

## Business Connections for the Greater Good

**M**ichelle Sanders has been passionate about finding a cure for her sister's multiple sclerosis (MS) for many years. She has dedicated numerous volunteer hours to support groups, walk-a-thons and other activities aimed at raising awareness and funds to fight the debilitating disease.

Sanders, an accountant by trade, would do anything to help rid her sister and the world of MS. Most not-for-profits (such as the Indianapolis chapter of the MS Society) are in need of the financial skills that someone like Sanders can provide. The Indiana CPA Society (INCPAS) helped maximize her effectiveness by connecting

the dedicated Sanders to the society's finance committee.

"I would have been involved with multiple sclerosis regardless, but this is a way to utilize my professional skills," Sanders explains.

INCPAS brought the two together through the organization's relatively new CPAs Lead the Way program, a free service that aims to match CPAs with Indiana not-for-profit and civic organizations. The professional association has approximately 7,500 members statewide.

**Resources:** Indiana CPA Society at [www.incpas.org](http://www.incpas.org)

## Older Seniors Coming Back Home

**M**any Hoosier Baby Boomers, thinking more about Indiana's inclement winters than sunny summers, are looking to experience year-round warmth by moving south once retired. Some older seniors, meanwhile, are moving back home.

A recent *New York Times* analysis of U.S. Census Bureau data shows that, for the first time since the Great Depression, more Americans ages 75 and older are leaving the South than moving there. The most common reasons for moving back north are family related. Some relocate after losing a spouse or out of a desire to be closer to children; others return when they become less independent and need a caregiving loved one. Whatever their reason(s), the data is clear as 121,000 seniors ages 75 and older left the South in the first half of this decade while only 87,000 moved there. The 1990s saw a 39% net increase in the number of seniors moving south.

Return migration may have implications for Indiana, but Dennis Rosebrough, communications director for the Indiana Family and Social Services Administration (FSSA), indicates that economic drain on the state budget is not one of them.

"Most seniors fall under Medicare, which is federally funded," Rosebrough reports. "(Return migration) doesn't have (financial) impact on the state budget unless the senior qualifies for the state-funded Medicaid." He explains that far fewer seniors meet the asset and income minimums necessary to qualify for the Medicaid program.

The total number of seniors returning to Indiana is not clear and not gaining much attention from FSSA. The pending retirement of seniors currently in the workforce is high on the radar screen.

"Baby Boomers retiring will certainly have a large impact because of their sheer numbers," Rosebrough concludes.

Martin DeAgostino, associate state director of communications for AARP Indiana, is also more aware of Baby Boomers than older returning seniors. "We continue to grow because the Baby Boom generation is aging and entering our target demographic," he remarks.

**Resources:** Dennis Rosebrough, Indiana Family and Social Services Administration, at (317) 232-1149

Martin DeAgostino, AARP Indiana, at (317) 423-7105

## Conventions Catering to Workers' Families

**A**musement parks, city tours and museum visits – business trip or family vacation?

Many companies are now compensating for increased worker demands by enabling employees (in the proper situations) to take family vacations in conjunction with business travel.

A recent survey reported that 62% of business travelers add leisure time to one trip per year. Two-thirds of those travelers bring a family member or friend. A growing number of dual-income families and a desire to save money are two factors contributing to this trend.

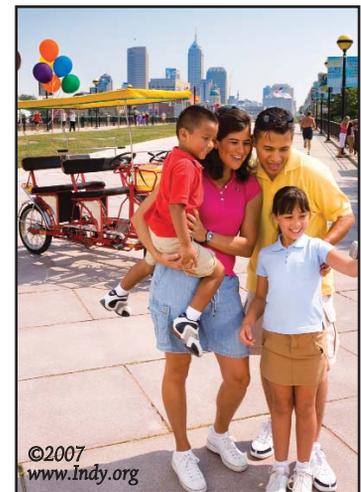
Convention centers and hotels nationwide have caught on – an event does not need to be held on one of the coasts to provide family fun.

The Indianapolis Convention and Visitors Association (ICVA) is using, among other technologies, video podcasts to show visitors what's new and fun in Indianapolis and what families can do during meetings.

"Indianapolis deliberately positions itself as a family-friendly destination for both leisure and business travelers," reports Chris Gahl, media relations manager for ICVA. "Having the world's largest children's museum, a thriving zoo, and 200 restaurants and 50 attractions within walking distance of downtown really helps."

The organization also re-launched the meeting planner section of its web site to help planners find family-friendly venues for receptions and breakout meetings. Gahl stresses that partnerships with local attractions are important for promotion.

