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President's Message

By Dr. Frank T. Kudo

“The Strength of Weak Ties”

In the early 1980's, a social concept called “networking” started to become popular. I remember how my work colleagues used to say let's go to this party and use networking as an excuse . . . or at least that's what I thought at the time.

The word “networking” goes back farther than that to when computers first started to connect with each other in networks. However, social networking is all about the passing of information and building of social relationships. That being said, who really created social networks and why did they become so popular. In fact, the concept of social networking is the basis of many social media platforms such as Instagram, TikTok, Facebook, etc. that we use today. But, why is networking so appealing to people around the world? It is forecasted that social media will grow to over 5.5 billion people by the year 2030.

In 1983, Professor Mark Granovetter of Stanford University published a paper titled “The Strengths of Weak Ties.” That is an unusual title. However, his paper would turn out to be one of the most cited papers in the history of social economics research. The birth of social networking theory was born and became very popular.

Granovetter's thesis was simple . . . it said that the weak personal ties are more valuable than stronger ties. Wait a minute, that doesn't make any sense . . . but it does. His theory is that weaker ties provide more information and better connections for information to flow than stronger ties do.

Let's take an example, your parents and close buddies have a certain perception of you and your strengths and weaknesses, or potential based on past experiences with you. They keep advising you to go into this area or that area, but you are not interested. They are examples of a strong tie. Then you go to a party with your friend who unfortunately must leave the party early. You are left alone and make conversation with various people in the room. Then you meet Tom who has just found his perfect job in creative media and begins to tell you about his journey in finding his choice career. You can tell Tom is excited when he talks about his new career. The odd thing is that Tom's passion for creative media seems to strike a chord with your latent interest in creative media. The ability to create something cool and that people see value in. So, you continue the discussion and exchange business cards.

The party ends and a couple of weeks later your cell phone rings, and it is Tom. He asks if you were serious about pursuing a career opportunity in creative media. You tell him yes, and he tells you of an opportunity with a big project his company is starting to work on, and they



are looking to hire. You apply and get accepted, and find out it is the perfect job you have been looking for.

Your parents and close friends have certain perceptions about you that prevent information from flowing, rather it restricts information because they have set ideas about your potential. Yet, Tom is a stranger who just met you and was sincerely listening to you and remembered your interest in creative media . . . he got excited talking about it and noticed you did too. Well, two weeks later Tom remembers, grabs your business card and the rest is history. The ‘strengths of weak ties’ . . . social networking theory.

At the upcoming HSCPA Annual Conference on November 8, remember this theory when you meet someone new.

“The strength of weak ties theory is based on the idea that weak ties allow distant clusters of people to access novel information that can lead to new opportunities, innovation, and increased productivity.”

--- Mark Granovetter

TAX FOUNDATION OF HAWAII

Hawaii's Watchdog on Taxes & Government

By Tom Yamachika



If you're not already a supporter of the Tax Foundation of Hawaii (TFH), it's never too late. TFH is the 'watchdog' for Hawaii taxpayers and keeps us informed of what the government is doing with taxpayers' money. To support TFH's mission, [please donate here.](#)

I. T. E. M. (Incompetence Takes Everyone's Money)



Our latest major government snafu comes to us courtesy of the Hawaii Department of Education (DOE). Their teachers are underpaid enough

as is, but through some mysterious turns of events, they wound up stiffing hundreds of teachers for multiple pay periods.

According to the [Hawaii teachers' union HSTA](#), 377 teachers who were supposed to receive paychecks on August 20th didn't receive one. Teachers who called into the DOE to ask about the problem were told that it was due to a staffing shortage. When HSTA learned of the problem, they immediately asked for a list of the personnel affected. The department initially refused to give them that list, saying that they needed to get advice from their Attorney General on whether they could release that information.

In the meantime, DOE offered to give affected employees "placeholder checks." These were \$2,000 checks, but they weren't for the employees to keep; from some employee reports,

the employees were required to go to their principal's office and sign a promissory note for the money, pledging that they would return the money by September 30th.

