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GLOBE GAZETTE

IN BUSINESS

DECEMBER 2018

INSIDE: Lakrids, short-term housing, Don's, Stromley's

North Iowa Future Leaders 2018 - 2019

YOUR OFFICE COACH

Office gift-giving is a minefield

Q: One of my coworkers recently informed me that everyone always chips in to get a Christmas gift for our boss. I was somewhat surprised, because this was not done in any of my previous jobs. In my experience, managers were more likely to give presents to employees instead of the other way around. While I don't mind contributing, this just seems odd. Has giving the boss a gift become a common practice?



MARIE G. MCINTYRE

A: No, managers are not universally being showered with holiday goodies. However, offices do vary considerably when it comes

to gift-giving for both bosses and coworkers. And within any given work group, individuals may also have different opinions about what is appropriate.

For some, purchasing presents for colleagues adds additional sparkle to the holiday, while others view this task as simply one more annoying chore on an endless seasonal to-do list. Coworkers may also disagree about whether their boss should be honored with a gift, and those experiencing financial stress often feel embarrassed by their inability to contribute.

Furthermore, when a group has diverse religious traditions, everyone may not be celebrating the same holiday, and some may actually be prohibited from par-

ticipating in certain events. When you add up all these differing viewpoints, celebratory gift-giving becomes a potential minefield of resentments and hurt feelings.

To maintain the proper spirit for the season, managers should provide clear guidance for dealing with this dilemma. Some offices celebrate with food and cards instead of presents. Others draw names for gifts and set a spending limit. And wise bosses firmly direct their staff not to buy them anything.

In this case, however, you seem to have encountered an established office tradition. Before the next holiday season rolls around, perhaps you can assess how your manager feels about this practice and whether alternatives would

be welcomed. But as a newbie, if you choose not to participate, you unfortunately risk being viewed as a Christmas Grinch.

Q: I will soon be leaving my current job because my husband has accepted a position in another state. However, we intend to delay my relocation until we can sell our home and find a suitable place to live. Since I have no idea how long this will take, I don't know when I should notify my boss that I will be leaving.

If I bring this up now, I won't be able to give him a definite date for my resignation. But if I wait too long, I may not have enough time to train the person who replaces me. What's the right thing to do in this situation?

A: While your concern for your employer is admirable, this is a time to put yourself first. As soon as you mention leaving, management will view you as a lame duck and begin pondering your replacement. This could not only reduce your effectiveness at work, but also present a problem if your circumstances should unexpectedly change.

Once your relocation date is firm, you can then decide how much notice to give your employer. But until that time, don't mention your pending departure to anyone at work. Shared secrets have a way of leaking out.

Marie G. McIntyre is a workplace coach and author. Follow her on Twitter @officecoach.

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Danish 'liquorice' isn't your standard jellybean

Unique Lakrids sales add to Clear Lake Arts Center's renovation, evolution

ELDA STONE
For the Globe Gazette

North Iowans can get an exclusive taste of Denmark at the Clear Lake Arts Center.

The nonprofit's gift shop is the only location in Iowa selling Lakrids by Johan Bülow. This "handcrafted luxury liquorice and chocolate" was recently featured on CBS Sunday Morning television show.

Center director Paula Hanus says Jane Fogg, a CLAC board member, sent her a photo of the confection last summer after visiting Denmark. Fogg's note said, "This is my new favorite thing."

Fogg and her husband had wandered into the Lakrids shop in Copenhagen's Tivoli Gardens. The business builds its reputation on offering samples to customers, so the Foggs tried it and loved the unique taste.

"We purchased a container, and I hoarded it and had one piece at a time. I ended up with only a couple left by the time I got home," Fogg says with a laugh.

Fogg and Hanus searched online and found that there was a new distributor of Lakrids in New York. Hanus called him and asked if it was possible for the Clear Lake Arts Center to carry this Scandinavian treat. They worked out a deal, and CLAC placed its first order in October.

The next weekend, CBS Sunday Morning aired a story about Lakrids.

"Maybe it was just meant to be, a serendipitous thing," Fogg says. "I had this container sitting on my desk that I'd brought home. This is a new distributor, and the first time it's been offered in the U.S. And now it's a featured item here, one among many"

Lakrids was started in 2007 by Johan Bülow, a young Dane who



ELDA STONE PHOTOS, FOR THE GLOBE GAZETTE

Lakrids was started in 2007 by Johan Bülow, a young Dane who learned to make liquorice by hand. Clear Lake Arts Center is the only place in Iowa to find the unique treat.

learned to make liquorice by hand. (The American spelling is "licorice," but the company uses the British spelling. Lakrids is the Danish word for liquorice.) He began scaling the operation and experimented in coating liquorice with chocolate. According to the company web site, Bülow's dream is to "make the world love liquorice."

This is not your run-of-the-mill American black jellybean. Derived from a plant root, real liquorice flavor can be quite strong and naturally sweet. Bülow's product seeks to appeal to more taste buds with the addition of chocolate and other

natural flavors, like passion fruit, coffee, sea salt, or fruits.

CLAC carries Lakrids liquorice coated in chocolate; salt and caramel chocolate; and the 2018 limited holiday edition, dark chocolate and sea salt.

"This is how we get a lot of our gifts," Hanus says. "We see something we like ourselves and track down a distributor. Our focus is local artists, but we also want things that enhance our artists' works."

For instance, the gift shop carries cards by artist Marva Sheriff, who grew up in Clear Lake and now lives in Minneapolis. Hanus



A view through the galleries and gift shop at Clear Lake Arts Center.



Clear Lake Arts Center volunteer Sandy Nyhus poses with Lakrids.

received one of Sheriff's cards and liked the artwork. She looked up the artist and called her.

"I didn't know she was from Clear Lake," Hanus says. "Now we carry her cards."

The Arts Center recently redesigned its gift shop layout and inventory.

"A couple of our board members kept saying we needed to open up the center space and make it more conducive to retail sales," Hanus says.

"We closed for 12 days. We took everything out and moved it into the Hanson Gallery, and then we started bringing things back in. We upgraded our whole point-of-sale

system and redid the whole inventory system. It took a lot, a lot of volunteer hours."

A large white tree takes center stage in the atrium for the holidays, featuring one-of-a-kind ornaments made by local artists. New lighting in display cases makes it easier to shop. The sales counter has been moved to the side, no longer blocking the view from one end of the gallery to the other.

Hanus says the new layout has increased sales, too. The CLAC opened in its current location at 17 S. 4th Street, a former savings-and-loan building, in 2007.

"I say we were due for some housekeeping after 11 years. It's why organizations have board members. They bring something else to the table."

"We're very interested in offering new items at the Arts Center," Fogg says. "Our business model is you need to offer new things to attract people. This started us down an interest in finding specialty food and gift items in the gallery, especially for holiday giving."

In addition to the gift shop, the CLAC includes several art galleries, studios for classes, a performing arts wing, and a library.

Fogg says, "We value the Arts Center as a year-round community gathering place. We just completed a very successful capital campaign, and this re-vamp is helping with the operational side. It's really important to continue to grow and improve the center."

A place to call home

For temporary workers, finding short-term rental housing in Mason City can be a challenge

GLOBE GAZETTE STAFF

When workers land a temporary job in Mason City, getting the gig is only the first challenge. The second: Where are they going to live when they get to town?

Ever tried finding a short-term rental in Mason City? Good luck with that.

