

# SelfInformed

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Member Spotlight

**Laura Cannon**





# MILLENNIALS

## IN THE MARKETPLACE

They are the largest living generation in the United States, with more than 75.4 million members according to U.S. Census data. Surveys peg their expected spending in 2017 at \$200 billion.

They are Millennials—Americans in the prime of their lives at ages 18-34, and a group often misunderstood by companies large and small. Some consider them slackers who never launch from their parents' homes because they don't want responsibility. Others misconstrue Millennial's active digital lives as meaning they struggle to make human connections.

But small businesses should avoid making too many assumptions about Millennials, experts say, and instead, spend time getting to know them as customers and potential new hires, to tap into their power as an economic force for their business.

"The millennial generation is fairly expansive," said Miriam Dushane, Managing Director, for Linium Recruiting in Albany, N.Y. "It touches on a lot of age groups."

Born between the years of 1981 and 1997, Millennials are not just single twenty-somethings hanging out at coffee shops, snowboarding and snap chatting. For example, it's estimated that 25% of Millennials have taken the plunge into parenthood.

"They are very individualistic. It's hard to identify them as a single, cohesive group," said marketing guru Pam Danziger, author of "Shops That POP!" and founder of Unity Marketing in Stevens, PA.

"It used to be, from maybe early Baby Boomers and the World War II generation, that there were distinct life stages people went through at a specific age," Danziger said. "Today, ideas of life stage have expanded. We have women in their 40s having their first children. People are moving through life stages at a very individual timespan, so Millennials are a very nuanced generation."

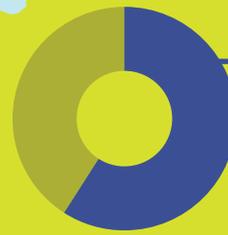
For example, as much as they enjoy engaging with large corporate brands, Millennials are inclined to buy from small firms. In a survey of 5,000 consumers (released just before Small Business Week 2017), AT&T reported that while 59% of Millennials have never worked for a small business, approximately half are willing to pay more for a product or service to support a small business. This compared with 38% of Gen X respondents (age 35-49) and 42% of boomer respondents (age 50-75).

Danziger believes this is one of the greatest myths entrepreneurs have about Millennials—that their propensity to shop on line with big e-tailers will herald the demise of the Main Street small business.

"Amazon is the online shopping category leader, and has the best handle on meeting the shopping needs of this generation," Danziger proposed. "Well, the fact is, Amazon is finding the need to open physical retail stores."

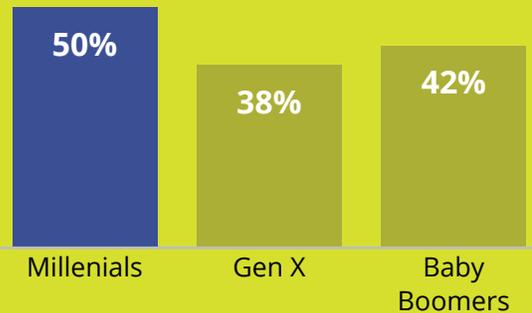
In her most recent white paper, "Small is the BIG Story in Retail," Danziger forecasts that "small, independent, local retail businesses" are primed for success. The key, she says, is delivering "new, different, personalized, specialized retailing experiences that no large national retailer can ever hope to achieve. Consumers today demand a true customer-centric retailing experience the way today's specialty independent retailers deliver it, by both necessity and design."

**“ Consumers today demand a true customer-centric retailing experience the way today's specialty independent retailers deliver it, by both necessity and design. ”**



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How Millennials end up at a small business cash register, however can be distinct to their age and experience. With more and more consumers living their lives online, social media is typically the most cost effective means for small firms to reach this prized audience, and that means entrepreneurs need a strong online presence.

Deloitte Consulting LLP estimates that 47% of all Millennial consumers use social media during their shopping journey, compared to 19% percent of non-Millennials. Similarly, 37% of Millennial consumers spend more due to their use of digital, versus only 23% of non-Millennials.

Facebook claims that more than 65 million small businesses have a page on its platform, and that approximately 80% of its users follow at least one small business. However, Facebook has a smaller level of influence with Millennials than it has for older generations, according to Sprout Social, the Chicago-based digital marketing and communications software firm.

