



The
Tax Office Inc.
The Final Piece of the Puzzle

September–October 2015

In The
LOOP

Your Magazine of Personal Finance

**Turning
Your Hobby
into a Business**

**Frightful Financial
Faux Pas: How to
avoid them**

**The Best
Back-to-School
Apps**

**The World's
Best Cooking
Schools**

**Quiz: Are You
Smarter Than
a Fifth Grader?**

From the Firm

Never Stop Learning

September and October are the ideal months to take stock of where you are and—in the spirit of the back-to-school season—maybe even learn something new. With the diverse range of formal and informal learning opportunities available in our modern world, there's no excuse not to be a life-long learner.

This issue of our client magazine is focused on the pursuit of knowledge, and we've compiled many useful articles to support you—and those you care for—in your educational pursuits. From college saving strategies to meet the goals of traditional and adult learners, to whetting your appetite for the world's best cooking schools and avoiding some of the scariest financial mistakes, this issue has you covered.

Our firm is a strong advocate of ongoing education. It's something that we are committed to in order to keep abreast of the latest laws and regulations, allowing us to deliver exceptional service to you.

If you have any questions about your financial situation that you would like answered, please feel free to contact us. We look forward to sharing our knowledge with you.

Sincerely,

**Your Trusted
Accounting Advisors**





September–October 2015

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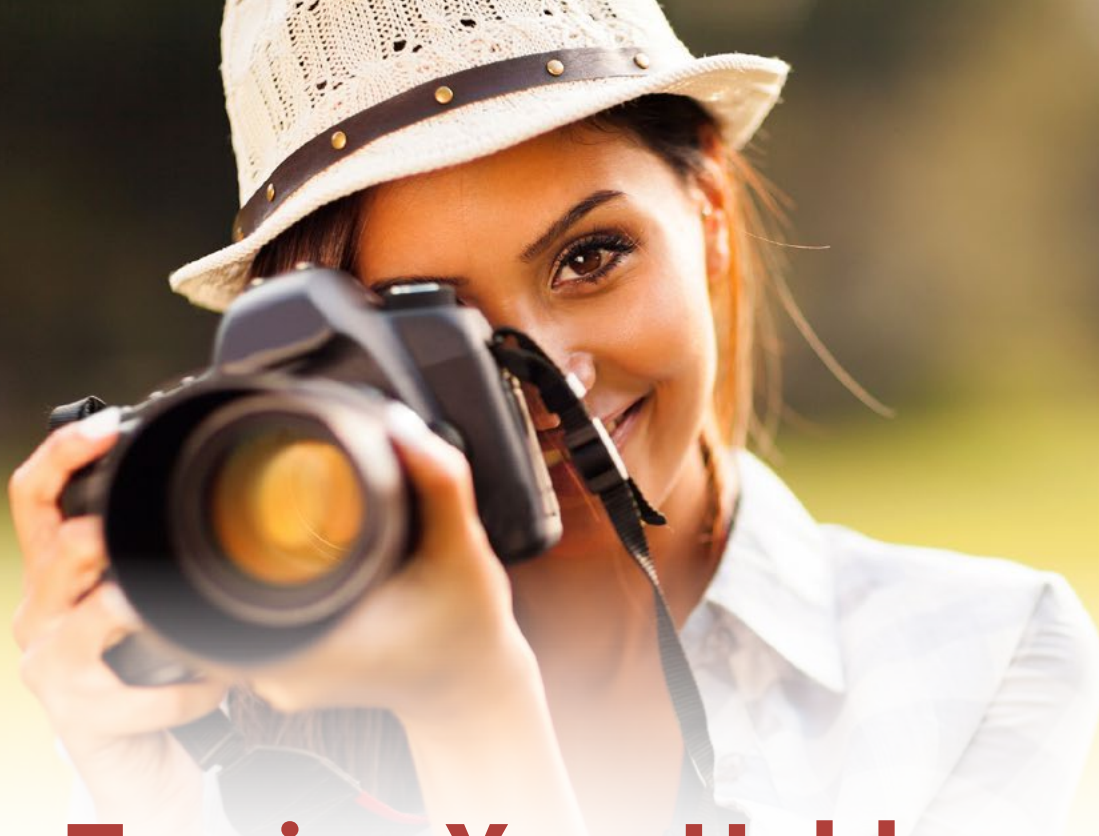


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Turning Your Hobby into a Business

You love to [insert favorite hobby here]...but does that mean you should make it your livelihood? Here's what you should consider before making the leap.

