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## YOUR MONEY

Think Less of Fed, More About Local Money; Cutting Tuition for College; Manage Office Romance Without the Gossip

Aired December 16, 2007 - 15:00 ET

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ALI VELSHI, CNN HOST: Thanks. Coming up on YOUR MONEY, why you should think less about the Fed and more about your local economy.

CHRISTINE ROMANS, CNN HOST: Plus one top college has moved to cut tuition. What it might mean for your families education bills.

VELSHI: And manage an office romance without feeding the water cooler gossip machine.

ROMANS: All that and more after a quick check of the headlines.

WHITFIELD: Here are the top stories, with in 24 hours look for an icy wintry mess. To stretch all the way from the Plains to the East coast. It comes before the central states can even dig out from the last deadly storm. Thousands are still without power in Oklahoma.

The first black woman and first female to represent Indianapolis in Congress has died. Julia Carson was 69 years old. She passed away this morning after a battle with lung cancer. She served six terms in Congress for Indiana.

We'll update the top stories at the bottom of the hour. Now time for YOUR MONEY.

VELSHI: Welcome to YOUR MONEY where we look at how the news of the week affects your wallet. I'm Ali Velshi.

ROMANS: I'm Christine Romans. Coming up on today's program we'll have recession-proof stocks for your portfolio. Free advice for a tumultuous market.

VELSHI: Also ahead, we will look at Harvard's tuition cut and whether it could start a trend.

ROMANS: And holidays inevitably involve extended family. But that doesn't mean you have to be Santa. An etiquette expert says you don't have to buy gifts for everyone. She's going to explain later.

VELSHI: And call it the economy with an asterisk. That's what we want to talk about with you this week. November retail sales were strong. That's good. But half of that strength came from the price of gasoline.

ROMANS: The jobless rate remains at a low 4.7 percent. But the housing sector is still shedding construction jobs

and high paying jobs in manufacturing. VELSHI: Now that Fed interest rate cut this week, was that this week? That keeps borrowing costs down for businesses and for consumers. But signs of creeping inflation might mean that the Fed won't cut rates again.

ROMANS: There you go. One of these signs just out consumer prices in November jumped by the most in two years. As for recession, the Fed alone can't keep the economy from slowing down.

VELSHI: So it's no wonder that the stock market goes from triple digit losses to triple digit gains. It after all that drama --

ROMANS: And it is drama.

VELSHI: It is. The S&P 500 and the Dow are only about 5 percent off, believe it or not, they are record highs, not the lows.

ROMANS: But, all that uncertainty still, it seeking in among voters. A new CNN poll shows the economy is the hottest presidential election issue right now. The war in Iraq, health care and immigration. A nearly a third of the responds say the economy matters most to them who in deciding who will get their vote.

VELSHI: I get that the economy is the hottest issue. This is the one that continues to puzzle me. Look at the number of Americans who think that we are already in a recession, 57 percent of Americans think we are in a recession, 26 percent say there's one likely next year. And only a minority thinks that there isn't one coming at all.

ROMANS: So what are we supposed to do about it?

VELSHI: I don't know, that is what we have a guest for. Our next guest believes the best way to handle the situation is to think globally and locally. Zachary Karabell is the executive vice president and chief economist for Fred Alger Management and its Spectra Funds. Zachary, you obviously none of what we just said is news to you. You believe that we're in a recession?

ZACHARY KARABELL, EXEC. V.P., FRED ALGER MANAGEMENT: There's an old joke that Bill Gates walks into a bar and everybody's net worth goes up by \$10 million. And the fact is there are a lot of people in this country who are not doing well and they are a small but significant portion of this country that is doing extraordinary. But we end up treating it all as one easy blended statistic. And that one statistic in no way captures the lived experience of 300 million people.

VELSHI: Whether that statistic is unemployment or wages or inflation --

ROMANS: You can say it's a great jobs market. But if you are in a manufacturing job it is not, you can say 4.7 percent unemployment as we pointed out. But if you are working in the housing sector, it's not so great.

KARABELL: Unemployment is a great example. Unemployment physics have been changed in the past 20 years, it used to be that if you were unemployed for nine months you were then not unemployed because you weren't in the job market. If you're unemployed for six months you're no longer unemployed because you're not in the job market. The point is we created these statistics they are supposed to give us a picture of what's going on and they increasingly give us less and less of a picture.

VELSHI: Perfect example, you look at inflation. If you look at inflation as a whole, year over year, it's up 4.3 percent, that's alarming. Particularly when you look at gas and prescription drugs and things like that. But economists like you like to make it a little easier. We look at what's called core inflation which throws out energy and food because they are kind of hard to keep track of.

ROMANS: It doesn't matter for my --

KARABELL: Americans are paying more, not economists like me.