**Resource:** Chris Gahl, Indianapolis Convention and Visitors Association, at (317) 684-2473.



Compiled by Jonathan Wales

## The Numbers are Even Bigger Than You Might Think

Any discussion of government efficiency in Indiana begs the obvious question – do Hoosiers really need 10,300 elected officials running 2,792 separate government units?

A study released earlier this year by the Indiana Fiscal Policy Institute highlights some alarming statistics and sheds additional light on the need for reform.

The vast inefficiencies created by the large number of elected officials – which doesn't include those working for public schools or locally elected judges and prosecutors – is a problem the Indiana Chamber has been working to solve since publishing the *Indiana Project for Efficient Local Government* report in 2004. One important step in improving government efficiency is consolidating the units that are providing duplicative services. Indiana has the third highest number of local governments among the study's 11 states – those with populations between 4.5 million and 7.4 million.

Taxation is another issue exacerbated by the large number of jurisdictions. Property tax reform passed in the final hours of the most recent legislative session is viewed by many as a temporary fix. Why? There are still 1,008

### Total Local Government Units

(Study of 11 states with populations between 4.5 and 7.4 million)

State	Units
Minnesota	3,137
Missouri	2,886
Indiana	2,792
Wisconsin	2,606
Colorado	1,746
Washington	1,491
Tennessee	916
Massachusetts	759
Virginia	520
Arizona	407
Maryland	265

Source: Indiana Fiscal Policy Institute

assessors at the township level and 2,076 government units with taxing authority.

Part of the inefficiency cure could come from the Chamber-supported HB 1362, which passed in 2006. Local governments now have the authority and tools to become more efficient without state approval. Since then, the Chamber has spent time speaking with local groups on how this bill can assist their consolidation efforts, but action has been slow to follow.

Another effort to help enhance government efficiency is an initiative pioneered by Fort Wayne Mayor Graham Richard. Under Richard's leadership, Fort Wayne became the first city to use Lean Six Sigma – a method of improving operations that has been a staple in the business world for several years. The Chamber will soon partner with Richard to connect business mentors with government leaders wanting to learn and utilize Lean Six Sigma to maximize efficiency in their local communities.

**Resource:** Indiana Fiscal Policy Institute at [www.indianafiscal.org](http://www.indianafiscal.org)

## When the Honor System Stops Working

Fraud is defined as the intent to deceive. Preventing large scale corporate scams has been a priority for many years.

Less obvious, but still costly for companies, are the smaller incidents of fraud committed against them by their own employees.

An annual report by the Association of Certified Fraud Examiners (ACFE) shows a median cost of \$159,000 for the 1,134 fraud cases examined. This translates to an estimated loss of 5% of annual revenues for U.S. organizations.

"It's no longer paper clips and post-its; employees are taking major things," reveals Brenda Buetow, president for the Central Indiana chapter of ACFE.

In many cases, what employees are taking is money, most often through the overstatement of expenses. This is sometimes done by using the extra copy of a restaurant receipt to falsify the amount left for a tip.

Other common forms of fraud include turning in non-itemized receipts to mask what was really purchased, creating fictitious receipts and applying for multiple reimbursement for the same expenditure.

"Some people say, 'Big deal. It's only \$25 a week.' Extrapolate that out for multiple employees and you have a big problem," Buetow reminds.

**Resources:** Brenda Buetow, Crowe Chizek, at (317) 269-6697 Association of Certified Fraud Examiners at [www.acfe.com](http://www.acfe.com)

## Exploring the Entrepreneurial Mind

A recent Purdue University study, "Demystifying Hoosier Entrepreneurs," looks inside the entrepreneurial world and discovers some interesting trends.

The relationship between net worth and entrepreneurial drive is noteworthy. The study finds that individuals with a total net worth of \$100,000 or more are less likely to start a business than individuals with a net worth in the \$50,000 to \$75,000 range. Maria Marshall, lead researcher for the study, explains this trend as entrepreneurs with fewer assets looking to increase their income level.

Perhaps most surprising is the fact that homeowners are less likely than non-homeowners to start businesses of their own. Nick Mathioudakis, previous involved in several Central Indiana start-ups and currently a partner with the law firm of Baker & Daniels, explains this as a matter of priorities.

"Need for the security of homeownership is something, given entrepreneurs' risk profile, they can do without," he asserts. "Many (entrepreneurs) are able to put more money into a business without a home."

Mathioudakis characterizes entrepreneurs as "wanting to jump on the newest and best idea, having 10 balls in the air at the same time – knowing they will drop some and knowing which ones they need to keep in the air."

**Resource:** Nick Mathioudakis, Baker & Daniels, at (317) 569-4676