The modern economy is definitely in transition. The promise of a traditional paycheck and long-term career stability is, arguably, becoming a thing of the past. Technology is making the world smaller and, in some respects, making it easier to run a small business. These factors, among others, are driving a rapid rise in self-employment and micro-businesses in America. In particular, thousands of Americans are launching companies based on their favorite hobbies.

From photography to catering to small business consulting, many people are taking—or thinking about taking—a hobby or a true passion and building a business around it. The National Association for the Self-Employed (NASE), an organization that advocates and acts as a resource for the self-employed and micro-business community, confirms that for millions of new entrepreneurs, “the opportunities and financial benefits are endless.” Sounds great, doesn't it? Indulge your passion

and rake in the profits...unfortunately, for every person who takes a leap of faith and successfully transitions a hobby into a full-time, profitable gig, there are likely dozens of others who don't make it.

If you, or a friend or family member, are considering making your hobby a real business, it's critical to temper your enthusiasm with a careful reality check so that you don't take any unnecessary risks. To help you start assessing whether you want to turn your hobby (or other idea)

into a legitimate business, consider the following questions from entrepreneur and BPlans site editor, Candice Landau, before you give up your current job or take on expenses related to your special start-up.

Will I enjoy doing my hobby on a deadline?

You love baking cupcakes for friends and family, but, according to Landau, you need to dig deeper and be honest with yourself: Will you enjoy turning them out day in and day out, under time pressure for years on end?”

Will I enjoy doing this with a financial gun to my head?

Landau writes, “There’s a difference, psychologically, between doing something for fun and doing it because if you don’t, you won’t be able to pay the rent. Anticipate this truth and think deeply about it. If you want to turn your hobby into a business because you think it’s going to be as much fun as it was when it was only a hobby, you could be in for a surprise.”

Is this hobby my outlet for relaxation?

If you love to take pictures as part of your leisure time, you will, as Landau states, have to find something else to do to unwind—your hobby will no longer have that effect.

Am I up for a challenge?

Starting a business based on your hobby can be deeply fulfilling, but it almost definitely won’t be easy. If you’re looking for an escape, a life break, or simply a less effortful alternative to a straight job, then turning your passion into a business probably isn’t it. You may want to talk to some successful

Don't fall into the fallacy of thinking that you won't have to market your business.

business owners before launching your own company to learn more about what it takes to be an entrepreneur before taking the plunge.

Am I willing to sell myself?

Given the intense competition in virtually every market that exists today, the vast majority of entrepreneurs face a tough climb... especially when they first launch their business. Don’t fall into the fallacy of thinking that you won’t

have to market your business. Few business owners can survive on friends and family alone. You will need to exert considerable time, money and effort marketing yourself and your product and services. Be prepared for this reality.

Learn about the risks—and the rewards—of entrepreneurship.

In an ideal world, we would all love our jobs and be pursuing our passions while we make a great living. Sometimes that is just not possible—or it will involve extraordinary circumstances. For many hobbyists, the most critical thing to realize is that a favorite activity may not tap into a large market segment, which means you’ll have to work hard—very hard—to make a niche business work, especially if it’s going to provide for you and your family. ■



Five Frightful Financial Faux Pas and How to Avoid Them

Fall brings with it one of the spookiest seasons: Halloween. While the scares related to this seasonal event are just for fun, getting into a negative financial situation is downright scary—no matter what time of year it is. To help you identify and avoid making frightful financial faux pas, check out these tips.

