Advantage
Your personal finance edge
July–August | 2023



Back to the Office

Gifting money to your children? | All in the family
Better together | Unique family retreats | Banish the boredom

Reflect with a focus on family

As we embrace the second half of 2023 and gradually transition back to the office, it's important to maintain a sense of balance and connection with our loved ones. That's why this issue spends some time reflecting on the importance of family, and how they intertwine with various aspects of our lives.

Finances can play a big role in family dynamics, so we delve into what you need to consider before gifting money to your children. While gifting money can greatly help your kids, giving too much can cause tax challenges.

For those involved in closely held family businesses, we explore the financial and tax considerations that need to be addressed when you work with family. Follow our strategies to help keep the peace between the family and the business.

In today's fast-paced world, bridging the generation gap can be challenging. We share insightful advice and practical tips on how to better relationships across generations. Whether it's creating open lines of communication or embracing each group's unique perspectives, fostering understanding can help create unity among all.

In today's fast-paced world, bridging the generation gap can be challenging.

If you're ready to unplug from your distracting devices, we've located six destinations that help get you off the grid so you can reconnect with your family. Blend relaxation, adventure and unforgettable experiences to create cherished memories that will last a lifetime.

Unleash your competitive spirit on family trips with our collection of 10 fun games sure to spark laughter as you engage in friendly battles of knowledge and wit. Take the time to deepen the bonds with your family—whoever that might be—and enjoy moments you can treasure for years to come.

Wishing you a reflective and fulfilling journey with your loved ones.

Your trusted advisors

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Advantage is published by Rootworks LLC, 1516 S. Walnut St., Bloomington, IN 47401 (rootworks.com) and distributed as a courtesy by professional services firms nationwide.

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Back to the office

The call for workers to return to the office is almost as loud as the dinner bell being rung at the end of a warm summer's day. Except in this case, there isn't a stampede of tiny feet running back to the house. Instead, it's almost as though you can hear the collective groan of workers as they start the process of saying goodbye to working in the comfort of their own homes. Navigating a return to the office may be challenging, but our six tips can help ease the transition for you and your business.

Consider offering flexible work arrangements, such as a hybrid work model or flexible schedules.

Provide transparent communication

A successful return to the office depends on open and transparent communication with your team. Start by setting clear expectations, such as specific plans for returning to the office and timelines for this to occur. Make space for your team to provide feedback about this new endeavor and try to incorporate any suggestions (if they're within reason).

Offer flexible options

After a few years of working from home, some employees may not be keen on returning to the office five days a week. If remote work doesn't hinder your business, consider offering flexible work arrangements, such as a hybrid work model or flexible schedules. Help ease commutes by allowing your team to come in a little earlier or later than usual or allow them to work from home two to three days a week. Just be clear in your flexible policies and ensure guidelines are in place.

Encourage in-person interactions

No one wants to return to the office just to take video calls and chat through Teams or Slack... especially if they could be doing those things from the comfort of their own homes. Encourage face-to-face interaction when your team is at the office. Don't shy away from letting your employees socialize when they're in the office. It can help fuel innovation and retention. Ensure you create policies around response times to emails or phone calls while the team works in the office.

Institute incentives over consequences

While it may be tempting to penalize employees for not returning to the office, focus on how you can incentivize your team and offer benefits to make the return more attractive. If you're able, consider providing commuter benefits, helping with childcare expenses, offering professional development opportunities, catering lunch on in-office days or even offering pet stipends (e.g., pet insurance, toy subscriptions, doggie daycare fees) to those with "fur" babies at home.

Consider updating the office space

The return to the office will be a big adjustment for many of your employees. While some workers thrive in an office atmosphere, others prefer the solitude a home office provides. Consider the layout of your office and how you can accommodate employees on both ends of the spectrum. Designate quiet areas for those who prefer to work in silence and create collaboration spaces for those who like to work in a more collaborative setting.

Emphasize a collaborative culture

It can be difficult—although not impossible—to build a healthy and collaborative culture when your team is fully remote. But returning to the office can allow you to rebuild and strengthen your company's culture. Encourage teamwork within the office and schedule recurring one-on-one meetings with each of your employees. Allow them to speak candidly about their experience returning to the office. Plan team-building activities during office hours to help your employees feel more connected and engaged.