A recent survey conducted for Sprout Social showed that while Facebook was the number one social media platform Millennials used (33%), younger Millennials (18-24) identified Instagram as their favorite social media platform (25%), followed closely by Facebook and Snapchat (24.4% and 23.3% respectively). In comparison, about 65% of Gen Xers and Baby Boomers cited Facebook as their number one social media platform in the Sprout Social survey, which reached 1,000 Millennials, Gen Xers and Baby Boomers online this January.

"Just as we were following celebrities ten years ago, Millennials are following people you might not view as a conventional celebrity," said Stephanie Abrams Cartin, CEO at SocialFly, a New York-based social media and influencer marketing agency.

Cartin noted how Emily Schuman, of Cupcakes and Cashmere fame, has nearly 400,000 followers on Instagram, tracking her every post, review and endorsement.

Deloitte recommends that "retailers should look for ways to 'influence the influencers' through their marketing campaigns. This channel offers an opportunity to build and maintain trust."

While many entrepreneurs today build their word-of-mouth marketing online, Danziger says entrepreneurs should first look at their existing clientele. "Word of mouth from your current

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customers is the number one, most effective way of marketing to Millennials," Danziger said.

She believes that they likely are gaining more endorsements and sales from good old fashion peer-to-peer communications that are driven by great customer service and unique service and product offerings.

"Good customer service isn't strong enough. You have to do something extraordinary your Millennial customers don't get somewhere else," Danziger said.

Entrepreneurs should also look to tap into Millennials innate curiosity, she said. "We humans are curious by nature. We are compelled to satisfy that curiosity. Your business model should introduce mystery to the shopping or dining experience, in everything from your storefront, to how you merchandise. The curiosity factor is one the retailer needs to figure out more."

"So many stores follow a similar blueprint. A coffee shop or pub, you know what it is going to look like. If you can make a coffee shop look like a fashion

## Generational Facebook Usage

- 33%** Millennials
- 24%** Younger Millennials (18-24)
- 65%** Gen Xers
- 65%** Baby Boomers

store, create that box of expectations around a different kind of idea, you can stand out.”

Danziger likes Doyle and Doyle, a jewelry store in New York City’s meatpacking district, as an example of what she is describing. “In the typical jewelry store, you go in and there are lots of cases, and the jewelry is displayed under glass. Doyle and Doyle puts all their jewelry on the wall, in a frame behind glass. It’s displayed like a piece of art. Those are the kinds of things you can do. Change things up to stimulate and invite people in. There is the pursuit of merchandise, or the imagination of experience.”

Finally, she suggested, a small business can also generate more analog word-of-mouth marketing by simply hiring millennials. “That’s very important,” Danziger said.

### **Don’t sell. Tell a Story**

According to Sprout Social and other experts, 59% of Millennials tend to follow a brand on social media before they purchase a product from them, with one third of Millennials engaging with a brand each month. (In comparison, only 14% of Baby Boomers regularly interact with a brand online.)

To attract Millennial spending, small businesses should be using their social media platforms to entertain and inform potential customers, Cartin said. In fact, Sprout Social says 42% of Millennials follow brands to obtain information about their products and services, while 38% follow brands for entertainment value.

Interestingly, 58% of Gen X consumers are looking for deals and promotions, and another 41% are following a brand for contests. Baby Boomers are looking for a mix of deals and promotion (60%) and information (53%).

But if small business owners are going to drive sales through social media marketing, they need to be active and authentic, say experts. This means listening to your customers online, and building emotional connections.

Said Cartin: “With social media, it’s all about story telling—creating your brand through real experiences.”

Another key for attracting Millennials is cause marketing. More than nine in ten Millennials told Cone Communications that they will switch brands

“ With social media, it’s all about story telling—creating your brand through real experiences.

to one associated to a good cause. According to the 2015 Cone Communications Millennial Corporate Social Responsibility (CSR) Study, Millennials are “prepared to make personal sacrifices to make an impact on issues they care about—whether that’s paying more for a product (70% vs. 66% U.S. average), sharing products rather than buying (66% vs. 56% U.S. average).

“Millennials tend to want to buy products and services where they can give back. It’s the reason why so many companies are popping up with cause marketing campaigns,” said Cartin at SocialFly.

Cartin cited New York-based Bombas, an online sock retailer. For every pair of socks Bombas sells, they donate a pair of socks to a homeless shelter. “Millennials want to know that not only are they getting something for themselves, they’re making a difference,” Cartin said.