1. Avoid the student loan debt trap

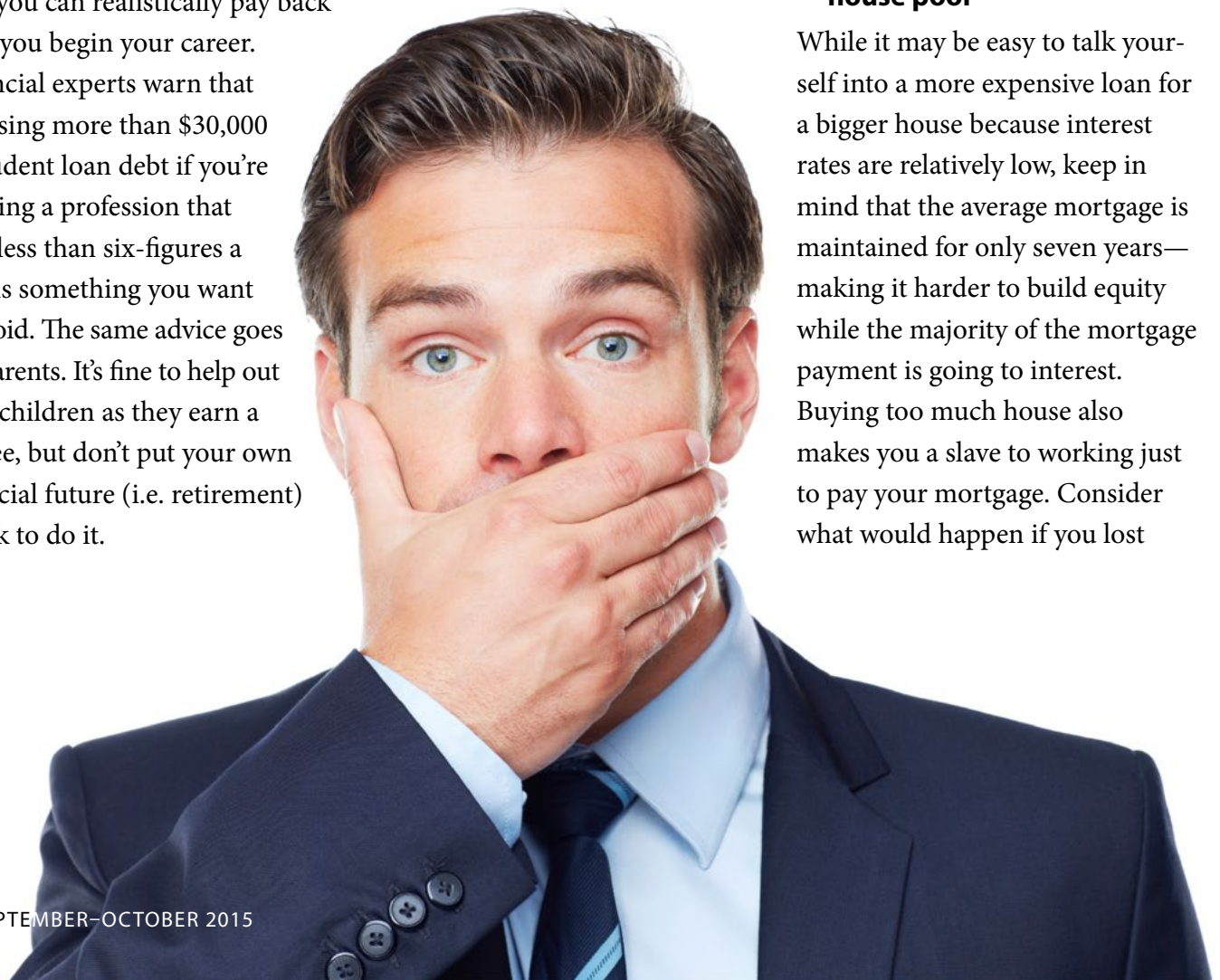
This tip applies to both parents and students. For students, it's important to consider how much debt you can realistically pay back once you begin your career. Financial experts warn that amassing more than \$30,000 in student loan debt if you're entering a profession that pays less than six-figures a year is something you want to avoid. The same advice goes for parents. It's fine to help out your children as they earn a degree, but don't put your own financial future (i.e. retirement) at risk to do it.

A smarter choice: Consider which school your family can really afford during the application process, and also what financial sacrifices you'll have to make

throughout the college years to minimize the debt you take on in the pursuit of higher education.

2. Don't make yourself house poor

While it may be easy to talk yourself into a more expensive loan for a bigger house because interest rates are relatively low, keep in mind that the average mortgage is maintained for only seven years—making it harder to build equity while the majority of the mortgage payment is going to interest. Buying too much house also makes you a slave to working just to pay your mortgage. Consider what would happen if you lost



your job...would you immediately be behind on your mortgage payments? If your mortgage is too large of a percentage of your take-home pay, you'll be working, driving, and living only for your house payment, which can really stress you out.

