In The Loop
Your magazine of personal finance
March-April | 2024



DEBT management for business owners

Sustainability: Why it matters | The impact of global events
Getting started with Etsy | The dirt on Earth Day
Captivating 'her-storic' facts

Planting seeds for success

As we slowly make our way into the spring season, let's stop to consider that what we do today impacts what we—and our businesses—become in the future. What seeds can we sow now to reap rewards tomorrow?

We can start with the delicate balance of finances, focusing on effective debt management. While taking on a loan to start a successful business is typical, more and more business owners find themselves taking on substantial debt to stay afloat. We offer strategies to reduce—and stop accumulating—business debt in order to sustain and grow a successful business.

Then, we turn our attention to adopting sustainable practices. Once a trend, sustainability is now a cornerstone for building a successful future, not just for ourselves and our businesses but for our families, our customers and our planet.

Once a trend, sustainability is now a corner-stone for building a successful future.

While we focus on our environmental impact, we also consider the effect of global events and natural disasters on our businesses. We share ways to forge strength and adaptability in challenging times so your business is prepared to remain resilient despite adversity.

For those searching for a creative outlet (and an additional income stream), we cover best practices for opening and running an Etsy storefront. It requires patience, knowledge and commitment, but these tips can help you turn a hobby into a profitable income stream.

In the coming months, we celebrate Women's History Month and Earth Day in awe of the seeds planted by activists who inspire us to this day. We unearth captivating details about our environment and the women who laid the groundwork for good.

Let us remember that the seeds of intention we plant today will bloom into success for ourselves, our businesses and our planet.

Happy planting!

Your trusted advisors

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Debt management for business owners

Would you be surprised to learn that many small businesses carry debt? If you're a business owner, it may not shock you that **72% of small businesses hold outstanding debt**, according to the 2023 Report on Employer Firms issued by Fed Small Business.[1]

While debt is necessary, it's important that it's carefully managed with the help of a financial professional. In this article, we'll cover different types of business debt, how to effectively reduce and stop accumulating debt, when it's wise to file bankruptcy, and your options if this happens.

Understand your business debt

There are several common types of debt, including:

Short-term

Typically used to cover short-term operating expenses. It can come in the form of lines of credit, short-term loans, overdraft protection and merchant cash advances. The debt is repaid within a short period, usually about a year.

Long-term

Often used to finance capital investments, like vehicles, equipment or real estate. It typically carries an extended repayment period. Examples include term loans, bonds, mortgages and equipment financing.

Secured

A loan or credit backed by collateral, such as property, inventory or equipment. It presents less risk and typically has lower interests. However, if businesses fail to make payments, assets used as collateral can be seized to recover the amount owed.

Unsecured

Not backed by collateral; usually more challenging to obtain. Rates are generally higher. Offered in the form of traditional term loans, lines of credit and business credit cards.

How to reduce debt

If your business carries recurring debt, you'll want a debt management plan. *(Disclaimer: Working with a trusted professional who specializes in this field is highly recommended.)* This plan can include strategies to:

Assess your current debt situation

Look at all your business liabilities, including bank loans, business credit cards, lease obligations, contracts, business taxes or employee-related liabilities (e.g., wages, benefits, pension, retirement).

[1] "2023 Report on Employer Firms: Findings from the 2022 Small Business Credit Survey," Fed Small Business, March 2023. https://www.fedsmallbusiness.org/survey/2023/report-on-employer-firms

Set debt reduction goals

Determine the amount of debt you want to pay off in a specified timeframe. Be realistic, based on your budget and income.

Renegotiate terms

Work with your lenders to negotiate more favorable terms for your debt. Options may include lower interest rates, extended payment terms or temporary payment relief.

Consolidate loans

If available, consolidation can simplify your debt management and may lower interest costs.

Ways to stop debt accumulation

As you work to reduce your debt, it's also important to see where you can cut costs so you can remove—or diminish the need for—more debt. Work with a professional to:

Develop (or adjust) your budget

Implement a strict budget; adjust spending accordingly.

Increase revenue streams

Are there areas of your business where you can raise prices or introduce a new product or service?

Improve invoicing and collections

Ensure you're invoicing on time and following up on overdue payments.

Cut unnecessary expenses

Review expenses and see where you can eliminate non-essential costs.

Avoid unnecessary borrowing

Before considering a significant purchase or investment, research the ROI and decide whether a new loan is worth it.

