

# InThe Loop

Your magazine of personal finance

January–February | 2022

## Prep your small business for a successful year



Google My Business 101 | Tips for this tax season  
Brutal business myths | Crush the clutter | Feeling '22?

## What's new for '22?

Over the last couple of years, the world has transitioned to a "new normal" as a result of the COVID-19 pandemic. Individuals and businesses have had to adapt in completely unanticipated ways that continue to surprise us as they reverberate through our lives.

With the advent of a new year, we're here to help you navigate the impact of this new normal on your business and personal tax situations. And with tax season just around the corner, it's time to get your documentation organized so you can file as soon as the IRS begins accepting returns.

That's why this issue of *In The Loop* includes tips on prepping your business for a successful 2022 (hint: "Get organized" is high up on the list), along with tips to help reduce tax season stress and a primer on Google My Business, the most vital online tool that small business owners may not be using. We've also busted some common business myths that may actually be holding your business back.

We're launching a year-long series of articles devoted to helping you clear the clutter from your home and business, so you can start 2022 feeling productive and end it feeling at peace in streamlined surroundings. And we've got a fun roundup of '22 trivia you can use to impress friends throughout the year.

So, from new tax thresholds to the new realities of business, we hope the tips in this issue will help you refresh and reinvigorate your life as 2022 unfolds.

*Your Trusted Advisors*

**We're here to help you navigate the impact of this new normal on your business and personal tax situations.**

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# Prep your small business for a successful year

For many small business owners, the COVID-19 pandemic became a never-ending guessing game of, “Is today the day my business closes for good?”

The last couple of years were rough ones for small businesses. Forced to deal with issues like social distancing restrictions, staffing problems and waning sales, some owners had to close their doors for good. Some owners continue to struggle, while others are successfully finding their footing in this new world—but must always be ready to reinvent their businesses as that world evolves.

Luckily, there are certain enduring business basics that can help every business owner prepare their businesses for a successful year... even when they can't be sure what the year will bring. Consider the following to get your business on the right track:

## ■ Get and stay organized

A successful business is one run by an organized business owner. Running a business involves a million details, and sometimes those details need to be accessed easily (e.g., tax audit, loan

opportunities, legal issues). Since you have to get ready to file taxes at the beginning of the year anyway, now is a great time to be sure your inventory is up to date and your records are complete, organized and detailed—and to promise yourself that they'll stay that way throughout the year.

## ■ Review and adjust your business plan and goals

Even in a calm period, things happen that could require a course change for your business. If you're like most of us, over the last couple of years, it's probably been tough to take an extra breath, let alone take a look back at the events of your year. Especially if you've had to change your product or service lines, or lay off employees, it's vital to give yourself some time now, at the beginning of the year, to outline what's changed. Then, you can adjust your business plan if necessary, gauge the progress of your goals, and determine whether and how those goals should change. You'll gain a new sense of focus, and you'll also have solid answers for your employees when they ask you questions about their future with the business.

## ■ Take a look at your online presence

If the pandemic taught business owners nothing else, it at least showed them the value of their online real estate and tools. Whether your particular “online” involves a remote work strategy or an e-commerce site (or both!), it’s vital that it meets the needs of the users and your business. Map out a plan for refreshing your website and e-commerce sites so that they’re not only attractive to customers and prospects but do what they need them to do. If you have employees who work remotely, make sure they have all the tools that enable them to do their jobs. And if you meet with customers and employees, be sure you have Zoom, Slack, Teams or another virtual meeting tool in case they still don’t feel comfortable with in-person meetings.

## ■ Have a contingency plan and an emergency fund

The idea of businesses shuttering and hundreds of thousands of people being thrown out of work practically overnight are no longer just stories in the Great Depression chapter of our high school history books. We’re still emerging from the COVID-19 pandemic, which means that it’s possible for our economy to backslide again. Plus, there’s always the possibility of natural disaster, illness or other unforeseen circumstances that can set you back...or put you out of business. Don’t wait to put together a contingency plan for steps you can take to keep your business in survival mode. Make it this year’s resolution (even if it’s a little past New Year’s Day) to start putting away funds to carry you through. Even if you start small, at least it’s a start.

## ■ Build a support network

Being a business owner can be a lonely experience. Make it a point to find someone—or several someones—you can mutually share a sympathetic ear with or serve as a sounding board for questions,

decisions or dilemmas. A business coach, other local small business owners, your peers in professional associations across the country (remember, Zoom is your friend), or even the right Facebook group know what you’re going through because they are, too. And that can make a world of difference.