A smarter choice: Purchase a smaller starter home and move up gradually as you can afford it comfortably. In addition, to avoid being house poor every month, experts agree on building and maintaining a cash emergency fund to protect your family. After that, maximize your 401(k) and Roth IRA contributions.

3. Quit carrying credit card debt

Eliminating debt (especially high-interest credit card debt) as soon as possible is key to having control of your income, your most powerful wealth-building tool. If you are buying things before you can afford them using your credit cards or living without a budget and continuing to take on more debt, you are making a major personal finance mistake.

A smarter choice: Create a plan for eliminating credit card debt using a budget to help you determine where you need to cut your costs. Getting rid of your debt will free up money to fund your retirement savings.

4. Don't raid your nest—or your nest egg

Experts agree that tapping too deeply into your home equity and withdrawing your retirement funds for any reason are huge personal finance mistakes.

Whether it's paying off student loans for your kids, taking care of your own consumer debt, or making house or car payments for adult kids who are in their

Create a plan for eliminating credit card debt using a budget to help you determine where you need to cut your costs.

own financial trouble, you should not tap into the wealth you have worked hard to accumulate.

A smarter choice: Instead of leveraging the equity in your home with a home equity loan or raiding your retirement savings to pay for a child's college or other expenses, seize the opportunity

to help your kids (or yourself) learn the value of making smarter financial choices and dealing with consequences.

5. Resist the urge to co-sign loans

One of the worst possible financial moves you can make is to co-sign a student loan, car loan, mortgage loan, or a credit card for anyone else. If someone cannot get credit on their own, it's highly likely that you'll have to repay these loans when others default. The Federal Trade Commission also warns against co-signing any type of loan or credit card. By doing so, you're taking a risk even a lender won't take.

A smarter choice: While it may require some emotional resolve, just say no to requests to co-sign loans. It may be tough in the moment, but your future financially stable self will thank you. ■



The Best Back-to-School Apps

There's no better time to get your technology in order than at the beginning of a new school year. We've rounded up some of the best apps to help you be efficient and effective this school year.

Whether you're getting kids ready to get back to the books, or you are heading back to school to continue your own education, the following list of apps from CNET's Back-to-School

Tech Gift Guide can help you stay organized, find the resources you need, and save time (that you can use for additional studying, of course).

1. SimpleMind Free (Android, iOS)

When you're trying to write a paper, but just can't get your thoughts organized, this app will allow you to create a mind map. You can add ideas and then rearrange the chart connections to fit the assignment.



2. EasyBib (Android, iOS)

If you want to skip trying to figure out what information to include in your citations, let this app do the work for you. Just scan the bar code on the back of your book and presto! The citation is saved in a list with other books you've scanned.

3. SuperCard Flashcards (Android) or Flashcards+ (iOS)

Don't spend an hour or more writing out flash cards, just so you can lose the one with the answer to question No. 1 on your exam! Instead, use one of these apps, which will let you add info to both sides of a virtual card, quiz yourself, and mark problem cards that you need to review more frequently.

4. Google Drive (Android, iOS) and Dropbox (Android, iOS)

Not every assignment fits the note card study method. These two cloud storage apps offer a great place to keep your longer notes so you can study on the go. If you didn't type your notes, you can "scan" them as a photo.

5. Google Now (Google Search app) (Android, iOS)

This app will deliver reminders, commute times, package tracking statuses, movie times, news,

stocks, sports, and voice search—perfect for the busy student.

6. RealCalc Scientific Calculator (Android) or PCalc (iOS)

Forgot your calculator in the dorm, or even at home, and now you need it in class? Provided your professor doesn't mind you having a phone or tablet in your work space (might want to ask first), these apps are great alternatives.

7. Duolingo (Android, iOS)

Want a bit of extra practice for your foreign-language course? Duolingo turns language learning into a game that encourages you to progress with achievements, a health bar, and reminders to play.

8. MyHomework Student Planner (Android) or iStudiez (iOS)

Instead of trying to squeeze class schedules, assignments, project deadlines, study groups, and grades into your calendar, try using a planner app designed for students. Both options look great, and offer you all the organization you'll need to get through the year.

