

In This Issue

How Do Your Employees Know If They Qualify For a Tax Credit?
Page 2

Tips for Dealing with Solicitors
Page 2

Resolutions for a New Year
Page 3

You Decide: Will the Economy Be Better in 2011?
Page 4

Tax Time Fast Approaching

Valuable North Carolina Income Tax Information for Employees and/or Customers

In working with the Earned Income Tax Credit of the Carolinas (EITC Carolinas), we have uncovered information that may be helpful to many of your employees and/or customers. We encourage you to share this information with your employees and for them to share it with others. Our staff has received the information provided by EITC Carolinas, and re-worked it into a format that is more easily understood by both employers and employees.

The posters referenced below (provided in both English and Spanish) are available on our website (www.ncrma.org) for you to download. These can be e-mailed to employees, printed for posting in the Employee Break Room, and could also be included with employee pay stubs or with the W-2. Some retailers may choose to also post on their Customer Bulletin Board as other employers may not be aware of this employee opportunity.

Earned Income Tax Credit

Most of your employees and many of your customers may not be taking advantage of a great opportunity to get extra money back from their

taxes. Many people fail to file for the credit because they don't know it exists!

The Earned Income Tax Credit

(EITC) is a federal tax credit created to offset payroll taxes paid by low- and moderate-income workers. Because it is a federal tax credit, it applies to any employee in any state.



Who Qualifies?

Whether married or single, your employees may qualify for up to \$5,949 on their income tax return.

The tax credit is available to:

- 1) Single or married (filing jointly) employees; with or without children;
- 2) Employees of small businesses, big businesses or self-employed persons; and,
- 3) Employees whose incomes are so small they aren't required to file a tax return (although they must file to receive this refund).

Child Credit

Remind employees that some may be eligible for the **Child and Dependent Care Credit** and/or the **Child Tax Credit**. The Child Tax Credit can be worth an additional \$1,000 for each child

Tax Time

Continued from Cover Story

under age 17. More information on this opportunity can also be found on the EITC Carolinas website.

Free Tax Preparation

Employees can also receive free income tax preparation help. Employees earning less than \$50,000 can utilize preparation sites through the IRS Volunteers In Tax Assistance (VITA) program which helps people fill out their tax forms without charge. Most sites offer electronic filing for faster refunds, and with direct deposit tax filers usually receive their refunds within ten days.

Employees can find a free tax preparation site in their area by calling the Connectinc Helpline: 888-927-3230 or by visiting the EITC Carolinas website at www.eitc-carolinas.org, which provides a comprehensive list of free tax preparation sites in each of North Carolina's 100 counties.

AARP also provides several free tax preparation sites across our state. For information on locations and eligibility, call: 888-227-7669 or visit their website at www.aarp.org/money/taxaide.

For more detailed information, visit the EITC Carolinas website: www.eitc-carolinas.org. □

How Do Your Employees Know If They Qualify For a Tax Credit?

This chart indicates who is eligible. The amount of the credit varies based on the employee's annual earnings.

	Income Limit: Earn Less Than	Number of Qualifying Children	Maximum Federal EITC Credit	Maximum NC EITC Credit
Single or Head of Household	\$43,352	3 or More	\$ 5,666	\$ 283
Married Filing Jointly	\$48,362	3 or More	\$ 5,666	\$ 283
Single or Head of Household	\$40,363	2	\$ 5,036	\$ 251
Married Filing Jointly	\$45,373	2	\$ 5,036	\$ 251
Single or Head of Household	\$35,535	1	\$ 3,050	\$ 152
Married Filing Jointly	\$40,545	1	\$ 3,050	\$ 152
Single or Head of Household	\$13,460	None	\$ 457	\$ 23
Married Filing Jointly	\$18,470	None	\$ 457	\$ 23

NOTE: Investment income for all of the above **must be less than \$3,100.**

Tips for Dealing with Solicitors

"I'm raising money for (fill in the blank). Can I set up in front of your store?"

For many retailers, it is a familiar question. The trouble is that it isn't always easy to determine which charitable organizations are reputable and which may be dishonest. This is an important decision, since these solicitors are asking for the opportunity to take money out of your customers' pockets. Before making a decision about allowing a solicitor to set up shop, here are a few tips you should consider:

TIP 1: Ask if the solicitor actually works for the charitable organization. Professional fundraisers often raise money on behalf of charities. When they do, they typically keep for themselves some portion of the money they raise.

