

# Advantage

Your personal finance edge

March–April | 2022

## The Great Resignation: What's next?

EXIT



FAQs for future freelancers | Cybersecurity for business  
Key tax changes for 2022 | The facts on fitness vacations  
Fun and free travel games

## Finances, fitness and fun

Finances, fitness and fun. These three words (and usually in this order of importance) apply to many of us on a daily basis.

A strong financial foundation is the key to living the rest of your life the way you want. It all starts with an accurate and realistic view of where you stand financially, so you can make smart decisions that fulfill your financial obligations while you achieve your long-term goals.

A business can't have a strong financial foundation without employees. Our article about the lessons of The Great Resignation will help you create a great onboarding and working experience for your employees.

Not a business owner yet? If you're thinking about going freelance, check out our startup FAQs to help you begin and keep your business on solid financial footing. We also have some suggestions from the FCC to help your business stay cybersecure.

And we share some key tax changes you can discuss with our team to maximize your tax advantages and maintain your business and personal financial health—and make sure your tax obligations are as low as possible.

Once you have all things financial squared away, consider tackling goals related to fitness in your life. In this issue, we have some good information to get you started—including a look at some of the best physical fitness resorts and getaways.

We hope you enjoy the fun travel activity suggestions in this issue as well. They're great for easing travel stress and adding some extra fun on spring break trips.

Wishing you continued success,

*Your Trusted Advisors*

Once you have all things financial squared away, consider tackling goals related to fitness in your life.

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# The Great Resignation: What's next?

We've all heard about—or been affected by—The Great Resignation: Workers leaving their jobs in record numbers over the past year, looking for better pay, work-life balance and flexibility. And while workplace experts don't necessarily expect the same spike in quitting in 2022, they do see the trend continuing throughout the year.

What does this mean for small business owners? It means that the focus has to shift from hiring to fill seats to hiring power performers and offering an environment for them to thrive. And it starts on the first day they join your team, which is why you'll need to invest time and resources into an onboarding program that not only encourages your new hires to stay, but also ensures that you retain your current top performers.

But where do you start?

## Examine the why

To adapt, we must first understand why workers are leaving. When COVID-19 first began, companies that had the option responded by sending their staff home to work. This move allowed for a better work-life balance, more flexibility during the day and better productivity. Workers learned how to work from home—and enjoyed it.

When calls started coming in to return to the office (complete with the loss of flexibility, a return to out-of-balance work-life situations and the return of the long commute),

employees decided that the flexibility and work-life balance they had come to enjoy were too important to relinquish and handed in their notices in search of something better.

If employees are just as—if not more—productive working from the comfort of their homes, why the requirement to be in the office? And if another company will offer remote options and better flexibility, why *not* leave for something better? Younger generations don't typically stay at one place for the entirety of their careers; they move on more frequently, typically for better benefits and a healthier culture.

Unless you ask, the reasons you think your employees leave are simply speculation. It's essential to learn *why* high-performing workers leave. Low pay? Lack of flexibility? Toxic culture? No career growth? Guessing will get you nowhere. Instead, conduct an exit interview whenever an employee leaves.

Exit interviews allow employees to be open and candid about their experience with your company—without judgment or pushback. This is your chance to learn why staff are leaving, so you can take the feedback and make improvements for current and future employees. It also creates closure for both the employee and the employer, allowing the employee to leave on a positive note.

**Before jumping into an exit interview, take time to prepare thoughtful questions that will give you the information you need to make informed decisions for your path forward. Some examples include:**

- What's the most significant factor in looking for another job, and what finally made you decide to leave?
- Why did you first join our company?
- Did you receive constructive feedback and support to help you improve your performance?
- Were you given the tools you needed to succeed?
- Did you feel recognized and heard?
- What's something our company can do to promote a better workplace?
- How would you describe our company's culture?
- Did you love or dread coming to work?

The responses from exiting employees will help you find themes and patterns that enable you to make positive changes throughout your company.

