

LINDSEY & WALDO

CERTIFIED PUBLIC ACCOUNTANTS

"You see the numbers, we look for the opportunities."



SPECIAL POINTS OF INTEREST:

- Thinking back...
- Getting more referrals for your business
- We're the WINNER!!
- Call-in times
- Referrals and much more

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Taxing Times

Dedicated to helping our clients keep the money that belongs to them through a focus on tax.

VOLUME 11, ISSUE 7

JULY 2019

Hiring Your Children for the Summer *The Job of Last Resort or Just Good Tax Planning?*

When times were better, many students looking for summer employment, and graduates looking for permanent jobs, thought of the family business only as a last resort. In today's economy, however, the family business may be the only place for some kids to find work. But all is not lost. Employing your child may save you some taxes regardless of how your business is organized.

Income Shifting. Regardless of how a business is organized, the owners may be able to turn some of their higher-taxed income into tax-free or low-taxed income by employing their children. In addition to providing valuable work experience for your offspring, this arrangement can offer significant tax savings to the business. As long as the work your children do is legitimate, you follow all the rules, and they receive reasonable wages, you can deduct their wages as a business expense and shift the money to your child in a (presumably) lower tax bracket.

Example. You are in the 32% tax bracket and you hire your daughter, Julia, to help with in your business full time during the summer and part-time into the fall. Julia earns \$6,000 during the year and doesn't work elsewhere during the year. If that \$6,000 would have otherwise gone into your pocket, then you saved \$1,920 (32% of \$6,000) in income taxes at no cost to your daughter, who can use her \$12,000 standard deduction for 2019 to completely shelter her earnings.

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I Paused

I paused for a moment.

My grandson, Jack, asked me what was going on when I was his age. "What games were out? What music was popular?"

So, I paused. There were no games as he thinks of them. Electronic time vampires that you can play singularly or with friends around the world. Only board games, sports, or ones we made up in the back yard.

50 years ago, I was Jack's age. I didn't remember much about 1969 specifically. My mind just doesn't match years and events together. I didn't remember that 1969 saw the last public performance by The Beatles, or that 350,000 rock-n-roll fans visited a small farm in New York for Woodstock. I didn't remember that was the year the Boeing 747 and the Pontiac Firebird Trans Am made their debut. I didn't even remember that Hurricane Camille devastated the Mississippi coast in 1969.

I did, however, remember that I was witness to one of man's crowning achievements in July 1969 when American Astronaut Neil Armstrong became the first man to set foot on the moon and utter those immortal words "That's one small step for man, one giant leap for mankind."

I was living in a Houston, Texas suburb at the time. My father, a career Air Force officer, was working at NASA Mission Control Center. I can still picture the "MAN ON THE MOON" headlines and photograph which filled the entire front pages of both the *Houston Chronicle* and the local paper I threw, *The News Citizen*.

Apollo 11 launched from the Kennedy Space Center carrying Neil Armstrong, Edwin "Buzz" Aldrin and Michael Collins on July 16, 1969. The lunar module Eagle separated from the command module Columbia and landed on the Lunar surface

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Progress Perspective

“(Human flight in a machine) might be evolved by the combined and continuous efforts of mathematicians in from one million to ten million years.”

– from an article in *The New York Times*, October 9, 1903

“We started assembly today.”

– from the diary of Orville Wright, October 9, 1903

As the preceding quotes from the very same day suggest, pessimist always miss the key point. Not just in technological progress, but in the change of the rate of change.

The progress of powered human flight is a great reflection of this phenomenon. On the fourth and final flight on that historic December day in 1903, the Wright brothers flew 852 feet in 59 seconds. In 1923, two men flew 2,500 miles across the United States nonstop, from Roosevelt Field on Long Island to San Diego. Lindbergh's solo flight occurred in the spring of 1927. The turbojet engine was perfected in 1939. Yeager broke through the sound barrier in 1947 and Mach 2 was reached in 1953. By 1957, man had broken through the earth's atmosphere and orbited the earth. In 1969, men walked on the moon. Any way you chart this progress, it is simply amazing.



There were four Apollo flights in 1969, Apollos 9,10,11, and 12. Apollos 9 and 10 tested the rockets, the lunar module, lunar descent, and rendezvous and docking with the command module. Apollo 12 returned men to the moon where they spent 31 hours on the surface.