Conduct financial reviews

To stop debt accumulation and overspending, regularly review your financial status. This keeps you on top of spending and helps avoid unnecessary debt.

When bankruptcy is the only option

If your business carries too much debt and there's no end in sight, bankruptcy may be necessary to reduce your business debt burden. If it comes to this, you have two options:

Chapter 7[2]

A Chapter 7 business bankruptcy is administered by a bankruptcy trustee who sells your business assets, tries to retrieve outstanding accounts receivable, pays owed taxes and distributes any remaining funds to your creditors. It eliminates any personally guaranteed business debts and provides you with a clean break from the failed business. But your personal credit rating takes a massive hit—which stays on your record for seven years.

Chapter 11[3]

A Chapter 11 bankruptcy allows your business to reorganize debts and restructure finances to pay bills. Your business continues to operate, and calls from debt collectors cease in the short term. If you have assets worth less than your debt, bankruptcy may allow you to pay only what the assets are worth instead of the balance due. Chapter 11 is costly, requires a bankruptcy attorney and can take several years.

Consult a professional

Effective debt management is crucial for business owners, but you shouldn't do it alone. Work with a qualified professional who can guide you through strategies to navigate debt efficiently and keep your business on a path to financial health. ■

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[2] "Chapter 7 Bankruptcy - Liquidation Under the Bankruptcy Code," Internal Revenue Service, April 4, 2023. https://www.irs.gov/businesses/small-businesses-self-employed/chapter-7-bankruptcy-liquidation-under-the-bankruptcy-code

[3] "Chapter 11 Bankruptcy - Reorganization," Internal Revenue Service, April 4, 2023. https://www.irs.gov/businesses/small-businesses-self-employed/chapter-11-bankruptcy-reorganization



Sustainability: Why it matters

Sustainability. It's a word you've probably heard more often lately, especially as an increasing number of consumers and businesses start to consider their environmental impact. Many of us have probably thought about our own carbon footprint... and then wondered about the carbon footprint of our favorite businesses.

The Sustainable Global Growth and Shopper Expectations report by ESW revealed that Gen Z and millennials displayed the highest consideration for sustainability, at 94% and 93%, respectively.[1] That means consumers will be—if they aren't already—looking to purchase from businesses that run sustainably or are making strides to do so.

If you think you can run your business as usual and not worry about becoming more sustainable—think again. Consumers speak with their dollars, which don't stretch as far as they used to. So, let's talk about how important it is for your small business to be sustainable, and look at some actionable ways you can put sustainability into practice now.

Why it's important for your small business to be sustainable

Sustainability has become increasingly important for several reasons:

Environmental impact

Small businesses (which make up a majority of companies around the globe) have a significant environmental footprint. When they adopt sustainable practices, the impact on natural resources is reduced.

[1] "Sustainable Global Growth and Shopper Expectations," ESW, Accessed January 16, 2024. https://go.esw.com/gv-sustainability

Cost savings

When businesses become more sustainable, they typically reduce waste and increase efficiency. This can result in reduced costs.

Regulatory compliance

Governments are implementing more environmental regulations worldwide to reduce carbon footprints. Becoming sustainable helps businesses remain compliant and avoid penalties.

Consumer demand

Small businesses that practice sustainability will attract consumers looking for sustainable and ethically produced items. Considering the growing number of younger shoppers who prefer sustainable companies, this can have a lasting impact on businesses.

Competitive advantage

Businesses that focus on becoming more efficient and reducing their environmental impact may be able to edge out the competition, especially if their competitors have made no similar moves.

Employee attraction and retention

Just as consumers are investing in sustainable companies, many employees in the younger generations are looking to work for businesses that share their same commitment to sustainability.

Community and social responsibility

Small businesses are important fixtures within their communities. Adopting sustainable practices demonstrates their dedication to social responsibility. This can strengthen community ties and increase business in the long run.

It's also important to keep in mind that sustainability is often linked with long-term business viability. If your business can adapt to a changing environment, there's a strong chance your business will remain successful for a long time.

Ways for your small business to become more sustainable

From large to small, there are several actionable steps businesses can take to become more sustainable.

Hybrid or remote work

If your business allows for it, consider adopting a hybrid or 100% remote work environment. Telecommuting reduces commuting emissions and the amount of paper in the workplace. You could also encourage and reward your employees for carpooling, biking or using public transportation.