Officials say finding quality short-term rental housing, or any kind of rental shorter than the standard one-year or six-month lease, can be a distinct challenge for temporary workers and the companies that bring them in to fill professional staffing needs.

Landlords often shy away from renting to short-term tenants, and instead opt for the stability of a longer-term renter who will commit to living in the home for an entire year. As a result, workers in town for months or weeks may be forced to rent rooms in someone's home or, if they're provided a housing allowance, fund a hotel stay during their

employment.

Jackie Luecht, of Mercy Medical Center, said finding temporary housing is a challenge for temporary staff at the Mason City hospital. At any given time, the facility can have up to 40 traveling professionals – often nurses, laboratory workers or therapists – fulfilling short-term employment needs.

The hospital also hosts a number of medical students in town to complete rotations needed for their education. Often, those temporary staffers and students may only need housing for a few months or less, said Luecht, the hospital's chief human resources officer.

"Obviously, the shorter the term, the harder it is from that standpoint," she said. "I do think there definitely is a lack of temporary housing options. We work it through, but we definitely, as a community, I think, could think about how we do that differently."

Word-of-mouth is a common way for temporary staff and students to find housing – Luecht said staff at Mercy tries to help with ideas, if they can – and temporary staff also peruse vacation rental websites to find housing.

"Typically the travelers that come are very resourceful," she said.

In some cases, it makes more sense for temporary staff who live elsewhere in Minnesota or Iowa to arrange their work schedule in a way they can stay in Mason City a few days and then go back home until their next shift.

Although traveling staff get a per diem to help defray costs of housing, which they sometimes use to pay for hotel stays, students must foot the bill on their own. Mercy Medical Center does own some rental homes, but not enough to cover the need of its temporary staff.

It does have a list of homeowners in the area who are interested in renting to the hospital's professional staff. Officials say homeowners interested in short-term rental opportunities can contact the hospital at question@mercy-health.com.

One house that may add to River City's available temporary housing accommodations is the historic Egloff House. The 80-year-old home, one of four houses saved from the flood-damaged Park Place neighborhood, is under renovation at its new location on the 300 block of East State Street.

The volunteer group that saved the home, Community Bene-



CHRIS ZOELLER THE GLOBE GAZETTE

A Mercy Medical Center employee walks home from the hospital on Dec. 4 in Mason City.

fit-Mason City, plans to rent five of the home's bedrooms as furnished, short-term housing for college interns, student teachers, medical students or others in the area for temporary work, said group member Robin Anderson.

She said that while the group didn't save the unique International Style home for the purpose of renting it out, a marketing research study found using it as such could fill a niche in the market – and help fund the restoration and long-term maintenance of the home.

The study looked at whether there was interest in that kind of living environment – private bed-

rooms and a common kitchen and laundry – and how much money it could generate.

"We just knew anecdotally that there was a need and whenever you're saving a historic property like that you have to think about sustainability, like, how are we going to use this," Anderson said. "So, that really played into what we were doing, how we were going to use it, that type of thing."

The plan is for the Egloff House to be ready for temporary tenants as early as May, which would possibly provide a housing option for summer interns at Mason City companies.

Opioids growing problem for employers



DREAMSTIME

A new survey by The Hartford Financial Services Group Inc. shows the yearslong opioid epidemic is negatively impacting employers and few employees have the knowledge or resources to handle addiction.

NICHOLAS RONDINONE The Hartford Courant

The yearslong opioid epidemic is having a negative impact on employers and few employees have the knowledge or resources to handle addiction, according to a new survey by The Hartford Financial Services Group Inc.

The survey, which questioned employees and human resource professionals, showed that nearly two-thirds of them believe opioid use has caused problems for their company or will in the future.

About 65 percent of the HR pro-

professionals said opioid addiction affects their company financially, according to The Hartford, which released the survey results Tuesday.

"Now is the time for the business community to join in a united effort advancing addiction prevention, treatment and recovery," Christopher Swift, The Hartford's chairman and CEO, said in a written statement. "All of us – companies, citizens and communities – must work together to overcome this crisis."

Swift added: "At The Hart-

ford, we are committed to providing consumers with educational resources, advocating for policy change and reducing the number, dosage and duration of opioid prescriptions in our workers' compensation and disability businesses. It's the right thing to do and a societal and business imperative."

The insurer said that, from the survey, it gleaned that there was an opportunity to increase education on addiction for companies of all sizes.

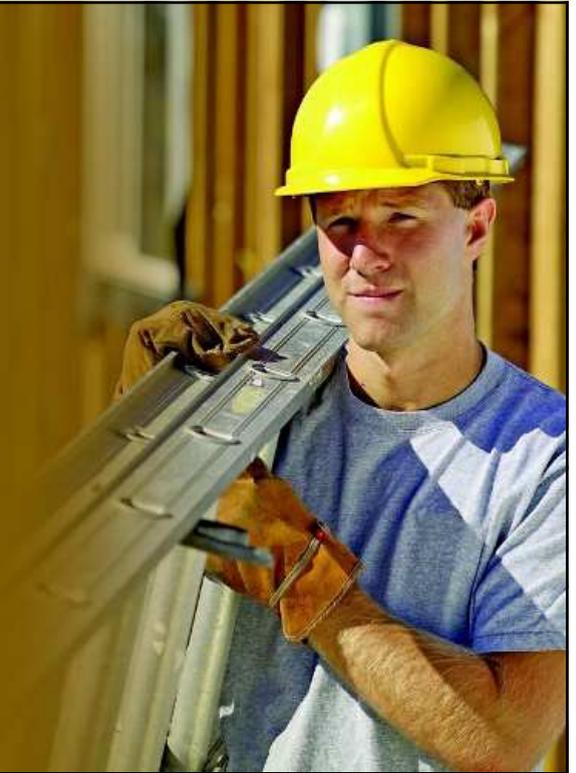
A majority of the people sur-

veyed, both employees and HR professionals, said they did not feel they had been well trained to help others suffering from addiction to opioids, according to The Hartford.

This survey comes at a time when governments and organizations have been battling an opioid epidemic that kills thousands of people a year.

Fueled in part by an overabundance of prescription opioids, experts say people have turned to heroin and other illicit drugs with deadly consequences in the past five or so years.

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Couple behind Don's Body Shop sets retirement date

TOM THOMA
For the Globe Gazette

CLEAR LAKE — Somehow, a couple of Minnesota kids found their way to Clear Lake after meeting at a roller rink. Forty-five years later, Don and Flo Hauge are about to end a long career of getting vehicles back on the road.

They're retiring from Don's Body Shop at the end of the year and have sold the thriving business to longtime employee Scott Aydelotte, a Ventura native who will operate the business with his wife, Michele.

The Hauges' story is a bit Americana and a lot of Clear Lake history.

He was from Emmons, and she was from Alden.

"He wouldn't let me go," she said.

So they were married in 1961, the same year he graduated from body school in Austin, Minn. They came to Clear Lake where he painted Army planes from 15 surrounding states from 1963-69 for Jerry Dwyer at the Mason City airport.

He then worked for Nichols Body Shop from 1969-74 until it was sold to Jerry Heitland.

Don then decided to go into business himself in 1974, at first renting a spot for four years near Snyder Construction, then buying an acre of land at the current location at 304 S. 20th St.

Hauge said owning his own business came naturally.

"My father had a business"—he and his wife operated a poultry company despite being blind—"but I didn't care to spend my life doing that," he said. "I didn't have too many jobs working



TOM THOMA, FOR THE GLOBE GAZETTE

Don's Body Shop opened at this location at 304 S. 20th St. in Clear Lake in 1978. He will retire Jan. 1.