## ■ Keep the focus on customer service

A business without loyal customers is...probably out of business. Consider sending a survey to your current customers to ask what they like about your business, what could be improved and what they want to see in the future. Then, act on their answers and suggestions if possible (i.e., “Carry widgets in more sizes” is a definite possibility; “Start a free widget Wednesday” maybe not so much). Don’t neglect your prospective customers, either. Make it easy for them to get the information they want and need from you by making your website easier to navigate. If it makes sense to offer educational content, make it easy for them to find and download it. Find out where they spend their time online—Facebook, Instagram, etc.—and see if it makes sense to fit social media marketing into your marketing plan, if you haven’t already. Use the adaptability you’ve learned over the last two years to think outside the marketing box.

Author Karen Salmansohn writes, “The most challenging times bring us the most empowering lessons.” If that’s true, the last two years have been a master class in adapting and managing through the chaos.

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The way you run your business today may look nothing like it did two years ago, but no matter how much has changed, you can take steps to make sure you have your business set up for success this year. ■



# Google My Business 101

Does your business serve in-person customers during regular business hours? Then you *definitely* need to make sure you're maximizing the benefits of a free Google My Business (GMB) listing.

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Here's a quick primer—direct from Google—on how to optimize the SEO benefits of this free platform to increase your business.

## How can GMB help your business?

If you run a business that serves customers at a particular location or serves customers within a designated service area, your GMB profile can help potential customers discover the products and services you provide, as well as find your location and contact you. In addition, according to Google, verified businesses are twice as likely to be considered reputable as those that are unverified.

## How can I manage the way my business appears online?

Your GMB profile allows you to manage how your local business appears across Google products (e.g., Maps, Search) and can influence your visibility among search results in three key ways:

① **Search engine optimization (SEO)**, which is how results appear when someone uses a search engine like Google. These are known as organic search results. You can't pay to change how and where organic search results appear; they're determined by a number of factors, like how relevant they are to the original search.

② **Search engine marketing (SEM)**, which is when you buy ads to appear in search results like Google's online advertising program, Google Ads. If you want to make your business even more visible on Google, you can use Smart campaigns in Google Ads, a paid option.

③ **Location searches**, which provide results tailored to help users find nearby businesses in a particular geographic area. Your GMB profile can help you show up in local results in both Google Maps and Google Search.

## What are the advantages of keeping my GMB profile current?

There are three benefits to keeping your GMB profile up to date:

① You'll always have accurate information about your business online. Your hours, website, phone number and location (e.g., street address, service area or place marker, depending on your business) help your business appear correctly and more frequently in search results.

② You can easily interact with both existing customers and new customers who find you online. You can post photos of your business and your products and services, as well as collect and (if needed) quickly respond to customer reviews.

③ You'll improve how your business appears in online searches, so new customers can easily find you. Make a point of directing customers to your website.

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This brief summary should be enough to get you started with GMB if you haven't already set up and verified your profile. You may want to engage the assistance of an online marketing professional to help you integrate GMB into an overall digital marketing strategy for your business. ■



# Tips for this tax season

Did you know that there are still some key tax transactions you can make to reduce the taxes you owe and put you in a better position when filing your return? We have some tips to help you learn more—and please reach out to our team for additional insights that could save you even more this tax season.

## ■ Rev up your retirement accounts

A key tax-saving move is to increase the amount of money you put into your eligible retirement account for 2021. You still have until the April 15 deadline to do so. Making a deductible contribution will lower your tax bill this year and help you create future financial security.

For 2021, the maximum IRA contribution is \$6,000 (\$7,000 if you're age 50 or older by the end of the year). If you're self-employed, the maximum annual addition to SEPs and Keogh plans for 2021 is \$58,000. All these contributions will compound on a tax-deferred basis, which can really lower your tax obligations now.

## ■ Make any estimated tax payments you owe

If you're a self-employed business owner and didn't pay enough to the IRS in estimated taxes during the year, you may owe a significant amount of tax, interest and penalties. Per IRS rules, you must pay 100 percent of last year's tax liability or 90 percent of this year's in order to avoid an underpayment penalty. (If your adjusted gross income for 2020 was more than \$150,000, you'll have to pay more than 110 percent of your 2020 tax liability to be protected from a tax year 2021 underpayment penalty.)