Summing it all up

Remember to be flexible and accommodating as your business transitions to working from the office again. If you're able to allow flexible work options, do it. If you can work with a hybrid schedule, give it a shot. Use our six tips to help navigate your company's return to the office. You've got this!



Gifting money to your children?

5 questions to consider

If you're thinking about gifting money to your children—to fund their education, help them with a down payment on a house or assist them through financial hardship—there are several things to consider. From the amount of the gift itself to tax limitations, it's essential to understand the various aspects of gifting. In this article, we cover five things to keep in mind if and when you're ready to gift money to your children.

1 Can you afford it?

It's easy to get swept away with wanting to help your children, especially if they're in financial distress. But before you write them a check, be sure that gifting money won't impact *your* current or future financial situation.

2 What are the tax implications?

When gifting money to your children, you need to be aware of any tax implications. Make sure you consult with an attorney or accountant about any taxes that you or the recipient may owe. You can also refer to the IRS website for more information.[1]

3 What is the maximum gift amount you can give?

According to the IRS, for tax year 2023, you may give a child up to $17,000 within the calendar year without paying a gift tax or filing a federal gift tax return.[2] A married couple may give up to $34,000 to any individual. Anything above this amount is taxable and can count against your lifetime estate and gift tax exemption, which is $12.92 million for individuals and $25.84 million for married couples filing jointly for tax year 2023.

4 How early can you begin gifting?

The age when you can begin gifting money can depend on legal and financial considerations. Many parents can start gifting to their children as soon as their children are born, but there can be restrictions on how the money is managed or accessed until a child reaches a certain age. Under the Uniform Gifts to Minors Act (UGMA), financial products like stocks, bonds and mutual funds can be gifted to minors that can be accessed by the child when they reach a certain age.[3]

5 How can you maximize your gifting?

There are several strategies when it comes to maximizing what you gift to your children:

- Education funds like 529 education savings accounts offer tax advantages for educational expenses. The funds grow tax-deferred, and, as long as funds are used for qualified educational expenses (e.g., tuition, books, room and board), any withdrawals are tax-free.
- Trusts can give you more control over the distribution and use of gifted funds. They allow you to set specific conditions, like age thresholds or how the funds can be used, which can help preserve and grow the gifted funds.
- Long-term investments such as stocks, bonds or mutual funds allow gifted funds to potentially grow over time, which can provide a greater financial benefit to your child in the future.