Don Hauge has sold his business, Don's Body Shop, to Scott Aydelotte, left, who will operate it with his wife, Michele.

for anybody, and I always wanted to have my own business. My wife learned to be a bookkeeper, and we worked side by side for 45 years."

His son, Larry, worked with him for 35 years until he died of cancer in 2009.

"That was the hardest day of my life," Don said.

A daughter, Sherri, and her husband operate a tool-and-die company in Elk River, Minn. The Hauges have four grandchildren.

Changes in the auto body business have been many over the years.

"Unbelievable," Don said, citing the cost of materials. "Mainly the technology of vehicles, the schooling we have to go through."

Also through the years, he

has been active in community events, especially the Lions Club. He is proud of many civic accomplishments, especially working to build Clear Lake's annual fireworks display along with his son and Larry Luker.

"I always said if you live in a community, you owe that community something, and I couldn't think of a better club than the Lions Club to work with," Don said.

Now, come Jan. 2, a new chapter in the Hauges' lives begins as they drive into retirement. Also retiring will

be longtime employee Linda Ott, who worked a couple of days a week. But little else will change, other than the new ownership and updating equipment and worker



Don and Flo Hauge plan to live in Clear Lake during their retirement, which starts Jan. 1. Also retiring is longtime employee Linda Ott.

Don's Body Shop

Location: 304 S. 20th St., Clear Lake

Hours: 8 a.m. to 5 p.m. Monday through Friday

Phone: 641-357-4656

education — there are seven employees now — so they can continue to fix ever-changing models of vehicles. Even the name will remain the same.

"I like working on cars. It's always been my thing," said Scott Aydelotte. "It's all I know."

Hauge prides himself on the loyalty of customers and employees.

Asked how it developed, he said, "I don't know. Just being honest with them. We pride ourself in the quality of work we do."

"Scott will take it to a new level."

A retirement party for the Hauges and Ott will be from 4:30 to 7:30 p.m. Jan. 10 at the Surf Ballroom. The public is invited.

Then the Hauges can resume their new life. Not much will change there, either.

"We're going to stay on north shore of Clear Lake," Don said.

THE MORTGAGE PROFESSOR

Pension system needs fixing

The private pension system in the United States is in transition from defined-benefit plans to defined-contribution plans. On balance, this may be a step in the wrong direction. The jury is still out, however, and much will depend on how de-



JACK GUTTENTAG

defined-contribution plans evolve in the future.

Early in my career I worked for the Federal Reserve Bank of New York, which had a defined-benefit plan for its employees similar to those at most large firms. Under this plan, the bank contributed periodically to a reserve fund earmarked for future payments to retired employees. The promised future payment amounts were based on the employee's compensation levels and years of service. The pension vesting period was 10

years, which meant that if you left the bank after nine years, as I did, you lost the pension rights.

In accepting a professorship at the University of Pennsylvania, I also transitioned from the defined-benefit pension plan of the bank to a 401(k) defined-contribution plan at the university. Under this arrangement, I assumed control over my pension. 401(k) accounts were opened in my name at TIAA/CREF and Vanguard, into which I made periodic tax-deferred contributions. With this type of plan, I vested immediately, in that the money contributed to the accounts belonged to me.

Employers offering defined-contribution plans may or may not contribute to the plans. In many cases they offer to match the employee's contribution up to some maximum amount. Employer contributions may be subject to a vesting period.

Please see **GUTTENTAG**, Page J8



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STEVEN THOMPSON

For the Globe Gazette

HANLONTOWN — Take exit 203, off Interstate 35, head west on Highway 9 a mile and just before you enter Hanlontown, you will discover Stromley's Repair & Towing, offering locals and travelers automotive services and towing.

Chad Stromley and his wife, Tina, purchased Frank's Repair in September 2017. The couple recently changed the business's name to Stromley's Repair and Towing.

"I encouraged my husband to start the business, because he has worked on cars since he was a kid," Tina said. "He likes it and is good at it, and I encouraged him when this opportunity came along."

Tina, who works as a nurse for Mosaic in Forest City, spends several hours each week waiting on customers and doing the bookkeeping.

"I have always like working on vehicles, because I grew up on an acreage near Plymouth, where Dad worked on cars and tractors," Chad said.

He spent years working in the commercial and automotive tire business prior to purchasing the business.

The business does general work on farm tractors, semi tractors, light weight trucks and cars. They also do small engine repair, such as mowers, riding mowers, and snow blowers as well as overhauling car engines, transmissions, and four-wheel drives. Other work includes water pumps, alternators, starters and shocks and struts.



CHRIS ZOELLER THE GLOBE GAZETTE

From left, Chad Stromley, his wife, Tina, his stepson, Evan Hall, and mechanic Tony Brower pose outside of Stromley's Repair & Towing in Hanlontown on Nov. 30.



COURTESY

A thank-you gift - a wrecker towing a car - given to Stromley's Repair & Towing after the business repaired the owner's vehicle.

"We are a certified auto repair shop," Chad said.

They are also able to order all types of tires for lawnmowers, cars, commercial trucks, for large tractors and farm equipment, all within 24 hours. They carry a large supply of used tires, as well as Interstate Batteries, wiper blades and filters.

"We have a new computer for diagnostic checking of vehicles," Chad said. "When we service a vehicle, we go through a 35-point check list."

"We want people to feel comfortable when they come here," Tina said. "My husband is the kind of mechanic who will tell a customer what needs to be

fixed, before we do it."

"I always call customers and give them an estimate before we work on their vehicles," Chad said. "I don't want to do something they can't afford."

Tony Brower, who worked for the former owner, also works in the shop, alongside Evan Hall, who is Chad's stepson.

"One of the rewarding things in this business is helping people when they need us," Tina said. "Last year a family from Texas, with small kids, broke down by the interstate exit ramp, and we helped them get back on the road. Later, they sent us a Christmas card."

"Another young lady went in the ditch, and after she got the car out, her car began to shake," Chad said. "Her tire rims were packed with snow when she drove in. We worked on her car and got her on her way."

"Later she came in and brought us a string picture of a wrecker towing a car as a thank-you gift, for helping her out."

Great people are the foundation of great success.

Congratulations

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Casey Purcell and Olena Schmitz



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Guttentag

From J6

While states, municipalities and public agencies have continued with defined-benefit plans, private business firms have largely shifted to defined-contribution plans. This enables them to avoid the large balance sheet liability generated by the commitment to provide defined benefits over an indefinite future period. From a retiree perspective, however, defined contribution plans have some major weaknesses.

Pre-retirement weaknesses

The weakness that has generated the most attention is that employees have not been saving enough in their 401(k)s to assure a comfortable retirement. With a defined-benefit plan, employees qualify automatically, but with defined-contribution plans they must enroll and authorize a deduction from their paycheck. Shortsightedness is part

The weakness that has generated the most attention is that employees have not been saving enough in their 401(k)s to assure a comfortable retirement.

of human nature; it results in procrastination, which results in underfunding. A number of initiatives aimed at combating this problem are in process, including automatic enrollment.

A second pre-retirement weakness is that small firms find the costs of administering a 401(k) plan too burdensome to bother. For this reason, a large number of private-sector employees do not have access to a 401(k) at work. Legislation that would authorize plans covering multiple employers is now making its way through Congress with bipartisan support.

