

Advantage

Your personal finance edge

May-June | 2021

Why your small business needs a budget...now



A simple mid-year plan | Revamp your remote workspace
Next-chapter careers | Fun facts about TV moms and dads
Backyard camping

Sunnier days are ahead...

With May and June come sunshine and the slower days of summer. Not only is that great for vacations, but it's an excellent time to reflect on any changes we need to make in order to achieve our goals for the rest of the year. The slower pace also makes it easier to take advantage of new opportunities when they present themselves...even if you have to step outside your comfort zone a bit.

To help you with that, we've packed this issue with lots of tips and advice, including:

- A simple three-step business planning tool to identify trends and make necessary changes in your business.
- Tips for successfully taking the leap into the next phase of your career.
- Ideas to freshen up a remote workspace.
- Budgeting tips to help you keep your finances on track.
- Fun facts about some famous parents.
- Backyard camping tips for a real summer adventure close to home.

For business owners, be sure to consider your mid-year plan against your 2021 goals. If you need to make changes to your tax entity type, budget or financial metrics, now is the time to do it.

Here's to using the second half of 2021 to make the changes you need to achieve your goals!

Your Trusted Advisors

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Why your small business needs a budget...now

Depending on who you talk to, budgets for your small business are: a) a smart idea; b) a necessary evil; or c) retribution from the universe for every bad thing you've ever done.

We're in the "smart idea" camp, but there's no denying that creating and maintaining a budget can be a chore for a business owner—especially if you're not convinced of its value in the first place. So, if you're just starting your business and need a budget, or you're a current owner who's been putting off creating one, read on to see why a budget can be one of your small business's most valuable tools.

"I keep up my checkbook. Why do I need a budget, too?"

In the excitement of launching a business, it's easy to think you'll work on a budget when you have time. Of course, time is in short supply for business owners, so you keep putting it off...and off.

Then come the slow periods when sales slump. Or clients take the "Net 30" notation

on your invoice as a suggestion, not a deadline. Or you need to take on new expenses, like hiring a new employee or replacing equipment. Then, the realization kicks in: You don't have enough money in the checkbook to cover those expenses, pay the bills or pay yourself a salary.

An accurate, up-to-date checkbook is certainly a vital tool for a business owner. However, a carefully crafted budget is what will help you get through the slumps, slow payment periods and unexpected expenses. Unlike checkbooks, which basically exist to show how money flows in and out of accounts, a budget:

- Offers a financial roadmap for the future of your business
- Details what your finances should be next week, next month or next year to meet obligations and be profitable
- Helps you make smart financial decisions by providing a structure and plan for spending money in the right places and at the right time to keep you out of debt and grow revenue
- Helps you estimate what you need in order to get through slow periods
- Alerts you when expenses trend upward
- Highlights leftover funds available to reinvest in the business
- Indicates when you're making enough money to pay yourself a salary and pay expenses
- Offers a detailed account of your income and expenses to show prospective business lenders or investors
- Keeps you in control of your business

When you don't have a handle on your company's cash flow, it can seriously hurt your business. A thoughtful and realistic budget is one of the best tools to stay on a healthy financial path.

Statistics (you knew we'd have some!)

According to the Bureau of Labor Statistics, about 20 percent of small businesses fail in the first year while approximately 50 percent fail about year five. According to a Clutch.co survey of 302 small business owners/managers, 61 percent of respondents didn't create an official, formally documented budget in 2018.

Top three financial challenges for small businesses

- ① **35 percent:**
Unforeseen expenses
- ② **23 percent:**
Mixing of business and personal finances
- ③ **21 percent:**
Inability to receive payments on time

While the latter statistic isn't necessarily the reason for the former, the same survey showed that small businesses are more likely to skip making a budget—and that 37 percent of those businesses spent more than they budgeted in the first two quarters of 2018. So, it's easy to see how the lack of a budget can spiral into a failed business if left unchecked.