VELSHI: Not like you.

KARABELL: That is part of the problem. Talk to anybody on the street and ask them if there's inflation. They say, yes. I just filled up my car. Statistically there is not, because inflation is a much more complicated statistic. I think increasingly what you are seeing is people are feeling a disconnect between the reality that they are being led and the reality they are experiencing. But it doesn't mean that the reality that each of them are experiencing on the ground is the total picture.

The fact is you just pointed this out in terms of the stock market indexes. If you paid attention to the news every day you'd think either that the markets are down 20 percent this year or that there have been these wide gyrations. In fact there have been about; the entire market has traded within an 8 percent range this year.

You think that when talking about a recession that we're going to plunge into some sort of dire circumstances, 1933 was a dire circumstance, 25 percent of Americans were out of work. The economy contracted by 7 percent. Right now even a recession means a percent down.

VELSHI: And some people may not ever feel it if there is a recession.

KARABELL: Right.

ROMANS: You say there are a lot of winners and a lot of losers in this economy, 300 million people. It's a huge dynamic vibrant economy. We want to be the winners in the economy and we want the people watching this economy to be the winners in this economy. What do we do to make sure you are on the right side of this dynamic economy that more than half of Americans think is headed for a recession?

KARABELL: I mean first of all, there are a lot of people in the unemployment world who are self-employed which carries great uncertainties because you never know where that next paycheck is coming from. It also carries a lot of entrepreneurial possibilities. Increasingly people who are dependent on a wage from a company are in a much more oddly uncertain position than people trying to create their own income in some way attached to capital. There are a lot more opportunities in that than there probably are in the traditional world of, you got a job at 20 and you are employed till you are 65.

VELSHI: Is this an opportunity for people to either be invested in a stock market or be invested in real estate if they've got good credit and they got some capital? Eventually, you think we're going to come out of whatever doldrums we're in?

KARABELL: We always do.

VELSHI: We always do.

KARABELL: And we will eventually come out of whatsoever doldrums we're in. The question is when. There are incredible opportunities in the equities market. Oddly enough what people do in these times is they tend to become risk averse which is totally natural and they want to pull the money out and they go to cash or bonds.

ROMANS: That didn't work this year.

KARABELL: And the weird thing is the errors where people go when they are scared have been the most risky. Money markets have been really dicey as banks have gotten skittish. And equities which have been intended to be perceived as more risky have actually been a lot more stable. And that's because a lot of the companies that these stocks represent are leveraged to this global growth which we know is extraordinarily strong. A lot of U.S. companies are leveraged to it as well. There may be a lot more opportunities in equities than there actually are in bonds in this kind of climate.

ROMANS: All right.

VELSHI: Good advice. We'll take that direction for some of the show. Thank you very much for joining us.

KARABELL: Thank you.

VELSHI: Zachary Karabell is the executive vice president of Fred Alger Management and its Spectra Fund.

ROMANS: Up next on YOUR MONEY, hot picks in a volatile stock market. We'll tell you why soda pop and generic antacids may be good buys. Stick around. We're naming names.

(COMMERCIAL BREAK)

ROMANS: More than half of Americans polled think the economy is already in recession. And you are starting to see it at the mall. The International Council of Shopping Centers reports chain store sales rose just 0.2 percent last week. And shopper track says mall traffic by the start of December was down nearly 5 percent compared with the same period last year. Retailers blamed the weak housing market, the credit squeeze and gas prices.

VELSHI: Also this week, former Fed boss Alan Greenspan says the odds of a U.S. recession are in his words clearly rising. Greenspan told national public radio that global influences beyond the Fed's control helped drive the bubble which led to America's housing meltdown. Earlier, the former Fed chief said he believes the chances of a U.S. recession are now 50 percent. That's up from his earlier estimate of 30 percent.

ROMANS: Most of today's young workers will fall far short of the retirement savings they need. That's according to a study by the government accountability office. Americans retiring in the year 2050 on average will only have enough in their 401(k) to replace a little less than a quarter of their income. That is far short of recommendations of 70 to 80 percent. Thirty seven percent of those retirees will have no savings at all in a 401(k) type account.

VELSHI: After a wild week like this, it might be time to recession-proof your stock portfolio.

ROMANS: Our next guest says there's a lot to worry about in this market. He says there are some good buys out there as well.

VELSHI: Ted Parrish is director of investments at the Henssler Financial Group. He joins us now from Kennesaw, Georgia. Ted good to see you again and welcome to the show.

TED PARRISH, DIRECTOR, HENSSLER FINANCIAL GROUP: How are you doing, Ali?

VELSHI: I'm really well. I feel bad. All we're doing is telling our viewers how grim things might be, but as Christine said, can't sit around with your money in your mattress because given inflation and interest rates, it's not going to be worth much next year. What do you tell our viewers who are worried about what they do with their money right now?