Unmanaged mortality risk

The post-retirement weaknesses in 401(k)-based plans have not generated nearly as much at-

tentation. Perhaps the most critical is the problem of managing mortality risk. With defined benefit plans, the employer manages mortality risk by spreading pension commitments across a population of employees with different lifespans. The employee who retires with a 401(k), in contrast, is on her own. She knows how much is in her accounts when she retires, and she can estimate the future earnings rate on those funds, but she does not know how long those funds have to last because she does not know how long she will live.

The obvious remedy is to purchase an annuity, but she will have great difficulty finding an investment adviser who will support that decision. Many are hostile to annuities, and none offer a service package that integrates the management

of financial assets with annuities.

Unmanaged home equity

Another weakness of 401(k)-based plans applies to retirees who have a significant part of their wealth in their homes. The conversion of home equity into spendable funds using a HECM reverse mortgage is ad hoc and separated from the other elements of retirement planning. The retiree has to do it on her own, just as she must purchase an annuity on her own.

To deal with the two post-retirement weaknesses identified above, I am involved in a project to integrate financial asset management, annuity purchase, and the HECM reverse mortgage into a coherent retirement plan. It is called the Retirement Income Stabilizer or RIS. Stay tuned.

Jack Guttentag is professor emeritus of finance at the Wharton School of the University of Pennsylvania. For more information, visit mtg-professor.com.

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LEADERSHIP NORTH IOWA

For the past 36 years, the Mason City Chamber of Commerce has provided leadership training for up-and-coming business people from the North Iowa area. In addition to skill development, *Leadership North Iowa (LNI)* participants meet well-established business leaders and have the opportunity to explore best practices and gain meaningful advice.

First and foremost, this program exposes participants to all North Iowa has to offer. At the same time, our goal is to engage *Leadership North Iowa* participants and alumni—to connect them to our community and to each other. *LNI* graduates are high-potential prospects who are well-poised to play a more prominent role in the community.

This can and does take many forms. For some, it may be the call to action to run for elective office. For others, participation may ignite the desire to seek an appointment to local government boards and commissions. It may provide the foundation to volunteer at a church or service club. It might even help people to assert themselves more in their place of work. Whichever direction our alumni choose to go, we know that *Leadership North Iowa* is often credited as the catalyst for becoming more actively involved in something they care about.

Class Sessions and Speakers

Leadership Styles | Leadership & Personality Styles | Michael Voet, Mercy Medical Center - North Iowa

Learning About My Community | Historic Park Inn Hotel Tour | Mick Baker & Teri Elsbury, Wright on the Park

Networking | Networking Skills & Building Relationships | Robin Anderson, Mason City Chamber of Commerce

Leadership & the Common Good | Government & Citizenship | Mayor Schickel & Councilman Symonds (MC) and Mayor Crabb & Councilman Smith (CL)

Leadership Growth | The 5 Levels of Leadership | Andy O'Brien, ActionCOACH

Law Enforcement | Cerro Gordo Co. Law Enforcement Center Tour | Cerro Gordo County Sheriff Kevin Pals

Leadership & Ethics in Business | Ethics in Leadership | Doug Morse, NIACC Business Instructor

Leadership & Stewardship | POET Biorefining - Hanlontown Plant Tour | Kelly Hansen, Josiah Peterson, and Joe Rowe

Innovative Leadership | Fostering Innovation in the Workplace | Steve Doerfler, Metalcraft, Inc.

Local Business & Industry | Leigh Cement Company Plant Tour
Brodie Pederson, Leigh Cement Co.

Leadership vs. Management | Leadership Styles - Guest Panel of Local Business
Leaders: Dan Varnum, Mercy Medical Center-North Iowa; Dr. Jay Lala, Central Park Dentistry



Servant Leadership in Action

For decades, sociologists have detailed the decline of America's civic engagement. They assert that American adults have gradually withdrawn from political and religious participation, lack significant workplace connections, and refrain from "neighboring".

Our young leaders engage in new forms of "connecting" activities that are relevant to our present and future. The activities they choose as their class Community Impact Projects often encourage their fellow citizens to spend more time in active connection.

Community Impact Project: Historic Egloff House

Students from the 2018 *Leadership North Iowa* class assisted in work at the Historic Egloff House located on East State street. The group stripped painted grass cloth wallpaper from the main living areas and cleaned up the interior rooms under construction as their annual community betterment project for North Iowa.

The Egloff House was built in the late 1930s and is recognized for its Art Nouveau/International Style architecture. In 2008, this architecturally-significant home was severely damaged in flooding. In 2015, Community Benefit Mason City, a local group formed by the Chamber, Wright on the Park, and Iowa Business Growth, moved the house from the Park Place neighborhood to its current location at 312 E State Street.

The house is being restored to serve as temporary furnished housing for students who come to North Iowa as part of their professional training. Restoration will be done in compliance with National Park Service standards. On May 1, 2017, the house was placed on the National Register of Historic Places. It eligible for both state and federal historic tax credits—which will assist in funding the restoration.

Once completed, medical students on rotations, college interns, and student teachers will occupy the five bedrooms, three bathrooms, and rec room on the second floor. An apartment has been constructed in the lower level to accommodate a live-in caretaker. The main floor will be restored historically and will be periodically open to the public for tours.

Leadership North Iowa students were eager to assist with restoring a piece of Mason City history while also helping with a current community need: short-term, furnished housing for young professionals.



2018 LEADERSHIP NORTH IOWA CLASS

Pam Adams - First Citizens Bank



Employer: First Citizens Bank - Full-service community bank providing sound financial solutions for the success of its customers and community.

Position within Organization: Business Banking Administrator

Definition of Leadership: Leading by example, being honest, communicating clearly, and acting with humility and respect.



Kathy Anderson - Diamond Jo Casino - Worth Co.



Employer: Diamond Jo Casino - Gaming and entertainment venue providing an opportunity to win in a safe, fun-filled environment upheld by high standards of integrity.

Position within Organization: Human Resources Manager

Definition of Leadership: The ability to engage a team to move toward a common goal, while creating a clear vision and leading by example.



Robert Barber - Church & Dwight Co., Inc.



Employer: Church & Dwight Co. - Leader in the Household Consumer Products and Personal Care industries, with such brands as ARM & HAMMER, Trojan, First Response, Nair, Spinbrush, OxiClean, Orajel, and more.

Position within Organization: Technical Manager



Nichole Cattron - Cargill Protein



Employer: Cargill Protein - Leading marketer of high value, further-processed egg products in the United States.

Position within Organization: Operations Supervisor

Definition of Leadership: Growing others through support and encouragement but knowing that you are not above completing any task to help others succeed.



Adam Collins - Mason City Motor Company



Employer: Mason City Motor Company - Auto dealership in Mason City with the goal to bring customers the single best car buying experience possible.

Position within Organization: Sales Manager



2018 LEADERSHIP NORTH IOWA CLASS

Nicole Dunn - Hertz Farm Management



Employer: Hertz Farm Management - Company specializing in farmland asset management and personalized service to assist clients in meeting their farmland ownership and investment goals.

Position within Organization: Farm Manager and Licensed Real Estate Salesperson in Iowa and Minnesota

Definition of Leadership: Leading with enthusiasm and commitment in order to help everyone be motivated toward a common goal.



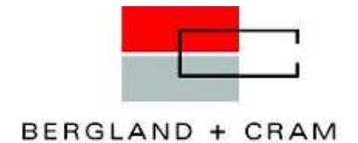
Douglas Foreshoe - Bergland + Cram Architects



Employer: Bergland + Cram Architects - Architecture and interior design firm that specializes in design for residential and commercial architecture.