The good news is that creating a budget doesn't have to be complicated (we promise). As your financial advisor, we want you to be successful, so ask us about our free eBook on the steps for building a budget. Or, talk to us about how we can help you make an easy-to-follow budget based on your specific goals. ■

A simple mid-year plan



For some entrepreneurs, the mid-year business review is as dreaded as a dentist visit. If this is the case for you, unclench your teeth and relax as we walk you through three simple questions to assess your business and help you focus on what's truly important as you head into the second half of the year.

QUESTION ①

What's worked so far this year?

It's always good practice to begin with the positive. After all, if your business is still running, you're doing something right. Make a list of your successes so far this year and how you achieved them. Writing down the practices that worked, the goals you met, the customers you made happy, and the revenue you created will help you recognize the positive patterns you want to repeat and translate into the next steps for your business.

QUESTION ②

What hasn't been successful in 2021?

This part of the process is probably why you put off a mid-year business review in the first place. While it can be difficult to acknowledge the things that didn't work, it's a necessary step toward correcting patterns and improving future results. Take an unblinking look at mistakes made and any areas of your business that aren't performing optimally. Then, it's time to concentrate on understanding the underlying reasons for these issues.

If your business is losing money, now's the time to drill down through your numbers and see where the problems lie. Also look to your employees and customers as valuable resources in your quest for answers about why things didn't work as well as you'd hoped. Your staff can shed light on blind spots you may not be paying attention to, while customers can provide feedback on potential new revenue streams—and the reasons why

purchases from your business may be down from previous years.

Put everything that you see as a problem down on paper, along with potential corrections you can start making now to put your business in a better position.

QUESTION ③

What would a more positive future look like?

As with any goal, it's critical to visualize how you want your business to perform by the end of the year and beyond. Write a mid-year "Re-Vision" to your business goals and the concrete steps you'll take to achieve them.

Be realistic in the numbers you use as you project how you want your end-of-the-year financial statements to look. By putting everything you want to achieve for your business in the next six months on paper, you'll also have the opportunity to solidify the steps necessary to make your mid-year plans happen.

To make sure your new vision and goals are always accessible and at the top of your mind, post them in places you frequent at work and home. Read them out loud each day as a reminder of the commitment you're making to positive changes in your business.

Once you have a clearer picture of what's working and what's not, consider making an appointment to review your key financial indicators with our firm so you can learn more strategies for keeping your financial goals on track through the end of the year. ■