Energy and water conservation

If your business must remain in-office, consider changes such as energy-efficient lightbulbs, appliances and equipment. Also, think about installing water-efficient features like low-flow faucets or toilets.

Sustainable sourcing

Be sure to source materials and products from local suppliers to reduce transportation costs and work with suppliers who also practice sustainability.

Community engagement

Have your business engage and participate in local community initiatives, and educate your team and customers about sustainability practices.

Start your sustainability journey

Sustainability isn't just a buzzword—it's a strategic business decision that impacts the environment, your reputation...and your bottom line. Your business won't become 100% sustainable overnight, but taking small steps now, like going completely digital or sourcing sustainable products, will make a huge impact on your customer base and your long-term success. ■



Resilience series | PART 2

The impact of global events

Earthquakes. Tornadoes. Hurricanes. Volcanoes. Tsunamis. Wildfires. Pandemics.

The global events we've experienced over the last several years seem endless. And that means disruptions to the stock market, supply chains, finances and regulations. Unfortunately, disasters will continue to occur—there's no real way around that. The good news is that you can prepare your small business to be resilient in the face of global adversity.

In the second installment of this six-part Resilience series,* we'll cover the impact global events can have on small businesses. Because natural disasters and other global happenings won't diminish, we'll look at ways you can protect your small business.

The impact of global events on small businesses

From natural disasters to global pandemics, many events can significantly impact businesses.

Natural disasters

Events like earthquakes, hurricanes, floods and wildfires can disrupt both local and global supply chains. They can lead to short-term market volatility and have long-term economic impacts.

Economic and political changes

Policy and regulation changes, along with large-scale elections, can impact business operations. Changes in trade policies, tax laws and those elected to office can affect the way businesses operate.

*In the upcoming articles of this series, we'll continue to explore the ways small businesses can remain resilient in the face of adversity.

Financial market shifts

Major shifts in currency values, interest rates or events like the 2008 financial crisis affect global markets and supply chains. Inflation doesn't help with that, either.

Public health crises

As we saw most recently with the COVID-19 pandemic, widespread health crises impact global economies by disrupting supply chains. They can also lead to government intervention and tank the stock market.

Geopolitical events

Terrorist attacks, war and diplomatic conflicts create uncertainty around the world. This typically leads to instability in the stock market and disruptions in global trade and supply chains, particularly if major economic powers are involved.

Ways to prepare your business

You have no control over the next global disaster, and that can feel unsettling. However, what you *can* do is prepare your business so you're able to navigate these challenges and remain resilient. Here's how:

1 Conduct a risk assessment

Before doing anything else, identify the potential risks for your business and location. Is your area prone to earthquakes or mudslides? Do local or national elections impact your industry?

2 Create an emergency plan

Craft an emergency response plan with steps for each possible risk you've identified. This should include communication procedures for your employees and staff, any evacuation strategies, and steps for securing your assets.

3 Get insured

Ensure your business has adequate insurance that covers a range of risks specific to your business. This may include property damage, inventory loss or business interruptions. Speak to a knowledgeable party and be sure to keep your policies updated.

4 Build a financial cushion

Create an emergency fund to help your business stay above water if a disaster occurs. If possible, create multiple recurring income streams and reduce unnecessary spending.

5 Diversify supply chains

Avoid working with a single supplier and look into using a local vendor. If you build a portfolio of alternative suppliers, you'll have a backup plan for the next untimely event.

6 Strengthen technology and data security

If your business can support it, invest in technology that supports remote work and online transactions. Also, make sure your business data is protected with cybersecurity and regular data backups.

Stay flexible and informed

No one can predict the next global event, but you can do your best to mitigate harm to your business by being prepared. Stay informed about what's happening in the world and be ready to adapt your business model as needed. Resilience isn't about surviving an immediate crisis—it's positioning your business for long-term success and stability. ■

Craft an emergency response plan with steps for each possible risk you've identified.

Getting started with Etsy



Have you been thinking about dipping your toe into the ocean of e-commerce with your very own Etsy shop? Or maybe you've already taken the plunge and sales are a little...stagnant? Worry not; we've gathered a list of nine tips for running your own Etsy storefront.

1 Research the market

If you're starting out with a product idea, that's great! If not, that's OK, too. What's important is doing the research for the product you may have in mind. Look to see how many other storefronts are selling the same (or similar) product. Research what your future competitors are selling, how they've set up their storefronts, what customers are saying and how they're pricing their products. Knowledge is power—gather what you can and price your merchandise accordingly.