Position within Organization: Principal and licensed architect in Iowa, Minnesota, and Nebraska

Definition of Leadership: Inspiring others to strive for more than what they believed they could do; to provide direction based on sound information.



Kyle Haugen - Smithfield



Employer: Smithfield - Further processing plant, making hams, semi-dry sausage, and lunch meats sold nationwide, while striving to protect the environment and make positive impacts on the community.

Position within Organization: Maintenance Planner/Scheduler

Definition of Leadership: Leading by example and following the policies/ideals that you tell followers, while also promoting growth and excellence from them.



Kizzy Jansen - Alpha Orthodontics



Employer: Alpha Orthodontics - Orthodontic practice with locations in Mason City, Albert Lea, and Blue Earth, where patients are treated like family.

Position within Organization: Treatment Coordinator

Definition of Leadership: Someone who teaches by example and gives guidance and direction.



Deb Jorgensen - Jane Fischer and Associates LLC



Employer: Jane Fischer & Associates - Realtors specializing in the North Iowa real estate market where customer satisfaction is their number one priority.

Position within Organization: Office Manager

Definition of Leadership: Leading by example, listening, being compassionate, treating others how you want to be treated, and loving what you do!



2018 LEADERSHIP NORTH IOWA CLASS

Casey Larson - Cargill Protein



Employer: Cargill Protein - Leading marketer of high value, further-processed egg products in the United States.

Position within Organization: Food Safety, Quality & Regulatory Associate

Definition of Leadership: Guiding others towards self-growth. Leaders want to help others grow, succeed, and do more than they ever thought they could.



Alex Lee - Cargill Protein



Employer: Cargill Protein - Leading marketer of high value, further-processed egg products in the United States.

Position within Organization: Continuous Improvement Engineer



Cindy Long - Diamond Jo Casino - Worth Co.



Employer: Diamond Jo Casino - Gaming and entertainment venue providing an opportunity to win in a safe, fun-filled environment upheld by high standards of integrity.

Position within Organization: Director of Surveillance

Definition of Leadership: Taking pride in what you do, inspiring others, providing encouragement, setting goals, and helping others reach their goals.



Ray Makkar - One Vision



Employer: One Vision - Non-profit organization that supports individual choice by providing services that lead to greater purpose and independence.

Position within Organization: Supported Living Community Supervisor

Definition of Leadership: Helping others do the right things, setting direction, and building an inspiring vision to create something new.



Mike Midtgaard - First Citizens Bank



Employer: First Citizens Bank - Full-service community bank providing sound financial solutions for the success of its customers and community.

Position within Organization: Trust Officer in the Trust and Investments Services Department

Definition of Leadership: Establishing goals, motivating others, and having a passion for developing people. A leader inspires people through a shared vision and creates an environment where people feel valued and fulfilled, and sets people up for success.



2018 LEADERSHIP NORTH IOWA CLASS

Melissa Nelson - North Iowa Community Action Organization



Employer: North Iowa Community Action Organization - Non-profit organization that enriches the growth and development of children, individuals, and families in North Central Iowa by empowering them to make life-choices which move all towards self-sufficiency.

Position within Organization: Head Start and Early Head Start Program Coordinator

Definition of Leadership: Inspiring and motivating others to work toward and accomplish a common goal that leads to success for all involved.



Brian Odino - Cargill Protein



Employer: Cargill Protein - Leading marketer of high value, further-processed egg products in the United States.

Position within Organization: Sanitation Supervisor

Definition of Leadership: Being willing and able to follow and serve others; the best leaders serve the team, not themselves.



Amanda Olszewski - Express Employment Professionals



Employer: Express Employment Professionals - Leading staffing provider helping job seekers find work and helping businesses find qualified employees.

Position within Organization: Business Development Leader



Ashley Pieper - Wells Fargo Bank



Employer: Wells Fargo Bank - Financial institution with a top priority to help people achieve their financial goals in life.

Position within Organization: Personal Banker

Definition of Leadership: Everyone is a leader; we all control our actions and lead by example for others.



Josh Piper - POET Biorefining - Hanlontown



Employer: POET Biorefining - One of the world's largest producers of ethanol, also producing corn oil, wet cake, DDGs and syrup.

Position within Organization: Operator II



2018 LEADERSHIP NORTH IOWA CLASS

Casey Purcell - Clear Lake Bank & Trust Co.



Employer: Clear Lake Bank & Trust Co. - Locally owned, full-service bank in operation since 1934, supporting countless community projects, programs, and area businesses.

Position within Organization: Mortgage Loan Officer

Definition of Leadership: Sharing a clear vision of goals and acting in ways that others desire to replicate willingly.



Pamela Rodriguez - Cargill Protein



Employer: Cargill Protein - Leading marketer of high value, further-processed egg products in the United States.

Position within Organization: Operations Supervisor

Definition of Leadership: Motivating and guiding a group towards a goal, while they grow as individuals and overcoming each obstacle while maintaining a positive attitude.



Kendall Ryan - Cargill Protein



Employer: Cargill Protein - Leading marketer of high value, further-processed egg products in the United States.

Position within Organization: Quality Assurance Supervisor

Definition of Leadership: Leading by example and influencing others to develop their skills, and supporting the needs of others.



Olena Schmitz - Clear Lake Bank & Trust Co.



Employer: Clear Lake Bank & Trust Co. - Locally owned, full-service bank in operation since 1934, supporting countless community projects, programs, and area businesses

Position within Organization: Lead Teller/Personal Banker

Definition of Leadership: The ability to have clear vision for others to follow, sharing information and knowledge, and the ability to balance conflicting interests.



Kristina Shellhart - Holiday Inn Express and Suites - Mason City



Employer: Holiday Inn Express & Suites - Modern hotel offering the best in amenities and service, as well as an outstanding staff with many years of experience in the hospitality industry.

Position within Organization: Housekeeping Manager



2018 LEADERSHIP NORTH IOWA CLASS

Jenna Sheriff - Jane Fischer and Associates LLC



Employer: Jane Fischer & Associates - Realtors specilaizing in the North Iowa real estate market where customer satisfaction is their number one priority.

Position within Organization: Licensed Realtor/Administrative Assistant

Definition of Leadership: Dedication to bettering oneself and his or her skills for the benefit to help further others.



Steven Storm - POET Biorefining - Hanlontown



Employer: POET Biorefining - One of the world's largest producers of ethanol, also producing corn oil, wet cake, DDGs and syrup.

Position within Organization: Laboratory Technician II

Definition of Leadership: Inspiring others to perform tasks.



Troy Tabbert - RSM US LLP



Employer: RSM US LLP - Leading U.S. provider of assurance, tax and consulting services focused on the middle market.

Position within Organization: Assurance Manager

Definition of Leadership: Continually evolving and growing to impact as many generations as possible, empowering others, and setting an example through actions that support your values and beliefs.



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 Holiday Inn Express and Suites - Mason City ▪ Jane Fischer and Associates LLC ▪ Mason City Motor Company ▪ North Iowa
 Community Action Organization ▪ One Vision ▪ POET Biorefining - Hanlontown ▪ RSM US LLP ▪ Smithfield ▪ Wells Fargo Bank

YIELD Youth Investing Energy in Leadership Development

YIELD is modeled after the *Leadership North Iowa* program. The acronym stands for *Youth Investing Energy in Leadership Development*. In 2003, the Chamber partnered with the Mason City Youth Task Force to develop leadership skills in promising young adults by forging a connection between youth and the business community. Local business has a huge stake in area youth as future workers and leaders.