Revamp your remote workspace

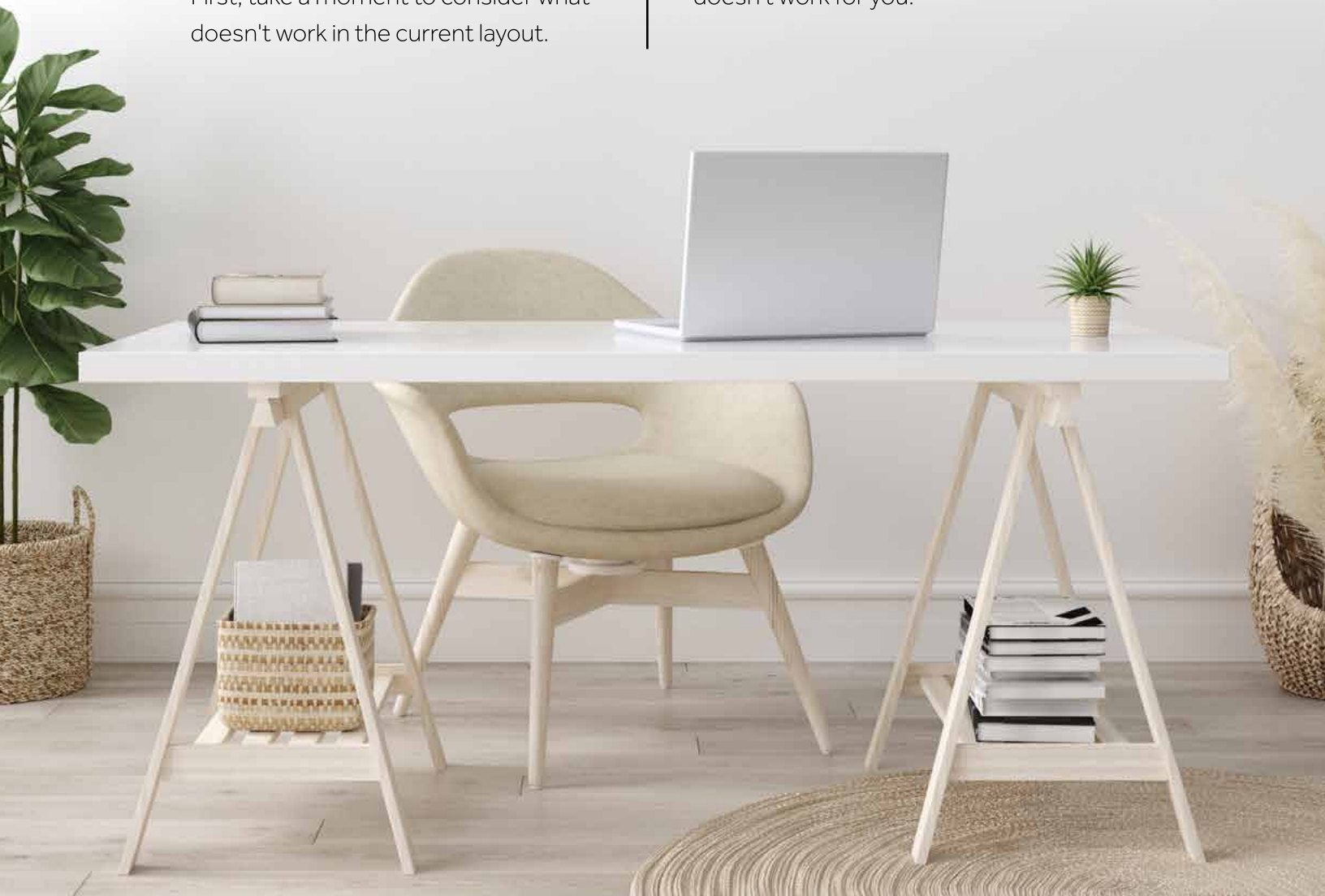
After a year of working from home, might it be time to adjust your workspace?

Reorganizing your home office layout may seem daunting, but a comfortable space helps create a more positive atmosphere, improved motivation and greater productivity.

First, take a moment to consider what doesn't work in the current layout.

Next, take an inventory of furniture and equipment—including what you don't have.

Now, let's take a look at some common fixes for a remote workspace that doesn't work for you.



Find the right desk

Even if you have a desk, it may be time for a change. You'll want something that's big enough to fit your computer, store office supplies and give you ample workspace. Furniture makers offer desks for every need these days, from small writing desks to L-shaped desks to standing desks to folding desks—and everything in between. This is the time to really think about your personal workstyle and find the desk that suits you best. Don't forget to consider the placement of the desk and what will be in the background. Is there a common walkway behind you that will have your housemates visible to your co-workers? A messy bookshelf? A window that looks out on a garbage dumpster? These are all possible distractions...or embarrassments.

Invest in a good chair

Once you've settled on a desk, it's time to take a look at your chair. It's worth it to invest in a quality office chair. Make sure it's the correct height and provides good back and arm support while working. It should be comfortable to sit in for long periods of time (but don't forget to stand and stretch periodically). If you're a sit-and-stand person, there are now sit-and-stand adjustable chairs. There are even chairs with pedals that enable you to get in some body movement and up your heart rate while you get work done.

Select the best lighting

What kind of lighting do you have in your home office? If at all possible, try to set up your desk next to a window so you have access to natural light, which has been proven to provide both

good work light and an improvement in your focus and general mood. If you don't have a window available, get a table or floor lamp to brighten up your space.

Declutter and organize

Now that you're working at home, just about anything you own can end up in your workspace. Coffee cups, dog treats, nail polish, kids' toys, mail. To create a productive workspace, think organized and clean. First, go through your work area and remove any unnecessary items. Keep items you use often close at hand and things you only touch occasionally (e.g., filing) somewhere other than your desk. Store big items like books and notebooks on shelves or in labeled storage bins to keep your workspace tidy. Use a desk organizer to keep pens, highlighters, sticky notes, paper clips or other important supplies handy. Whiteboards and calendars can help you stay on top of deadlines, meetings and tasks. At the beginning of each week and month, put together a list of what's coming up and what you need to tackle so you can remain focused and productive.