> **What's important is doing the research for the product you may have in mind.**

2 Take (or design) quality photos and graphics

You know the adage: A picture is worth a thousand words. And that holds true for all your product listings, whether you're offering a physical or digital product. Make sure photos are well-lit and attractive. Short video clips for physical products are helpful for buyers as well. If you're selling digital products, make sure your graphics are streamlined and uncluttered. Use an editing tool such as Canva or utilize the help of AI if you're not graphically inclined.

Also, include multiple photos of your products; buyers want to see as many details as possible. Lastly, see if your images pass the clickability test. Search for your item to see what other products appear and how their images stand out. If you'd click on another seller's item, make some adjustments to your images or graphics.

3 Create detailed descriptions

Provide accurate and detailed descriptions of your products, along with the benefits they provide. Include dimensions and materials, or whether the buyer will receive a downloadable product vs. a physical item. If you make one-of-a-kind items, also include the story behind them. Keep it professional, but make it personal.

4 Use SEO keywords...everywhere

Help your storefront and products appear in front of more potential buyers by using SEO (search engine optimization) keywords in your product titles and descriptions. Use all 13 tags that Etsy allows within product descriptions by including phrases people will use when searching on Etsy and search engines like Google or Bing.

5 Set competitive pricing

Pricing your items to sell can walk the fine line between overcharging and making zero profit. Review the way similar items are priced and be aware of your costs. You want to be competitive, but you also want to make a profit. Keep in mind that you can adjust pricing if you discover that you're charging too much or too little.

6 Define clear shipping timelines

If you produce items once an order comes in, be upfront about the manufacturing, processing and shipping timelines. If you can bundle multiple items for your store into one shipment or possibly offer free shipping for orders over a certain amount, make sure those terms are clearly listed. Most people aren't expecting big-box-store shipping speeds, but they do need an estimate of how long their items will take to arrive.

7 Boost your brand awareness

Make sure you've thoroughly considered your brand identity. This means your shop name, logo, colors and the aesthetic of your storefront. You'll want your brand to shine through with your product listings, as well as your presence on social media. Use platforms such as Instagram or TikTok to promote your products to a wider audience, and encourage customers to tag you when they receive or use your products.

8 Deliver with style

If you're sending physical items to customers, try to send them an experience. This doesn't mean a package that explodes with confetti (people may decline to purchase from you in the future if you do this), but one that is wrapped neatly, with a business card and a handwritten "thank you" included. A personal touch and attention to detail can go a long way.

9 Be aware of the business things

Stay on top of Etsy policies, along with any legal requirements you may need, such as taxes and business licenses. And consult professionals as needed. Also, take advantage of Etsy's analytics tools to track your store's performance. Be prepared to adapt to shift your strategy based on what's working for you and what isn't.

Come on in; the water's fine

Setting up your Etsy business can take time; like most things, slow and steady wins the race. From doing your market research to delivering products with style, use these nine tips to get started with your storefront. And remember: Your store doesn't have to be perfect to get started—you just need to start. Happy selling! ■

The dirt on Earth Day

Have you ever wanted to dig deep into Earth Day and uncover the nitty gritty of the meaning behind it? Well, pull on your gloves and get your trowel ready, because we're going to uncover some dirt—and plant some seeds on ways you can celebrate.



What is Earth Day?

Every April 22, Earth Day is a global celebration of environmental protection and sustainability. It's not just about being environmentally conscious; it's about finding ways to preserve and improve the environment.

Why was Earth Day created?

After witnessing a massive oil spill that leaked millions of gallons of oil off the coast of Santa Barbara, Senator Gaylord Nelson created Earth Day to force the lack of environmental protection onto the national agenda.

When was Earth Day first observed?



Initiated by Senator Nelson, Earth Day was first observed on **April 22, 1970**, in the United States. This led to the establishment of significant environmental laws in the United States, including the Clean Air Act, Clean Water Act and Endangered Species Act.

When did Earth Day become recognized worldwide?

In 1990, when a group of environmental leaders organized a major campaign that mobilized 200 million people in 141 countries.

When did the United Nations get involved?

The UN joined Earth Day celebrations in 2000—on the 30th anniversary of Earth Day. They dubbed Earth Day "International Mother Earth Day" in 2009, but the United States still calls it Earth Day.

