



# In The LOOP

Your magazine of personal finance

January–February 2020

## Live in the moment!

**Office organizing 101**

**Business or a hobby? Tax guide**

**Meet your 2020 financial goals**

**Soup's on!**

**Get inspired!**



## What's your 2020 vision?

It's a new year—and a new decade! Do you have plans for what you want to achieve over the next year? If not, let this issue of *In The Loop* be your guide.

Start the year off right by getting your workspace (and tax documentation) in order. We have tips to help you perform this task efficiently while making sure you don't dispose of anything you will need. Once your office is spic and span, it will be easier to meet your 2020 goals.

If you have a case of the winter blahs, we've included some uplifting advice on how to make every day

count. Incorporate these tips into your daily life, along with some of the inspirational memes in this issue, and feel the positivity take you (and your days) over.

If you are looking for some satisfying and quick meals to make over the next few months, look no further than our unique soup recipes. You could even make a batch of your favorite comfort soup to pass around at the next office potluck.

Wishing you all the best in the coming year!

Sincerely,

*Your Trusted Advisors*



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January–February 2020

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# Office organizing

# 101

If you left your office in disarray before the holidays, you're probably not the only one. However, a cluttered workspace can hinder your productivity. As you ease back into your regular work routine, take an hour to apply our tips to help you clear out, clean up and create space for a new year.

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## 1. Purge your papers

As you work to tame the paper piles, be sure to think through how you can reduce the amount of paper you generate in the first place. After all, we do live in the digital age. Ask yourself: Do I need to print emails? Can I scan documents and receipts instead of keeping hard copies? While you are at it, remember to shred any documents that contain sensitive information.

## 2. Digitize your filing system

Consider setting up a new filing system that is predominantly stored electronically and in the cloud. Here are some ideas for organizing a digital filing system:

- Create a "Meeting" folder: This is where you can keep notes about items to discuss, reports and other tasks to delegate.
- Create a "Work In Progress (WIP)" folder: This is where you can file project documentation and notes on items that are not yet completed. This will help you corral the information from your email and eliminate the need to have hard copy files.
- Add a "Reading" folder: Designate a file for print articles and one for digital documents that you don't want to miss and plan to read in the near future.
- Archive your files: While it's tempting to keep completed project files in your regular flow of active files, it's not the best strategy. This creates clutter and interferes with the sense of closure that comes from finished work. Instead, archive and store completed projects in the cloud.

## 3. Work systematically

The thought of organizing a cluttered space can be overwhelming. The best approach is a methodical one. Start by clearing one area at a time. Identify the items you need, what you don't use, and what you can eliminate by donating, recycling or disposing of it.

## 4. Find a place for what is left

Every item that remains should have a place and a function. Approach this task in a structured manner. Designate work zones in your office based on what kind of activity occurs. Position the equipment and supplies that you use most within easy reach. Items that you rarely use can be stored or put away.

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As you can see, organizing your office doesn't have to overwhelm you. It can be accomplished little by little. And when you maintain your newly decluttered space, you'll be amazed how much more efficient and energized your workspace will make you feel. ■







# Business or hobby?

A guide to help you stay  
compliant with the IRS.

Do you run an Etsy shop or sell jewelry in your spare time? Have you always dreamed of turning your hobby into a business? If so, it's important to realize that the IRS has specific tax rules about this type of enterprise. Before you take the leap from hobby to enterprise, consider the following:

- **If the IRS classifies your business** as a hobby, you have to prove a valid profit motive if you want to claim related deductions.
- **If your business claims a** net loss for too many years or fails to meet other requirements, the IRS may classify it as a hobby. For tax years beginning in 2018, this will prevent you from claiming any hobby-related expenses against your hobby income.
- **In the eyes of the IRS**, if you start a business, the intention is to profit from it. If you do not intend to profit, it's likely that your "business" will be classified as a hobby. The IRS considers many factors to determine this, including:
  - Do you put in the necessary time and effort to turn a profit?
  - Have you made a profit in the past, or can you expect to make one in the future?
  - Do you have the necessary knowledge to succeed in this field?
  - Do you depend on income from this activity?
  - Are your losses beyond your control?

- **Generally, if your business** has not shown a profit in at least three of the prior five years, the IRS will categorize your business as a hobby. If your business includes horse training, breeding or racing, this may be extended to a profit in two of the prior seven years.
- **The major consequence** of a hobby classification is that it doesn't allow you to claim losses. However, if you have a hobby expense that is also a deductible personal expense, such as a home mortgage deduction, it can be deducted in full.
- **Keep in mind** that for tax years after 2017, there are no miscellaneous itemized deductions. This means that there are no hobby expenses that can reduce your hobby income.

### **The IRS is always watching... so be careful about running a hobby as a business**

Operating as if your hobby is a business can trigger an IRS audit. So, be sure to maintain accurate records. A written business plan detailing your intent to turn a profit and how you will handle losses will also help demonstrate that you mean business! ■





# live IN THE moment

It's a brand new decade! Are you ready to make the most of each day? If you need a little help to live in the moment, try these tips:



## *Rejuvenate each day*

Take a little time (5-10 minutes) to relax and reflect quietly before bed. This practice can help you sleep more soundly and keep your emotions well-tuned.

## *Wake up early*

Getting up early allows you time for a healthy, wholesome breakfast, and to ease into your day.

## *Smile more*

Smiling programs your brain to think positively and enjoy the little things.

