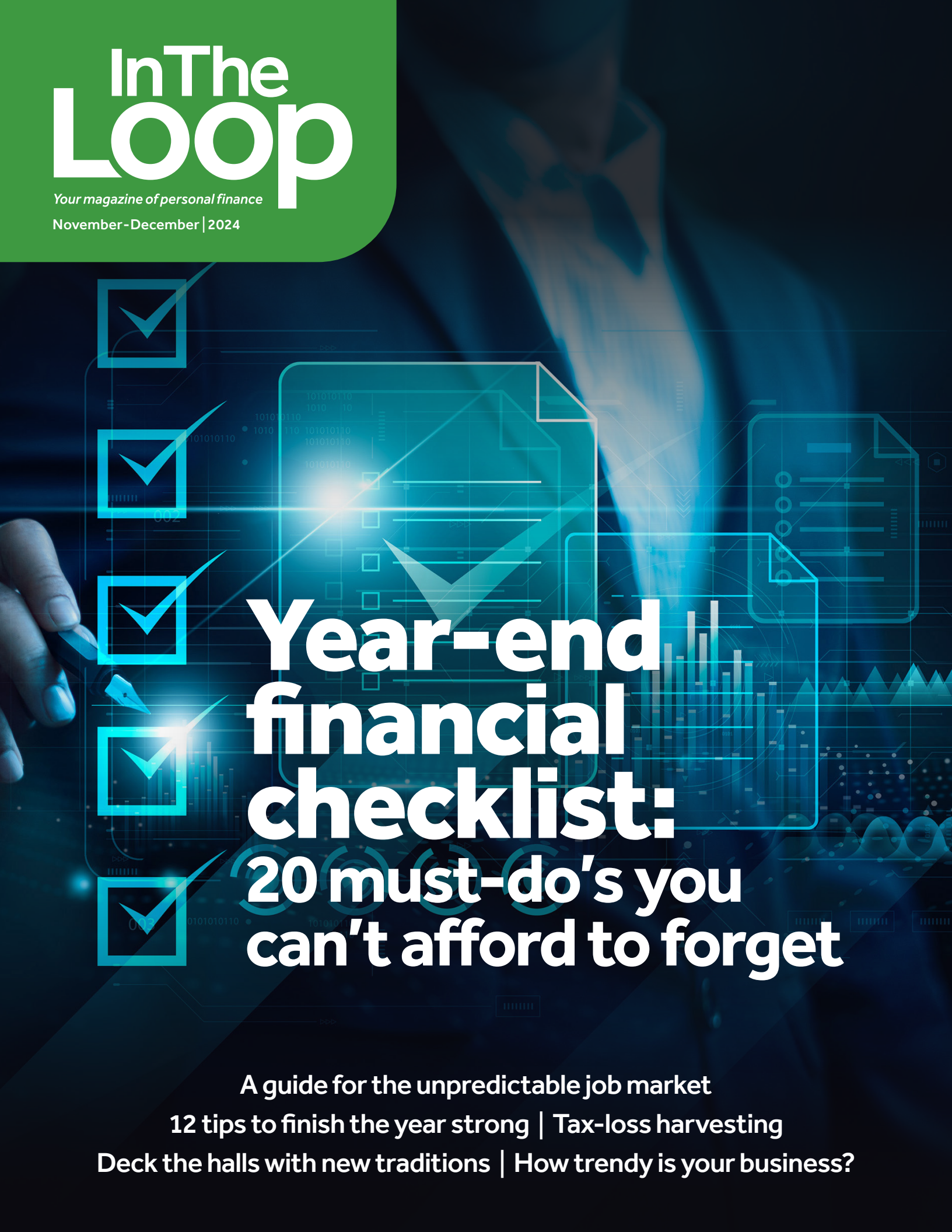
In The Loop
Your magazine of personal finance
November-December | 2024



Year-end financial checklist:

20 must-do's you can't afford to forget

A guide for the unpredictable job market

12 tips to finish the year strong | Tax-loss harvesting

Deck the halls with new traditions | How trendy is your business?

Embracing year-end opportunities

As we approach the year's end, we enter a season of not just wrapping up but of setting the stage for 2025. It's a crucial time for reflection, celebration and strategic planning, giving us the opportunity to align our goals with the realities we face.

We've gathered insights to ensure you close this year on a high note and step into the next with confidence. Our end-of-year financial checklist is your first step, designed to steer you through financial tasks and ensure you maximize your financial potential.