## The Great Onboarding

Now, let's get to the elephant in the room: What can be done to prevent employees from leaving in the first place? Let's call it The Great Onboarding.

This is where you'll take your lessons learned from employees who have left and shift the focus to retaining your current power performers and hiring the next qualified wave of workers. Commit to developing an onboarding process, so new employees feel supported from day one.

Especially as more companies transition to a permanent remote or hybrid workspace, an onboarding process is a must-have. Every employee should be onboarded the same way, so onboarding becomes efficient and

streamlined. Remember that onboarding lays the foundation for the employee-employer relationship, so make it count.

**We've outlined six tips to get you started:**

- ① Establish an onboarding team that will create and implement the onboarding process for employees.
- ② Stick with a 90-day plan, so expectations and timelines are clearly articulated.
- ③ Design a checklist available to both the onboarding team and employees, so all parties know the status and progress of each employee during the onboarding process.
- ④ Use technology to simplify onboarding and internal processes. Task-oriented tools like Asana or Basecamp are a great place to create an all-in-one repository of projects, tasks, documentation and more.
- ⑤ Have a kickoff meeting to introduce key team players, set onboarding expectations and align goals.
- ⑥ Conduct post-onboarding meetings to gather feedback from newly onboarded employees to help tweak the process for future new hires.

An onboarding process will get new employees up to speed quickly and keep everyone on the same page. Expectations will be laid out and understood, and employees will have the opportunity to introduce candid feedback from the start of their employment—all steps toward inclusion for the team and success for the company. Don't forget to tweak and adjust your onboarding plan based on feedback, as there's always room for improvement.

Take advantage of the impact created by The Great Resignation and allow The Great Onboarding to become your most powerful asset in the drive to reduce employee turnover. ■





# FAQs for future freelancers

If you dream of starting your own business as a freelancer but aren't sure it's the right time to make the leap, these questions and answers will help you do your due diligence and set you on the right path toward future entrepreneurship.

**Q: What traits should a successful freelancer possess?**

**A:** You should be confident in your professional skills with the capabilities, organization and drive to back them up. Good industry experience and the ability to keep up with your work without being supervised are also important. You also need to be able to sell yourself and create new relationships with potential clients.

**Q: What's the number one thing to consider before going freelance?**

**A:** It's a good idea to have a client base (even a small one) before you start, and then keep it growing through connections. At the very least, you should start with a few connections who can provide you with prospective clients. If not, you'll need to move forward with very modest expectations.

**Q: When is the best time to transition from employee to self-employed?**

**A:** The smartest strategy is to keep your day job until you have so much freelance work that you can't handle both. If you quit your day job without sufficient self-employment income, it can be very stressful.

**Q: What kind of capital do you need to strike out on your own?**

**A:** Cash flow can be lean to non-existent for a new business, so make sure you have a cash cushion in order to survive those times. A good rule of thumb is to have at least six months of savings set aside—and to keep saving as much as you can.

**Q: From a financial perspective, what are the key points prospective freelancers should keep in mind?**

**A:** Try not to use credit cards to finance your business. However, you may want to consider getting a line of credit from your bank before you start your business. Applying for that credit line while you still have a paycheck as an employee is

important because your loan application is more likely to be approved with a steady source of income. There are small business loan programs you may want to consider. Of course, you should have a business plan available to support any loan requests that you make.

**Q: How do freelancers handle health insurance?**

**A:** Do you have an option for COBRA when you leave your full-time job? Can you be added to a spouse's plan? If not, can you afford to pay for it yourself? Is there a trade or professional group or a union that offers a group rate? Health insurance can be prohibitively expensive, so it's something to consider carefully before you take the leap.

**Q: Any advice on managing cash flow vs. expenses like quarterly tax payments?**

**A:** It's essential to closely manage your cash flow so you can pay your taxes on a quarterly basis to avoid late payment fees, penalties and interest. Set at least 35% of your profits aside to cover your tax payments in a separate savings account. You may also want to consider working with an accountant who's familiar with small business and self-employment issues. And now, before you strike out on your own, is a good time to learn how to read financial documents and understand the numbers.