While these apps get an A+ for helping you with your classwork, and studying, it is up to you to remember to download and use them to make this year's school year that much easier. ■

Don't Miss These Tax Deadlines



Keep these dates handy to avoid paying penalties:

Business Tax Deadlines

- **March 16, 2015**
Filing Deadline
- **Sept. 15, 2015**
Extension Deadline

Estimated Quarterly Tax Payment Deadlines

- 1st Quarter:**
April 15, 2015
- 2nd Quarter:**
June 15, 2015
- 3rd Quarter:**
September 15, 2015
- 4th Quarter:**
January 15, 2016

Individual Tax Deadlines

- April 15, 2015**
Filing Deadline
- Oct. 15, 2015**
Extension Deadline

IRA Contribution Deadline:

April 15, 2015

Please visit
www.tax.gov/calendar
for additional information.

Savings Strategies for Students of All Ages

While many parents of young children are familiar with basic education saving principles, few people think to evolve their education savings strategies as their kids mature. However, adapting your savings habits based on the age of your children can make sense, as we outline in this article.

If you have elementary-age children: When children are young, you can usually afford to take more risk with your education savings—which, hopefully, will yield higher returns later on. An age-based

529 plan automatically adjusts to more conservative options as a child grows up, and typically includes fewer stock-based investments in favor of keeping more money in savings and money market accounts.



Parents who choose to buy mutual funds within a 529 plan individually rather than as a packaged age-based plan, and have children who have more than a few years left before college, can buy more stock-based mutual funds when stock market values drop, since they can wait for values to increase.

If you have middle and high school students: For this age range, parents may wish to use a less aggressive age-based plan in order to invest more conservatively as children are closer to using the money.

It is important to keep in mind that the amount of time children have before they use education funds isn't necessarily dependent on their age. For example, a student in high school may need to pay for the first two years of college within four years, but they'll have a longer time frame to invest the money for their junior or senior years or in graduate school.

If you have college-age students: Although children attending college may be using some of their education savings, that

doesn't mean parents (and other plan contributors) should stop investing in their accounts—especially if there are plans to continue on to graduate school. As such, investments made at this time for education should have about the same level of risk as those for students in high school.

Parents with children who have age-based 529 plans should review them annually.

If you are an adult student: Many adults who decide to go back to school do not have the luxury of accessing an education savings plan. However, they may have more financial stability and hence more everyday funds to use toward tuition and other costs.

Adult learners may wish to set up a separate savings account to ensure they set aside sufficient funds to cover school-related costs to avoid having to depend too heavily on student loans. In addition, adult students can also research grants and check with their employers to see if they have the benefit of a tuition reimbursement program.

Parents with children who have age-based 529 plans should review them annually. Each family should review their portfolios regularly and consider not just the amount of time until their child goes to college, but also their risk tolerance and the economic climate. For adult students, meeting with a financial advisor to review their current financial situation and projected education costs is also a good idea. ■



The World's Best Cooking Schools

Love to cook? Taking a trip to one of the world's best cooking schools can help you indulge your culinary passion in a whole new way.

September is typically back-to-school season where students focus on reading, writing and 'rithmetic. However, for the want-to-be chefs among us, there's a wide range of cooking schools around the world that allow you to learn the finer points of roasting,

recipes, remoulades...and beyond. If this is your kind of education, then take a look at the following list of culinary institutes that *Bloomberg Businessweek* calls some of the best in the world, and start planning a trip to suit your personal taste.

La Canonica Cooking School, Tuscany, Italy

La Canonica Cooking School holds sessions in a former priest's home in the mountain town of Montalcino, Tuscany. Each two-hour class focuses on regional recipes—pasta, pizza, soups, and



cakes—in a hands-on manner for six students or less at a time. The 4,000-acre estate, owned by Massimo Ferragamo of the Italian fashion family, was built in the 12th century and encompasses a castle, a church, the ruins of an ancient village, a winery, and a private golf course.