We wonder what the geniuses who came up with the placeholder check idea were thinking. Yes, it perhaps provided a solution for folks who needed to pay the rent or the electric bill or the credit card bill or face nasty consequences in the short term, but it couldn't have been comfortable for a teacher to sign a promise to repay an employer who had already stiffed one or two pay periods with no guarantee on when the paycheck that the teacher already had earned would materialize.

September 5, which is the next teacher payday, comes and goes. Hundreds of teachers are skipped this time as well. DOE said that the problem was caused by delays in "onboarding" new teachers, including verifying their credentials and performing criminal background checks. But the math doesn't add up. There are only 330 new teachers, and 377 missed paychecks, so there are at a minimum 47 teachers who are missing paychecks and were not new.

On September 19, [HSTA announced a settlement of the issue](#). The affected teachers, numbering about 500, would be paid on September 20, including any previously owed salary. Teachers whose paychecks were skipped would get damages of \$400 for one missed paycheck or \$800 for two. Teachers who took the placeholder checks and owed the DOE \$2,000 as a result would be given additional time to repay or would be able to repay the amount in installments over time. The DOE also agreed to retain an independent entity to conduct an audit of the

DOE's preboarding and paycheck distribution procedures.

The promise of an independent audit sounds helpful but should be approached with caution. It was only a few years ago that the State Auditor was asked to report on DOE's current protocols for addressing the COVID-19 pandemic. In [Report No. 20-11](#), the Auditor reported that DOE "initially ignored and then declined multiple requests for information and meetings," making the Auditor's job impossible. We have not heard reports of DOE being taken to the woodshed by the Legislature over this fiasco, and we just hope that DOE cooperates this time.

And, although this fiasco appears to have been dealt with for the moment, we need to remember that the real losers are us, the taxpayers of Hawaii, who ultimately have to pay the tab for the penalty payments made to the teachers, the cost of the independent audit. We also have to stand the disruption in our school system and the effects on our keiki as a result.

I. T. E. M. (Incompetence Takes Everyone's Money). We need to see concrete fixes. Or heads rolling. Or both.

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Tom Yamachika is President of the Tax Foundation of Hawaii - the 'watchdog' that keeps an eye on Hawaii's taxes. Tom is also the owner of Aloha State Tax, a small law firm with emphasis on State taxes. Prior to going solo and the TFH, Tom was a principal with Accuity LLP where he managed the tax consulting practice, including quality and risk management and practice development.

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A great opportunity to connect with lively conversations and meaningful connections! Hear the latest developments in the profession and some of Hawaii's most notorious headlines.

Great speakers to keep you intrigued, food to satisfy your appetite, and meet & mingle with fellow members, establish new connections, and enjoy Happy Hour after a great program!

Meet Our Speakers

Carla McCall, CPA, CGMA, is Managing Partner of AAFCPAs, a preeminent, 300+ person CPA and consulting firm based in New England. She is Chair of the Board of Directors of American Institute of Certified Public Accountants (AICPA). Carla was named one of the Most Powerful Women in the Accounting Profession in 2020-2021, 2022, and 2023 by the AICPA and CPA Practice Advisor Magazine.



Donny Shimamoto, CPA, CITP, CGMA, is the founder and managing director of IntrapriseTechKnowlogies LLC, a specialized CPA firm dedicated to helping small businesses and middle market organizations leverage strategic technologies, proactively manage their business and technical risks, and enable balanced organizational growth, and development.



Alexander "Ali" Silvert was raised in New York City and Vermont. After graduating from UCLA and driving a cab in New York, and a year of post-graduate political science courses at New York University, he switched to Boston College Law School where he obtained his JD in 1984. Ali worked as a state and federal public defender in Philadelphia before moving to Honolulu in 1989 with his wife and three-week old son to work at the Hawaii Federal Public Defenders Office. In October of 2020, Ali retired as Federal Public Defender after 33 years. He has written a book about the Puana/Kealoha case entitled "The Mailbox Conspiracy: The Inside Story of the Greatest Corruption Case in Hawaii History." Ali is currently a lecturer at the University of Hawaii Richardson School of Law and runs his own private federal criminal law consulting firm in Hawaii.