Next, navigating the unpredictable job market remains a challenge for many. We offer practical advice to refine your hiring strategies and foster a robust team, ensuring your business is well-equipped to handle whatever the new year may bring.

Then, we provide a dozen tips to help you finish the year strong. From optimizing operations to refreshing your business strategy, these tailored tips give your business a significant boost as the year winds down.

Tax considerations are crucial as the year ends, and our exploration into tax-loss harvesting explains how this strategy significantly reduces your tax liabilities, helping you keep more money in your business to fuel future growth.

As we celebrate the season, we provide festive and fun ways to create new traditions at home and in the workplace. It's about creating memories that last beyond the festive season.

Finally, take our light-hearted business quiz to see how you stack up against current and upcoming business trends to help invigorate your plans going into 2025.

Wishing you a productive end to the year and a successful start to the next!

Your trusted advisors

Our end-of-year financial checklist is your first step, designed to steer you through financial tasks and ensure you maximize your financial potential.

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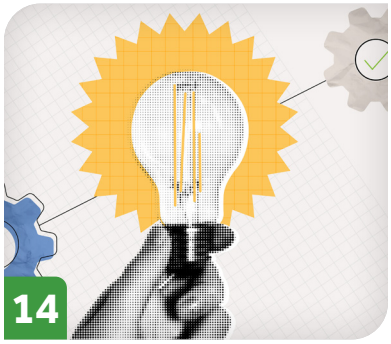


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Year-end financial checklist:

20 must-do's you can't afford to forget



2024 is coming to a close. That means it's the perfect time to get set up for tax season success and, hopefully, reduce your tax liability. Whether you're an individual or a business owner, a little planning now can save you money—and headaches—come April. Here's a checklist of essential year-end financial moves to close out the year (and start 2025 on the right financial foot).

FOR INDIVIDUALS

☑ Review spending and make a budget

Evaluate where your money went this year and set a monthly budget for 2025. You may need to make adjustments during the year as certain expenses increase. Any money not spent should go into savings.

☑ Check progress on paying down debt

If you've made steady progress on paying down debt, congratulations! If not, look for additional sources of income and put that money toward your debt. If possible, see where you can curb spending and move that money toward paying down debt.

☑ Review savings and set a plan

Focus on increasing your savings by setting goals and putting them into action. Increase your 401(k) contributions, set up direct deposit from your paycheck into a dedicated savings account and arrange for automatic transfers.

☑ Contribute to your retirement accounts

If you plan to max out your 401(k) or other retirement contributions for the year, December 31 is the last chance to do so. For the 2024 tax year, the maximum 401(k) contribution is $23,000, plus an additional $7,500 if you're 50 or over.[1] For other retirement accounts, confirm your contribution limits and contribute what you can.

☑ Review and adjust withholdings

Check your tax withholdings to avoid a surprise bill or refund. Be sure to adjust your W-4 or make estimated tax payments if you've had changes in your income this year or significant life changes, like marriage, a new job or a large bonus.

☑ Harvest tax losses

If you have investment losses, then they can offset other investments' gains and losses. If losses exceed gains, you can take $3,000 in losses in excess to reduce your overall income. However, the losses must be realized (i.e., you have to sell the stock) to qualify for the deduction, which must be done by December 29.[2]

☑ Check your FSA balance

If you take advantage of a flexible spending account (FSA) from your employer, check your balance to see how much you have left to spend. These balances are "use it or lose it," so be sure to spend them by December 31 to avoid forfeiting them.

[1] "401(k) limit increases to $23,000 for 2024, IRA limit rises to $7,000," Internal Revenue Service, January 8, 2024. https://bit.ly/4eEFjDl

[2] "Topic no. 409, Capital gains and losses," Internal Revenue Service, January 30, 2024. https://www.irs.gov/taxtopics/tc409

☑ Review HSA contributions

If you have a high-deductible health plan, a health savings account (HSA) offers tax-deductible contributions and tax-free withdrawals for qualified medical expenses. The 2024 limits are $4,150 for individuals and $8,300 for families.[3]

☑ Make charitable contributions

Consider making charitable contributions to qualified organizations by year-end for tax deductions, as they can reduce your taxable income.

☑ Review estate planning documents

Review and update the beneficiaries on your retirement accounts, life insurance policies and wills. And ensure your estate plan reflects any major life changes (e.g., marriage, divorce, new children).

