

# Sunday Business

The Gainesville Sun

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## Arnold is father and boss at construction company



BRAD McCLENNY/Special to the Sun  
Ron Arnold, owner of R.E. Arnold Construction, at left, poses with his three sons Jae, Aaron and Gene in the buckets of two excavators.

By ANTHONY CLARK  
Sun business editor

Every day is Father's Day for Ron Arnold — for better or for worse.

His three sons followed him into the construction business at R.E. Arnold Construction Inc. in Gainesville.

Jae, 30, and Aaron, 29, started working for him right out of high school.

"They just came to work and never left," he said.

Oldest son Gene, 36 — "I call him Eugene" — worked for several major construction firms in Florida as an engineer before joining the family business.

Today, Gene runs the office and estimating, Jae is a foreman and equipment operator and Aaron handles the concrete work.

"Aaron is an artist with concrete," Arnold said.

He said he loves working with his sons, even though they voice their opinions very strongly.

"I just won't argue with them anymore," he said.

Their relationship gave Arnold an idea for a reality TV show: Watch the family work together while he tries to find wives for his three sons so he can have grandkids.

"You would see a crazy bunch of people," he said. "You'd see me trying to tell Aaron how to do something as far as concrete. That just isn't going to happen anymore. He's going to do it his

way. Jae's going to do it his way.

"And Eugene has the mindset of an engineer. I don't know how they train engineers over in school, but they all sort of have like a godly personality. I've dealt with a lot of them and you don't ever question them."

The sons came by their hard-headedness naturally. Arnold is too hands-on to keep a superintendent, though he's tried to hire some.

He hopes to cut his role to part-time and turn over the reins to his sons.

"I really don't have to work right now and I've never worked so hard in my life. I visit every job site every single day. Normally, the phone would be ringing off the hook all day long."

Arnold has been hands-on for 40 years after dropping out of college to go into the construction business at age 20.

He built up a large residential and construction business in the Florida Keys before going into retirement at age 34.

After eight years, he remarried and together he and his wife Jill started a business building waterfront homes in the Keys. Jill still handles all of the company's bookkeeping while also working for Shands as a cardiovascular technician.

Arnold said they got burned out in the Keys. "It got to be such a hassle to get building permits."

They moved to Gainesville in the late 1990s to semi-retire. Semi-retirement for Arnold meant building a few houses, duplexes, townhouses

### RON ARNOLD

60, president, R.E. Arnold Construction Inc.

■ **PERSONAL:** Married, three children

■ **DREAM PARTNERS FOR LUNCH/HANG OUT WITH:** President Bush

■ **BEST ADVICE RECEIVED:** "Worry about nothing, pray about everything"

■ **FAVORITE BOOKS:** Tom Clancy novels

■ **FAVORITE MOVIE:** "Romancing the Stone"

■ **FAVORITE SONG:** Lynyrd Skynyrd's "Sweet Home Alabama"

■ **HOBBIES:** Fishing and hunting

■ **EDUCATION:** Through junior year in accounting at Florida Atlantic University

and warehouses here and there.

While doing that, Jae wanted to go into the equipment business to do little jobs, so Arnold bought him a backhoe and a dump truck.

"One thing led to another, 'Now I need a dozer.' One dump truck isn't enough so he needed a few extras, then we needed more employees," Arnold said.

Once they had eight pieces of equipment and eight dump trucks, they decided to go into the site work business.

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### THE COLOR OF MONEY



MICHELLE SINGLETARY

### Taking care of mortgages

It would have shaken my dear, deceased grandmother to her financial core.

The headline read: "Mortgages no longer a stigma in retirement."

That was the finding of the third annual "Affluent Boomers at 60" survey conducted by Bell Investment Advisors.

Baby boomers, the survey revealed, are in no rush to pay off their mortgages.

This attitude of keeping a mortgage years or even decades into one's retirement is a major shift from what Big Mama, a child of the Great Depression, taught me.