PARRISH: I'll tell you what. Our strategy at the Henssler Financial Group is to invest in quality in stocks over the long term. And what we do is we try to invest in companies that have franchises that have been around a long time

that have good market leadership, good market share and growth and grow in earnings.

ROMANS: The kind of companies that you say goes into a recession and come out even stronger.

PARRISH: That is right. Dr. Jean Henssler, who is the former professor is the namesake of the firm, he wants to buy companies that are not only going to survive the next recession but the next depression.

VELSHI: How do you know that? Gene is such a great guy. You have been doing this a long time. You have a sense of what those good companies are. Some of us will get it wrong every time we pick.

PARRISH: Very strong balance sheets. That means low debt, optimal debt. Different industries require different debt levels and also you have to look at the companies past how they actually handle certain market environments like the last recessions or the last downturn in housing. And we've studied those type things and our companies -- the companies that we own, we think are very high caliber, very high quality companies. And they are growing their earnings and they're going to come out of this whole mess even better.

ROMANS: You only have a few weeks to figure out what you want to get rid of for tax reasons and what you want to add on to before the end of the year. What do you like? You like consumer staples. You like stocks that you think are the kind of stocks that nobody no matter what's happening in recession they are going to still drink beer, they are still going to eat junk food. What do you like?

PARRISH: This year, ahead of everyone else, we knew financials were going to be in for a rough time. We underweighted financials. We've been overweight in health care and consumer staples all year. We think heading into the New Year maybe it's time to lighten up on health care a little bit. But we're still overweight. But in health care, we like Teva Pharmaceuticals which is one of the largest in neighboring drug companies. They'll be there for a long time because the government is trying to lower the cost of health care and Teva is in a sweet position to take advantage of that.

Also, in health care we like United Healthcare but we've pulled back recently because the stock has posted \$60 bucks a share and there is going to be a lot of political pressure on it next year.

VELSHI: You talk about consumer staples. Proctor and Gamble comes to mind when you say things like that. Is that one of the examples of companies you like?

PARRISH: Yes, we own Proctor and Gamble. It's really not at a good price right now but we're holding on to it. It's a great franchise, a lot of international sales so it takes advantage of the weak dollar.

A company in consumer staples that we think is really cheap right now is Walgreen's. It's been under a lot of pressure from CVS and even Wal-Mart, which is another company we own. It's one of those companies that is not in the Dow but it is similar to the Dow because a lot of people have it on its best buy list going into the New Year because the stock is down so much this year. There's nothing wrong with the franchise. It's still growing at a double-digit rate. We think it's in a really good position to do well.

ROMANS: You like Wal-Mart, Walgreen, you like Church & Dwight, this is the company that makes Arm & Hammer.

VELSHI: You know why? Because they get me to buy that thing to stick in my fridge every month.

PARRISH: That is right and they are trying to make stick-ups.

VELSHI: They have deodorant, toothpaste. You say long term. Should our viewers be concerned right now about

what's going on in the markets? It's hard for the average investor to look at 300 points up and down what to do about it.

PARRISH: Yes, they should be concerned. You -- we don't buy and put the stocks in a trunk and forget about them. Not buy and forget. We actually buy and maintain. I mean, so this current environment you have to go through your portfolio and assess how the companies are holding up. Sometimes you have to take losses. If you have losses in a taxable account, take it.

ROMANS: Ted Parrish, the Henssler Financial Group, thanks for joining us.

PARRISH: Thanks for having me.

ROMANS: Great weekend.

VELSHI: All right. Coming up after the break, forget the toys. How a gift can grow in value and how you pick that gift. Stay with us. We're coming right back.

(COMMERCIAL BREAK)

ROMANS: So if you are overwhelmed by the number of toy recalls this year, and tired of buying material stuff for the kids, you might want to try a different stocking stuffer.

VELSHI: A stock is what Christine is talking about. It can be the gift that keeps on giving. Here to tell us more about how to buy a stock for a child and why it makes a great gift is Yiorgo Aretos, he is the CEO and founder of TMP, an independent market analyst group. Yiorgo thank you for joining us. Tell me about buying stocks for a child. Should you buy a stock for a child or should you buy a bunch of them, first of all?

YIORGO ARETOS, FOUNDER & CEO, THETMPGROUP.COM: It really depends on the child that you are buying it for. But one stock accomplishes the goal. And I think that's really the key is to set the goal with the child by analyzing what the child is all about and who that child is because you can accomplish the goal, and the goal really is to create the connection between yourself and the child. And the stock is a great way to do that and to make that connection.

ROMANS: Toys, you throw away toys. A kid moves through a toy, throws it away. You had an aunt who bought you a stock, right, when you were 9 and that was something that really changed your life.