These are just a few of the key questions you should ask and find answers for before becoming a freelancer. You can discover more information from the Small Business Administration at [SBA.gov](http://SBA.gov) or from SCORE (Service Corps of Retired Executives) at [SCORE.org](http://SCORE.org).

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If you need guidance on starting a business entity and establishing financial controls, accounting or tax structure for your new business, please let our team know. We'd be happy to help! ■



# Cybersecurity for business

As cyber criminals become more sophisticated, businesses need to become more vigilant and proactive to reduce their risks. Put a plan in place to protect your business now, starting with these suggestions from the Federal Communications Commission (FCC).



## ■ Enhance cybersecurity training for employees

The best way to protect your business is with a full-team approach, which means anyone working with you needs to proactively help you protect your assets. Basic security practices and policies must be part of the onboarding process for employees, including choosing strong passwords, appropriate internet use guidelines, and information to help them handle and protect customer data.

## ■ Lock down your information, computers and networks from cyberattacks

Make sure all your computers have the latest security software, web browser and operating system to protect against viruses, malware and other cyber threats. Also, be sure to install software updates as soon as they're available.

## ■ Activate and maintain firewalls

Use your computer's operating system firewall or install free firewall software available online. Make sure any remote team members are using computers protected by a firewall.

## ■ Monitor mobile devices

Mobile devices are convenient, but they also pose significant security risks—especially if your employees use personal phones to handle confidential information or sensitive company data. At the very least, password-protect devices, encrypt data and install security apps as a preventative measure.

## ■ Back up business data and information regularly

It goes without saying (at least it should) that you need to back up the data on all company computers in the cloud. This will prevent you from losing valuable data should your network get hacked or should you need to access archived files at a later date.

## ■ Control physical access at the employee level

Laptops are an easy target for cyber and regular theft, so make sure your employees don't leave them unattended. Create a separate user account for each employee and require them to use strong passwords. Provide administrative privileges only to trusted IT staff and key personnel. The FCC also advises, "Employees should only be given access to the specific data systems that they need for their jobs and should not be able to install any software without permission."

## ■ Secure your Wi-Fi networks

If you use a Wi-Fi network for your business, it's imperative to make sure it's secure, encrypted and hidden from potential cybercriminals. To hide your Wi-Fi network, set up your wireless access point or router so it doesn't broadcast the network name, known as the Service Set Identifier (SSID). Then password-protect access to the router.

## ■ Reduce exposure to financial fraud

The most frequently targeted third-party vendors your business likely works with are banks, credit unions, payment processors and other financial services providers. Work with them to leverage their cybersecurity capabilities (e.g., two-factor authentication, cloud-based platforms).

If you implement the above tactics for your business, you'll significantly reduce your risk of cyberattacks. However, keep in mind that even if you take preventive and proactive action, you'll need to remain vigilant and train your employees to be aware of suspicious activity and the types of attacks they could fall prey to.

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If you need additional assistance with cybersecurity, you may want to engage the help of a cybersecurity expert. ■



# Key tax changes for 2022

Now that we're in the home stretch of tax season, it's time to take a look at the opportunities available to maximize your tax advantages for 2022. If you'd like to discuss with our team the best tax moves to make in the next few months, the following list of changes is a great place to start.

## Income tax threshold changes

Income thresholds for federal tax brackets are higher in 2022. This means that a married couple must earn almost \$20,000 more to enter the top tax bracket, with the tax rate remaining at 37%.

The basic income tax rates set in the 2017 Tax Cuts and Jobs Act remain the same. The IRS has adjusted other thresholds to reflect inflation, including the standard deduction for married couples, which increased 3.2% to \$25,900 this year.