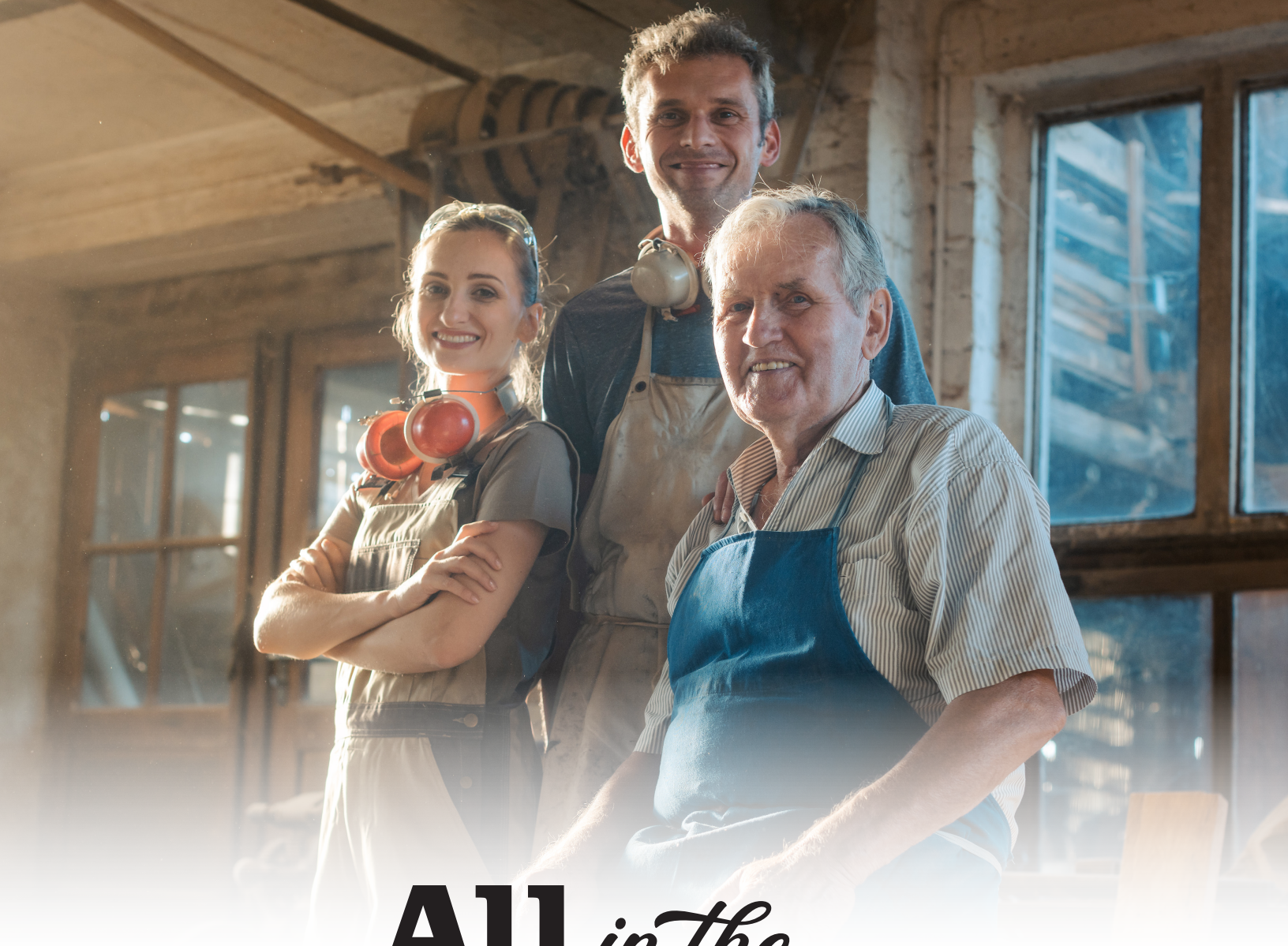
Get guidance before gifting

Whichever direction you choose, it's always best to consult with your accountant or tax lawyer to ensure your monetary gifts don't put you over any taxable thresholds. Also, consider providing financial education to your children so they're equipped with the financial knowledge they need to make informed decisions in the future.

[1] "Frequently Asked Questions on Gift Taxes," IRS, October 27, 2022. https://www.irs.gov/businesses/small-businesses-self-employed/frequently-asked-questions-on-gift-taxes

[2] "What's New - Estate and Gift Tax," IRS, December 20, 2022. https://www.irs.gov/businesses/small-businesses-self-employed/whats-new-estate-and-gift-tax

[3] "SI SF01120.205 Uniform Gifts to Minors Act (UGMA) and Uniform Transfers to Minors Act (UTMA) – Age of Majority (TN 1 - 02/2008)," Social Security Administration, September 9, 2022. https://secure.ssa.gov/poms.nsf/lnx/0501120205SF



All *in the* family

Do you share a closely held business with your family, or maybe you're thinking about starting a family-owned business? Either way, there are several financial and tax considerations to be mindful of when keeping everything in the family.

Succession planning

To ensure success when passing the family business from generation to generation (or family member to family member), it's important to have a succession plan in place. A succession plan should include elements such as ownership transition that covers whether you'll be gifting or selling shares; using trusts or other legal structures; creating a board of directors or establishing a family council to guide decision-making; and considering a contingency plan in case of unforeseen events, such as death or disability.

Shareholder agreements

Family shareholders must have a shareholder agreement in place that outlines their rights, responsibilities and obligations. This agreement should include rules and procedures for transferring shares, decision-making and voting procedures, how dividends and distributions are allocated, maintaining confidentiality and non-disclosure of sensitive information, and provisions for terminating the agreement.

Compensation and benefits

To prevent scrutiny from tax authorities, be sure family members working in the business earn compensation and benefits that match fair market value. Remain compliant with applicable labor laws, including minimum wage, overtime and employment tax. Although they're family, each member must be treated as a regular employee.

Capital structure and financing

Special consideration should be given to the capital structure of the business, which includes determining the appropriate mix of equity and debt financing. Several options include equity financing, debt financing, retained earnings, family loans, angel investors, strategic partnerships, private equity and government programs. Whatever you choose, ensure that any arrangements are structured properly to comply with tax laws.