### **What attracts Millennial shoppers, also attracts Millennial employees**

At the same time that Millennials are impacting the small business cash register, they’re also reshaping the small business workplace. By 2020, PwC estimates, 50% of the workforce will be Millennials, and how small business owners adapt



**62%**  
of Millennials said they were willing to take a pay cut to work for a responsible company

to this generation's wants and needs could very well impact their business' success.

The first thing entrepreneurs should be aware of is that they are more attractive to Millennials if their values sync with this generation's values. In the 2015 Cone Communications CSR study, 62% of Millennials said they were willing to take a pay cut to work for a responsible company (vs. 56% of the overall U.S. workforce).

Also important to Millennials is a company that will provide them with fulfilling work, the opportunity to have an impact on their employer, and a company that will help them grow personally and professionally.

Dushane's Albany recruiting firm works extensively with educators, technology schools and high-tech firms to recruit employees. She finds that "money isn't the ultimate factor" for Millennials. "They want meaningful experiences, the ability to continue to learn, though not necessarily to proceed in traditional professional development," Dushane said.

Cartin at Social Fly finds differences between Millennials who have recently graduated from college, and those who have been in the workplace for a few years.

"When we hire directly out of college, it's harder to keep them for a longer period of time. For them, we are constantly talking about career advancement. They want to get to the next thing quickly. They

want to move as fast as possible. But if someone is 3-5 years out of school, they have seen what it is like to work elsewhere, they fall in love with the environment, and they collaborate more with us on their development."

Dushane agreed with Cartin. "I've met Millennials who get out of college, and expect to be a manager or higher. But there are others who simply want a fair wage and a chance to continuously learn and improve themselves. If you give them the meaningful experiences, they're much less interested in growing through the ranks quickly."

At Movable Ink, a New York City software company that provides dynamic email marketing campaigns to large firms, 87% of their employees are Millennials. Alyssa DiGirolamo, who works directly with the company's executives, said the question that Millennials ask the most is

"What's the room for growth in this position?"

But growth isn't "solely defined by internal mobility," she said. "It's more about what they can learn and accomplish in the next 365 days to become a more well-rounded professional. Giving them exposure to all facets of the business and providing support for their career goals, facilitates their development. By not keeping employees in a "box," this allows people to learn and understand what they are really excited about and for us to move them around, whether it's client service, product, marketing or sales."

## “ Millennials are a great generation because they are more tech savvy, globally aware.

Millennials will determine if you are the right employer for them the same way they will research you as a customer—online. This means entrepreneurs need to actively curate their image as an employer.

Dushane advises entrepreneurs to Google themselves and their companies before embarking on recruiting. “What does your brand look like online?” she asked. To attract Millennials, “align your values with your Facebook, LinkedIn, Twitter presence. You need to be very vocal and visual in the community. What are the cool things that go on in your company? Market your social awareness.”

All of Social Fly’s 16 employees are Millennials, including co-founders Cartin and Courtney Spritzer. Millennials regularly communicate with Cartin and her company through social media long before

they apply for a job. “They will reach out to us on Instagram, Twitter, engage with our content. Then, one day, they will send us a direct message asking if we’re hiring?”

“So we use our social accounts to recruit. We’re posting about what we are doing in the office, the fun we have at work here.”

Movable Ink uses a balance of technology and good old fashioned networking to recruit Millennials.

“Equally as important is to have outstanding recruiters on your team who are incredibly skillful at uncovering great talent, particularly those passive candidates who may not have otherwise applied. You can’t underestimate the value of referrals and empowering current employees to build and utilize their networks. It’s a great testament when employees refer other people because they love where they work.

Ultimately, Dushane said, today’s entrepreneur has to shed their assumptions about Millennials and embrace the possibility that hiring from this generation could be a fulfilling experience.

“Millennials are a great generation because they are more tech savvy, globally aware. We can build good employees for the future, but we have to embrace our differences and learn from each other. Just be open-minded about Millennials. They can teach you a lot.”





# Ask the Expert

## Solar Eclipse

The vast majority of tax questions that we get from NASE members come to us in March and April, and then another set maybe in early October for the truly gifted procrastinators. That probably sounds reasonable since most people try their best NOT to think about taxes unless they are actually sitting down to do the annual tax return.

The aversion to Tax Talk is no more evident than in the summer months when it is much more fun to talk about water skiing and boating, sitting by the pool, and cooking out on the grill. Even you have filed an extension on last year's tax return and won't think about that again until October, the summer is no time for taxes. You might even hear some small business owners say, "I promise to think about taxes when the sun is dark at noon time."