If a third-party fundraiser is involved, it's fair to ask what percentage of money collected will actually go to the charitable organization.



TIP 2: Check to see if the charitable organization is registered with North Carolina Secretary of State's Charitable

Solicitation Licensing Section. With the exception of some exempted groups, most organizations and professional fundraisers raising money in the state are required to be registered. You can find out if a group is registered by calling (888) 830-4989 or sending an e-mail to csl@sosnc.com. Exempted groups include religious and educational institutions, volunteer fire and rescue squads, political groups, hospitals and nursing homes, so it is possible you will be approached by a group that isn't

TIPS Continued on page 3

Tips

Continued from page 2

required to register. However, if an organization is required to register but hasn't done so, you should not permit them to solicit in front of your store. Additionally, you should contact the Secretary of State at (919) 807-2214 to report the organization.

TIP 3: Research how the organization spends its money.

Organizations registered with the North Carolina Secretary of State's Charitable Solicitation Licensing Section are required to submit financial information each year. As a general rule, a substantial majority of a charitable organization's budget should be dedicated to programs and services, not administrative costs or other expenses. It is a good step to look at the organization's website and ask people you trust if they have had any experience with the organization.

TIP 4: Report any suspicious activity.

The North Carolina Secretary of State's Charitable Solicitation Licensing Section has the authority to investigate and levy civil penalties against charitable organizations that engage in false or misleading fundraising practices. The division's investigators can be reached at (919) 807-2214. □

NCRMA

Has the
Answers to Your
Legislative Needs!

The Retailer's Handbook

Although no retail store owner or manager can be expected to know every aspect of retail and personnel law, he can and should be expected to know where to find the answers. That is why NCRMA created The Retailer's Handbook. Available to members for \$25.00 and to non-NCRMA members for \$75.00.

See page 6 for order form.

Resolutions for a New Year

The Christmas and Holiday retail season easily outshines other times of the year in sales, but it can also be the most exhausting. As you move into a new year, re-energize your employees with these tips on planning and preparation for a good year, all year!



Let's Start . . .

- Having all salespeople read company ads, catalogs, literature, Facebook, Twitter and Blogs before customers come in with questions and inquiries. An uninformed salesperson is bad for business. Also check out everything about the competition.
- Establishing dress codes for employees and enforcing these dress codes. (If there is a uniform, specify clean, neat, etc.) Employees are the representatives of the store and should project the image the store wants to convey.
- Greeting everyone who walks through the door. Come up with different greetings so customers don't hear the same greeting over and over when shopping in the store.
- Making it comfortable for customers to shop. Adjusting the thermostat because customers may be wearing coats (staff can wear a sweater). Consider a rack for customers' coats and a place to check packages.
- Having employees identify themselves when answering the phone. This adds a professional touch and provides the caller with a person to identify with on the other end of the line.
- Listening, really listening to customers. If you don't listen to what a customer is asking for and show the wrong merchandise, he will assume you don't have what he is looking for, and leave.
- Stocking and cleaning during

hours when the store is not open. Doing these chores when the store is open is inconsiderate to shoppers and doesn't convey a professional image. Instead have the staff mingle with the customers and help with suggestions.

- Having all cash registers open when the store is busy. An extra staff member can mingle with the customers in line, making additional suggestions.
- Getting everyone on board. Ensuring that everyone in the organization understands what the winning advantage is and what their role is in supporting it.

Let's Stop . . .

- Trying to get a head start on store closing times. Vacuuming while the store is still open is rude and should be done after the store closes.
- Helping phone inquiries while other customers are in the store waiting to be helped. The customer in the store should take precedence. Have someone besides the cashier answer the phone.
- Running out of sale items or advertised specials early on the first day of the promotion. A product should not be advertised unless there is sufficient stock.
- Using the store phone for personal calls. □

Source: Barbara Wold is a street-smart, down-to-earth business speaker, presenting topics from sales and marketing to customer service and tourism. She is an international speaker who has "WOWED" over 600,000 people from all 50 of the United States. bwold@ix.netcom.com.

You Decide: Will the Economy Be Better in 2011? A "You Decide" column by Dr. Mike Walden

It's the time of year that economists feel most loved. I'm not talking about good cheer from friends and family during the holiday season. I'm talking about the love we feel from people eagerly asking us to predict next year's economy. OK, maybe I'm overstating things with "love" - a better sentiment might just be attention.

Seriously, I and many of my colleagues are frequently asked at the end of each year to peer into our crystal balls and see if the collective economy will be better or worse. This is a tall order.