She always stressed that I should aim to pay off my mortgage before I retire, getting rid of the most significant expense in my budget.

There was a time when people would throw parties to celebrate being released from the bondage of a mortgage.

But now more than 55 percent of boomers who currently have mortgages do not plan to pay their mortgages off until their 70s, if ever.

"Contrary to conventional wisdom, mortgages can actually be a wealth-building tool for boomers throughout their retirement years," Jim Bell, founder and president of Bell Investment Advisors said in a release about the company's survey. "In addition to their tax benefits, mortgages help free up funds that otherwise would be tied up in property ownership for investment in equities."

For those seniors, wealthy or not, who are inclined to believe it's a good financial move to drag a mortgage into their old age, I've got two words for you: Ed McMahon.

Ed McMahon, Johnny Carson's sidekick on "The Tonight Show" for three decades, is trying to save his multimillion-dollar Mediterranean-style mansion

SINGLETARY on Page 5G



DANIEL ROSENBAUM/The New York Times  
Andrea Newman uses her Blackberry while at home with her son David, 12, in McLean, Va., on June 4. Her iPhone lies on the counter at her elbow.

## Smartphones now ringing for women

In the last year the number of women using smartphones more than doubled to 10.4 million

By LAURA M. HOLSON  
The New York Times

If recent history is any guide, roughly a third of the people snapping up Apple's new iPhone are likely to carry it in a purse.

In a big shift for the phone industry, women have emerged as eager buyers of not just iPhones but of all so-called smartphones — BlackBerrys, Treos and other models.

In the last year the number of American women using smartphones more than doubled to 10.4 million, growing at a faster pace than among men, according to Nielsen Mobile, which tracks wireless trends.

The trend is mirrored in sales of the iPhone. In October, nearly one out of four owners of the iPhone was a woman, according to Nielsen. By March that number rose to one in three.

The iPhone model announced Monday, with faster Internet access and mapping features, may accelerate the shift.

Smartphones are cheaper now — as little as \$99 for the petite BlackBerry Pearl — and are better designed.

Women have been using them for years in business, of course, but many are finding that the phones can also help manage their families' time-pressured schedules and keep them in touch with friends.

"You are not seen as a geek anymore if you have a smartphone," said Carolina Milanesi, research director at Gartner Group, a research firm. "Women, including wives and mothers, need to keep track of their busy lives, too."

The phone makers and service providers increasingly see women as the path to the entire household. According to Verizon Wireless, 71 percent of women make the decision about their family's wireless choices, including phones and service plans. (Smartphones require data plans that can cost \$30 or more a month.) As a result, smartphone makers are beginning to market specifically to women.

### Different Priorities on Smartphones

When shopping for a smartphone, men put a higher priority on Wi-Fi capability, while women are more concerned with price, size and design.

SELLING POINTS	WOMEN	MEN
Wi-Fi, Internet	14%	18%
Keyboard	14	11
Price	14	9
Design, style	12	9
Brand, reliability	7	12
Ease of use	7	8
Touchscreen	4	6
Size, weight	6	3

Based on a nationwide study of wireless subscribers, conducted January through March 2008.

Source: Nielsen Mobile

The New York Times

Research In Motion, based in Waterloo, Ontario, has taken out ads for its BlackBerry phones in Elle, Martha Stewart Living and Oprah Winfrey's magazine O.

Lina Caputo, a part-time teacher from Waterloo, said her husband, who runs a networking company that is not connected to RIM, gave her a second-hand BlackBerry a year ago so they could better manage their two sons' schedules.

"It was a nightmare with the four of us," Caputo said, ticking off a list of SMARTPHONES on Page 5G

# SMARTPHONES: Women using phones to keep track of families

Continued from 6G

her sons' after-school activities, including soccer, hockey and swim practices. "My sons have about 10 hours of sports. It got to be too much. It was confusing."

Caputo said she and her husband regularly sync their calendars. She uses the phone to send e-mail to her husband when she gets home safely from a snowy trip, and to keep in touch with close friends who regularly gather at a local coffee shop.