Well...This is your year. You have probably already heard that the continental United States will experience a total eclipse of the sun from the west coast all the

way to the east coast on August 21<sup>st</sup>. What you may not have heard is that the moon's shadow representing the effects of the eclipse will cross from coast to coast in about one hour and forty minutes. Today, I am asking you to spend that same amount of time this summer, only about one hour and forty minutes, any time you choose, thinking about taxes.

Take out last year's tax return and compare those numbers to how your year is going so far. Is your income higher? Or is your income lower? Are your deductible expenses about the same? Up? Down? Do a little bit of math and take some stock of how your tax position may be affected for 2017. Make sure you are setting enough aside for Uncle Sam so that next April will more easily lead to May flowers.

More importantly, take some time to think about new tax savings ideas. Consider finally hiring your child to help in the business. Check out [NASE.org/HireYourKid](http://NASE.org/HireYourKid) for more detail and

help in evaluating your situation. If you expect to have significant medical bills this year consider your options for utilizing a Health Reimbursement Arrangement or HRA 105 Plan. Think about investing in your future by considering a retirement plan contribution, not only putting aside money for Uncle Sam but also setting aside money for yourself.

Remember that most tax saving opportunities end with the New Year's Eve party. If you only think about taxes during March and April while actually completing your tax return, it will be too late to be creative. Spend some time this summer thinking about taxes and reading about new and creative opportunities and maybe, just maybe, the sun will be even brighter after the eclipse.

As always, don't forget that you are not alone. Bookmark our website at [NASE.org](http://NASE.org) as well as the IRS website at [IRS.gov](http://IRS.gov) you will always be able to find the help you need.

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## Member Spotlight



# Loving Self-Employment

Rev. Laura C. Cannon is the owner and founder of **Ceremony Officials™** located in Ellicott City, Maryland and does business in seven states in the Mid-Atlantic region. Her company has provided wedding officiants for over 10 years, and happily works with couples from all backgrounds. After a student asked her to perform the ceremony at her wedding, Laura knew she found her calling.

### When and why did you join the NASE?

I joined NASE in 2014 after feeling really alone in the world of entrepreneurship. As a self-employed person, you often don't get to have the same camaraderie with other people as you would in an office setting. I thought that NASE would be a great way to meet others who intimately understood the unique challenges and joys of self-employment—and the benefits are great.

### When and why did you start your business?

I started my current company in 2003 when a student of mine asked me to officiate her wedding. It turned out that performing her ceremony was a pivotal moment for me and one of the best experiences of my life. I felt totally invigorated and like I was following a deeper calling. It must have showed, because after the ceremony the caterer working the event came up to me and told me it was the best ceremony he had ever seen and asked me for some of my business cards. I replied immediately with, "I am out of cards but I'd love to take your address and mail you some!" Needless to say, I went home, designed a logo, had cards printed, and started officiating weddings on the weekend while still working my full-time job. As the business grew, I knew I had to take the leap and leave the security of my full-time job in higher

education and really give the officiating business my attention and energy full-time. In 2010 I left the day job behind, and never looked back.

### **What challenges have you faced in your business?**

The biggest challenge I faced was knowing when it was time to let my full-time job go and devote all of my resources to my own company. I don't think you can be a self-employed person without being a risk-taker, but I prefer taking calculated risks. I overcame this challenge by realizing that I was never going to "know" when the right time to do it was, likely because there was no "right time."

Instead, I made the very practical decision to create an exit plan. I decided how much money I would need to save from my full-time job to give me a one-year cushion while I made the leap. As soon as I knew that the financial stability was mostly there,

I put in my notice. At the time, I told myself that if it didn't work out, I could always go back to working for someone else and I would have gained a ton of skills. It's been 6 years, and thankfully I've enjoyed a lot of success—I love being an entrepreneur so much I don't even know if I could go back.

### **How do you market your business?**

I market my business in many different ways: networking with other vendors in my industry, advertising on industry websites, online and print advertising, wedding showcases (trade shows), writing for industry publications, speaking at industry conferences, word of mouth, and personal referrals.

### **Do you have any employees?**

Right now it's just me and a part-time office assistant, and I'm able to hire contractors to fill in the functions that I don't love or don't have enough time for—like bookkeeping! As my businesses continue to expand, I foresee that adding dedicated staff will be necessary. For now, I've been able to manage it myself and leverage technology to build a very lean, efficient operation.