Most economic "outlooks" spend much time initially talking about the economic past. Indeed, there's an old joke about economic forecasting that says economists are good at predictions as long as they're about the past and not the future. Therefore, for what it's worth, in this column I'll give you my views on both the immediate economic past as well as the economic future here in North Carolina.

The economy in North Carolina in 2010 was better, but just barely. The job market bottomed out in September 2009, two months before the bottom in the national market. But since then job gains have been meager. One survey shows jobs in our state up by 12,500 over the past year; another survey puts the increase at 29,000. Either way, **the gain is less than 1% and still puts us a long way from replacing the 300,000 jobs lost during the recession.**

The unemployment rate did drop, by over a percentage point, but there's less to applaud here than at first glance. Most of the rate drop was due to more than 80,000 people leaving the labor force. At least half of these are likely to be discouraged workers, jobless folks who want to work but who have stopped actively looking. These individuals are not counted in the most commonly quoted unemployment rate.

On the upside, however, employers increased the number of hours in the work week in 2010. Translated, this



I and many of my colleagues are frequently asked at the end of each year to peer into our crystal balls and see if the collective economy will be better or worse...

The bottom line: The North Carolina economy, like the nation, is moving ahead, but the pace is closer to a crawl than a run. The two big headwinds are a lack of strong consumer spending and mediocre home sales.

means existing employees are working more hours. If the work week had remained the same, 55,000 additional new jobs would have been created in the state. **Retail sales in the state in 2010 -- a barometer of consumer spending -- tracked fairly closely to retail sales in 2009, so they didn't decline.** However, sales were still below 2007 and 2008 levels. Existing home sales -- a reading on the all important housing market -- showed strong gains earlier in the year, but once the homebuyer tax credits were ended, sales have slumped.

The bottom line: The North Carolina economy, like the nation, is moving ahead, but the pace is closer to a crawl than a run. The two big headwinds are a lack of strong consumer spending and mediocre home sales.

So how will our economy do in 2011?

First, I don't think it will perform any worse. I think there's enough economic steam to prevent a double-dip recession. But unfortunately, I think the two headwinds cited above



Not your typical credit card processor!



- Credit/Debit Processing
- Check Services
- Gift Cards
- eCommerce Solutions
- POS Equipment Leasing
- PC-Based POS System
- ...and much more!

Call today to get connected
919-832-0811

will continue blowing. Job growth will improve to maybe 55,000 to 70,000 net new jobs, and the state's unemployment rate will drop to the low 9% range. But this still puts us years away from reclaiming the 300,000 lost jobs and a 5% unemployment rate.

Furthermore, as anyone who's lived in North Carolina long enough knows, economic conditions and trends vary tremendously across the state. **The largest job gains in 2011 will be in Charlotte and the Triangle.** In fact, those two metropolitan areas will account for almost two-thirds of the state's new jobs. Also doing well, on a relative basis, will be Asheville and Wilmington.

So the immediate economic picture is still cloudy. Some say it took almost 25 years to develop the economic

YOU DECIDE Continued on page 5



MESSAGE ON HOLD

ONE MONTH'S FREE TRIAL FOR NCRMA MEMBERS

That's right! Now you can...
'Give it a test drive!'
Absolutely no obligation!!

Ellis Molton Advertising

You Decide

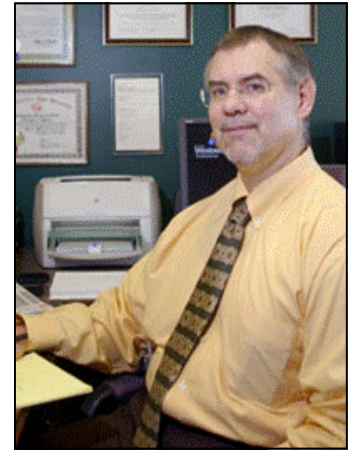
Continued from page 4

bubble that collapsed in 2008. If true, then it makes sense the recovery will be long and hard. But there's always a bright side. There are exciting business possibilities for the future in energy, technology, world trade, nutrition and health care, and other areas. History shows that some of the most creative business developments have come after economic downturns.