When six of them went to Las Vegas for a "girls' weekend" in February, five of them brought their BlackBerrys so they could keep track of each other and their kids back home.

Caputo is no longer using her husband's hand-me-downs. On Mother's Day he bought her a new BlackBerry Pearl, one of the company's best-selling phones.

"I don't equate it to getting a vacuum or a blender," she said, when asked if she would have rather received flowers or chocolate. "Besides, my girlfriend got a red one for Valentine's Day."

David Christopher, the marketing chief of AT&T's wireless division, said women were less likely to be wowed by fancy gadgets. Instead, as smartphones have become sleeker, smaller and cheaper, they have become more appealing to them.

"Now they are small enough to be in your purse or pocket," Christopher said. "Design does matter."

Competitors have been working hard to catch up to Apple in the design department. This month Sprint will begin selling the Instinct, a touch-screen device created by Samsung that shares many features with the iPhone. And this summer RIM is adding the BlackBerry Bold, which, like the iPhone, runs on a faster mobile network.

Nielsen's research shows that women are more price-sensitive than men and half as likely to care about whether they have used a specific brand before.

Still, more traditional pitches do have their own appeal. RIM and Verizon Wireless were successful last Valentine's Day with promotional events for a pink BlackBerry Pearl.

Even then, picking the right hue was tricky. "We picked a shade of pink that fit in all kinds of



Andrea Newman and her son, David, 12, use their smartphones over lunch at a McDonald's in McLean, Va., on June 4.

settings — not too flashy," said Mark Guibert, vice president of corporate marketing at RIM. "It was the only color that was purely driven by the female audience. Years ago the market was much more focused solely on function. Now there is more focus on lifestyle."

It's about time, said Milanesi, the research director. When she used to attend mobile trade shows with a male colleague, she said, "they showed him the cool phone and showed me the phone with a mirror."

"Companies need to be careful to not think that to sell smartphones they just need to be pink," she said. "There are other things women want."

Steve Jobs, Apple's chief executive, understood this when his engineers created the iPhone.

Although it is not marketed specifically to

women, it has a clean design and multimedia features that many women say they like, but that the BlackBerry lacks.

Kayne Lanahan, who lives in New York and is the owner of an online music site, bought an iPhone last October after her dog wagged its tail and tipped her Nokia cell phone into a cup of coffee.

She didn't even contemplate a BlackBerry, stung by the image of the work-obsessed executives she knew when she worked at the News Corp. who furiously e-mailed their bosses during meetings and at the table during late dinners.

"I didn't want to be that person," Lanahan said. "This is such a girly thing to say, but I love the iPhone's design."

That, and the fact that the \$399 device suited her technological lifestyle.

Lanahan owns an Apple MacBook Pro laptop

*Two-thirds of women with smartphones say they use them primarily for pleasure rather than business.*

and five iPods.

She uses the iPhone's notepad function to track restaurant recommendations from friends. She takes pictures at concerts, some of which show up on her Web site.

And once, when her name didn't appear on the guest list at a club she was invited to, she used her iPhone to show the bouncer an e-mail which proved she was invited.

Plenty of other women are finding that smartphones are much more than a tether to the office. According to Nielsen, two-thirds of women with smartphones say they use them primarily for pleasure rather than business. The contrast with men is stark: Just 42 percent of male smartphone owners say the same.

But what is a woman to do if she wants all the features of an iPhone but her corporate e-mail works only with the BlackBerry? In the case of Andrea Newman, a senior vice president of government affairs for Northwest Airlines, she decided to get both.

"I have the BlackBerry for work and I bought the iPhone for fun," she said. "Using e-mail on the iPhone is more difficult, which is why I use the BlackBerry."

Still, she liked her BlackBerry so much that she bought one for her 21-year-old daughter so they could communicate when she went to Europe.

