



**Happy
New
Year!**

Trivia

Name the year which the following event occurred:

1. President Hayes pulls the final Federal troops out of the South to end Reconstruction
2. Sputnik launched
3. President McKinley assassinated
4. Virginia & Kentucky Resolutions drafted
5. President Jefferson goes to war with the Barbary pirates
6. Monica Lewinsky scandal
7. President Nixon resigns
8. President Lyndon Johnson refuses to seek a 2nd term as president
9. Gary Powers spy plane incident
10. Chicago Tribune incorrectly declares Thomas Dewey president over Harry Truman

Answers on page 3.

Please contact me if you would like to attend a presentation. Topics are in the following areas:

1. **QuickBooks**
2. **Taxes**
3. **Accounting**
4. **General Business**

FIFTH EDITION

As another year has passed, it is always good to take some time to reflect on the past year and look ahead to the new year. Needless to say, 2010 has been a very interesting year. Some of the important things of 2010 include:

- Economy still mired in slow growth
- Unemployment stubbornly high (near 10%)
- Unprecedented levels of government spending and debt

2011 shows some signs of promise:

- Major political shift in the country with November's election results, with more business-friendly representatives elected

- Potential for health care repeal and additional tax reform

As we move into 2011, I am cautiously optimistic that things will improve for the economy because of the election results and my faith in the American entrepreneur.

Thank you for the continued support of my business.

Brian Marum

Look Back at 2010

2010 has been a challenging year for business. As I look back on what has happened to businesses I have worked with over the past 12 months, some interesting things stick out:

- Business owners not expanding or hiring new employees and maintaining staff levels at the lowest levels possible
- Reluctance to spend money on things they perceive as not required or feel the pur-

chases can be postponed. This is illustrated by keeping equipment longer, making fewer replacement purchases

- Doing more functions in-house (accounting, payroll, human resources)

- Hesitation in extending credit to customers
- Revenues have dropped or are flat from levels of 2 to 3 years ago

It does appear to me that the economic recession is

far deeper than we are lead to believe. Some reasons for this sentiment include:

- Weeks of severe losses of jobs (these are private sector jobs)
- Expansion of welfare programs

Despite the difficulties in '10, there is a cautious optimism going into 2011 by business owners I have worked with. We will have to wait and see what happens.

QUICKBOOKS PRO—WHAT'S NEW FOR 2011

New features have been added to the 2011 QuickBooks Pro software package. These new features will give the user faster access to the information they need and make everyday processing tasks more efficient. They include:

- Customer Snapshot—allows one to see all of the customer information at a glance
- Batch Invoicing—producing invoices for multiple customers at once

- QuickBooks Search—to help locate information more quickly through search using keywords
- Collections Center—quickly identify overdue invoices and email all collections notices through Outlook, Yahoo, or Hotmail accounts
- New Paid stamp—paid invoices are stamped with the Paid Date to reduce research time
- Send Invoices & Estimates via email di-

rectly through web-based programs such as Hotmail, Gmail, or Yahoo.

- Complete transactions faster with convenient access to customer and vendor balance and transaction history

The 2011 QuickBooks Pro software package proves again why Intuit is the leaders in small business accounting software. Year after year, they continue to innovate and improve the software for the benefit of the end user.

BOOK REVIEW

This edition's book review is 'New Deal or Raw Deal? How FDR's economic legacy has damaged America' by Burton Fulsom, history professor at Hillsdale College. Mr. Fulsom reinforces some of the ideas that have been written in previous editions of this newsletter: the policy prescriptions of the 1930s have done tremendous damage to the American economy as well as American society as a whole.

There are stark similarities to the federal policies of today and the policies set forth by President Hoover and then President Roosevelt (New Deal) illustrated in Mr. Fulsom's book:

1930s

- Protectionism by the imposition of the Smoot-Hawley Tariff bill

- Expansion of labor union power (establishment of National Labor Relations Board—Wagner Act 1935)
- High tax rates—highest federal rate reached 90%
- Economic Stimulus—WPA projects
- High levels of federal debt
- Interest rate manipulation by the Fed

2010

- Imposition of tariffs on foreign made products (tires made in China)
- Bailouts of GM & Chrysler were designed to reward unions, not save the companies
- \$787 Billion stimulus plan; \$400 Billion Omnibus bill

- \$2 Trillion of additional debt added
- Easy money policies by the Fed

Another similarity is the federal government's attack on business. The demonization of business today reminds us of President Roosevelt's characterization of businessmen as 'economic royalists'.

We will continue to be mired in an economic funk if we continue to repeat the mistakes of the 1930s. This book reinforces just how close we are to emulating that decade-long depression.

*Liberty
Financial
Consulting
Inc.*

LFC has been providing QuickBooks support services as well as general bookkeeping services since 2002.

Services include:

- General bookkeeping services (provided on a monthly, quarterly, or annual basis)
- QuickBooks set-up and on-going support
- Software consultations
- Software troubleshooting (via Remote Access services)

LFC also provides QuickBooks training:

- Individual tutoring
- Webinar training
- Classroom instruction

As part of the Intuit affiliate program, LFC provides QuickBooks software and other products at significant discounts.



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**Trivia
 Answers**

1. 1877
2. 1957
3. 1901
4. 1798
5. 1801
6. 1998
7. 1974
8. 1968
9. 1960
10. 1948

Who pays Federal Income Taxes?

(Source: IRS- 2004 tax yr)

1. The top 1% of filers paid 36.9% of all income taxes (AGI: \$328K and above)
2. The top 5% paid 57% of total income tax (AGI: \$137K or more)
3. Top 10% of all filers paid 68% (AGI: \$99K or more)

2011 at LFC

In 2011, Liberty Financial Consulting (LFC) will continue to offer high quality services to the small business community. In the up-coming months, LFC will be offering pricing options for its bookkeeping services, more opportunities to improve QuickBooks skills & knowledge with expanded courses in QuickBooks training, and other presentations on other business topics such as taxes. These opportunities will be posted on Eventbrite in the weeks and months ahead.

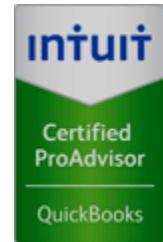
Some of the new pricing packages for small businesses will include:

- Special packaging pricing for general bookkeeping services on a monthly, quarterly, or annual basis
- QuickBooks servicing packages for on-going support and troubleshooting

Events to be scheduled in the up-coming weeks will include:

- QuickBooks Basics
- MN Sales taxes & QuickBooks
- QuickBooks for specific industries (Trust Accounts for Lawyers)

Contact the LFC office for more details.



Looking ahead to 2011

In December, Congress had finally extended the Bush-era tax cuts for 2 years. The battle for tax cuts will resume again in 2012. But, for now, tax rates will remain the same. This provides a level of certainty, albeit short-term, to employers and business owners. Long-term planning will remain a challenge. However, there is a more business-friendly Congress as a result of the November 2010 election which could again take up the issue of

making tax cuts permanent in an up-coming session of Congress (2011 or 2012).

Included in the new tax bill is a reduction in Social Security taxes paid by employees. This feature is good only for 2011. This means that employees will see an increase in their tax-home pay by 2%.

Another important item to watch for is what Congress will do with the Debt Commission recommendations

presented in December 2010. These included:

- elimination of some personal tax deductions in exchange for lower tax rates
- reduction in the corporate tax rate
- federal budget cuts

As we move into 2011, we will begin to see if, from an economic standpoint, whether Congress is serious about its financial problems or if it will be business as usual.