ARETOS: Right, it was Disney. It did change my life. It got me into this career. And it's been a fabulous career. What was more than that, though, it gave us a fabulous connecting point. Normally when you speak with a child, how was school? That's the question. This gives you something to talk about. It's really a two-way street because you've learned from the child as well. You are getting a fresh set of eyes and new perspective from the stock that you are investing in as well. And it's very, very rewarding.

ROMANS: Some people always talk about Wrigley, that's a stock around -- the company tells us around the holidays they send out the annual report and have a little pack of gum. That's something a lot of money managers recommend you buy for a kid. You can buy it right through the company. There are a lot of other stocks that people say you can go and just try to really teach a kid about what a company does and it's something that they understand. But it can be tough, too, because, you know, I can't just go and open up an account. Tell me how it works, you know, physically, to buy a kid a stock.

ARETOS: Well, there's a couple of different ways to do it. With the Internet age, it's a lot easier. And a lot of the brokerage firms inside banks they are opening up more and more to these types of ideas. You have several companies

online and share builder happens to be one of them that you can use as an investment where you are donating certain amounts of money each month and it's going toward building shares.

But a lot of the brokerage firms and a lot of major banks will do it as well. You can open a joint account and then at one point or another when the child becomes majority age you can transfer the stock over. Or you can go right to the company and ask them directly if you can get the stock. That's what my aunt did was go right to Disney and purchase a stock directly from them at the time. This was years ago. Then she ended up having the certificate sent to me which was --

VELSHI: Can you still get that? Because I kind of feel like in this Internet age, there's no stocks. I have a stock of Enron because I bought it after the company was bankrupt to symbolize the amount of time I spent on that story. Do you get certificates?

ARETOS: You can. You have to request them. It's not a very quick process. You wouldn't be able to do it before the end of the month for sure. You definitely can do it. It's something I suggest you do. Having it hung on the wall is something the child can see every day and it is very motivational.

ROMANS: Listen, to the stocks you brought along. One you say good for a kid is Mattel. It's like 20 bucks a share. You can buy a share of the stock cheaper than you can buy the Barbie or the top end of the toys.

ARETOS: It's a great point. We like Mattel. Every year Mattel gets beat up around this time. We like Mattel. Try to find a child that hasn't played with Barbie or Ken or who doesn't know about Barbie or Ken. One of the things that is important when you are thinking about buying a stock for a child is it has to be something that's interesting to the child. It has to be something the child has been exposed to. It also has to be an active stock. Those are some of the things you want to pay attention to. That's one of the reasons we like Mattel. You have the ability to have interaction with the child on their own level. They condition tell you what they think about the toys that Mattel makes.

ROMANS: Great.

VELSHI: Yiorgo, thank you for being with us. Yiorgo Aretos is the CEO & founder of The TMP Group. ROMANS: Also they talk about getting a subscription to "The Wall Street Journal" or something like that for like a pre teen to get them kind of interested. Give them \$100 bucks for a birthday, a journal subscription. Make a little capitalist out of all of them.

All right. Coming up what one top university is doing to lower the cost of tuition.

You shouldn't have, really. What to do when someone buys you a present you just don't want?

VELSHI: Like the subscription the "The Wall Street Journal."

ROMANS: We'll talk to an etiquette expert.

(COMMERCIAL BREAK)

WHITFIELD: YOUR MONEY continues in a moment. Hello, I'm Fredricka Whitfield. Now in the news, within 24 hours, look for an icy wintry mess to stretch all the way from the Plains to the east coast. Thousands are still without power in Oklahoma. And some flights have been canceled out of Chicago.

Pakistani President Pervez Musharraf lifts his state of emergency and revises the constitution. Earlier this morning he swore in the Supreme Court justices he personally picked to replace those he ousted six weeks ago. Later, he vowed January's elections will be fair and held on time.

A strong earthquake rocks eastern Indonesia sending panicked residents into the streets. U.S. scientists put it at a magnitude of 6.3. Locals say it was bigger. So far, no reports of injuries or damage.

Coming up at the top of the hour, Drew Peterson, unlucky at love? One wife drowned. The other missing. His son called to testify. Our legal team looks at the case now before a grand jury. Now back to YOUR MONEY.

VELSHI: Most of us have complained about the rising price of products like milk or gasoline over the years. Now we pay more for those items than we did 20 years ago, but the rate of inflation for those things is nowhere near as steep as it's been for the cost of a college education.

ROMANS: It's incredible. Here's how prices have moved from milk and gas from 1980 to 2006. A gallon of milk went up by about a buck from about \$2 and change to \$3. Here's how some of those same items would have cost you if they went up the same rate as university tuition. Milk right now would cost almost \$16 a gallon.

VELSHI: And gas would be close to 10 bucks a gallon?

