

“America: The Land of Small Business”

By Tommy Williams, CFP®

Are you thinking about starting a business? If not, you probably know someone who is, especially amongst the millennial generation. Forbes reports, “*On an economic level, being a millennial...means that you are far more likely to want to become your own boss.*”



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If you're thinking of starting a business, no matter your age, the AARP suggests that there are quite a few things to consider, including:

- **Business structure.** Will you be a sole proprietor? Or will you establish a corporation, limited liability company, or partnership? The structure of your business will affect

taxes, liability, and other matters.

- **Licensing.** Many cities and states require a new business to register, apply for a business license, and pay an annual fee to do business.

- **Tax payments.** Talk with a tax professional to determine whether you need to make quarterly tax payments. Also, be aware that people who work for themselves pay both the employer and employee portions of Social Security and Medicare taxes. You'll want to factor that in when deciding pricing for products or services.

- **Recordkeeping.** In many cases, your business will need its own bank account and credit cards. You'll also need a system for tracking business receipts and expenditures. Investing in business accounting software can make recordkeeping a lot easier.

- **Contracts.** Contracts specify deadlines, terms of payment, and other particulars, ensuring everyone shares the same understanding

and expectations. If your client asks you to sign a contract or asks you to provide a contract, consult with your attorney.

- **Liability insurance.** Professional liability insurance protects you if you're ever sued, and some clients may require you to have coverage. Talk with your financial or insurance professional to determine what type of coverage you may need.

If President Trump's business policy proves to be as promising for our economy as expected, then the next four years are likely to be a great time to channel your inner entrepreneur. According to Forbes,

“...[D]eregulation and corporate tax reform will be two pillars of Trump's economic policy. Lower taxes for business owners provides them with greater opportunity to invest back into their firms. Additionally, foreign money will flow back into the United States. This will make the country more competitive

internationally, resulting in greater investment, business expansion and the resulting jobs growth. If this does indeed happen, small businesses will thrive.”

However, we mustn't get lost in the excitement. The Forbes article continued,

“Optimistic consumers and business owners are more likely to bet (spend and hire) on a future that seems to hold promise,’ [Economist Bill Dunkelberg said.] ‘But to maintain the enthusiasm, reality will play a supporting role.’ Many economists are predicting that Trump’s business friendly policies will...significantly impact small business. His plans to reduce bank regulations and lower taxes will help spur the flow of capital for small business owners. If Trump can succeed in replacing or fixing Obamacare, it will be a boon for small companies. Even...[President Obama] will support him if he can do it.”

It looks like the next four years could hold a lot of promise for many entrepreneurs.

There's an old superstition that rain on your wedding day symbolizes good luck in your marriage. Let's hope that perhaps a treacherous thunder storm of a Presidential campaign symbolizes good luck for our economy. However, we might better throw a little salt over our shoulders just in case.

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