The next Apollo flight was in April the following year. Unlucky 13. April 13, 2020 will mark the 50th anniversary of the night Apollo 13 had “a problem” with three astronauts on board. If you watch the documentaries, or even Ron Howard's film ***Apollo 13***, you may notice something about halfway through the film. The world's foremost space scientists and engineers begin working the problem of how to get those heroes home alive using slide rules. Because at that point, NASA's mainframe computer was overloaded and could no longer respond in time.

As you watch those sequences, know that your iPhone is a million times smaller, a million times cheaper, and a thousand times more powerful than all the computing power that was available to NASA the night Apollo 13 blew up.

I believe this increase in computing power will help us solve many of our most vexing problems, including energy, the environment, and diseases. I believe we will accomplish so much in the next fifty years; it will be like looking back on the Wright brothers is to us now. I believe where we will be, has yet to be dreamed. *

6 Ways to Get More Referrals

It never ceases to amaze me: I observe business people and salespeople allowing customers (and money) to leak out of their business. Many times, without even realizing it.

For example, I watch people go to chamber, or other networking events with the sole purpose of collecting as many business cards as they can. Somehow they seem to feel, the more cards they collect, the more contacts they can make, the more business they will generate. And they will be everywhere, at every event tangentially connected to their business. Others may view them as the king or queen of networking.

Yet the business, the referrals, aren't coming and they ask, “*Why aren't I getting referrals?*”

There could be several reasons such as forgetting to ask, focusing on the wrong people, having no system in place, or putting pressure on customers or referral partners unknowingly.

Here are six things you can do to increase your referrals.

Ask. Yes, it starts here. If you don't ask you may get a few haphazard referrals, with the emphasis on few. If you learn how to properly ask your customers and partners for help, some will enthusiastically promote your product or service. In my experience, you'll never get all of your customers to give you a referral, but you don't know which ones will be ambassadors for you until you ask. Note: referral partners don't have to be customers. They could be friends, vendors, or others in a supportive group, who have, over time, come to know, like, and trust you.

Make people comfortable giving you referrals. It's important to remember that your customers don't like to feel like they are selling their friends to you. For many, offering an inducement or a bribe in exchange for names not only makes them uncomfortable, but may cause them to question the quality of your goods or services.

You may have customers or referral sources who would like to refer, but don't know how. By giving them easy ways to refer their family and friends without making it feel like you are paying them, you will receive more and a better quality of referrals.

Show appreciation. Remember to thank your referral partner or customer for the referrals. If privacy allows, let them know when a referral works out and give them an update. One of my favorite ways to do this is with a hand written card. People like to be appreciated. When you take the time to do something so few do these days, send a hand written card – NOT a text, NOT an email, NOT a tweet, a hand written card, your referral source will be pleased and more willingly refer you the next time.

Focus on the right relationship. You don't have the time to have a great relationship with everyone you meet. It's impossible! That's why you have to focus your energy developing the right relationships. For example, would you spend the same energy on a customer who has only purchased one entry level item from you in the last year as a CEO who purchased your product for every employee at her company?

Put systems in place. You already know that you don't have time to build quality relationships with everyone; however, you can put systems in place such as follow up procedures to help nurture and develop relationships so that you can have more of those quality relationships referring you.

Grow referral partners. Being an active member of a closed networking group like BNI[®] gives you the opportunity to

BNI[®]

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Hiring Your Children for the Summer—*continued from page 1*

The total taxes for your family are cut even if Julia’s earning exceed the standard deduction amount. That’s because the unsheltered earnings will be taxed to her beginning at the 10% rate instead of being taxed at your higher rate.

As an added bonus, if your business is an unincorporated sole proprietorship or a partnership consisting of only you and your spouse and your son or daughter is under age 18, you don’t have to pay Social Security or Medicare taxes on the wages you pay.

Example. Take the information from the example above and let’s say you usually take home \$150,000 from your sole proprietorship. Now, in addition to the income tax savings above, you save \$174 (the 2.9% HI portion of the \$6,000) because your self-employment income is reduced and Julia saves \$459 (.0765 x \$6,000) in employee FICA just because she worked for you instead of someone else.

Since the income earned by Julia is earned income, it isn’t subject to the Kiddie Tax. Just be sure to file W-2 forms and other necessary tax forms for her.