If you make an estimated payment by January 15, 2022, you can erase any penalty for the fourth quarter, but you'll still owe a penalty for any earlier quarters you didn't pay. (Note: There's a balance when it comes to paying too much vs. too little in taxes. Paying too much gives the IRS an interest-free loan, and they won't pay any interest on taxes you overpay.)

## ■ Determine whether you could benefit from itemizing your deductions

The standard deduction may be easier in the short term. But if you're self-employed, own a home or live in a high-tax area, you may save more money

by itemizing—especially when your qualified expenses add up to more than the 2021 standard deduction of \$12,550 for most singles and \$25,100 for most married couples filing jointly. This may be the case if you had significant medical expenses, too.

## ■ Consider the home office tax deduction

To claim the home office deduction, you must use the space you're claiming exclusively for business. You're entitled to write off expenses associated with the portion of your home where you exclusively conduct business (such as rent, utilities, insurance and housekeeping).

Something new to consider this year: It used to be that if you used a percentage of your home for a home office, under the previous tax rules, that percentage of the profit did not qualify as tax-free when you sold your home. This no longer applies; however, you do have to pay tax on any profit that results from depreciation claimed for the office after May 6, 1997. This amount is taxed at a maximum rate of 25 percent.

## ■ File your taxes and pay them on time

Delays happen. If you can't finish your return on time, make sure you file Form 4868 by April 18, 2022, to get an extension of the filing deadline until October 15, 2022. You'll still need to make a reasonable estimate of your tax liability for 2021 and pay any balance due with your request. If you file and pay late, the IRS may assess a late-filing penalty of 4.5 percent per month of the tax owed and a late-payment penalty of 0.5 percent per month of the tax due.

## ■ Enlist our firm's help

Do you have a complex return? Or do you have both business and personal taxes to take care of? If you don't feel confident doing your own taxes, our professional team is here for you. Contact us to learn more about how we can work with you to make tax season as stress-free as possible. ■



# Brutal business myths

There's a lot of advice for business owners out there, but not all of it will actually help you grow your business. Check out these common business myths and how to break through them, from [AmericanExpress.com](https://www.AmericanExpress.com):

## Myth ①

### ***The customer's always right***

Because it's impossible to make everyone happy, you can't run your business by customer consensus if you want to stay in business. However, it is important to understand who your best customers are, look at things from their point of view, listen to what they need, and ask for feedback on your process and product.

## Myth ②

### ***What you want is what your customers want***

Success in business is based on filling a market need...not on your own dreams. It could be that your dreams and a profitable market align, which is a wonderful position to be in. However, you also need to build good distribution and marketing for your product and/or service, too.

## Myth ③

### ***The only financial metric you need to focus on is sales volume***

As AmericanExpress.com points out: "Sales are vanity, cash flow is sanity. It makes no sense to grow the sales of a company if they keep losing money. Is there less money at the end of the month than at the beginning? Fail. Successful small business owners focus on cash flow and know how to read their cash flow statement."

## Myth ④

### ***Teamwork should equal consensus***

A great team can be the difference between success and failure for any business. However,

it doesn't mean that everyone has to agree with every decision. The input from each team member should depend on their role. Sometimes decisions need to be made by management—and then it's up to the team to get things done through collaboration rather than consensus.

## Myth ⑤

### ***The lowest price will attract more customers***

Having a loss leader (a lower-priced product that gains the attention of your desired market) can be beneficial, but you don't want to base your entire relationship with your customers on price. The best formula for decent profits is to deliver value to a specific segment of the market at a price that's fair for the deliverable. If your product is priced lowest, you'll need to have the highest volume of customers to make it work for your long-term business viability.

## Myth ⑥

### ***Success is solely measured by money***

While money is important—after all, no one goes into business to not make it—the level of value you provide, the level of satisfaction you get and the cash flow you derive from the company are also key measures of success.

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When running your own business, it's important to separate fact from fiction. Start by busting through the business myths covered above to ensure that you're operating and growing your business from a place of truth and solid advice. ■

# crush the clutter

part 1

Living with clutter can heighten your anxiety levels, impair your ability to focus and make you less productive. If you're struggling with a cluttered environment, make this the year you clean your home from top to bottom—and keep it organized—with our four-part series on crushing clutter.



In this first article, we'll start with your basement or storage room. To keep things from feeling overwhelming, devote just 15 minutes at a time to each of the following tasks, and before long, you'll be looking at a beautifully organized basement and a stellar, streamlined storage area.

