both electronic and paper form. The Newsletter will be sent as a Microsoft Word document and in PDF format. We have email addresses for most of the members through the AIChE National registration. Please do your part and notify us when your email address changes. Send changes of addresses to the Newsletter Editor [tom.j.flynn@mcdermott.com](mailto:tom.j.flynn@mcdermott.com) or call at 330-829-7622.

# NOVEMBER MEETING



## LOCAL SECTION SCHEDULE FOR 2001/2002

<i>DATE</i>	<i>TOPIC</i>	<i>LOCATION</i>	<i>SPEAKER</i>
November 4-9, 2001	AIChE National Meeting	Reno, NV	The Friendliest Little Town in the World!!!
November 15, 2001	Joint Cleveland/Akron AIChE Meeting – “Chemical Engineering Education”	Holiday Inn, Richfield, OH	Roundtable discussion
December 13, 2001	Joint AIChE/ACS Meeting – Hurricane Forecasting	Tangiers Restaurant - Akron	John Guiney of the National Weather Service
January 2002	TBD	TBD	
February 21, 2002	Engineers’ Week Banquet	Emidios Party Center	
March 2002	TBD	TBD	TBD
April 2002	Student Night	TBD	University of Akron Seniors
July 2002	Cleveland Indians Game	Jacobs Field	
August 2002	Cleveland Indians Game	Jacobs Field	

## LOCAL AREA NEWS/EVENTS

### OCTOBER MEETING

#### INVESTING FOR NOW AND THE FUTURE

by Tom Flynn

John Russo of Charles Schwab presented two perspectives on investing. The first presentation covered **Investing Strategies in Retirement**. The second presentation covered **Investing for Retirement**. The highlights of both presentations are summarized below.

#### Investing Strategies in Retirement

John handed out a packet entitled "Investing Strategies in Retirement." Copies of the packet are available from **Tom Flynn**. They are available on a first come first serve basis. He covered five general areas.

- Saving vs Investing
- Allocation
- Balancing the portfolio
- Adjusting portfolio over time
- Help and advice through Schwab

Average life expectancies of men and women are increasing.

Men/Women	Investment years
83/86	28+
83/86	23+
85/87	15+

Therefore, even when retired one needs to think about the long term. Retired investors are characteristically too conservative. Approximately 66% of retired people work part time.

He recommends setting aside 3-6 months living expenses. Establish two types of budgets.

- Comfort-level budget – spend as you prefer without sacrifice
- Safety-level budget – spend when pinching pennies is necessary for example during prolonged illness.

Current #1 concern is being able to cover health care expenses. Previously, the #1 concern was to leave something for the kids.

Need to have approximately \$230,000 invested to net \$1,000/year income. When to take social security is an issue.

- 65 is full retirement
- 62 80% of value if 65
- 120% of value at 65

After the basics are take care of consider using an index fund for simple diversification. Make changes in tax deferred accounts first and use dividends to rebalance. Retirees should stick to individual bonds vs bond funds because you won't lose the principle. Use bond ladders with staggered maturity dates to make effective use of bonds.

#### Investing for Retirement

John handed out packet entitled "Navigating Today's Market."

We are experiencing a volatile investment period. Since NASDAQ inception in 1971, 83% of 30 most volatile days have occurred in the last 5 years; 70% in 2000 alone. In the S&P 500, 30% of most volatile days have occurred in last 5 years, but only 10% in 2000. Recession is characterized by two consecutive quarters of negative GDP. He presented some general trends. Remember these when developing an investment strategy.

- A typical bull market lasts 28 months. A typical bear market lasts about 11 months. Value funds usually perform better than growth funds.
- Growth funds affected by changes in interest rates more quickly.
- Limit single holding to <30%.
- Value beats growth over the long run.
- Every change in interest rate by the Fed takes 6 months to take affect.
- 80% of fund managers do not beat the S&P 500 index fund, so have some in your portfolio.

AICHe members have access to more information on the Schwab.com website our national website AICHe.org. The Schwab website provides S&P ratings on every stock. It contains a "Planning" tab that allows you to assess you're risk tolerance and portfolio allocation.

## AICHE LOCAL SECTION EXECUTIVE COMMITTEE

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Secretary & Newsletter	Tom Flynn	(330) 829-7622	<a href="mailto:tom.j.flynn@mcdermott.com">tom.j.flynn@mcdermott.com</a>
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ACCESS Representative	Walt Ruthenburg	(330) 796-7385	<a href="mailto:walt_ruthenburg@goodyear.com">walt_ruthenburg@goodyear.com</a>

### AIChE Web Sites

Local: <http://members.core.com/~aiche/>

National: <http://www.aiche.org>

Cleveland: <http://ctsc.org/aichecle>



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**ADDRESS CORRECTION REQUESTED**