Bean Chocolate Making Class, Belize, Punta Gorda

The one-day Bar to Bean Chocolate Making Class at chic jungle lodge Belcampo Belize in Punta Gorda starts with a visit to the property's small cacao nursery. With a dozen other attendees, crack open a pod to taste its pulpy fruit, and grind dried beans into a paste the old-school way—with a mortar and pestle called a metate. Then temper and mold chocolate bars to take home. As treats cool, enjoy a tropical farm-to-table lunch, then indulge in class-made Mayan chocolate pudding.

Langlois Culinary Crossroads, New Orleans, Louisiana

Louisiana cookbook author Amy Cyrex-Sins' "Langlois Culinary Crossroads" offers Cajun and Creole courses in a converted 1850s-era grocery store in the Faubourg Marigny neighborhood. Classes are capped at 16

and highlight the history of the area's cuisine, techniques such as roux making, the importance of "the trinity"—onions, celery, and bell pepper—and more. Whether you're taking a brunch, lunch, or dinner class, the chefs prep ingredients beforehand so you can dive into the cooking.

Hutong Cuisine Cooking School, Beijing, China

Down an alley in the historic Dongcheng district, you'll find Hutong Cuisine Cooking School, held in an open-air courtyard in warmer months. Sign up for four-hour classes on dim sum, noodles, Cantonese cuisine, Sichuan cuisine, dumplings, and Peking duck. The school also has a monthly, 10-day intensive program that covers most major Chinese regions and specialties. All classes have 12 or fewer students.

School of Artisan Food, Sherwood Forest, England

Fulfill your Downton Abbey fantasies at the School of Artisan Food in Robin Hood's Sherwood Forest. The curriculum is based on fermentation—pickling, cheese-making, cider brewing, and baking without additives—with an emphasis on handmade, centuries-old techniques. The not-for-profit

school welcomes 14 newbies and professionals for events ranging from two-hour beer and cheese tastings to six-day summer intensives, where you'll bake bread and butcher mutton. All are held in a converted Victorian fire station, and the estate includes an art gallery, farm shop, and bakery.

Rosewood San Miguel de Allende, Mexico

The Rosewood San Miguel de Allende resort, high up in the mountains of central Mexico, offers a full-day local food foraging journey. It starts with a morning trip to an organic farm, where you'll walk the fields and pick produce, followed by a lesson facilitated by the hotel's executive chef on what to do with the bounty. The day ends with a celebratory supper at the hotel's fine-dining 1826 restaurant. Classes are limited to a dozen guests, and separate wine-tasting courses focus on giallo, tempranillo, and other varietals.

Now that you have whet your appetite for expanding your cooking skills and possibly traveling around the world, consider putting at least one of these cooking schools on your bucket list. Bon appetit! ■

Are You Smarter Than a Fifth Grader?

If it's been a while since you were in elementary school or helped children with their homework, test your knowledge with this quiz and see if you could make it if you had to go back to fifth grade!

1 What is the fastest bird on foot?

- A. Ostrich
- B. Sparrow
- C. Eagle
- D. Dragon
- E. Woodpecker

2 What planet is closest to the sun?

- A. Venus
- B. Earth
- C. Mercury

3 A heptagon is a shape with how many sides?

- A. 4
- B. 6
- C. 7
- D. 8
- E. 9

4 Which of the following states is NOT on the Gulf of Mexico?

- A. Georgia
- B. Texas
- C. Florida
- D. Alabama
- E. Louisiana

5 What is the lowest prime number?

- A. 0
- B. 1
- C. 2
- D. 3
- E. 5

6 What is the largest South American country by area?

- A. Argentina
- B. Brazil
- C. Chile
- D. Mexico
- E. Peru

7 Who was the first person to set foot on the moon?

- A. Neil Armstrong
- B. Edwin 'Buzz' Aldrin
- C. John Glenn
- D. Sally Ride
- E. Alan Shepard

8 'Carefully' is an example of what type of word?

- A. Adjective
- B. Noun
- C. Verb
- D. Adverb
- E. Pronoun

9 In the northern hemisphere, in what month is the autumnal equinox?

- A. August
- B. September
- C. October
- D. November
- E. April

10 Who was the first president of the United States?

- A. John Adams
- B. Abraham Lincoln
- C. Thomas Jefferson
- D. George Washington
- E. John Jay

ANSWERS:

1.a 2.c 3.c 4.a 5.c 6.b 7.a 8.d 9.b 10.d

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