Personalize your space

Make your home office feel more inviting by adding things that showcase your personality or inspire you to do more creative work. Use shelves for plants, hang photos or inspirational wall art near your desk, or install bookshelves for storage. After all, if you're going to spend eight hours or more a day here, why not make it a reflection of you—and a space you look forward to working in every day. ■



Next-chapter careers

Are you at a career crossroads? If so, you're not alone. According to a joint study by the Bill & Melinda Gates Foundation, Gallup and other associations, more than 50 percent of American workers are unhappy in their jobs.

However, the unhappiness didn't necessarily stem from lack of pay or long hours. The study found that a major reason for respondents' dissatisfaction was their longing to have work with a purpose. That feeling of wanting the work you do to have meaning is a primary reason many workers decide to take the leap into what we'll call a "next-chapter career." If you've had thoughts about changing your career, here are a few preliminary steps that can help you make the next chapter of your career a successful one:

Don't rush it

Why panic and take the first opportunity that comes along, only to find you're just as unhappy as you were before? According to Indeed, the average worker takes 11 months to consider a career change before making a move. Take advantage of this "exploratory stage," as some career coaches term it, to examine and research the possibilities. At this point, you don't have to make any decisions—just see what's available out there.

Assess yourself

Make a comprehensive and honest list of what you know and are able to do that can translate to any field. What are your interests? Your skills? Your values? What do you enjoy? What do you hope you never have to do again? Look beyond your work history to consider volunteer or other work you've done, and don't dismiss anything. For example, you may not have management aspirations, but skills like people management can be put to use in many different ways in other industries and professions.

Look at your current company

While the job you have now may not be ideal, if you like the company you currently work for, another department or division may offer the change and challenge you seek. If you're sure your future doesn't lie there, while you're investigating your next move, take advantage of training opportunities to upgrade your skills.

Test it out

Consider using volunteer or freelance opportunities—or opps within your current company—to see how interested you really are in a particular field or position. Do you want to work with animals? If so, then volunteer at a local shelter. Would you love to be a journalist? Then volunteer to produce and/or edit your company's employee newsletter. If you know someone or have connections in your desired field, you may be able to job shadow and spend a few hours observing "a day in the life of" someone in your dream job.

Before Julia Child wrote her first cookbook, she worked in advertising. Before becoming a fashion designer, Vera Wang was a dancer, figure skater and journalist. And before Ina Garten became famous as The Barefoot Contessa, she worked at The White House. These famous career-changers found their bliss, and you can too, as part of the 88 percent of career changers Indeed found were happier in their new careers. Start planning for your next chapter today! ■



Backyard **CAMPING**

If your family is ready for a camping trip but you'd rather avoid crowded campgrounds, why not bring the fun of a camping adventure to the convenience of your backyard? These tips will help you have a great backyard camping experience—without the hassle of packing up the car.

■ Pop your tent

Grab your old tent from the garage, splurge on a new tent or get creative and build a fort with the family. Bring out cots or blow up an air mattress for comfort. Be sure to check the weather to see what types of sleeping bags or blankets you'll need, and whether you should zip up the windows or put the rain cover on.

■ Start your fire

Get a fire going in a pit or build a small backyard bonfire (per your local fire regulations). Not only will it set the camping scene, but it will also keep your body warm and your belly fed. Keep a pile of dry sticks or chopped wood nearby to keep the fire going all night. Be sure to discuss how to tend a fire, how to cook over an open flame and how to ensure fire safety with your family.

■ Prepare your menu

Time for the camping classics! Hot dogs over the fire, roasted marshmallows for s'mores, and campfire popcorn are delicious and fun to make. Before you start cooking, make sure you have camp forks (or sticks) for everyone. Your family will enjoy cooking for themselves, so bring out all the fixings and let everyone dress up their camp food.