FOR BUSINESSES

☑ Organize and categorize expenses

Make sure all expenses are properly categorized for accurate tax reporting. Collect and organize any receipts and supporting documentation for deductions.

☑ Reconcile accounts

Reconcile your bank and credit card accounts by ensuring all transactions match your statements. Also, review accounts receivable and payable to ensure customer payments have been received and vendor payments are up to date.

☑ Review financial statements

Assess profitability by reviewing income and expenses; check your assets, liabilities and equity to understand your financial health; and identify any cash flow gaps by reviewing your cash flow statement.

☑ Assess tax liabilities

Estimate your total tax liability for the year and ensure you've made all necessary quarterly tax payments. If you're behind, consider making catch-up payments to avoid penalties. Identify any available tax deductions and tax credits that could lower your taxable income.

☑ Maximize retirement contributions

Review contributions to retirement plans for both you and your employees. And ensure that any employer contributions have been made before the year ends.

☑ Review payroll and benefits

Start preparing year-end tax forms, such as W-2s and 1099s, for employees and contractors. Make sure payroll records are accurate and that any bonuses or incentives have been properly recorded.

☑ Conduct an inventory check

If your business holds inventory, conduct a year-end count to ensure accurate reporting. Write off any damaged or obsolete inventory items that are no longer useful.

☑ Evaluate insurance coverage

Review your business insurance policies to ensure you have the coverage you need. This includes general liability, professional liability and worker's compensation. Make any necessary adjustments to ensure you're protected for the next year.

☑ Plan next year's budget

Use this year's data to project next year's revenue, expenses and cash flow. Set financial goals for the upcoming year and adjust your budget to reflect those goals.

☑ Meet with your accountant or financial advisor

Schedule a meeting with your accountant to review your year-end finances and talk about any applicable tax strategies. This is also a good opportunity to assess any potential risks and make sure you're taking advantage of all available tax-saving options.

Take action now

Set yourself up for a streamlined tax season and greater financial health by jumping on these checklists now. And if you're ever in doubt, lean on your accountant or financial advisor for help. ■

[3] "Publication 969 (2023), Health Savings Accounts and Other Tax-Favored Health Plans," Internal Revenue Service, September 9, 2024. https://bit.ly/3zx4JnH



Resilience series | PART 6

A guide for the unpredictable job market

The job market is challenging on both sides of the fence. Businesses struggle to retain employees, while job seekers grapple with unclear job roles, low salaries and drawn-out hiring processes. Navigating this turbulent terrain requires resilience, flexibility and a fresh perspective for businesses. In this final part of the six-part Resilience series, we'll cover how businesses can turn things around—for themselves and for potential employees.

The business side: Struggles with retention and recruitment

Inflation has hit the wallets of consumers and businesses alike. With increased costs, many businesses are pressured to make tough budgetary decisions, resulting in lower salaries, limited benefits or even layoffs. According to ManpowerGroup research, 75% of employers are reporting difficulty in filling roles.[1] It doesn't help that employees expect more than just financial compensation—and rightfully so—like growth opportunities, workplace flexibility and a positive company culture.

The unpredictable nature of the job market also affects recruitment. A daily scroll on LinkedIn shows numerous #OpenToWork profiles, talking about the dire experience of trying to find—and land—a role that suits them. From frequent ghosting to way-too-long interview processes, businesses may be contributing to the chaos. The reality is that companies struggle to define job roles and pile on too many responsibilities or set unrealistic expectations. This just discourages job seekers from even applying to begin with.

[1] "2024 Global Talent Shortage," ManPower Group, October 2023. https://bit.ly/3Bd2KoY

The job seeker's perspective

The market is equally difficult for job seekers. Salaries aren't keeping up with the rising cost of living. And candidates are facing a hiring process that feels like running a marathon—long, unpredictable and sometimes full of unclear (or lack of) communication. According to research from the Global Talent Climate report, the average time-to-hire rate is 43 days.[2] This can leave job seekers feeling discouraged or ghosted altogether, especially if they've been laid off.

Businesses are struggling to retain top talent, but they also need to understand by not streamlining their hiring processes, they're creating even more hurdles for candidates and hurting themselves in the process.

7 actionable steps for businesses to build resilience

Despite the current job market challenges, businesses have the power to create a more resilient workforce while improving their hiring and retention practices. Here are seven strategies to consider:

1. Clarify job roles and expectations

Clearly define job roles and set expectations from the start. This helps both current employees and job seekers understand what's required, which can help mitigate misalignment and reduce burnout.