OUR TOPICS

Accelerate & Lead

A prominent speaker and successful leader, get to know AICPA Chair Carla McCall as she talks about her passion of the profession. Her energy is infectious and she will share how the profession is accelerating and leading to grow services, connections, and confidence while also keeping the profession attractive, prosperous and exciting for the next generation of CPAs and CGMAs.



Enhancing Accounting Services with Artificial Intelligence

One of the Top 25 Thought Leaders in the profession, Donny Shimamoto, returns to his roots to discuss how accounting services can be enhanced using artificial intelligence (AI). You've heard the hype around AI and how it will revolutionize the way we work. There are AI tools that are ready for accountants to adopt now. Discover ways AI can be used in audit, tax, and finance. We'll also discuss the cybersecurity and privacy implications of AI and what you should be doing to mitigate those risks.



Review of Notorious Hawaii Corruption Cases

Political corruption in Hawaii has become far too common and undermines the public's trust in our system. Alexander "Ali" Silvert returns for another riveting discussion on criminal versus non-criminal corruption, ethical obligations of AG lawyers, and the pervasive problem of giving false testimony. Will there be any political fallout from the New York Times/Civil Beat expose? He'll keep you wanting to hear more! Also, pick up a copy of Ali's new revised edition of "The Mailbox Conspiracy" with a brand-new up-to-date epilogue, more photos and documents, and some new information.



Building Financial Acumen for Small Business Success: A Practical Guide

As a small business owner, building financial acumen for small business success is critical to navigating the complex world of commerce and securing your company's future. In addition, it's crucial to build a solid foundation in financial literacy to survive and thrive. Here are some essential strategies to help you make informed decisions to steer your small business toward sustained growth and success.

Understanding the Basics of Business Finance

The journey to financial wisdom starts with a firm grasp of basic accounting and finance principles. Comprehending concepts such as budgeting, cash flow, and how to [analyze financial statements](#) is imperative. Meanwhile, budgeting allows you to plan and allocate resources effec-

tively, while effective [cash flow management](#) ensures your business can operate smoothly without financial hiccups. For example, by analyzing financial statements, you can glean insights into your business's financial health, understand your revenue streams, and identify areas for cost reduction. Familiarizing yourself with these concepts will empower you to make strategic decisions that positively impact your business's bottom line.

The Value of Professional Accounting Expertise

Engaging with a seasoned accountant can transform your business's financial management. A qualified accountant will offer personalized advice tailored to your unique business needs. As a result,

the accountant helps ensure your financial operations are [efficient and compliant](#) with regulations. This collaboration is more than just about keeping your books in order. In short, it's about strategizing for tax advantages, preparing for audits, and setting financial goals. The expertise of an accountant can be invaluable in navigating complex financial landscapes and helping you avoid costly mistakes.

Simplifying Business Structure through an LLC

Forming a limited liability company (LLC) can shield your personal assets from business liabilities and offer tax advantages. In other words, an LLC helps separate your personal holdings from your business, protecting business-related legal issues. For registration, using a formation



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service like [Zenbusiness.com](https://zenbusiness.com) is often more cost-effective and straightforward than hiring an attorney. In short, this approach lets you focus on running your business while minimizing legal complexities.

Leveraging Community Knowledge and Experience

Networking with other small business owners and entrepreneurs opens a valuable exchange of knowledge and experiences. Sites like [LinkedIn](https://www.linkedin.com) can open valuable opportunities for collaboration and growth. Most importantly, this community can be an excellent resource for discovering new business strategies, troubleshooting common problems, and finding [mentorship opportunities](#). Such interactions can provide fresh perspectives and innovative ideas. That is to say you may not encounter innovation through

formal educational channels. Above all, the shared experiences from your peers can help you avoid common pitfalls. To sum up, you can adopt practices that have been proven effective in the real world.