A few fun facts:



- About 1 billion people celebrate Earth Day each year.
- The official theme song for Earth Day is "Earth Day Anthem," and it was written by Indian poet Abhay Kumar in 2013.
- Google's first **Earth Day doodle** was in 2001.

Ways to celebrate Earth Day at home and at work

- Clean up your local environment.
- Dry your clothes outdoors.
- Support local farmers.
- Go geocaching.
- **Plant native trees in your office courtyard.**



- Tour local waterfalls.
- Support pollinators by planting pollinator-friendly flowers.
- Climb (or hug) a tree.
- **Swap out kitchen, household and office products.**



- Attend an education workshop about environmental sustainability.
- Create an office recycling system.
- Hold a team fundraiser for an environmental charity or organization.
- **Host or attend a composting workshop.**





Captivating ‘her-storic’ facts

There’s no better time to sing the following lyrics from Queen Bey(once) herself, “Who run the world? Girls!” than now. Why? Because March is Women’s History Month! From the origins of why we celebrate to the women who got us here, each fun-filled fact we’ve included is a tribute to women’s triumphs in ‘her-story’—er—history.

1 The first Women's History Day was held on February 28, 1909

This date commemorated the one-year anniversary of garment workers' strikes when 15,000 women marched through lower Manhattan, protesting work conditions.

2 The *day* turned into a *week* in 1978

On March 8, 1978, Women's History Week was kicked off by an education task force in Sonoma County, California, to draw attention to the fact that women's history wasn't included in K-12 curriculums.

3 Women's History *Month* began in 1987

After much lobbying by women's organizations, including the National Women's History Alliance, Congress finally declared March Women's History Month.

4 15-year-old Claudette Colvin refused to give up her bus seat... before Rosa Parks

On March 2, 1955, Colvin had just learned about Black history at school and refused to give up her seat on a bus for a white person in Montgomery, Alabama. Nine months later, Rosa Parks did the same.

5 Women couldn't get credit cards on their own until 1974

Until Congress passed the Equal Credit Opportunity Act of 1974, women couldn't get credit cards in their own name without a man to cosign for them.

6 The right for *all* women to vote wasn't granted until 1965

Wyoming Territory led the charge by granting women voting rights in 1869. But the 19th Amendment, which gave voting rights to women—and was signed into law on August 26, 1920—didn't allow all women to vote. It wasn't until President Lyndon B. Johnson signed the Voting Rights Act into law in 1965 that all women were allowed the right to vote.

7 Geraldyn "Jerrie" Cobb was the first woman to pass astronaut testing in 1961

However, she wasn't allowed to travel in space because of her gender. Twenty-two years later, Sally Ride became the first woman in space on June 18, 1983, when she flew on the Challenger space shuttle.

Notable numbers

- Women currently hold **25%** of the seats in the Senate and **29%** in the House.[1]
- **63%** of women voted in the 2020 election, compared to 59.5% of men.[2]

Women comprise 17.5% of active-duty military members and 19.7% of active-duty military officers.[3]

- Eleanor Roosevelt held **348** press conferences specifically for female reporters in 12 years.[4]
- As of 2022, women accounted for **50.7%** of the college-educated labor force in the United States.[5]

[1] "Current Numbers," New Brunswick, NJ: Center for American Women and Politics, Eagleton Institute of Politics, Rutgers University-New Brunswick, Accessed January 19, 2024. https://cawp.rutgers.edu/facts/current-numbers

[2] "Presidential voting rate compared to total voting-age population," USAFacts, Accessed January 19, 2024. https://usafacts.org/data/topics/people-society/democracy-and-society/elections/presidential-voting-rate/

[3] "2022 Demographics Profile of the Military Community," Military OneSource, Accessed January 19, 2024. https://www.militaryonesource.mil/data-research-and-statistics/military-community-demographics/2022-demographics-profile/

[4] "Eleanor Roosevelt's White House Press Conferences," National Women's History Museum, September 22, 2017. https://www.womenshistory.org/articles/eleanor-roosevelts-white-house-press-conferences

[5] "Women now outnumber men in the U.S. college-educated labor force," Pew Research Center, September 26, 2022. https://www.pewresearch.org/short-reads/2022/09/26/women-now-outnumber-men-in-the-u-s-college-educated-labor-force/



Time is running out...

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

But hurry—time is short!