ROMANS: Yeah.

VELSHI: Well this week Harvard announced a new plan to offer more financial aid to middle class students. Our next guest says the plan won't do enough to make college affordable. Lynne Munson adjunct fellow with the Center for College Affordability and Productivity, which is an independent and a non-profit center. Thanks for being with us.

LYNNE MUNSON, CTR. FOR COLLEGE AFFORDABILITY: Absolutely.

VELSHI: First of all, let's talk about this sort of initiative at Harvard. What does it do?

MINSON: Well, it doesn't do nearly as much as Harvard is trying to make it appear. What they're really doing is adding \$22 million more to their financial aid program. They are taking it from \$98 million to \$120 million program. And it is very generous; it's more generous than most schools in the country. There's no doubt about that. And it will now include help for middle class families. But it's not nearly as generous as Harvard could afford.

ROMANS: Harvard has, what, \$35 billion in its endowment. So \$22 million, while generous and definitely needed is just a drop in the bucket. So many of the people who are giving millions and millions of dollars to their university endowments are saying they want it to go towards tuition. Is it going toward tuition?

MUNSON: Well, I don't think it is. On average, 56 percent of the funds donated to our private universities is restricted. And about one-third of that, the donors asked to be used on financial aid. Now if you apply those numbers to Harvard's endowment, you come up with a \$7 billion figure. They have a \$35 billion endowment and about \$7 billion approximately donors have be used on financial aid. Do you know how much the \$22 million increase represents?

VELSHI: How much?

MUNSON: Their endowment went up 23 percent last year. That's the amount it went up in 1.5 days.

ROMANS: But my tuition is going up incredibly, almost 6 percent a year. I talked to the College Board yesterday. Over the past five years from 2002 to 2007, up 51 percent for a public four-year school, 51 percent!

MUNSON: Yeah, tuition increase has been outpacing inflation for over 25 years. And Harvard, by the way, isn't saying that they're going to -- they'll hold tuition flat. They increase tuition 5.3 percent just last year.

VELSHI: Now let's look at -- we're talking about Harvard. We've got the screen up that shows the change in college prices over the last year has been above 5 percent. As we've discussed, higher than the rate of inflation for most things out there. What do you do generally? This is a much bigger problem than just Harvard. It's out there for everybody facing a college education. Is there a bigger plan in place to help kids?

MUNSON: Well, unfortunately, what Congress has done mostly over the years really has just enabled the problem of skyrocketing tuition. Making it possible for students and families to take out more loans, larger loans, loans directly from the government even. Just makes it possible for the schools to charge more and more.

And to be honest, to not have to worry about their own inefficiencies, which are a big contributor to our skyrocketing tuition problem. One thing that I've been talking a lot about and we have at the center is tapping into the power and the money in these higher education endowments. Currently, schools are not required to spend any of the money from their endowments.

Unlike, say, a private foundation that has to spend 5 percent a year in exchange for the tax-free status it gets. And the college and universities they can hoard and stockpile money in these endowments to the tune of billions and never spend any. And they really hardly are spending any of the money.

VELSHI: Lynne Munson, this is a fascinating and ongoing discussion.

ROMANS: Please come back because we have a lot more questions about how to survive it and what kind of pressure can be put on universities, I guess, to maybe lower those costs of inflation. Lynne Munson.

VELSHI: Well coming up on YOUR MONEY, your mom has been wrong all along.

ROMANS: No. No.

VELSHI: Why you don't actually always have to send a thank you note. Gift giving etiquette that you need to know about. Stay with us.

(COMMERCIAL BREAK)

ROMANS: The holidays are a time of joy and thanksgiving, a time to share with family and friend. The translation is that's the time to find the perfect gift for everyone on your list under time, pressure and budget constraints and they've got to like it.

VELSHI: One of my producers this morning says, I still don't have a gift for my girlfriend like it was really annoying him. If you don't want to end up as the only grown-up seated at the kids' table you better make sure the gifts are appropriate. Lizzie Post joins us now, has etiquette in her blood. She is Emily Post's great, great granddaughter and the author of a book with a great title "How Do You Work this Life Thing." Lizzie thank you for joining us.

LIZZIE POST, AUTHOR, "HOW DO YOU WORK THIS LIFE THING:" Thanks for having me on. I appreciate it.

VELSHI: I don't think we can talk enough about the appropriateness of gifts. What's your beginning advice when you are getting gifts for people?

POST: You know, this is a time to really just think about how much someone really means to you and to focus on getting them something that you think that they'd really like.

ROMANS: Now do you buy something that you think they would like or do you buy something you would like or do

you just give them a gift card or do you go to their Amazon.com list and pick something they've already picked out? What is the most, I guess, the most meaningful way to get a gift?