2. Offer competitive and transparent salaries

Candidates value honesty, so consider offering transparent salary ranges in job postings. This ensures you're building trust and attracting the right candidates without wasting each other's time.

3. Shorten the hiring process

Streamline and communicate the expectations for the hiring process to avoid losing candidates to a lengthy process. By keeping the hiring steps short and sweet, you can ensure your top candidates remain engaged and interested.

4. Focus on company culture and flexibility

Hybrid work has become the norm, and employees are seeking more flexible opportunities. Building a positive workplace culture that emphasizes work-life balance attracts top talent and reduces turnover.

5. Invest in employee growth and development

The No. 1 way organizations are working to improve retention is by providing learning opportunities.[3] Offering training opportunities and career advancement paths can strengthen employee loyalty and engagement.

6. Communicate clearly and consistently

Clear communication with employees and prospective employees is important. Be sure to respond promptly during the interview process to keep candidates informed. This helps build a positive reputation and trust.

7. Reevaluate benefits and perks

If you're unable to increase salaries, consider expanding benefits packages. Offering wellness programs, flexible hours or more vacation days can compensate for financial limitations—and improve employee satisfaction.

Hope for a resilient future

The job market may be unpredictable, but businesses can adapt by taking actionable steps to create a positive workplace culture and an efficient hiring process. Use the strategies above to retain control and thrive—and be a part of the solution to provide hope for a stronger, more resilient workforce in the future. ■

[2] "New Research Shows That Hiring Is Harder Than Ever: Time to Hire Increasing Significantly for Almost All Roles," PR Newswire, June 1, 2023. https://bit.ly/4eA5hrD

[3] "2023 Workplace Learning Report: Building the agile future," LinkedIn Learning, Accessed September 23, 2024. https://learning.linkedin.com/resources/workplace-learning-report-2023

12 tips to finish the year strong



We're at that time of the year when it feels like we're racing against time. With the holidays quickly approaching and the desire to end the year on a high note, it's important to stay proactive and look ahead. So, if you're looking to tie up loose ends or set your business up for an even better next year, here's a quick guide to help you finish this year strong.

TIP 1

Back up your technology

Don't end up with data loss! Before the year ends, make sure everything is securely backed up—this means your computers, smartphones, tablets and business data. As a safety measure, ensure automatic backups are turned on so you don't even have to think about running updates. If you haven't already, invest in cloud storage with redundant backups so you can ensure your data is available at any time.

TIP 2

Take inventory

Assess your current inventory, whether that means physical products, supplies or office equipment. This will help you plan your purchases more effectively and avoid unnecessary costs heading into the new year.

TIP 3

Review your financials

Now's the time to analyze your profit and loss statements, cash flow and balance sheet. Look for areas where you can boost revenue or cut costs. This will help you make smarter financial decisions as 2024 comes to a close—and help you avoid any surprises when tax season rolls around.

TIP 4

Give your website a makeover

Your website is the digital front door of your

business. Review it for outdated information, slow loading times or broken links. Make sure your content is fresh and updated and that you're following SEO (search engine optimization) best practices. Does your brand need a refresh? Now's the time to think it through.

TIP 5
Evaluate your current technology

Are your software and apps working well for you? If there's a technology that you're using—but that you don't love using—consider finding a better fit. Look for cloud-based applications that can easily integrate with one another to help streamline your technology stack and improve your business workflows.

TIP 6
Plan end-of-year promos

The holiday season is upon us, and that means the shopping season (and prime time for business!) is ramping up. Now is a great time to run special promotions, offer discounts or maybe even roll out a new service. A well-timed promo can help boost your year-end revenue and attract new customers.

TIP 7
Clean up your email lists

Out with the old (and inactive) email subscribers. Take time to clean up your lists and remove contacts that haven't engaged in a while, or, well...ever. This will help keep your marketing efforts focused on those who are interested in your products and services.

TIP 8
Tighten up security

Cyberthreats are constantly on the rise, and your business must always be cyberaware. Ensure that your antivirus software, firewalls and security protocols are up to date. And as an extra layer of protection, implement multifactor authentication (MFA) on your applications.