Also, I think it's an advantage that we're here in North Carolina to face these economic challenges. **In aggregate, our state's economy has grown faster, has made more adjustments and is more attractive to business development than most states.** Entrepreneurs and venture

capitalists -- that is, people who put ideas into action -- will be looking for places in the country with better than average growth prospects. I think they'll find that here. You decide if I'm right! □

Source: Dr. Mike Walden is a William Neal Reynolds Professor and North Carolina Cooperative Extension economist in the Department of Agricultural and Resource Economics of N.C. State University's College of Agriculture and Life Sciences.



Holiday Shopping Season Lifts Spirits

The holiday shopping season was the best since 2006, as a strong November more than offset spending that tapered off in late December. The strength of holiday sales from October 31 through January 1 suggests a recovery in consumer spending.

Early holiday discounts, which started in late October, drove big sales early in the season but also had shoppers finishing more gift-buying before December. A lull early in December and a blizzard December 26 in the Northeast also took bites out of sales. **From October 31 - January 1, revenue at stores open at least one year rose 3.8% over last year, according to an index compiled by the International Council of Shopping Centers.** That's the biggest increase since 2006, when the measurement rose 4.4%. December's gains came on top of a solid 3.6% gain in December 2009; November's figures compare with a 0.2% decline. These figures are based on revenue at stores open at least one year. That's long been considered a key indicator of a retailer's health, because it excludes revenue at stores that opened or closed during the year.

Some stores exclude online revenue, which soared 12% overall

and accounts for 8 to 10% of total holiday spending. Online spending spiked 17% the week after Christmas, according to comScore, possibly getting a boost from shoppers cooped up by snow.

Analysts say that the holiday 2010 season also marked the time that spending in many categories returned to pre-recession levels. **Online**

spending, as well as spending on groceries, auto parts and clothing, are now above the pre-recession peak, according to MasterCard Advisors' SpendingPulse, which tracks all transactions including cash. Jewelry, home furnishings and luxury goods are still below peaks, according to the data service. Overall, department stores fared better than mall clothing chains.

December's smaller increases underscore the challenges retailers face in getting shoppers back in the malls in the coming months when there are no holidays giving them reasons to spend.

One worry is stores are pushing prices higher starting this spring as they offset higher costs in commodities, particularly cotton. "This is going to be a real test of wills between the consumer and the retailer," said BMO Capital Markets analyst John Morris. □

Source: AP Retail Writer Ellen Gibson in New York contributed to this report.



Order your copy of the 2011 Retailer's Handbook!



LAWS YOU SHOULD KNOW!

Complete and Return the Order Form Below

Updated to Include Laws Passed in the 2010 Session of the General Assembly

Although no retail store owner or manager can be expected to know every aspect of retail and personnel law, he can and should be expected to **know where to find the answers**. That is why the North Carolina Retail Merchants Association created **The Retailer's Handbook**. Now updated to include laws passed in the 2010 Session of the General Assembly, this manual is a must-have for all retailers.

The first part of the manual, **Laws Relevant to Retailing**, describes North Carolina laws and crimes that impact all retail store operations. The laws are grouped by subject area; within each subject area:



- the elements of the crime are set out;
- the punishment for the crime is stated;
- background information relevant to the crime is discussed; and
- any civil actions available to recover losses from the crime are explained.

With these latest updates you will find changes to North Carolina law that affect the way you do business including: 1) alcohol and tobacco excise taxes; 2) digital download tax; 3) energy star sales tax holiday; 4) plastic bag ban 5) malt beverage permits 6) fire safe cigarettes, and much more!

This section is written not in legal language, but for real people to read and understand.

Following the layman's explanation of North Carolina laws is a section of Frequently Asked Questions of NCRMA staff and information from the Departments of Labor and Revenue. We've also provided you with sample signs and posters that you use daily in the workplace. These can all be ordered from NCRMA.

In **The Retailer's Handbook**, you will discover the legal acuity of an attorney whose expertise is retail law--plus the input, know-how, and insights of NCRMA's full-time lobbyists who carry a combined history of over 35 years of working for the legislative advancement of retail issues in North Carolina. **The Retailer's Handbook** is designed to grow and change as laws and procedures of our retail industry also grow and change, with updates provided on an as-needed basis.

The complete Retailer's Handbook is \$25 for members and \$75 for non-members (no charge for Board members). If you already have a Retailer's Handbook and would like only to purchase the 2011 Supplement, the cost is \$5 each (for shipping and handling).

Name: _____

Company: _____

Street Address: _____

Phone: _____ E-mail: _____

Payment Information: Check Enclosed (Make check payable to: NCRMA)

Amex MasterCard Visa Discover

Total Amount: \$ _____ Card Number: _____ Exp. Date: _____

Retail Snapshots



Out In Print: What Women Want.

