

RECAP: JANUARY MONTHLY BUSINESS AND NETWORKING MEETING

The Indo-US Chamber of Commerce's monthly business and networking meeting, held in the ballroom at the offices of Homeowner's Choice Insurance on January 16th, was a pleasant evening of networking and a great start to the new year! After enjoying delicious food catered by Saffron Indian Cuisine, Jigesh Desai, the Chamber's newest executive committee member, kicked off the meeting by welcoming new and returning members, introducing Dilip Patel of Shutts & Bowen law firm (one of the Chamber's dedicated board members) and thanking the Chamber's sponsors.

Francis Vayalumkal, (founder of the India International Film Festival Tampa Bay and president of Candor Resources, LLC) and Glynis Ross-Munro (president of Competency and Performance Solutions) spoke to the members about the importance of being culturally competent.

Mr. Vayalumkal kicked off the presentation by showing a brief clip of a comedic performance by Indian comedian Russell Peters. The viewing highlighted some of the very real differences that exist between cultures which, if not properly understood, can lead to fundamental and costly misunderstandings in professional and business dealings.

Ms. Ross-Munro explained that to be culturally competent is to have a constant awareness that those you interact with may not necessarily see things the way you do. Every person sees and processes things through the prism of their own experiences, and people's experiences are shaped by a wide variety of factors — family, socio-economic background, generational influences, societal interactions, professional training, etc. We have to be able to assess and adapt to cultural idiosyncrasies at every level in our day-to-day interactions, whether within our professional communities, in our local communities, or in the ever-expanding global community. Some



differences are apparent on the surface and some we have to take the time to uncover and understand.

One way to learn about and get comfortable with the differences that make up the different cultures in which we have to interact is to get engaged in the arts, such as movies, festivals, photo exhibits, plays, comedy shows, music concerts, etc. Another way is to get involved with professional organizations that specialize in different areas — business chambers, IT groups, medical associations, real estate, and development groups. The arts and professional organizations are great platforms to gain some fluency in cultural competency and to get involved.



For example, the 4th annual India International Film Festival Tampa Bay ("IIFF"), being held this year at Muvico Centro Ybor in Tampa Bay from February 15-17, is an initiative that was founded by Mr. Vayalumkal and sponsored by the Chamber in an effort to educate the Tampa Bay community (both Indian and non-Indian) about the different aspects of the many diverse cultures that make up the character of India herself. The IIFF offers a great education in cultural competency as well as a unique forum to connect with and support the Tampa Bay community.

Mr. Vayalumkal, a past president of the Chamber who still volunteers his time with the executive committee, ended the meeting by reminding the members about former board member Dr. AK Desai's wise words at our Chamber social this past August: "you cannot stand by and be a 9-5 American, you must get out there and take responsibility to learn about and participate in the very diverse community that you are a part of."

We look forward to your participation in the Chamber and in the community at large as you continue to grow lasting relationships upon mutual respect, understanding, and prosperity.

THE FISCAL CLIFF DEAL AND SMALL-BUSINESS JOB CREATION

By Scott Shane

While Wall Street, Washington politicians and a slew of pundits have hailed the last-minute compromise on the fiscal cliff, the deal isn't good for small-business employment, historically an important source of job creation.

Economists worry about how legislation affects small-business hiring because companies with fewer than 500 employees account for roughly half of all private-sector employment, the U.S. Small Business Administration reports. Moreover, how legislation affects small-business owners' hiring plans is particularly important now that the vast majority of owners have expressed a reluctance to add workers.

While the fiscal cliff deal has many merits (which have been described elsewhere by others), three of its major components discourage small-business job creation: the end of the payroll-tax holiday, higher marginal tax rates on the wealthy and the increase in capital-gains tax rates.

The most straightforward negative effect lies in the termination of the payroll-tax holiday that had reduced the employee's share of Social Security tax from 6.2 to 4.2 percent of wages. While this isn't specific to small businesses, the pattern is clear: Payroll-tax cuts stimulate job creation and payroll-tax increases discourage it. Joel Prakken of Macroeconomic Advisers estimated that the payroll-tax cut added 300,000 jobs to the U.S. economy. Therefore, doing away with the payroll-tax cap should eliminate 300,000 jobs.

The cliff deal will also lower small-business job creation by raising the marginal tax rate on the highest earning Americans. Under the deal, the marginal tax rate on single people earning more than \$400,000 a year and married people earning more than \$450,000 will rise from 35 percent to 39.6 percent. In addition, these earners face a 0.9 percentage point increase in the Medicare tax. The highest-earning small-business owners will be facing a federal marginal tax rate on business income that is 5.5 percentage points higher in 2013 than it was in 2012.

That tax increase will affect small-business owners' willingness to employ others. Research by economist Robert Carroll (now of the Tax Foundation) and colleagues showed that a one-percent decline in small-business owners' "net of tax" fraction of income lowers their probability of hiring by 1.2 percent. Therefore, the tax increases

that wealthy small-business owners now face should translate into a 6.6 percent decline in their probability of hiring.

While some shrug off this effect, arguing that it impacts only a tiny sliver of small-business owners, this argument ignores the disproportionate employment by high-income small-business owners. Analysis of the Federal Reserve Survey of Small Business Finances by George Haynes of Montana State University reveals that the small-business owning families who earn more than \$250,000 per year employ 93 percent of the people who work in small companies.

A final part of the fiscal-cliff deal involves a 5 percentage-point increase in the capital-gains tax rate imposed on the highest earners. This provision will reduce the amount of equity financing flowing to small companies. By cutting the after-tax take of equity investors, Congress has lowered the incentive of investors to provide financing. At the margin, some companies that would have attracted angel and venture-capital investment in 2012 will not be able to get financing in 2013. While only a small number of companies will lose out on this investment — angels and venture capitalists tend to finance relatively few U.S. businesses — those companies tend to generate a disproportionate number of jobs.