The class is comprised of high school juniors from Mason City High School, Newman High School, and the Alternative School. We leverage the talent of our Chamber members who generously share their knowledge and resources to serve as speakers at *YIELD* sessions. The course consists of 10 modules and each class selects and completes a Community Impact Project. Examples of Community Impact Projects include advocating for an ordinance restricting the sale of pseudoephedrine within our city, creating fleece blankets for children in need, and the “Tunes for the Town” public piano project.

The *YIELD* program is now in its 16th year and has become a model for other communities interested in providing leadership training to youth. School administrators report that *YIELD* graduates are among their most successful students.

Community Impact Project: Movin' Groovin' Mason City

Each year, the *YIELD* students complete a Community Impact Project as a graduation requirement. This year's *YIELD* class is looking to brighten up Mason City with some new artwork, while also encouraging residents and visitors to get out and move more. They are creating interactive sidewalk paintings throughout the city in a project named “Movin' Groovin' Mason City!”

The *YIELD* group researched other communities with similar programs to see what types of paintings to include in the city. They also considered what designs (hopscotch, dance steps, obstacle course, etc.) to use, based on location. Students contacted local paint suppliers for recommendations on the materials needed and received estimates for the cost of the items.

After careful deliberation, the students have identified the following locations for consideration: Downtown Mason City, East Park, MacNider Art Museum, the Mason City Public Library, and The Music Man Square to paint their interactive sidewalk designs. Students will meet with city officials, organizations, businesses owners, and numerous boards of directors to obtain necessary permission to complete the project.

Students will have all plans complete prior to the New Year, but will not paint until Spring 2019. In May, students will contact local media outlets to create awareness of their project and encourage community members to get out, move more, and utilize the new sidewalk paintings.

Thanks to a generous contribution from the Cerro Gordo County Medical Alliance, the cost of materials was covered. The class would also like to say a special thank you to Sherwin Williams for their counsel and support of the project. Finally, thank you to the members of the community for supporting the vision for the project. The *YIELD* class is excited to bring more energy and excitement to Mason City, while also encouraging others to live a healthier lifestyle.



2018-19 YIELD CLASS



Tony Cadena | MCHS

A leader who has positively influenced me: My father is a leader because he came into this country with only \$200 in his pocket and worked hard and became successful.



John Fitzsimmons | Newman

What I have learned/enjoyed while participating in the YIELD Program: I have learned that everyone has ideas... some expected, others unexpected; all important.



Gabriela Castelan | MCHS

What I have learned/enjoyed while participating in the YIELD Program: YIELD has taught me my strengths in leadership and how I can impact the community in a positive way.



Mackenzie Horst | MCAHS

What I have learned/enjoyed while participating in the YIELD Program: I have enjoyed meeting new people.



Lily Castle | Newman

What I have learned/enjoyed while participating in the YIELD Program: I have enjoyed getting to know people and have learned how to be a positive leader.



Kinzie Johanns | MCHS

A leader who has positively influenced me: My teachers this year are pushing me to work toward my full potential. They've helped me stay on track with my grades, making sure to work hard in everything I do.



Anna Deets | MCHS

What I have learned/enjoyed while participating in the YIELD Program: I have learned what my leadership strengths and weaknesses are and how to positively use them.



David Johnson | MCHS

What I have learned/enjoyed while participating in the YIELD Program: I have enjoyed working on the community project because I want to make a positive impact in Mason City.



Adam Dettmer | MCHS

What I have learned/enjoyed while participating in the YIELD Program: I had a lot of fun learning about proper etiquette because I know that manners are important for leaders.



Matilda Lee | MCHS

A leader who has positively influenced me: Someone who has positively influenced me is my grandpa, Dan Hussey. He makes friends everywhere he goes and always thinks positively.



Veruca Dorenkamp | MCAHS

A leader who has positively influenced me: Janell, my advisor, has been a positive leader in my life. She is an influential woman and inspires me to do better.



Blake Pang | Newman

What I have learned/enjoyed while participating in the YIELD Program: I learned to work with others and negotiate and compromise to create new plans that benefit everyone.

2018-19 YIELD CLASS



Braden Petree | Newman

A leader who has positively influenced me: Rosa Parks was a true leader, because she stood up for what she believed in.



Daniel Stephenson | MCHS

A leader who has positively influenced me: A leader who has positively influenced me is Amanda Ragan, our local State Senator. I volunteered on her election campaign and saw first-hand how hard she works and how solid her beliefs and dedications are to make the world a better place.



Marisol Ramirez | MCAHS

What I have learned/enjoyed while participating in the YIELD Program:
I have enjoyed the many different activities in YIELD.



Hannah Thomas | MCHS

What I have learned/enjoyed while participating in the YIELD Program: I have learned what my strengths are in being a leader and how I can use those to be a positive force in the community.



Emily Shatek | Newman

What I have learned/enjoyed while participating in the YIELD Program: I enjoyed hearing Congressman King speak to our group.



Bradley Vaith | MCHS

A leader who has positively influenced me: My mom has been a positive leader to me because she has led me through life so far and has taught me how to spread happiness and be kind to everyone.



Erika Sloan | MCHS

What I have learned/enjoyed while participating in the YIELD Program: I've enjoyed forming new relationships with everyone in the group- it's rare to have the opportunity to connect with the students from other local schools.



J.J. Wickman | MCHS

A leader who has positively influenced me: My uncle, Rob Brindley, has had a positive influence on my life. He has shown me that every day is a new opportunity to achieve your goals and dreams.

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NutriQuest, LLC ▪ Overhead Door Company of Mason City ▪ POET Biorefining - Hanlontown ▪ River City Iowa Realty
Stoney Creek Hospitality Corporation ▪ Sukup Manufacturing ▪ The Nettleton Dental Group ▪ Wells Fargo Bank ▪ WHKS Engineers, Planners & Surveyors

Midwest factories see slowest growth in two years

DEE DEPASS
Star Tribune (Minneapolis)

Midwest manufacturers, including those in Minnesota, are growing, but not as quickly as the average growth nationwide.

Creighton University's Mid-America Business Conditions Index — which tracks monthly factory growth in Minnesota and eight other central states — slid for a third consecutive month to the slowest rate in two years. The index was 54.1, down from 54.9 in October. Anything over 50 signifies growth.

The November results for Mid-America were released Dec. 3, the same day as the monthly national report by the Institute for Supply Management. That index jumped to 59.3 in November, up from 57.7.

November's regional slow down took place against a backdrop of trade woes. About 65 percent of surveyed factory heads in the nine-state region reported that new U.S. trade tariffs and retaliatory action by trading partners had increased their costs and made it harder to sell

to their traditional international customers.

As an example, Midwest supply managers cited steel prices that rose by 18.2 percent in 12 months and a consumer price index that rose 2.5 percent in 12 months. In an odd twist, however, the regional export orders index rose slightly to 51.8 from October's 51.5 as some supply managers scurried to stock parts from overseas producers.

Trade tariffs were a hot topic for most Minnesota manufacturers that reported third quarters earnings in October. 3M, Polaris Industries, nVent and Pentair all reported significant cost spikes as recent U.S. trade tariffs disrupted supply chains and inflated prices.