VELSHI: Christine and I don't agree on this whole gift card thing.

POST: Well, gift cards are definitely OK. I actually asked for a gift card this year to a couple different stores just because I bought my first home and it would be really useful to have them to use as I start realizing what I'm going to need. It really depends on what the person would like and what you think they'd like.

If you are really unsure, a gift card is a great way to go because then they can choose. Another way to do it is to give a gift receipt with whatever you give so that they can return it if they don't like it and they know you are OK with that.

VELSHI: There's no way no one is not going to know what you pay for gifts. How do you make that determination about appropriate price? A gift card is a little stark.

ROMANS: You give me a \$25 gift card I'm going to tell you didn't spend enough.

VELSHI: That's right.

POST: That's true, but, you know, gifts no matter who you are giving to, no matter what the occasion, actually, they should really be something that you can afford and it's all about your own personal budget. And also to remember that this is a really kind gesture. It doesn't really matter how much the gift actually cost.

ROMANS: Thank you notes. You have to write a thank you note. You cannot send an e-mail. You must write a thank you note and you have to be specific.

VELSHI: 99.99 percent --

ROMANS: I know, but I'm a little over the top but I'm always trying to make sure to school Ali a little bit.

VELSHI: You agree with that?

POST: You're doing a good job.

VELSHI: Do you agree?

POST: You definitely want to write a thank you card for anyone that wasn't there when you open the gift. That's a general rule. And it is so nice to receive that handwritten note. A phone call works great. We really try to shy away from the e-mail thank you. It's quick and easy, sure, but it's really not that appropriate. ROMANS: If it's your grandma you should call and e-mail -- or call and send a note. That's what I think.

VELSHI: What if you get a gift that you don't really want or need. Is regifting OK? What do you do?

POST: Regifting is a tough one. I personally choose not to regift. I don't think it's a good idea. If you do, there are ways to do it. You make sure it's a gift the person is going to really like. You want to make sure it's in its original packaging and also make sure there's no way the person who gave it to you could find out about the fact you've regifted it.

And you also really want to think about whether or not this is something that you really feel comfortable doing. It's dicey. You are trying to fool people when you regift. That's why we say it's not a good idea.

VELSHI: Lizzie good to talk with you. Thank you for being with us.

POST: Thanks so much for having me. I appreciate it.

VELSHI: If you give power tools to everybody then there are no worries. You can regift it. I just say give power tools. Now the problem is that sometimes you have to give wine. If you go to a party or something like this. So I purchased my most recent copy of "Wine Basics for Dummies."

ROMANS: That doesn't apply to you.

VELSHI: By the way, my favorite restaurant, we all know my favorite restaurant. I don't care if you think it's free advertising. It's olive garden. When you go to buy wine at the Olive Garden on the menu, on the wine menu on the back. It describes wines as light and fruity, full and smooth, smooth and fruity, soft berry flavors and robust and rich, which I think is very good advice for buying wine.

ROMANS: So if you don't know how to buy a wine, you have some answers. You found some really good advice.

VELSHI: You can read either of these books. But I actually sat down with Michael Mondavi who left his family business that bears their name to start his own company called Folio Fine Wine Partners. One of the biggest names in the business, Mondavi made it clear that wine is not just for the ultra sophisticated. Take a look.

(BEGIN VIDEOTAPE)

MICHAEL MONDAVI, FOUNDER, FOLIO FINE WINE PARTNERS: Most of the back labels describing wine are trash. I have never smelled the pomegranate and the flowers and the burnt leather that they describe these wines. It's just flowery words that some frustrated journalist is writing for back labels.

VELSHI (voice over): So wine is definitely one of those things that you don't judge by the cover?

MONDAVI: I would not judge the book by the cover alone. I would look at the -- where the wine is made. If it is a Napa Valley or Sonoma County Bordeaux or Maddock, some of the sub Appalachians, vintage dated, that sub Appalachian gives you a better reference that very likely better quality grapes went in here. The longer the growing season, the more flavor in the strawberries. You've had big, long stemmed strawberries you have to dip in chocolate or sour cream and the other smaller strawberries bursting with flavor. Same with all the grapes.

VELSHI: I don't know who is watching this, but I think some people may be intimidated like me because the terminology used to describe wine is not something I can relate to. Or many people can.

MONDAVI: You're not alone.

VELSHI: Give me the idiot's guide to choosing a wine.

MONDAVI: The problem is we've developed wine speak. And it's nuts. The simple thing is wine is like both a dairy product and citrus. And a dairy product wine is either full bodied, medium bodied or light, like cream, milk, skim milk. Wine has different flavor profiles like citrus. You can have a sweet aromatic tangerine or a very tart lemon lime or grapefruit or various orange varieties in between.