And for her 12-year-old son she bought an iPod Touch (which can access the Internet over Wi-Fi but no phone capabilities) so they could e-mail too.

Newman was asked which phone she would keep if she was stuck on a desert island.

"Ewww," she said. "I never thought about it. Really? If I could only have one?" Minutes passed as Newman weighed the pros and cons of each. Finally, she said, "I guess if I wasn't using the BlackBerry for work, I'd have an iPhone."

## SINGLETERY: Investing money is not as worthwhile as paying off mortgage

Continued from 6G

from foreclosure.

The Beverly Hills estate has a \$4.8 million mortgage and, according to a default notice, McMahon, 85, is more than \$644,000 in arrears.

I wanted to ask McMahon what went wrong.

I wanted to know how someone who reportedly earned millions in his lifetime peddling the American dream of instant fame and fortune as the pitchman for American Family Publishers' sweepstakes and host of "Star Search" could fall so far financially.

But Howard Bragman, McMahon's spokesman, said his client was tired of talking about his situation.

McMahon would be willing to talk to me only about developments in his career, Bragman said.

McMahon did acknowledge his poor handling of his money in an interview with CNN's Larry King.

"Well, if you spend more money than you make, you know what happens. And it can happen," McMahon said.

McMahon, wearing a neck brace and sitting beside his current wife, Pamela, also blamed his multiple divorces and the economy for his money woes. His troubles got worse when he

broke his neck in a fall. His injury has prevented him from working, he said.

Pamela McMahon told King: "You always want to take great care of all of your friends and your family and everybody, and you do. We didn't keep our eye on the ball. We made mistakes."

While tragic, McMahon's plight is an example of what happens when you live too large. As I wrote in my first book, "Spend Well, Live Rich," Big Mama believed in a simple principle: It's not how much you make that matters, but how you make do with what you have. If you don't have much, you scrimp and save to make sure it stretches far enough. If you earn a good living, you scrimp and save to make sure it lasts long enough.

If you always spend more money than you earn, you can't possibly earn enough.

The biggest mistake McMahon made was taking on such a large mortgage in his senior years. How much longer did McMahon think he could work and earn the millions it would take to satisfy that debt and his living expenses, even without an injury? Clearly he didn't have enough savings as a backup.

Some investment advisers keep trying to convince baby

boomers and the rest of us that we are smarter than the Depression-era generation. Don't pay off your mortgage, they say. Invest that cash they urge. But they're just trying to sell you something.

The fact is, the wisdom of Big Mama's generation about mortgages was right. They understood the risks. If you pay off your mortgage before you retire, you have more financial flexibility. You have a better chance to withstand a major illness or injury, a downturn in the economy or a drop in the stock market.

Of course you need to save and invest, too. You don't want to be in the position of having all your money tied up in your home. If you do, you'll have to sell the home or borrow against it.

Don't listen to the knuckleheads who say keep a mortgage forever. Look forward to the day when you can celebrate the retiring of that debt.

*Listen to Michelle Singletary discuss personal finance every Tuesday on NPR's "Day to Day." To hear her reports online go to [www.npr.org](http://www.npr.org). Readers can write to her c/o The Washington Post, 1150 15th St., N.W., Washington, D.C. 20081. Her e-mail address is [singletarym@washpost.com](mailto:singletarym@washpost.com).*

## Europeans flock to U.S. to buy cars

The Wall Street Journal

The weak dollar is drawing a new group of Europeans to shop in the U.S. — for European cars.

More Europeans are turning to the U.S. to buy luxury cars and then shipping them back home. The cheap dollar and competitive pricing in the slow U.S. market can yield savings of as much as 30 percent of the cost of similar models in Europe, even after costs of transporting the cars and complying with different emissions standards.

Reimports of used cars have surged the most. It is still hard to bring a new European car back to Europe. Approved U.S. dealers for most European brands that are caught selling new cars to be shipped back can face penalties or fines by the auto makers. And many European customers are reluctant to buy new cars from the U.S. because modifications needed to meet European road-safety and emissions requirements invalidate the U.S. warranties.