TIP 9
Prepare for tax season

It may seem like tax season is months away, but it'll be here before you know it. Start gathering your financial documents now so that you're not scrambling when your accountant starts asking for them. Better yet, check with your accountant to see if they have a checklist they can give you—and talk to them about year-end tax planning and deductions while you're at it.

TIP 10
Reflect on your goals

Review the goals and objectives you set for the year and see how you measured up. What worked? What didn't? Use this information to help refine your strategy and set new, achievable goals for 2025.

TIP 11
Tidy up your workspace

You've heard the saying: A cluttered space leads to a cluttered mind. A clean space is a great way to reset and start the new year with a clear head. Declutter both your physical office and your digital files, and give yourself that peace of mind.

TIP 12
Conduct year-end reviews

The end of the year is the time to think about year-end bonuses and performance reviews for your employees. Make sure to take time with each employee and give them constructive feedback and encouragement for a job well done. (And allow them to be candid with you, too.) Boost morale with a bonus and/or token of gratitude to acknowledge how much you appreciate your employees. ■



Tax-loss harvesting:

What it is and how it works

Tax season will be here before we know it. And that means being on the lookout for strategies that can minimize tax liabilities. One strategy is tax-loss harvesting. By selling investments that have decreased in value, you can use these losses to offset taxable gains and possibly reduce your business's overall taxable income.

While it's typically done in personal investments, small businesses that hold investments in securities, stocks, bonds or other financial assets can also use tax-loss harvesting to their advantage. Let's break down what tax-loss harvesting is, how it works and how it can benefit your business.

What is tax-loss harvesting?

Tax-loss harvesting is a tax strategy that involves selling nonprofitable investments at a loss to offset or reduce capital gains taxes incurred when selling investments for a profit. This can reduce your overall tax bill.

How does tax-loss harvesting work?

Tax-loss harvesting helps investors reduce taxes by offsetting the amount they must claim as capital gains or incomes. In other words, investments are "harvested" to be sold at a loss, and then the loss is used to lower or eliminate the taxes you pay on gains you've made during the year.

What are the benefits for small businesses?

There are several benefits of tax-loss harvesting for small businesses, including:

1 Reducing capital gains tax

When an asset is sold at a loss, the loss can be used to offset capital gains from other profitable investments. This reduces overall tax liability on gains, lowering the amount your business needs to pay in taxes.

2 Offsetting ordinary income

If capital losses exceed capital gains, you may be able to deduct up to $3,000 from your ordinary income ($1,500 if married filing separately). Any remaining losses can be carried forward to future years.[1]

3 Improving cash flow

By reducing taxes, your business will have more cash available for reinvestment to fund operations, invest in growth or pay down debt.

4 Maximizing investment strategy

Selling underperforming assets and reinvesting the proceeds helps clean up your investment portfolio and stay aligned with long-term goals.

How do I implement tax-loss harvesting in my business?

1 Review your investment portfolio

Identify assets that are currently held at a loss, and pay special attention to those that may have little potential for future recovery.

2 Time your sales strategically

If you expect to have high capital gains in a particular year, you may want to plan to harvest losses in that same year to minimize taxes.

3 Match gains and losses

Use your capital losses to offset any capital gains. Match short-term losses against short-term gains and long-term losses against long-term gains. Short-term gains are taxed at higher ordinary income rates, whereas long-term gains are taxed at lower rates.

4 Avoid the wash sale rule

The IRS imposes a "wash sale" rule that prohibits you from buying back the same or a substantially identical stock or security within 30 days before or after the sale.[2] If this rule is violated, your tax deduction for loss is disallowed.

Note: Wash sales are separately reported to the IRS to ensure compliance with this rule.

5 Track your losses

Keep accurate records of all transactions, including capital gains and losses for each tax year. This ensures you can claim all allowable deductions and correctly carry forward any unused losses to future years.

6 Work with a tax advisor

Tax-loss harvesting may seem straightforward, but it's always a good idea to work with a tax professional or financial advisor who can guide you through the specifics of your business. They can help you determine the best timing, how to maximize the benefits and—most important—ensure compliance with tax rules.