■ Plan your activities

Go into your backyard staycation with some pre-planned activities. You don't need to stick to a schedule, but remember the goal is to keep the family out at the campsite—not in the house watching TV or stuck to their cell phones and tablets. Consider these simple but fun activities to keep everyone occupied:

Backyard games

Think about which games your family will enjoy playing. Get teams together for whiffle ball, ladders or cornhole—or play individual games like freeze tag, Simon Says or a fun card game.

Scavenger hunt

Set up an outdoor scavenger hunt to look for and collect nature items. You can set a timer or just scavenge until someone finds all the items. Award a prize to the person who finds them all first or who finds the most.

Movies under the stars

Grab the projector (you can find reasonably priced portable mini projectors online), hang a white bedsheet and sit back to enjoy a family movie outdoors. Bring more than one option and let the family vote on what to watch. This is also the perfect time for some campfire popcorn.

Story time

Story time is always a good time. Gather around the fire and get creative. You can have each person tell a complete story or have everyone participate in a collaborative story. You don't necessarily have to tell ghost stories, but if your family enjoys it, go for it! If you have a younger family, or just don't like scary stuff, create a funny campfire story.

Singing by the campfire

If you're more of a musical family, bring out the instruments and gather by the campfire to sing. Go with traditional campfire songs, popular music or family favorites.

Looking at the stars

If it's a clear night, douse the lights to make it as dark as possible so you can look up at the night sky to see the moon, the North Star, the Big and Little Dipper and any other constellations you can find. Bonus points if you have a telescope.

Bottom line: You don't have to go far to have a good time camping with your family. Start planning what's sure to be a memorable backyard camping adventure today! ■

Fun facts about TV moms and dads

Television has introduced us to all sorts of parents, from top-notch to terrible. Here are some fun facts about a few of our favorite TV parents to share with your own family at your Mother's Day brunch or Father's Day cookout.



Q: How did Kitty and Red Forman meet?

A: On "That '70s Show," Red met Kitty at a USO dance in 1952. He and a Navy buddy playfully dropped their pants, showing shorts that read "Hello, Ladies," just as a younger Kitty walked by and bumped into Red as he was bent over.

Q: What was June Cleaver's maiden name?

A: The Beaver's mother's maiden name, June Evelyn Bronson, was mentioned several times during "Leave It to Beaver's" run.

Q: How many children do Homer and Marge Simpson have?

A: The Simpsons have three children: Bart, the oldest; Lisa, the middle child; and Maggie, the baby of the family. The family also has a dog, Santa's Little Helper, and a cat, Snowball II.

Q: What were Clair and Cliff Huxtable's careers?

A: In "The Cosby Show," Clair was an attorney and Cliff was a doctor.

Q: Did "The Powerpuff Girls" have a mother?

A: No. Scientist Professor Utonium created the Powerpuff Girls with sugar, spice, everything nice...and Chemical X.

Q: Who were Kevin Arnold's parents?

A: Kevin from "The Wonder Years" is the son of Jack Arnold, a defense contractor, and housewife Norma Arnold.

Q: What show gave us the first African-American two-parent family sitcom?

A: "Good Times" focused on a Chicago couple, Florida and James Evans, as they struggled to raise their kids—JJ, Thelma and Michael—in a Chicago housing project.

Q: When did Bob and Linda get married?

A: Bob and Linda from "Bob's Burgers" got married on September 3, 1998 at City Hall.

Q: What's the family dynamic on the "One Day at a Time" reboot?

A: The show revolves around a three-generation Cuban-American family. Penelope Alvarez is a nurse, an Army veteran and the single mother of Elena and Alex. She deals with work issues, personal issues such as PTSD and her mother Lydia.

Q: How did "The Brady Bunch" form?

A: Carol has three girls and Mike has three boys. Mike and Carol meet, marry and become the Brady Bunch. Carol's first husband is never mentioned in the original TV series, but it's implied that Mike's first wife is deceased. ■



LEIF E. PETERSON, CPA

Trust has to be earned

When it comes to your financial strategies and well-being, you can count on us to help your business reach new heights.

From your monthly financial management, to your tax strategies and planning, we have the knowledge and commitment to keep you growing safe and sound.

Turn to us as your
trusted advisor.