Enhancing Skills Through Targeted Learning

Consider investing time and resources in workshops or seminars focusing on financial literacy. These educational gatherings are vital for staying updated with industry trends, tax laws, and financing strategies. They provide a platform for learning and interacting with experts in the field. Continuous education in business finance, taxation, and investment strategies will equip you with the knowledge to make well-informed decisions that will benefit your business in the long run.

Strategies for Managing and Reducing Debt

Understanding how to manage and reduce debt is crucial for maintaining a healthy business. Exploring debt consolidation options, [negotiating](#) with creditors and employing robust budgeting techniques can all contribute to a more stable financial footing. Effective debt management improves your business's creditworthiness and frees

Continued on page 11

To hear the latest tech developments and get K2's tips & tricks, attend the one-day, packed agenda, [Hawaii Technology Conference](#) on November 6th.

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The Connection Between Client Experience and Employee Experience

By Jon Hubbard of Boomer Consulting, Inc.

Accounting firms have undergone enormous changes in recent years. Traditional approaches to serving clients are no longer sufficient to sustain growth and retain talent. Clients are looking for more from their trusted advisors, so they must adapt their business models. At the same time, talent leaders are grappling with talent attraction and retention issues. So, how can firms both do more and be more for their clients and deliver a better experience for employees?

If you think these two goals are at odds, they're not. The employee experience (EX) and client experience (CX) aren't in competition—they're intrinsically linked, and together, they can drive firm success.

Evolving the business model is necessary for growth

Firm leaders increasingly recognize that the strategies that got them to their current level of success won't suffice for future growth.

Automation, machine learning, and artificial intelligence are reshaping traditional tax and audit services. Clients expect more from their trusted advisors, leading firms to add consulting and advisory services to their offerings.

Embracing technology allows the firm to streamline transactional and compliance work and empowers professionals to become more forward-thinking advisors to their clients.

The talent crisis as a catalyst for change

The pandemic heightened a talent crisis, forcing firms to re-evaluate their organizational structures and cultures. With talent shortages impacting nearly every corner of the business world, employees voiced their need for supportive work environments.

Initially, firm leaders believed CX and EX were at odds. How could we deliver more value for clients while also giving employees what they need and want?

However, as firms started making changes in both areas, it became clear that a positive employee experience directly translates into a better client experience and vice versa.

Firms weren't losing talent because they served too many right-fit clients who valued and paid well for their services. The unsustainable business model—wrong-fit clients, unsustainable workloads, and underpriced services—fails to provide a work/life balance. The long hours and high-stress accountants have endured for years are no longer acceptable. As firms evolve their business models, they get better at attracting and retaining top talent.

Aligning the business evolution with employee and client needs

The evolution of your firm's business model must align with the needs of both employees and clients.

This alignment includes:

- Working with right-fit clients. Focus on engaging with clients who value your services and are willing to pay a premium for them. This approach helps employees build relationships with clients and work on meaningful projects, which improves job satisfaction.
- Fewer clients, more services. Reduce the number of clients you serve but deliver a more comprehensive suite of services. This also supports deeper, more valuable relationships between clients and employees to improve client satisfaction and reduce employee burnout by allowing them to manage workloads more effectively.
- Digital transformation. Implementing digital processes allows for greater flexibility. Employees can work from anywhere, anytime—a crucial part of attracting and retaining top talent. It also allows firms to expand their client base across the US.

Client Experience and Employee Experience in harmony

CX and EX aren't in a tug-of-war. They march together, creating a reinforcing loop that drives firm success.

A study from Deloitte underscores this point. Its [research](#) found the following correlations between employee experience and client experience.

- Organizations with strong EX are 25% more profitable, on average, than companies with poor EX.

- Engaged employees are 4X more likely to stay in their jobs.
- Companies that focus on employee experience double customer satisfaction, as measured by their net promoter score.
- Organizations with highly engaged employees report a three-year revenue growth rate 2.3X greater than average.