While a few provisions in the bill benefit small-business owners, such as the research-and-development tax credits, and bonus and section 179 depreciation deductions, these terms affect too few small-business owners or have too small an impact to offset the negative effects of the primary parts of the new law.

Whether the deal to avert the fiscal cliff should have been made depends on a multitude of factors, including the effect on business confidence, averting another recession and getting the folks in Washington working together to solve America's economic problems. But from the narrower perspective of small-business employment, the assessment is negative. The deal reduces the incentive for small-business owners to hire in 2013.

Source: Shane, Scott. "The Fiscal Cliff Deal and Small-Business Job Creation." January 8, 2013. <http://www.entrepreneur.com/article/225433#>

Upcoming Indo-US Chamber Events:

4th Annual India International Film Festival Tampa Bay

Dates: February 15-17, 2013

Location: Centro Ybor (1600 E.8th Ave, Tampa, FL 33605)

Information: www.iiff.tampa.com

Monthly Business & Networking Event

Date: Wednesday February 20th, 2013

Time: 6:30 PM – 8:30 PM

Topic: "They Did It? What's Next and What to Do"

Speaker: Ray Ifert, BNY Mellon Wealth Management

Location: HCI Ballroom (5300 W. Cypress St., Tampa, FL 33607)

This is a FREE event. No RSVP required.

INDO-US CHAMBER MISSION

"To provide an active forum in which Asian American professionals and business owners, through an exchange of ideas, with a unified voice, can communicate, interact, and secure a position within the business industry and become a source of inspiration by promoting professionalism and excellence through education and community involvement."

INDO-US CHAMBER SPOTLIGHT: 4TH ANNUAL INDIA INTERNATIONAL FILM FESTIVAL TAMPA BAY

The Indo-US Chamber of Commerce and the IIFF organizers are proud to present the fourth edition of this staple community event. The following article is a conversation with Mr. Francis Vayalumkal, Founder, IIFF.

Why was the International Indian Film Festival (IIFF) created?

"The Chamber's mission has always been to provide active forums for interaction, education, and community involvement. With the International Indian Film Festival, the hope was and still is to bring the community and business together through the medium of films, while providing a platform for independent filmmakers to showcase their efforts."

How do you think the film festival impacts the local community?

"Tampa Bay has become home to many cultures from around the world. As we live in a multicultural society, it is very important to know about the other person's culture, and what better way to learn about another's culture than through film. With the film festival, I hope that more and more people get to know about the diverse Indian culture and that the festival will provide a forum for several cultures to interact.



for the films that are shown. We expect many more people to come and watch all the films throughout the festival this year, and this shows us that the interest has grown and continues to do so."

What can people expect from this year's film festival?

"This year the film festival is being held in historic Ybor City, Tampa Bay. Ybor City is rich in its Cuban and Latin culture; and bringing the vibrant Indian culture, music, dance, and film to the area will surely be a great experience. Along with a great line-up of films that would otherwise be missed, the festival offers great opportunity for interaction with filmmakers and others from different industries."

How are you looking for the community to be more involved with the film festival?

"We are looking forward to the community attending the film festival and spreading the word about it. Along with attendees, a very important aspect of being able to make this event possible is the financial support from sponsors, so we welcome any and all sponsorship types and support."

Also, being culturally aware makes the local community stronger, because it helps to clear up a lot of stereotypes about different cultures. It also promotes collaboration among people of various cultures, and this interaction and knowledge about others' culture will only make for a stronger Tampa Bay community."

Have you noticed any difference in the community impact between the film festival's first year and now?

"The film festival is in its fourth year and we see that more and more people have an appreciation

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INDO-US CHAMBER FEBRUARY MONTHLY MEETING FOCUS: "THEY DID IT? WHAT'S NEXT AND WHAT TO DO"

The Indo-US Chamber of Commerce is honored to host Ray Ifert, Susan Kubar, and R. Scott Givens at our February 20th Business and Networking meeting. Mr. Ifert, Ms. Kubar, and Mr. Givens will present the topic—"They Did it? What's Next and What to Do"—centered on the actions that Congress and the President took during the 11th hour to resolve the fiscal cliff.

Mr. Ifert is the regional director for BNY Mellon Wealth Management in the Tampa Bay area, with more than 30 years of wealth management and banking experience. In this role he manages all portfolio management, client service and new business development activities within the region. Mr. Givens is a senior director of portfolio management for BNY Mellon Wealth Management. Mr. Givens

has more than 30 years of wealth management and investment experience and is a board member and past president of the CFA Tampa Bay Society. Ms. Kubar is a senior director of BNY Mellon Wealth Management. Ms. Kubar specializes in reviewing estate planning strategies and documents for high net worth individuals to coordinate advanced estate planning strategies to achieve personal and financial objectives.

They will highlight what the agreement included and did not include, as well as discuss the economic outlook for both the United States and the broader global economy. Chamber members will gain insight into what the deal means for financial markets and where the potential opportunities and pitfalls are. The Chamber strives to provide

an educational platform for new and existing members to learn from leading industry figures such as Mr. Ifert, Ms. Kubar, and Mr. Givens, and next month's meeting will provide an opportunity to gain insight into how the fiscal cliff directly affects business owners.

The Chamber continuously endeavors to create an inclusive environment for students, business owners, professionals, and entrepreneurs alike, and we encourage you to reach out to one of our Executive Committee members if you have questions about the format of our meetings or to simply offer feedback on how we can make the experience more meaningful for you. As is customary at all our Monthly Business and Networking events, there is no cost to attend and dinner will be served.



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