## *Read something uplifting*

There are so many negative stories out there... try reading a fun book or some affirmations each day.

## *Set daily goals*

They don't have to be big, and they shouldn't be work related. For example, set a goal to compliment five people today. You'll be surprised at what a difference in your mood small gestures of kindness can make!

## *Do something new each day*

Don't let a day go by without expanding your skills or discovering something new—whether it is a restaurant, a new hiking path or a song—seek out little moments of excitement in each day.

## *Express yourself*

One of the most important ways to be in the moment is to get creative. Practice the activities that help you express your inner passions—from sports to your favorite hobby. And then make time to do it.

## *Focus on the good*

We all have bad days, but focusing on the positive makes the negative easier to deal with. It also helps you identify the things that make you happy so you can spend more time doing them.

## *Do what you truly want*

We all must make choices about how we spend our time. If you identify obligations that you can eliminate from your schedule to open up more time for the things you love... then do it! It's important to do things that are meaningful and fulfilling to you.

## *Be patient with others*

While it sometimes takes energy to be patient and spread kindness, the reward is much greater than any initial discomfort. Being patient and kind simply means you need to be aware of how your actions affect others. And we all have that in us!



# Meet your 2020 financial goals

When you think about making a list of financial goals, do you feel like a deer in headlights? Or does it seem too time-consuming? It doesn't have to be. For most of us, it boils down to answering a few common questions, including:

**What values and motivations are behind my financial decisions?**

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**Where does my money go on a daily, weekly and monthly basis?**

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**What is my spending plan? How can I ensure my daily spending habits don't undermine my goals?**

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**How can I shop and spend smarter to "find" money without having to earn more?**

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**What is my current debt ratio and how can I reduce it?**

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**Am I paying myself first to save money and to start a strong retirement income planning program?**

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**How am I tracking my goals and celebrating financial milestones?**

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**Where can/should I invest money to reach my financial goals?**

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However you feel about setting financial goals, the important thing is that you take a little time to make sure you are on the right track. Start by jotting down the answers to the questions above.

**Feeling stuck?**

Our firm can help. Contact us for assistance in planning for and meeting your 2020 financial goals. ■





# Soup's on!

These simple but substantial soups and stews will help you ease back into healthy eating after the holidays. Best of all, they require only a few ingredients and very little time to prepare! Whip up a batch or two using these recipes and enjoy!

## A simple beef stew

Makes four to six servings.

### Ingredients

- 6 medium red potatoes
- 1 1/2 pounds beef sirloin tip (cut into 1" cubes)
- 1/3 cup flour
- 1 (14-ounce) can diced tomatoes (undrained)
- 2 cups beef stock
- 3 cups frozen stir-fry bell peppers and onions
- Salt and pepper (to taste)

### Instructions

Scrub the potatoes and cut each into quarters. Place the potatoes in the bottom of a 4-quart slow cooker. Mix flour, salt and pepper and toss with the cubed beef to coat. Add the coated beef to the crockpot. Add undrained tomatoes and beef stock and stir gently. Cover the crockpot and cook on low for 7–8 hours until the beef and potatoes are tender. Add stir-fry vegetables. Cover the slow cooker again and cook on low for 30–40 minutes until the vegetables are hot and tender.

## Vegetarian tortellini soup

Makes four servings.

### Ingredients

- 2 cartons (32 ounces each) reduced-sodium vegetable broth
- 1 package (10 ounces) julienned carrots
- 1 package (9 ounces) refrigerated cheese tortellini
- 1 cup frozen peas (about 4 ounces)
- 1/4 teaspoon pepper
- Thinly sliced fresh basil leaves

### Instructions

In a large saucepan, bring broth to a boil. Add carrots, tortellini, peas and pepper; return to a boil. Cook, uncovered, 7–9 minutes or until pasta is tender. Top servings with basil.



## Easy five-ingredient tomato soup

Makes two generous servings (but recipe can be easily multiplied).

### Ingredients

- 4 tablespoons unsalted butter
- 1/2 large onion, cut into large wedges
- 1 (28-ounce) can of tomatoes (Whole peeled or crushed preferred)
- 1 1/2 cups water, low sodium vegetable stock or chicken stock
- 1/2 teaspoon fine sea salt (or more to taste)

### Instructions

Melt butter over medium heat in a Dutch oven or large saucepan. Add onion wedges, water, can of tomatoes with their juices and 1/2 teaspoon salt. Bring to a simmer. Cook uncovered for about 40 minutes. Stir occasionally and add additional salt to taste. Blend soup. ■





Need a little motivation to make your 2020 goals happen? Clip these quotes from some of the world's most inspiring leaders!

**Great thoughts speak only to the thoughtful mind, but great actions speak to all mankind.**

*Emily P. Bissell*

**What lies behind us and what lies before us are tiny matters compared to what lies within us.**

*Henry Stanley Haskins*

**No one can make you feel inferior without your consent.**

*Eleanor Roosevelt*

**I haven't failed. I've just found 10,000 ways that don't work.**

*Thomas Edison*

**Remember that happiness is a way of travel, not a destination.**

*Roy M. Goodman*

**The two most important days in your life are the day you are born and the day you find out why.**

*Mark Twain*

**The only thing worse than being blind is having sight but no vision.**

*Helen Keller*

**Not everything that can be counted counts, and not everything that counts can be counted.**

*William Bruce Cameron*

**There are two ways of spreading light; to be the candle or the mirror that reflects it.**

*Edith Wharton*

# 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.*