Creighton found that the region's confidence index fell to 55 in November from 59.6 the month before and 66.3 in May. The survey was taken before U.S. President Donald Trump and Chinese President Xi Jinping agreed to pause future planned tariffs for 90 days.

One positive reported during the month was the rise in manufacturing employment for the nine-state territory that includes Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Missouri, Kansas, Oklahoma, and Arkansas.

"The regional economy continues to expand at a healthy pace. However, as in recent months, shortages of skilled workers remain an impediment to even stronger growth. Furthermore, supply managers are reporting mounting negative impacts from tariffs and trade skirmishes," Ernie Goss, director of Creighton's Economic Forecasting Group, said in a statement.

In the coming months, Goss said he expects the effects of lower oil prices and slowing growth will "push both wholesale and consumer inflation lower." He also expects the Federal Reserve will hike interest rates one-quarter percent on Dec. 19.

"However, last week the head of the Federal Reserve, Jerome Powell, indicated a more dovish approach to 2019 rate hikes," Goss said.

"Thus, I expect the December rate hike to be the last until the second quarter of 2019."

Other analysts, such as Moody's Senior Vice President David Berge, said the manufacturing sector is at a key juncture. On Monday, Moody's Investor Service downgraded its outlook for the global manufacturing industry to "stable" from

"positive" rating.

Berge credited the change to "trade tensions" that are expected to "negatively impact demand in 2019." In addition, manufacturers' profits are expected to decrease "in light of higher input costs."

Berge said Moody's 12- to 18-month forecast comes despite an agreement to call a US and China truce

on tariffs until March 2019.

He said any tariffs on each other's goods after that March date is "likely to have a more prominent impact on supply chains just as they contend with tight labor markets and higher transportation costs. Generally, protectionist trade measures will contribute to slowing global economic growth."

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Year-end giving doesn't guarantee getting a tax break

In years past, nearly one-third of all annual donations were made in the month of December, as people made their charitable gifts before the deadline for tax deductions.

**SUSAN
TOMPOR**

Yet this year, if you're more focused on getting back in the form of a tax break come April, you may want to think twice about how many year-end checks you write to charity.

Will you or won't you be able to take a tax deduction for charitable contributions on your 2018 tax return?

The tax rules for 2018 will be vastly different than they were last tax season, thanks to the Tax Cuts and Jobs Act of 2017.

Some taxpayers will no longer be itemizing deductions beginning on their 2018 federal tax returns because of a higher standard deduction and other significant changes tax rules, including new limits on deducting state and local income taxes and property taxes.

About 46.5 million tax returns itemized deductions for 2017. It's estimated that the number will drop to 18 million for 2018 returns — or about a bit more than 10 percent of individual returns, according to the Joint Committee on Taxation.

So do you need to really make a donation by Dec. 31? Or can you wait until January? Or even February?

The standard deduction on 2018 returns is \$12,000 for individuals, \$18,000 for heads of household and \$24,000 for married couples filing jointly and surviving spouses. Those

amounts are nearly double what they were in 2017.

You'd still consider itemizing — if your itemized deductions exceeded those amounts.

"My philosophical advice is give to charity, if you want to give to charity," said Leon LaBrecque, managing partner and CEO, LJPR Financial Advisors in Troy, Mich.

"And don't worry about the write-off."

After all, many people give to animal shelters, food banks, their alma mater and religious organizations because they're genuinely grateful and want to help others do good.

But some people try to plan their giving to maximize their tax breaks. If so, you need to take into account the new standard deductions, as well as other changes.

Under the new rules, for example, employees will no longer be able to itemize their unreimbursed business expenses beginning on 2018 tax returns. Most taxpayers — with the exception of members of the military on active duty who move pursuant to a military order — won't be able to deduct qualifying moving expenses related to a job.

Medical expenses are deductible but only if those expenses exceed 7.5 percent of your adjusted gross income in 2018. (On the 2019 return, the threshold jumps to 10 percent.)

Another key change: The deduction for state and local income taxes, property taxes, personal property taxes (including license tabs on cars in Michigan) is limited to up to \$10,000 for every fil-

ing status except married filing separately, which is \$5,000.

Such changes, LaBrecque noted, can make it harder to simply look at your old deductions and think you'd easily hit that threshold to itemize again on the 2018 return.

Many people may still want to keep their receipts and proof of deductions because it is hard to simply guess whether you'd still itemize or you won't.

"You still have to do all the same things you used to do," said Kathy Pickering, vice president of regulatory affairs and executive director for the H&R Block Tax Institute.

"A lot of taxpayers will have this expectation that tax filing will be so simple and easy, they won't have to worry about it," Pickering said.

But that's not necessarily the case, she said.

Taxpayers who carefully review their situation with their tax preparer may be able to tap into a few different strategies, depending on their situation. They include:

Bunching deductions

One strategy is called "bunching" — where you pull contributions into one year in order to be able to itemize deductions. LaBrecque noted that such a strategy can work if you're near the standard deduction limit and want to add more charitable contributions in a given year to enable you to itemize.

If you're well under the standard deduction, he said, you're not going to be able to deduct donations to a charity short of a very large donation in a given year. But that has always been true and many people still make charitable contributions anyway.

Another change on 2018 returns: Individuals can take a deduction for charitable cash donations that amount to up to 60 percent of their income, up from an earlier limit of 50 percent. So individuals who donate a sizable portion of their income to charitable organizations will be able to take a larger deduction.

Donor-advised fund

If you have a significant amount of money to donate, you can make a lump-sum contribution into what's called a donor-advised fund.

You'd be able to deduct the full amount of the contribution in the year you make it, up to the contribution limits based on the type of asset donated and your adjusted gross income.

Many people haven't heard of such programs but total assets in donor-advised funds hit about \$110 billion at the end of 2017. And experts say they're being used by more than just ultra, high-net worth individuals.

The overhaul in the tax rules could make such plans more popular among people who want to use some of their money to make a difference in the lives of others.

From a tax standpoint, the lump-sum approach can be used to help push you above the new higher amount for a standard deduction in a given year.

You'd make a donation

upfront into a donor-advised fund but then be able to give a grant to your favorite charities in the future out of the donor-advised fund.

Donor-advised funds can be opened at a community foundation, such as the Community Foundation for Southeast Michigan, or through an arm of financial service firms.

The money is then invested and you'd later recommend grants to qualified public U.S. charities. (The grants out of the donor-advised fund are not tax deductible.) There are administrative fees, as well as investment fees, connected to such accounts.

You'd need at least \$5,000 to open a donor-advised fund through some programs, including Fidelity Charitable, TIAA Charitable and Schwab Charitable.

The minimum gift is \$10,000 to establish a donor-advised fund within the Community Foundation for Southeast Michigan.

Please see **TOMPOR**, Page J22

"This is a great program that introduces participants to areas of North Iowa and businesses they would not have necessarily seen or visited on their own."

Our 2018 Leadership North Iowa Graduates!

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Pam Adams **Mike Midtgaard**

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Holiday gift-giving guilt

Nearly half of Americans have felt pressured to overspend during the holidays

ADRIAN D. GARCIA
Bankrate.com

For many Americans, the holidays mean family, food and overspending.

More than 2 in 5 gift shoppers feel pressured to reach deeper into their wallets than they're comfortable with, according to the 2018 Bankrate Holiday Gifting Survey. Despite budget constraints, there are some lines most people refuse to cross to save money. Buying used and re-gifting are generally considered to be on the naughty list, the survey finds.