Related-party transactions

Closely held family businesses may engage in transactions with related parties from time to time. This could include renting property owned by family members or purchasing goods or services from other family-owned entities. Be sure that renting or purchasing is at fair market value and is treated as though you're working with a non-related party.

Family limited partnerships or LLCs

Some families may establish family limited partnerships (FLPs) or limited liability companies (LLCs) to hold and manage business assets. While both offer pass-through taxation (i.e., profits and losses of the entity pass through to the individual partners or members for tax purposes), FLPs offer more flexibility in income allocation. This allows for greater tax planning and potential tax savings. Otherwise, LLCs are subject to default tax treatment unless they elect to be taxed as a corporation.

Consult a tax professional

It's important to consult a qualified tax professional specializing in closely held family businesses. They'll help you navigate any complex financial and tax considerations specific to your situation and can provide personalized guidance regarding ensuring compliance with applicable laws and regulations.



Better together

Chances are you may not see eye to eye with older or younger generations—and that's pretty normal. From values and attitudes to technology and finances, things have changed quite a bit over the last several decades, which is why it's important to help bridge the gap to promote understanding across the divide. We've gathered eight ways to help foster better relationships across generations with simple actions.

Show respect and appreciation

It's important to treat each of your family members and coworkers with respect and learn to value the contributions and knowledge each generation can provide. Everyone has a different experience and perspective on how they grew up and their current lives. Although you may disagree with each other's way of life, be open to learning from others' experiences...you may just be surprised by how they align with yours.

Practice active listening

It can be easy to shut down and stop listening if someone says something you don't necessarily agree with. But instead of turning away, take the time to truly listen and understand each other's perspectives. When you actively listen to what someone else has to say instead of thinking about what *you* want to say, you're giving open dialogue a chance. Avoid interrupting each other and ask intentional questions to understand the way they see things.

Share stories and experiences

Help create a sense of connection by sharing personal stories, experiences and memories. Every experience has relevance—from war stories to social media trends. The more you learn about each other, the better understanding you'll gain from each generation.

Engage in activities

Participate in activities that allow different generations to bond and interact with each other. Whether it's gardening and canning or learning the latest TikTok dance, take an interest in what each of you likes to do or pursue shared hobbies or interests.

Be open to learning from each other

Each generation has an opportunity to learn from one another because each has its own strengths and knowledge to offer. Be open-minded so you can learn from each other's experiences and perspectives, regardless of age.

Celebrate and create new traditions

Respect and honor the traditions of different generations through holiday celebrations, cultural events or family rituals together. And while you celebrate old traditions, create new ones that your family can enjoy for years to come.

"Every experience has relevance—from war stories to social media trends."

Be patient

Generational differences can sometimes lead to misunderstandings and conflicts. Practice patience, empathy and understanding if these situations arise, and understand that every generation has experienced something different. Try your best to seek common ground and build bridges between generations instead of dwelling on things you don't necessarily agree with.

Communicate openly and regularly

The key to building relationships is to communicate often and openly. Keep in touch through phone calls, video chats and in-person visits so you can share life updates and discuss common interests. Showing a genuine interest in each other's lives can help foster strong bonds, bridge generational gaps and create an inclusive family or work environment.



Unique family retreats

In a time where we find ourselves distracted by constant beeps, boops and buzzes from the devices glued to our hands, it's become more challenging for families to truly connect and spend quality time with each other. That's why we've gathered information about six unique retreats in the United States where families can finally unplug—and get reconnected.

Raft down the Green River

Utah

oars.com

Set amidst the stunning red rock canyons of Utah, the Green River offers an unforgettable adventure for the entire family. Whether you're a seasoned professional or a first-time rafter, this river offers multiple rapid types to provide just the right amount of excitement and togetherness a family needs. Enjoy gorgeous hikes and beachside campsites—all without cell service.

Drop anchor in a houseboat

Virginia

visitsmithmountainlake.com

Spend time away from home on your very own houseboat, floating on more than 20,000 acres of the pristine waters of Smith Mountain Lake. Putter around the lake during the day, rent wave runners or beach your houseboat and mosey on up to town. Stop by the local arcade, take a sightseeing tour on a seaplane or gather the kids for a fun game of mini-golf.

Camp in a yurt

Oregon

stateparks.oregon.gov

If you're looking to keep things simple and cozy, consider renting a yurt (or cabin) on the Oregon coast. Campgrounds are open year-round, and you can choose from a selection of rustic dwellings (i.e., the bare minimum and shared bathrooms) or go a little more bougie with deluxe offerings that include private bathrooms and a kitchenette. Bring books, cards or board games to pass the time in these cozy quarters.