But reimports of "nearly new" cars are booming, hurting some dealers in Europe. U.S. dealers aren't fined for selling such cars for export, and many

secondhand sales still are made by independent dealers, not franchise dealers, making it more difficult for auto makers to control the market.

The buyers of these cars are mainly individuals. Just how many used cars made by Porsche Automobil Holding SE, Daimler AG's Mercedes-Benz, BMW AG, Volkswagen AG and its Audi unit, and Ford Motor Co.'s Volvo are being reimported into Europe from the U.S. is hard to quantify, as there are no official statistics. Importers, auctioneers and vehicle modifiers, however, say the reimport business has never been this good. Specialists in shipping cars across the Atlantic say they are booked for months and are even turning customers away in some cases.

Imports of secondhand cars to Germany from other countries, including the U.S., were up 48 percent last year from 2006, according to VDA, the German automobile-industry lobby.

U.S. cars engineered to European standards are also seeing a pickup in demand, though these are already available at competitive prices in European dealerships. But some U.S. cars not available through dealerships in

Europe need emissions and safety testing to ensure they meet road-safety standards; an emissions test alone can cost as much as 15,000 euros, wiping out any price advantage. European cars are engineered to European standards, so even if they require some modifications, they don't need such extensive testing.

Because the U.S. is a more competitive market, European manufacturers have for years been forced to lower the prices of cars they sell in the U.S. The difference has widened as the dollar has lost about 18 percent of its value against the euro in the past two years.

At the same time, the price of secondhand cars has fallen dramatically in the U.S., especially over the past year, resulting in even lower prices when compared with equivalent vehicles in Europe.

"In the past year we've gone from selling 500 (secondhand) cars a month to overseas clients to about 2,000 a month today," says Dwight Grovum, a vice president at Toronto-based Akinvest Inc., which runs Exportrader.com, a secondhand-car-auction site that caters only to clients outside the U.S. and Canada.

## ARNOLD: Hopes to build a cement plant on-site within a few years

Continued from 6G

They soon found themselves busy laying underground utilities, clearing property, building retention ponds, laying asphalt and doing roads and curbs, Arnold said.

Now the company has 53 pieces of equipment, including pavers, bulldozers, excavators, mixers, rollers and graders.

Before the housing market cooled more than a year ago, Arnold Construction was doing site prep for homebuilders such as Tommy Williams Homes, Robinshore and Emmer Development.

Last year, commercial jobs kept them busy with \$10 million in contracts, including site work at Pugh Hall at the University of Florida, Loftan High School, Bennett Elementary in Green Cove Springs and Shands Surgery Center. They recently finished work at Bailey Estates in High Springs, the

SunState Federal Credit Union in Chiefland and are now finishing jobs for Florida Capital Bank, Alarion Bank and the Alachua Town Center.

Arnold said the work has almost come to a stop, however. So far this year, the company bid on 27 jobs and got two.

"It's become so competitive," he said. "We're still bidding to make a profit and right now that isn't going to work because people are bidding at cost or below."

Some are lowering costs from a year or two ago, even while the cost of all materials is going up because of oil prices. A year ago, asphalt cost \$53 a ton, and now it costs \$70-plus.

"I think they're scared they're going to run out of work and lose employees," he said. "That's like saying it's going to take a little bit longer to die."

He said Arnold Construction is down from 63 employees to

about 38.

In the meantime, it will be building on property Arnold owns — a 16-unit apartment building now under construction in Gainesville, and homes on subdivided lots in Gilchrist County.

The company is also using the lull to build a new office and warehouse on 10 acres off State Road 24 in Archer, with plans to move from the Northwest Industrial Park in Gainesville in a few weeks.

Arnold said Archer is convenient to job sites in Gainesville, Williston, Chiefland and Bronson, and most of his employees live west of Archer. He hopes to build a cement plant on site in a couple years and add office space at the front of the property.

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