Paco Underhill, author of *Why We Buy* and the *Call of the Mall*, has just written a new book called *What*

Women Want. He looks at what makes a package, product, space, or service “female friendly.” He says, “We live in a world that is owned by men, designed by men, and managed by men – and yet we expect women to be active participants in it.” Approximately 70% of all American females work outside the home. Women control not just a percentage of active income in the world (money from their jobs) but they control a large percentage of passive income (family income or money they’ve inherited). Women are behind farmer’s markets and the organic food movement and are the acquirers of food on behalf of their family. Women spend roughly thirty minutes a day in food preparation and are exposed to equipment and TV shows that promise to transform them into kitchen heroines. The book talks about what women want, what they have, and the many roles they play. He talks about how they’ve become a major social, cultural, and economic force and their power and presence.

Source: *What Women Want*

Internet Advertising Surpasses Print Advertising.

The *Wall Street Journal* reports that for the first time, “advertisers will have spent more on internet ads than on print newspaper ads, according to new estimates from eMarketer. The digital-marketing research firm says US spending on online ads will hit \$25.8

billion, surpassing the \$22.8 billion spent on print ads in newspapers.”

As the story notes, the shift has



been taking place for years, as the internet offers marketers lower costs, a heightened ability to target specific shoppers, greater creative options and a growing audience - as opposed to newspapers, which pretty much the same old, same old ... unless, of course, advertisers also buy space on their websites.

And, as the *Journal* notes, the internet is where the customers are - people spend as much time online as they do watching television, and more time online than they do reading newspapers and magazines. “While total ad spending in the US is expected to rise 3% this year to \$168.5 billion,” the *Journal* writes, “eMarketer estimates spending on print ads in newspapers will decline 8.2% in 2010, to be followed by a 6% decline in 2011.” Source: *Region Focus, Third Quarter, 2010*

Mobile Phones and Shopper Behavior

ForeSee Results, which specializes in evaluating customer satisfaction, is out with a new study this morning looking at consumer mobile phone

usage, concluding that this technology increasingly seems to be having an impact on shopper behavior, with more people than ever using them to make purchases and compare prices. Among the highlights:

- “Shoppers use mobile phones to access websites and apps more than ever before with 33% of respondents reporting phone usage to access a retail website. An additional 26% said they plan to use the retailer’s website or mobile app in the future, creating an opportunity for retailers to compete.”
 - “A total of 11% of web shoppers reported having made a purchase from their phones this holiday season, compared to only 2% at this time last year.”
 - “Most mobile shoppers use their phones to compare prices (56%).”
- “It looks like more than half of all shoppers will soon be using their mobile phones for retail purposes,” says Kevin Ertell, ForeSee’s vice president of retail strategy. “Any retailer not actively working to develop, measure, and refine its mobile experience is leaving money on the table for competitors.”

Source: *MorningNews Beat*



Bet you can't even buy
a gumball for **3 cents**

MorganCaywood
AUDIO CONFERENCING

Toll-free, automated
audio conferencing
for NCRMA members **3¢**
per minute

Visit www.morgancaywood.com/ncrma
or call 919-832-0811

Our mission is to create and re-create an industry marketplace in which North Carolina retailers can thrive, by:

- Effective legislative and regulatory actions
- Targeted member services, and
- Hi-tech distribution of information

We achieve this by our constant focus on fiscal responsibility and our core values of integrity, trust and professional excellence.



First Benefits Insurance (FBI) is a mutual insurance company created by North Carolina business owners to provide workers' compensation for North Carolina employers. NCRMA has endorsed FBI as a member benefit based on our commitment to small and medium-sized businesses.

We're Your Neighbor. We Know Workers' Compensation. We Know North Carolina.

FBI is based in Raleigh with all operations and decisions handled locally. Our experienced staff understands your concerns as North Carolina business owners. We pride ourselves on personal service, sound underwriting and aggressive claims management.

Of special interest to North Carolina employers is our monthly self-reporting plan that allows businesses subject to fluctuations due to seasons, tourism or a change in the economy to pay based on actual payroll rather than estimated payroll.

One Product. One State. Focused On You. Call your local insurance agent or call us directly at **(888) 393-2667** for a **quick, competitive quote.**

First Benefits Insurance Mutual, Inc., PO Box 176001, Raleigh, NC 27619
www.firstbenefits.org