Here's a breakdown of the new tax bracket income thresholds, representing increases of approximately 3% (to keep things in perspective, the increases were approximately 1% in 2021):

Tax rate	Single filers	Married individuals filing joint returns	Heads of households
10%	\$0-\$10,275	\$0-\$20,550	\$0-\$14,650
12%	\$10,275-\$41,775	\$20,550-\$83,550	\$14,650-\$55,900
22%	\$41,775-\$89,075	\$83,550-\$178,150	\$55,900-\$89,050
24%	\$89,075-\$170,050	\$178,150-\$340,100	\$89,050-\$170,050
32%	\$170,050-\$215,950	\$340,100-\$431,900	\$170,050-\$215,950
35%	\$215,950-\$539,900	\$431,900-\$647,850	\$215,950-\$539,900
37%	\$539,900 or more	\$647,850 or more	\$539,900 or more

## Exemptions, credits and deduction changes

The personal exemption will remain at \$0, the same as in 2021. However, the standard deduction has increased to \$25,900 for married couples, which is \$800 higher than in the current tax year. The standard deduction increased to \$12,950, or \$400 for single taxpayers.

The maximum Earned Income Tax Credit will also get a boost next year, rising to \$6,935 for qualifying taxpayers with at least three children, an increase of more than \$200 from the current tax year.

## New thresholds for flexible spending accounts (FSAs) and retirement contributions

Employees can put \$2,850 in their flexible spending accounts for health expenses, which is an increase of \$100 from the 2021 maximum.

The 2022 contribution limit for 401(k), 403(b) and most 457 plans will increase to \$20,500 from \$19,500 in 2021. IRA contributions remain the same as last year, at \$6,000. The same is true for the catch-up contribution for people over 50 years old, which is \$1,000.

If you're a higher-income earner, you may be able to contribute to a Roth IRA in 2022 and receive a benefit because the income phase-out range for taxpayers making contributions to a Roth IRA will be higher, ranging from \$129,000 to \$144,000 for single taxpayers in 2022. This is an increase from 2021, when the phase-out range for Roth IRAs was \$125,000 to \$140,000.

## Standard mileage rate increase

The standard mileage rate for 2022 is 58.5 cents per mile for business use.

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These are some of the highlights of the new tax changes that will impact you in 2022. If you have questions or need assistance with tax planning, please be sure to let our firm know! ■

# The facts on fitness vacations

Have you thought about taking a fitness-oriented vacation? If so, now may be a great time to do it. You can take advantage of warmer weather in some of the typically cooler parts of the country, and up your fitness level in the process.

However, before you book that biking or backpacking trip, consider whether a fitness trip is really right for you by reviewing the statements below. If the majority of these are true for you, use that insight to plan the perfect personalized fitness vacation:

- 1 I'm an active individual who loves exercising and trying new things or I'm looking for a way to jumpstart a healthier lifestyle.
- 2 My family will enjoy a fitness vacation as much as I will.
- 3 I hope to meet some new friends on my vacation who are also into fitness.

- 4 I want spa treatments included with my trip.
- 5 I want food and drinks included with my trip.
- 6 I want the trip to focus on a single form of exercise or I'd like a mix of activities and classes.
- 7 I want to stay in the United States or I'd like to travel abroad.

Now that you've considered some of the things you want from a fitness vacation, get inspired by these potential fitness destinations.





## **New Life Hiking Spa**

### **Killington, Vermont**

This spa offers all-inclusive vacations ranging from two nights to two weeks. Most hiking spa packages include a room with a private bath, three gourmet meals each day, instruction in a nationally renowned hiking program, access to all exercise programs—including stretching, chi kung, strength training, water aerobics, yoga, core, Pilates, Zumba and more—and one massage or facial for every three nights at the resort.

## **Red Mountain Essential Retreat**

### **Ivins, Utah**

When you want to enjoy a rustic vacation without roughing it, head to this resort. The Red Mountain Essential Retreat package includes a deluxe room, three meals daily, guided morning hikes, unlimited fitness classes, healthy life classes, and access to hotel fitness amenities such as pools, bikes and strength training equipment. Due to the flexibility in program selection, the Red Mountain Essential Retreat may be a good fit for families, too.