### ① **Break the basement into "buckets"**

Organizing an entire basement can seem like such an insurmountable job that you never get started. To make the task feel more doable, think about "buckets" of tasks instead of doing everything all at once. Start, for example, with taking an inventory of which basement contents you can trash, tidy up or donate. Then group those items together for sorting. The next day, sort just five boxes, and then five more the next day, until you have them all done.

### ② **Isolate a staging area for sorting**

If you're having trouble figuring out how to organize things while standing in the midst of everything, you may want to create a separate area in your home to do the actual sorting. Once you have a staging area for your clutter readily available, it becomes much easier to deal with everything.

### ③ **Create four seasons in your basement**

A logical and easy way to keep your basement organized is to divide the storage spaces into seasonal zones. Put holiday décor in the winter zone, gardening implements in the spring zone, grilling tools and pool toys in the summer zone, etc.

### ④ **Keep everything in airtight containers**

If your basement is damp, running a dehumidifier can help. However, to truly protect your clothing and other items, you'll need to keep everything in plastic bins or even vacuum-sealed containers.

### ⑤ **Maximize your storage space by thinking vertically**

It's so easy for clutter to create a sprawling mess that creeps across your basement or storage area floor. Instead, use vertical bins and shelves to maximize your storage space and make the most of the room you have.

### ⑥ **Put priority items up front**

If you have to keep digging through things you use only occasionally to get to what you need, then your storage system is not going to work well long-term. As you put items away, think carefully about which items you rarely use and put them toward the back of your storage space. Keep things you use often toward the front in more convenient places.

### ⑦ **Make your storage space a place for multi-tasking**

If you have limited space and plan to use your basement as a living area, consider multipurpose storage furniture (e.g., storage ottomans, desks with deep drawers, tables with storage underneath). They're great options for keeping things you need to access frequently out of sight.

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These tips may seem basic, but they truly will help you banish basement clutter if you abide by them over the long term. Another important piece of advice: Stop accumulating things you don't need after you've completed the organizing process. Keeping your home clutter-free is just as much a matter of curtailing what comes into your house. Your bank account will thank you, too! ■



As Taylor Swift says in her hit song "22," she doesn't know about you, but she's feeling 22. Well, we do too—so here's some fun trivia about things that have happened in years ending in 22.

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### **In 1622, the Gregorian calendar declared January 1 the first day of the year instead of what other day?**

- A. March 25
- B. June 15
- C. January 30

Answer: A. To conform to the Annunciation festival, England adopted March 25 as New Year's Day in the 12th century. Nearly 300 years later, it was changed to January 1, and a leap year was added to account for the earth's rotation around the sun being 365.25 days.

### **What common household object was patented in October of 1722?**

- A. Tea kettle
- B. Watering can
- C. Fire extinguisher

Answer: C. French C. Hopffer, a celebrated chemist, patented his design for a system of fuses which, when lighted, would explode and scatter a solution of fire-extinguishing liquid. Before this, in case of fire, you'd use...a bucket of water. Thank goodness for modern technology.

### **On March 30, 1822, U.S. Congress merged two territories to create what current U.S. state?**

The territories of East and West Florida were combined to create a single territory. Tallahassee was named the capital of the new Florida Territory. It would be another 22(!) years until Florida became a state.

### **Which popular U.S. magazine published its first edition on February 5, 1922?**

- A. Time
- B. Reader's Digest
- C. Good Housekeeping

Answer: B. Since its debut in 1922, Reader's Digest has published in more than 25 different countries and has circulated to 10.5 million people.

### **Since we can't say yet what historic events will occur this year, let's see what we can look forward to in 2022:**

- February 4: 2022 Winter Olympic Games scheduled to begin in Beijing, China
- February 6: Queen Elizabeth's Platinum Jubilee, marking 70 years on the throne
- May 10: Eurovision Song Contest 2022, Turin, Italy
- July 7: 2022 World Games scheduled to begin in Birmingham, Alabama
- November 21: 2022 FIFA World Cup kicks off in Qatar

And, of course, all the unanswered questions we'll have to endlessly discuss. Will Nathan Chen land every quadruple axel jump in his Olympic programs? Will a new iPhone be released? Who will win Oscars, Emmys and Tonys this year? Will season four of "Stranger Things" be released?

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So much to look forward to; so much yet to happen. Are you feeling '22 yet? We hope so. Here's to an exciting year! ■

# We take your **data** **security** seriously

Protecting your personal data from today's breed of cybercriminal is a main focus in our firm. We continue to implement best-of-breed technologies and enhance our internal processes to keep your sensitive data safe and secure.

***Thank you for making us  
your trusted advisor***