Tax-loss harvesting can be an effective strategy for managing your small business's tax liabilities. But it requires a thorough understanding and meticulous execution. So, work with a tax advisor to ensure you're in compliance with the IRS and tax laws. By implementing tax-loss harvesting, you can turn financial setbacks into strategic tax advantages. ■

[1] "Topic no. 409, Capital gains and losses," Internal Revenue Service, January 30, 2024. https://www.irs.gov/taxtopics/tc409

[2] "Publication 550 (2023), Investment Income and Expenses," Internal Revenue Service, September 9, 2024. https://www.irs.gov/publications/p550

Deck the Halls *with new traditions*

Fun ways to celebrate at home and work

The holiday season presents the perfect opportunity to build new traditions that bring warmth, joy and a sense of togetherness—for your home and your business. Whether you're looking to create lasting memories with family or festive moments for customers and employees, these ideas will help spark inspiration to embrace the magic of the holiday season.

Holiday traditions to start at home

Ornament decorating

Get your family together to create new ornaments for the tree, and consider hosting an ornament exchange with friends.

Holiday movie marathon

Dedicate an evening (or a day) for gathering with family and friends to watch your favorite holiday movies. Extra points for hot cocoa, popcorn and holiday cookies.

Cookie-baking day

Bake and decorate cookies together and try new recipes each year.

Volunteer day

Choose a charitable cause where you and your family can volunteer to reinforce the spirit of giving during the holidays.

Countdown calendar

Create a custom holiday countdown with fun daily activities like jokes, small gifts or candy...or a daily challenge leading to the holiday.

Family photos

Take a themed family photo each year. Get creative with matching outfits or specific backdrops.

Holiday lights tour

Pile in the family car and drive through your neighborhood (or a local light display) to "ooh" and "ahh" over the holiday lights.

Holiday traditions to start at your business

Staff gift exchange

Organize a White Elephant gift exchange, keeping it light-hearted with a firm spending limit.

Charitable giving drive

Encourage employees to participate in collecting food, toys or coats for local shelters.

Office decorating contest

Have employees decorate their desks or workspaces, then hold a friendly competition for different awards (e.g., Most Creative, Best Decorated, Most Tinsel).

Employee appreciation

Dedicate a day during the holiday season to show your team your gratitude with gifts or even half-day Fridays during December.

Holiday party

Host an office-wide catered holiday meal where everyone can gather and celebrate.