## **Trek Travel Mallorca Ride Camp**

### **Mallorca, Spain**

If you want to be active abroad, consider cycling with the Trek Travel Mallorca Ride Camp in Mallorca, Spain. All you have to do is show up ready to ride. The camp provides carbon-frame bikes, water bottles, luxury accommodations, meals and support vehicles for the daily guided bike rides.

## **Momentum River Expeditions**

### **Oregon, Idaho and Northern California**

Here's an all-inclusive river rafting destination that offers three meals a day, including a gourmet three-course dinner at the end of each day's paddling...which spans the entire day. As part of this kayaking adventure, you'll set up camp and sleep in a tent. However, you can unwind with a glass of wine at the end of the day, too.

## **Backroads Alaska Adventure Tours**

### **Alaska**

Discover the unforgettable sights and landscapes of Alaska via hiking, biking and kayaking on these spectacular adventure tours. Hotel accommodations are included in the price, but spa services and other luxury amenities may not be available.

## **Kalon Escuela de Surf**

### **Costa Rica**

Looking for a surfing adventure and a vacation all rolled into one? The Kalon Surf Week at the Kalon Escuela de Surf in Costa Rica is the ticket. A seven-night vacation includes transportation to and from San Jose, a private room in a mansion with an en suite bathroom, meals, snacks and drinks prepared by a private chef, five days of surf coaching (three to four hours each day), surfing video analysis, a one-hour massage, Pilates for surfing class, professional photos and video, sunblock, a rash guard, and your own mobile concierge.

## **Sivananda Ashram Yoga Retreat**

### **The Bahamas**

For devoted yogis, spending vacation connecting to your own self and the inner energy of others is likely to be high on the list of amazing vacation opportunities. Practicing yoga on the beautiful beaches of The Bahamas makes it even more amazing. This destination also offers beachfront access to activities such as snorkeling, kayaking and beach hikes.

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As you explore some of these amazing opportunities for adventure and fitness, make a plan to add one of them to your 2022 travel plans. Or, if timing and funds don't allow, put them on your bucket list as a near-term goal. Either way, it gives you something to look forward to! ■



# Fun and free travel games

Need some easy and entertaining ways to break up the time it takes to get to your next travel destination? Try these fun and free games.





## Hot Seat

Ask one person in a group rapid-fire questions for a specific duration of time. To start, choose one person to be in the hot seat, then decide how much time they'll be there (one, two or three minutes). Set a timer for that duration. Once the timer starts, everyone asks the person in the hot seat questions—any that come to mind—until the timer buzzes. When the first person's time is over, pick someone else, and repeat until everyone in your group has had their turn in the hot seat.

## Two Truths and a Lie

One person shares three things about themselves, with two things being true and one being a lie. Everyone has to guess which statement is a lie. If you guess the lie correctly, you get a point. The person with the most points at the end of the game wins.

## 20 Questions

One player picks a person, place or thing and keeps it a secret. Then everyone takes turns asking yes or no questions to try to guess what that person is thinking of. The goal is to figure out the answer in 20 or fewer questions.

## The License Plate Competition

See who can find license plates from the most states on cars driving by. Each state spotted gets you one point. If you see plates from other countries, they count for two points. The winner is the person with the most points.

## Group Storytelling

One person in the group starts out with the first line of a story. Then, each person takes turns sharing the next sentence of the story. For a fun variation, make a rule that each sentence has to rhyme with the one said before it.

## Fortunately/Unfortunately

In this game, each person in the group shares alternating "fortunate" and "unfortunate" statements to create a story. An example:

- Fortunately, we got to our destination on time.  
Unfortunately, we can only stay two days.
- Fortunately, we can go to the beach right away.  
Unfortunately, my luggage with my bathing suit got lost.
- Fortunately, there's a store where you can buy a new suit...



LEIF E. PETERSON, CPA



**Now  
is the  
time**

The tax deadline is approaching fast—  
have you filed yet? Take advantage of  
our convenient, paperless process.

***But hurry—time is short!***