If you like more tart things, you are going to want lemonade or grapefruit juice. If you like it sweeter, you want tangerine juice. Grapes are very similar in the fact that different varieties of grapes have more acidity and tannin or less acidity and tannin than others. So a chardonnay is a big wine, but it has soft acidity.

VELSHI: It's a big wine with soft acidity. So a big wine is more like a cream and more acidity is like the lemon or the grapefruit.

MONDAVI: Yes.

But the chardonnay will be kind of medium on that -- more like an orange. Whereas a sauvignon Blanc will be more like milk, not as intense in the weight or the flavor. But it has a crisp acidity which also cleanses your palate, excites the taste buds so the next bite of food is even more enjoyable.

(END VIDEOTAPE)

ROMANS: I just learned more from him, Michael Mondavi who says the wine vocabulary is nuts. I learned more from him than wine classes.

VELSHI: He was really a pleasure to talk to. If you are ready to impress your friends, he offered me the simpleton's survival guide to dealing with wine that arrives at your table. First you swirl the wine in the glass and create more aroma. Then you smell it. And only if it smells OK do you taste it. If the wine passes the taste test, thank the waiter politely and ask him to serve the wine. If you aren't comfortable for any reason, whether it's too light or too heavy, you can send the wine back and order something different. The cost for the bottle is eventually passed on to the winemaker. The restaurant and the waiter are not losing a dime.

ROMANS: So you don't have to feel bad about turning down a bottle of wine.

VELSHI: And he says winemakers do not want you drinking wine you don't enjoy because it's bad for the whole industry.

ROMANS: If you have a nice bottle of wine you remember it and ordered it again.

VELSHI: If not you say I'm going to go with the diet coke next time. There's your wine lesson.

ROMANS: OK. Up next on YOUR MONEY, the state offering a college savings account to all its children and who is footing the bill.

(COMMERCIAL BREAK)

ROMANS: I'm still seething about college tuition that it's gone up so much.

VELSHI: It's unbelievable. And there are a few things going on in the country to help. You have the story. Jennifer Westhoven is with us. We keep having to tell people who you are because you are just like a friend to us.

JENNIFER WESTHOVEN, CNN CORRESPONDENT: Are you ready to move to Maine? Let's all move to Maine together. And then Christine, it will be easier for you to send your kid to school because every child born in Maine will get a \$500 college savings account. This is no taxpayer money. It's all a gift from a shoe company founder. The late Harold Alfont, he wanted to encourage people to save for school. If you left this to collect interest, it would be worth \$2,000 when your kid turned 18. But if you could add just \$50 a month, that would be worth \$25,000.

ROMANS: And it gets you started and you have something to contribute to. It's not starting from scratch. What a wonderful, generous thing to do.

VELSHI: Our friend Doug Flynn who is often on here giving personal finance advice says when you think about college tuition, don't think about it all at once and how much you have to pay. If you get started you can be surprised

how far you'll get from that initial start.

WESTHOVEN: When you see that money growing you get a real sense of power about it and that you're in control. It encourages you to save more.

ROMANS: I am really curious --

VELSHI: I've worked in this business and there is just no way I can make a segue from what we were just discussing to what we're going to discuss. So, Jennifer, tell us about sex and how it pays.

WESTHOVEN: This is the story that had Ali talking all week. Here in the back studio. He couldn't stop talking about this. Move over "Playboy." Penthouse says it's topped the playboy bunny after paying \$500,000 for a number of Web sites including the huge hook-up Web site adult friend finder. If you've never been on it you've probably seen its many pop-up ads. It calls itself the biggest sex and swinger's personal community. It says it has more than 18 million subscribers and that more than a million pay for the service as well.

VELSHI: The Company was bought for \$500 million.

WESTHOVEN: It apparently says this is the biggest transaction we've seen in the adult industry. And it's not just adult friend finder. They also own sites for seniors, Spanish speakers and Christians as well.

VELSHI: Do they have Korean friend finder and Jewish friend finder as well. It's quite fascinating. We talk a lot about social networking and what a big deal it is. We know that the sort of sex- type of industry is valuable. You combine social networking and sex and someone is making money off of it.

WESTHOVEN" What is the real male to female ratio on these sites? How many users of legitimate? Are they just fronts to get you to come to a Web site that's commercial?

ROMANS: I wonder how many are active.

VELSHI: It is east, 1 million paid to 18 million. The social networking stuff is -- are things that I've sort of gone on, registered and experimented with. This one I'm only reading about and trusting Jennifer for the judgment.

WESTHOVERN: I just trust what my friends say about it.

ROMANS: Each week we profile people who redefine the word retirement. Check out this next story of a massage therapist who took one job that changed her life.

(BEGIN VIDEOTAPE)

VELSHI (voice over): Google. Search engine. Tech giant. And for retired massage therapist Bonnie Brown, Google was the job opportunity of a lifetime.

