



# GROCO WEEKLY

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## Weekly Wealth Building Tips

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### Strategies For Aging ESOPs (Employee Stock Ownership Plans)



In view of the complexities of the financial accounting and federal tax rules governing ESOPs, many ESOP sponsoring companies lose sight of larger issues and become buried in a specific aspect of their ESOP. Short term benefits of a particular ESOP strategy should not overshadow longer term objectives of the company. Alternative uses for their ESOP should be addressed every couple of years.

#### Typical ESOP Transaction

ESOPs are often used to provide a tax-favored means of buying out the equity of one or more major shareholders in a privately held corporation. This objective can be accomplished using borrowed funds from a bank lender or funds provided by the corporation in the form of a loan to the ESOP trust. Whatever the method, over time the buyout is completed, successor management is firmly in place, and the equity

that was formerly owned by the selling shareholders becomes equity owned beneficially by the plan's employee participants. \*\*\*

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### Feds and States Secretly Raising Tax Revenues

Receiving that notice that you are being audited strikes fear in the hearts of most people.

For many, these tough economic times are about to get worse. Tax professionals from across the country have noticed an increase of IRS audit and tax collection efforts.

If these efforts were solely directed towards tax dodging off shore corporate conglomerates, it would seem absolutely fair. Unfortunately, regular folk being randomly selected for an IRS audit, also seem to be targets.

Intensified audit and collection activity is likely an attempt to raise much needed funds for cash strapped local and federal governments. This covert use of auditors and collectors to raise additional tax revenue is distinctly unfair, and should send fear into the hearts of all citizens, honest tax payer or not. \*\*\*



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### How to Get Your Dream Job in a Slow Economy



Does the slow economy leave you worried about finding a new job? Don't despair! Even in a slow economy there are plenty of good jobs available, and with the right preparation you will make yourself stand out from your competition. Below are 7 tips that will get you closer to your dream job.

#### 1. Research

Research the industries that interest you. Find all the companies in your geographic location that currently have positions that you think you would qualify for. This doesn't only mean open positions. The initial goal is to fill the "funnel" with as many companies that you could see yourself working for. Don't be too picky. The more companies the better. Organize those companies in a way that will make it easy for you to keep a good overview. An excel spreadsheet will do just fine. Find each companies' contact information and simply call them up. Your goal is to find out who is in charge of hiring for the department that you are interested in. Finding out this information might take a few phone calls, but keep in mind that the harder it is, the more likely your competition won't do this. \*\*\*

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### Seven Qualities of a Good Leader



How often have you heard the comment, "He or she is a born leader?" There are certain characteristics found in some people that seem to naturally put them in a position where they're looked up to as a leader.

Whether in fact a person is born a leader or develops skills and abilities to become a leader is open for debate. There are some clear characteristics that are found in good leaders. These qualities can be developed or may be naturally part of their personality. Let us explore them further.

#### Seven Personal Qualities Found In A Good Leader:

1. A good leader has an exemplary character. It is of utmost importance that a leader is trustworthy to lead others. A leader needs to be trusted and be known to live their life with honesty and integrity. A good leader "walks the talk" and in doing so earns the right to have responsibility for others. True authority is born from respect for the good character and trustworthiness of the person who leads. \*\*\*

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