### **What's your schedule like, what's a typical day for you?**

Flexible! I am not only a solopreneur but I am the mother of a very active 3-year old daughter. I have an office in my home so I'm able to let my day flow organically, but every day I do have some things that are non-negotiables. For example, I have a dedicated spiritual practice that starts every morning with a routine of yoga, meditation, gratitude affirmations and spiritual reading. Each work day varies depending on my responsibilities that day—I could be writing, public speaking, officiating a wedding, working on a project, volunteering at hospice, managing clients, consulting entrepreneurs, or heading to the playground with my daughter.

Most evenings I end up working in my office until well past midnight. I've always been a "night owl" and I find that I'm the most productive when I'm not distracted by incoming calls, texts, and emails. When everyone else goes to bed, I get things done. Ultimately, my key ingredient is space—I like to make sure I have a lot of unstructured time so I can answer the call of whatever that day brings.





### **What's the best thing about being self-employed?**

Flexibility! The day I left my full-time job I had a giant banner made with one word: FREEDOM. I still have it hanging up as a constant motivator and reminder as to why I made this leap into self-employment in the first place.

### **What's the best compliment you've ever received from a client?**

I began performing same-sex marriage ceremonies in Washington, DC back when it became one of the few places that legally allowed same-sex unions. I performed the marriage of two men who had been partners in secrecy for nearly 40 years, and one of them had become terminally ill and was bedridden. It was just the three of us present for an intimate and emotional ceremony, and they both cried tears of joy and disbelief that they were finally able to honor each other in this most sacred way after so many years. They thanked me for bearing witness to their love and told me that without me and my company, **DC Elopements** (another one of my companies), it may not have been possible for them to get married before their time together had ended. I believe that love is the greatest gift we have to give and receive, so to know that I was

able to facilitate that for them was truly the best compliment I could ever receive.

### **What's the most important piece of advice you would give to someone starting their own business?**

Make sure your heart is in it. Don't start a business simply because you think it is going to be a great money-making opportunity. When you are an entrepreneur, you often work way more than someone with a typical 9-5 corporate job. You end up devoting most of your life to your company when you are self-employed, especially when you're first starting out. In the times when you are overworked and exhausted, you are going to need that heart and that passion to pull you through. Having others invest in your business might get you off to a good start financially, but ultimately without heart, it is unsustainable. I am a true believer that if you follow your heart, the money will follow.

### **Any other information you would like to share?**

For anyone interested, last summer I published my first book, **The Conscious Entrepreneur: A Guide to Maximizing Your Potential for Success, Freedom and Happiness**, which is available on Amazon and Kindle.



## Trump Announces

# Broad Tax Reform Plans

Earlier this Spring, President Trump announced his broad plans for tax reform and his desire to see these reforms introduced as legislation as quickly as possible. The plan includes six key components:

1. **Reduction of tax brackets from seven to three.** Currently, the US maintains seven tax brackets ranging from 10% to 39.6%. The Trump proposes to streamline the brackets into three rates: 10%, 25%, and 35%.
2. **Limiting itemized deductions to mortgage interest and charitable contributions and incentivizing standard deductions.**
3. **Elimination the Alternative Minimum Tax.** The elimination of the AMT would impact between 4 and 5 million tax filers and would have a positive impact on high income earners.
4. **Elimination the Estate Tax.** Currently the estate tax is triggered when estates exceed \$5M, which impacts very few taxpayers.
5. **Elimination of the Net Investment Income Tax (NIIT).** The NIIT is a 3.8% tax

on households with a modified adjusted gross income of \$200,000 (single or head of household), \$250,000 (married filing jointly), or \$125,000 (married filing separately), who also have interest, dividends, or rental income. The NIIT took effect in 2013 to fund the Affordable Care Act.

6. **Cap Capital gains tax.** Currently, the long-term capital gains tax rates range from 0% to 20% for most assets. The new tax proposal resets the top capital gains tax rate to 20%.

As you can imagine Trump's tax proposal was met with mixed reaction on Capitol Hill; Republicans applauded the plan and Democrats panned it. What everyone can agree upon is that for Congress to approve a significant overhaul to the tax code will require bipartisan support and an overwhelming desire by the American people to see this happen during this presidential term.

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