Feeling anxiety around providing a "magical" gift or exceeding someone's expectations is natural, says Suzanne Degges-White, Ph.D., chair and professor of the Department of Counseling, Adult and Higher Education at Northern Illinois University.

"If you let yourself forget that Hallmark had it right when their tagline became, 'It's the thought that counts,' you can be swindled into

spending a lot more than you can afford in your efforts to prove your affection and devotion," Degges-White says.

The survey was conducted online in Ipsos' Omnibus. The sample consists of 1,000 nationally representative interviews, conducted between Oct. 12-14.

Parents and middle-income earners more likely to feel holiday pressure. More than half (54 percent) of respondents with children reported feeling pressure to overspend during the holidays, according to the Bankrate survey.

"I always tell parents to step back and recognize that we all have too much stuff. Let's face it, kids are going to outgrow their clothes and out-mature their toys. So, if you're going to spend, spend wisely and be savvy about it," says Nora Yousif, vice president and financial adviser at RBC Wealth Management.

Yousif recommends spending on intangibles like contributions to college

funds or shares in an innovative company. Or, families could do what she and her loved ones do and spend on a group vacation. This year, they're going to Savannah, Georgia.

"There's nothing wrong with getting old-school," Yousif says. "Not to sound like Scrooge, but teaching your children to want what they have is a valuable lesson too. It may not be what the neighbors are gifting their child, but if you're gifting yours something that will benefit them down the line, like contributions to their college fund, that's the smarter, savvier gift in the long run."

Middle-income earners may feel pressured to keep up with the Joneses during the holidays. More than half of those earning between roughly \$50,000 and \$75,000 felt pushed to overspend – a higher percentage than their peers, according to the Bankrate survey.

The people in the middle

are really squeezed for income, says Mark Hamrick, senior economic analyst at Bankrate.

"In some ways, they have the worst of both worlds because there is at least the perceived pressure to spend and also some capability," Hamrick says. "What's universally true for all income levels is the need for everybody to have a plan and stick to it."

Hamrick recommends people create a budget that looks at how much money they're bringing in from work and other revenue sources each month, as well as how much cash is going out for bills and other expenses. If there's money left over, people can use the cash to buy gifts. To make it easier, people can open dedicated savings accounts with strong interest rates and set money aside each month leading up to the holidays. However, if there's no money available after expenses, people should not reach for their credit cards and take on debt to buy gifts.

Tompor

From J21

Chris Carnal, president and chief executive officer at TIAA Charitable, said the money or other assets set aside in donor-advised funds is irrevocable and must be used for charitable contributions. You can't donate gifts to family members, either. There are other limitations on how you use the money. Grant money, for example, cannot be used to buy a table at a fund-raising event.

He noted, though, that as we approach the end of the year, investors want to make sure they understand some deadlines so that contributions can qualify for a 2018 tax deduction.

If you're electronically transferring money from a bank account, for example, you'd be able to do so by Dec. 26. But earlier deadlines in December would apply to donating stock to the fund.

A unique bonus

Taxpayers who are 70 and a half or older generally must take a Required

Minimum Distribution from their traditional IRAs and 401(k) plans each year, but not from Roth IRAs.

To ease the tax burden, someone who is age 70 and a half or older can transfer up to \$100,000 directly from a retirement account to a qualified charity. By transferring the money to a charity, you're not driving up your taxable income in a given year as you do when you withdraw money from such retirement accounts for yourself.

No, you cannot use this strategy to boost your deductions. But if you're not able to itemize anyway, it still provides a way to reduce your tax bill.

Experts note that such a move can help control what percentage of Social Security benefits might be taxed and things like the Medicare surcharge on high income individuals.

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Economists predict the economy will downshift

MARGOT ROOSEVELT
Los Angeles Times

The United States is “playing with fire” in launching a trade war with China and its economic growth will plummet over the next two years as the stimulus of tax cuts and spending increases wanes and interest rates rise, according to a new forecast from the UCLA Anderson School of Management.

“The economy is in the process of downshifting from the 3 percent growth in real GDP this year to 2 percent in 2019 and 1 percent in 2020,” warned senior economist David Shulman, author of the group’s national forecast.

And President Trump’s repeated predictions that the economy will grow at 4 percent to 6 percent?

“It’s not going to happen,” Shulman said. “We think it is going to slow a lot more than what the president’s people are saying.

“Typically administrations — whether they’re Republican or Democratic — are more optimistic than other forecasters. But the Trump administration has exaggerated more than other administrations.”

Along with a shrinking gross domestic product, job growth is likely to sink from the 190,000 average monthly gain this year to 160,000 a month next year,



JOHANNES EISELE, AFP VIA GETTY IMAGES

Workers unloading bags of chemicals Aug. 7 at a port in Zhangjiagang in China’s eastern Jiangsu province. China’s trade surplus with the United States eased in July, when President Donald Trump imposed stiff tariffs on billions of dollars worth of Chinese goods in a showdown between the world’s two biggest economies.

and a far weaker 40,000 a month in 2020, according to the UCLA outlook.

Unemployment is predicted to decline to 3.5 percent for most of 2019, from the current 3.7 percent, then gradually grow to 4 percent by the end of 2020.

UCLA’s quarterly report, one of the most widely watched economic outlooks for California and the nation, will be presented Dec. 5 at a campus conference featuring

financial experts from industry and academia.

The forecast, while more bearish than some, Shulman noted, roughly correlates with other private economists’ assessments. “Growth is likely to slow significantly next year,” Goldman Sachs said in its 2019 outlook, issued last month. “We expect tighter financial conditions and a fading fiscal stimulus to be the key drivers of the deceleration.”

J.P. Morgan’s economic update this month warned of several risks. “Trade tensions may result in a slowdown in global growth,” it said. “The Federal Reserve may tighten monetary policy too aggressively. Weak labor force growth could hinder economic growth in the future.”

Shulman, a former managing director at Lehman Bros. and a former Salomon Bros. research director and equity strategist, sees “financial turbulence ahead” for Wall Street.

“The recent volatility in stock prices appears to signal that the era of benign financial markets we have been used to for the past several years is coming to an end,” he wrote.

The most serious risks? “Over-leveraged corporations and escalating trade tensions, especially with China,” he said. “While the zero and low-interest rate policy of the Federal Reserve helped pull the economy out of the Great Recession and later stimulated growth, it induced corporations to leverage up,” or take on debt.

“For example, AT&T borrowed \$190 billion to finance its acquisitions of Time Warner and DirecTV. And AT&T was far from alone, with such debt-financed

acquisitions made by Bayer, Verizon Communications, Abbott Laboratories, Walgreens Boots Alliance, CVS and Broadcom.”

The debt-financed buying spree “has the potential to trigger the next recession,” Shulman said. “Note that the last three recessions had their origins in the financial markets. The 1990 recession was caused by overzealous lending in commercial real estate and the overbuilding of shopping centers. In 2001, it was too much stock-market exuberance in technology and telecom shares. In 2007, it was the mortgage market. This time the issue is corporate credit.”

Trump can take credit for a booming economy this year, Shulman said, “but we are going to pay for it with deficits of trillions of dollars as far as the eye can see. The stimulus of tax cuts and spending increases was overdone and its effects will wane next year. The whole economy will pay for it with higher debt service on the deficit.”

On the trade front, he added, “Trade wars have a way of escalating. A tariff war means slower growth and higher prices, which is a formula for stagflation. It is not a happy picture, and it can end with inflation and recession.”

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