BONNIE BROWN, RETIRED MASSAGE THERAPIST: A friend of my sister's called one day and said, I read in the paper that there's a company called Google looking for a full-time massage therapist. I think you should send them your resume. I said all right. I sent the resume in.

VELSHI: That was back when Google was a small start-up of only 50 people. When Brown was offered the job, she made a savvy decision negotiating her compensation.

BROWN: I'll give you guys ten hours a week at \$45 an hour is fine and I'd like options. And she agreed. We put it

into the contract.

VELSHI: Those options changed her life. They couldn't have come at a better time for Brown. Her marriage had just ended leaving her a single mom with two teenage kids to raise. Plus, the private children's school she ran had gone under. Massage therapy went from being a hobby into a career at Google. Five years of massages and thousands of stock options later, her life turned around dramatically.

BROWN: Valentine's Day of 2005, I knew that if I pushed send on the computer that I was going to be a millionaire. That was quite a moment.

VELSHI: So Brown cashed out and retired. Now she's written a book about her experience and helps fund charitable groups that assist poor people in third world countries.

BROWN: After the IPO, I started a foundation. It's a private foundation. And that enables me to carry on something that has always been a part of my life and that is helping people less fortunate.

(END VIDEOTAPE)

ROMANS: Wow.

VELSHI: Great story.

Coming up, imagine telling your boss that you are dating a co- worker.

ROMANS: No!

VELSHI: Rules on dating at the office next.

(COMMERCIAL BREAK)

ROMANS: Ever had a crush on one of your co-workers? How do you handle love on the job? If you're single, of course.

VELSHI: If you're single, of course. Ines Ferre, here's a look at dating in the workplace. Touchy topic.

INES FERRE, CNN CORRESPONDENT: Touchy topic. I know. We all know someone, perhaps you, who has developed a romance with a co-worker. Well, there's a new book out. It's called "Office Mate" about finding and managing love on the job. I spoke to one of the authors, Helaine Olen who said the following.

(BEGIN VIDEO CLIP)

HELAIN OLEN, CO-AUTHOR, "OFFICE MATE:" People used to see it as taboo because it was, you know, you were endangering your paycheck in theory. But, in fact it was always going on. And as time has gone on and we've had successive generations of women working in the offices, it's equal to men. It's become much more accepted.

(END VIDEO CLIP) FERRE: Now if you do develop a romance with someone at the office and you don't want people to gossip about you, then one thing that the book recommends is not giving them anything to gossip about. That means don't tell them about you dating the -- your new guy, the girl. Cool it at the water cooler.

ROMANS: So keep it on the down low.

VELSHI: All right. So tips for people who get into this mess or situation or what ever it is.

FERRE: A lot of people think that dating at the office is not a big deal but there are many success stories. I mean, we know people who have met people at work.

ROMANS: I married my husband after I met him at work, as a matter of fact.

FERRE: Exactly. You met him at the holiday party.

ROMANS: Right.

FERRE: So here's one of the tips is, don't use e-mail or instant messaging to do any -- conduct any of your back and forth.

VELSHI: Right.

FERRE: Because that's company property and it can be and often is read. Don't ask out in the office. Find another place other than the office. Don't leave and arrive together. If you are dating somebody that you are the supervisor to or reverse, the book really recommends thinking of the bigger picture. Think, can I be with this person, can I see myself with this person married, mortgage, kids, crying at night, all that kind of thing.

VELSHI: As opposed to just thinking about the raise.

ROMANS: Let's talk about breakups here. They don't all work. Mine did. They don't all work.

FERRE: Yeah, one of the things is keep fights out of the office. And also it talks about talking about breakups early in the relationship. That means almost like a prenup.

ROMANS: I know --

VELSHI: That's a buzz kill.

ROMANS: I really like you. Let's talk about what's going to happen if it doesn't work out.

VELSHI: What not to do in this relationship.

FERRE: Don't do it -- if you're married, you're just asking for trouble. ROMANS: This goes without saying but some people need to be told to. That goes without saying. If you can't take rejection, you shouldn't be doing this in the office.

VELSHI: Because you'll face that rejection every day.

FERRE: If you can't take no for an answer, no is no. Don't ask again.

VELSHI: Good to see you. Book is called "Office Mate."

FERRE: "Office Mate."

VELSHI: Well thank you for joining us for this edition of YOUR MONEY. You can catch Christine later today at 6:00 pm Eastern on "Lou Dobbs This Week."

ROMANS: And you can see Ali every weekday morning on "American Morning." We'll see you back here next week with a special YOUR MONEY all about holiday debt.

VELSHI: So tune in Saturday at 1:00 and Sunday at 3:00. We'll see you then.

(COMMERCIAL BREAK)

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