Saddle up at a dude ranch

Colorado

vistaverde.com

Say goodbye to Wi-Fi and say hello to seasonal activities like horseback riding, s'mores by the campfire, skiing, tubing or sleigh rides. The Vista Verde Guest Ranch offers many activities all throughout the year with luxury amenities at its all-inclusive resort. Take in the gorgeous mountain views and enjoy meals prepared by talented chefs, all while spending time with your loved ones.

Paddle a canoe

Minnesota

boundarywatersoutfitters.com

Make your way through the Boundary Waters in northern Minnesota, leaving all your cares (and cell connection) behind. Take part in a guided tour as you swim, fish, canoe, camp and explore the natural beauty of the Northwoods. Grill the catch of the day right on the shoreline and watch in awe as wildlife makes its appearance known. You never know; you may be a-moose-d by what you see.

Experience a farmstead

New York

stonycreekfarmstead.com

Spend a few days living the unplugged life at the Stony Creek Farmstead. Start your early morning by collecting eggs for breakfast and enjoying them on the cookstove in your very own off-the-grid tent. Enjoy the simplicities of farm life without electricity and Wi-Fi. Take part in guided farm tours, go berry picking, kayak down the Delaware or traverse into town to sample from local breweries and cider makers.

Banish the boredom

You're only a few hours (or minutes) into your trip when you first hear the dreaded question, **"Are we there yet?"** Here are 10 games you can play as a family to curb boredom and bond with your loved ones.



1 License plate game

An oldie but a goodie, the license plate game is a simple yet fun way to pass the time, especially on a road trip. Everyone keeps an eye out for license plates from different states or countries, and each time a new plate is spotted, the spotter gets the point. Create a scorecard or use a smartphone app to help you identify and keep track of the license plates you see.

2 I Spy

Another classic game, I Spy, is sure to get the entire family involved. One person finds an object within sight and says, "I spy with my little eye, something that is..." and includes the color, shape, etc. Family members take turns guessing the object until someone guesses correctly. The winner gets to be the next spy.

3 Would you rather

Take turns asking family members "Would you rather" questions, which present two challenging options. An example would be, "Would you rather have butterfly wings or a unicorn horn?" Discuss your choices and the reasons behind them. It's a great way to get to know your family members (or co-road trippers) better.

4 20 questions

In this game, one person thinks of an object, person or place, and the rest of the family takes turns asking yes-or-no questions to help them guess what it is. The goal is to figure out the item by asking 20 or fewer questions. If no one can guess the correct item, then the answerer wins the round. If one of the questioners guesses correctly, they get to be the next answerer.

5 Animal name game

The first person names an animal, such as "giraffe." The next person has to name an animal that starts with the last letter of the previous animal, like "elephant." Keep taking turns until someone can't think of a new animal within a few seconds.

6 Name That Tune

This game may take a little preplanning. Compile a playlist of songs or have someone hum or sing the first few bars of a song. Whoever can guess the name of the song (or the artist) first wins.

7 Mad Libs

Concoct funny stories by using Mad Libs. You can print collections prior to your trip or use the Mad Libs app on your smart device. One player acts as the "reader" and asks other players to fill in the blanks of a story with adjectives, nouns, colors, exclamations and more. You're all sure to laugh at the results of your created story.

8 Road trip Bingo

Print—or create your own—Bingo cards for your next trip. Outside of the free space, the rest of the board can be filled with common items you would see while traveling, such as airplanes, taxis, stop signs, cornfields, gas stations...anything to do with travel. Come up with fun prizes for the winner, such as choosing the next meal or getting their favorite candy from the vending machine at the rest stop.

9 Memory game

This game has someone start with a simple sentence like "I'm going on a trip, and I'm bringing...." The first person lists an item that begins with the letter A; the next person repeats the sentence and adds a new item starting with B, and this continues until you run out of letters or someone forgets an item.

10 Celebrity name game

Similar to the animal name game, one person starts by saying the name of a famous person (e.g., Tom Hanks). The next person must then name a celebrity whose first name begins with the last letter of the previous person's name (e.g., Salma Hayek). Everyone continues listing celebrities until they can't name a celebrity in a few seconds.



Reach new heights

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.