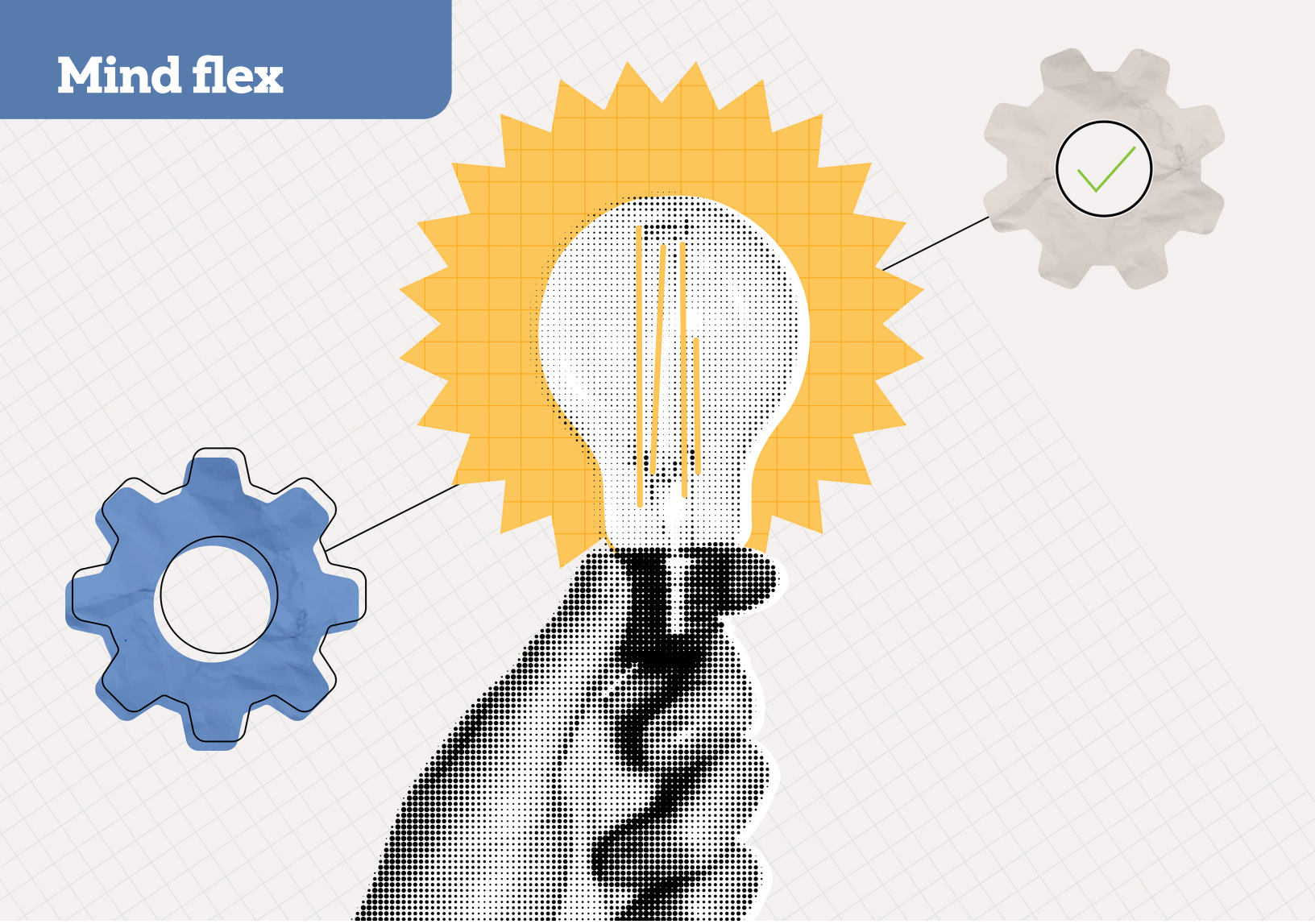
Holiday spirit week

Create themed dress-up days throughout the holiday season, such as Ugly Sweater Day, Festive Colors Day or Holiday Pajama Day to make the workplace fun and festive.



Happy Holidays!

By starting these traditions, you'll create cherished memories and help build a legacy that can be passed down for generations. Embrace the season and make every moment magical! ■



How trendy is your business? A quiz.

2025 is right around the corner. And there are several key business trends that are sure to bring major transformations. They'll influence how companies operate, interact with customers and navigate challenges. Will your business be considered on trend in 2025? Let's find out.

1 Are you—or will you be—offering remote or hybrid work options?

A. Yes. Then you're on trend! Flexibility is key for talent retention and work-life balance.

B. No. If you're able to, look into offering flexible work arrangements. It's a great way to attract new employees (and retain the ones you already have).

The trend toward more remote and hybrid work continues to gain traction, and it's becoming an expectation among employees.

2 Are you using generative AI in your business operations?

A. Yes. You're tech-savvy and ready for 2025! Just make sure you have the proper data privacy protections in place.

B. No. Did you know that AI can automate repetitive tasks and help inform decision-making? Give AI a try when it comes to chatbots or even creating social posts for you.

Generative AI is transforming business operations across various industries. Expect to see more businesses using it in 2025 to help improve operational efficiencies and help fill the staffing gap.

3 Have you digitized most of your business processes?

A. Yes. This is efficiency at its finest! Way to go!

B. No. To streamline operations, consider digitizing the way you work. You can start by getting into the cloud and using cloud-based technologies.

From cloud computing to digital payments, businesses are turning to digital solutions to help streamline their operations. Adopting digital tools not only improves internal processes but also enhances the customer experience by providing seamless and integrated services.

4 Do you have a cybersecurity plan in place?

A. Yes. You're doing what you need to do to protect your business from cyberthreats!

B. No. Keeping your data and your customers' data protected is extremely important. Get a cybersecurity plan in place now.

Cybercrime continues to grow and there's no end in sight. And with AI now in the mix, businesses will face increasingly sophisticated threats. Protecting sensitive data and maintaining customer trust needs robust security measures.

5 Are you offering wellness programs to your team?

A. Yes. Great! Happy and healthy employees are more productive (and they stick around).

B. No. Consider offering wellness initiatives to improve workplace—and mental—well-being.

The emphasis on health and wellness in the workplace will continue to grow through 2025. Offer wellness programs, flexible work schedules and access to health resources to improve the health of your team.

6 Is your supply chain resilient to disruption?

A. Yes. Being prepared for the unexpected is the way to go!

B. No. Be sure to strengthen your supply chain and have backups in place to stay agile.

In 2025, businesses will focus on diversifying suppliers, optimizing logistics and investing in technology to monitor and manage supply chain risks. Having a resilient supply chain is crucial for maintaining operations and meeting customer demands. ■

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