Beginning early. You could also encourage Julia to contribute some or all of her \$6,000 earnings to a Roth IRA and she’d be starting on her journey to retirement as a millionaire. *

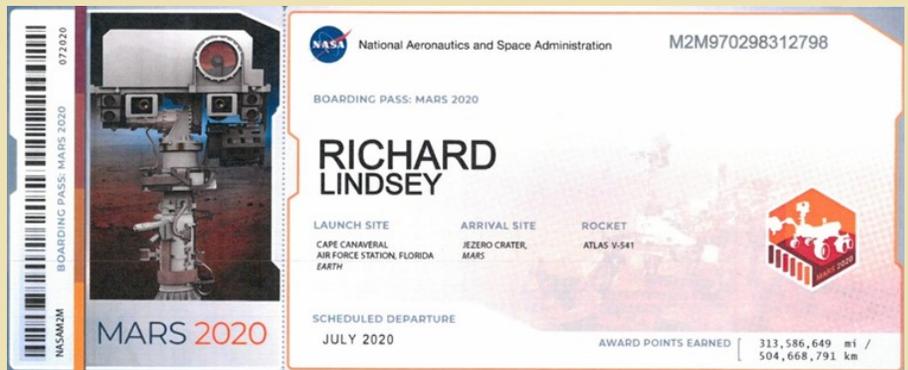
I Paused—*continued from page 1*

on July 20th. The following day, Neil Armstrong and Buzz Aldrin became the first humans to walk on the moon.

Naturally, things have changed dramatically in the last 50 years. When the 60’s came to a close, the Dow Jones Industrial Average was 800, the average income in the USA was \$15,550 per year, and gasoline was 35 cents per gallon.

Where will we go from here? To Mars? Certainly. NASA plans for its first robotic landing on the Red Planet next year and the first female on the moon in 2024. Just like the first moon landing, there are lots of things we don’t yet know how to accomplish to make it a reality, but we will discover, we will learn.

Chances are, where we’ll be in 50 years, even Jack hasn’t dreamed of yet. *



6 Ways to Get More Referrals *continued from page 2*

develop relationships with potential referral partners without the distraction of direct competitors. Unlike other networking opportunities, BNI® encourages your efforts to build quality relationships with referral partners. Those trusting relationships can develop into your most prolific referral partners.

Generating referrals takes a well-designed system and consistent effort to operate reliably. But the pay-off is worth it. Referrals are one of the highest probability and most profitable sources of new customers. *

And the award goes to...

Lindsey & Waldo, LLC

What an honor!!

For the second year in a row, we won the LocalBest.com “Best Accounting Services, Mobile” Award. We would like to thank you all for supporting us and helping us achieve this award.



AWARD WINNERS
BEST ACCOUNTING SERVICES MOBILE



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To be removed from our mailing list, call/email us:
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**Looking for Someone
You Can Rely On?**

We really believe in the process of referrals, so part of the service we provide is to be sure to refer our clients and associates to other qualified businesspeople in the community.

Below, you'll find a list of areas in which we know very credible, ethical, and outstanding professionals. If you're looking for a professional in a specific area we've listed, please feel free to contact us. We will be glad to put you in touch with the people we know who provide these services.

- Veterinarian
- Business Coach
- Bathroom Remodeler
- Auto/Home/Life Insurance
- Air Conditioning Repair
- Realtor
- Financial Advisor
- Mortgage Broker
- Printer
- Home Inspector
- Custom Monogramming
- Banker
- Identity Theft Protection
- Senior Relocations
- Chiropractor
- Phone Repairs
- Pet Day Care
- Business Opportunity Coach



This month's special Member-Only call-in times for Lindsey's Insider's Circle will be 7/29/19 from 2:00 to 4:00 pm.

To schedule your appointment, contact Kristen at (251) 633-4070.

**Not a member yet?
Find out how to become one TODAY!**

More on Freedom

"Freedom has its life in the hearts, the actions, the spirit of men and so it must be daily earned and refreshed - else like a flower cut from its life-giving roots, it will wither and die." ~ Dwight D. Eisenhower

"Those who expect to reap the blessings of freedom, must, like men, undergo the fatigue of supporting it." ~ Thomas Paine

"For to be free is not merely to cast off one's chains, but to live in a way that respects and enhances the freedom of others." ~ Nelson Mandella

"Those who deny freedom to others deserve it not for themselves." ~ Abraham Lincoln

"Freedom is never given, it is won." ~ A. Philipp Randolph

"Freedom is never dear at any price. It is the breath of life. What would a man not pay for living?" ~ Mahatma Gandhi