By evolving your business model to prioritize both EX and CX, you can create a thriving work environment that attracts and retains top talent while delivering exceptional client service. This holistic approach is a blueprint for sustainable growth and success.

Jon Hubbard, Shareholder, Consultant, at Boomer Consulting helps accounting firm leaders find success in the areas of leadership, talent and growth. Jon is a facilitator for the Boomer P3 Leadership Academy, Boomer Talent Circle and Boomer Marketing & BD Circle. He also guides firms to grow and be more effective in the areas of client service, marketing and business development.



YPs On the Trail

A bunch of adventurous young professionals took advantage of the beautiful picture-perfect day and trekked the Makapu'u Point Lighthouse Trail. It was a two-mile (round trip) hike which provided outstanding views of the coastline. This being a stroller-and-pet-friendly hike, babies and a fur baby had an enjoyable trail experience with us!



Continued from page 9

up capital that can be reinvested into the business to fuel growth. Above all, these strategies will help minimize liabilities and enhance your business's financial durability.

Summary

Equipping yourself with the proper financial knowledge and skills is about keeping your business afloat and setting the

stage for its future success. You can build a robust financial foundation by understanding basic finance principles, working with professionals, learning from peers, forming an LLC, and continuously educating yourself. Implement these strategies to enhance your financial literacy and lead your small business to prosperity and resilience. We hope this practical guide to

building financial acumen for small business success provides valuable guidance.

At [K2 Enterprises](#), our commitment lies in providing unwavering support and expert instruction to CPAs. Explore the wealth of resources on our website, where you'll find valuable insights on selecting the most [suitable accounting software](#), equipping your firm with the right tools for the journey ahead.



Talent Unlocked: A Streamlined Approach to Acquisition

By Donna Roughan

Effective talent acquisition is more than just filling open roles—it's about finding the right people who will thrive within your organization and contribute to its long-term success. To achieve this, it's essential to have a clear, structured approach that not only attracts top candidates but also retains them. By following these essential steps, businesses can ensure they are hiring individuals who are aligned with the company's culture and goals.

Alongside these steps, it's equally important to consider strategies for both acquiring and retaining talent, as each requires a distinct approach for sustained success.

1. Identify talent needs - both present and future.
2. Attract candidates - with similar motivational tendencies.
3. Select individuals - with the best talent and technical expertise.
4. Onboard the new hires - effectively.

Talent Acquisition and Retention: Key Considerations

Once the foundational steps for acquiring talent are in place, it's crucial to focus on the bigger picture of maintaining a high-quality workforce. Talent acquisition doesn't stop at hiring—retention plays an equally important role. To effectively acquire and keep top talent, keep these key principles in mind:

- Attracting vs retaining - these require different strategies. While salary, benefits, and growth opportunities attract candidates, retention relies on



challenges, feedback, and opportunities for growth. Often, firms are drawn to impressive resumes and strong interviews, but these don't guarantee long-term success.

- Cultural fit – assess your firm's culture and personality traits. Once you know this you can compare your candidates' results to your firms results to see if they will fit. Hiring based on cultural fit leads to better engagement and retention.
- Understand your firms value proposition – have your elevator pitch ready for why someone should work for your firm and why you retain your current staff.
- Onboarding – Play the Long Game - be realistic, onboarding takes longer than 90 days. Set your new staff up for success with a process that goes beyond the basics, focusing on helping them learn the firm's work norms, manage expectations from supervisors, handle

conflicting priorities, and navigate workplace relationships effectively.

Adapted from the article: [What Relevance Means for Staffing in Accounting - CPA Trendlines](#) By Marc Rosenberg

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Donna Roughan | With 22 years of experience in accounting and business advisory, Donna has held pivotal roles, notably as a Director at PwC, and has executive experience in both finance and operations.

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Accounting

OPPORTUNITIES EXPERIENCE

OCTOBER & NOVEMBER

We're pleased to announce October and November as Accounting Opportunities Experience events as we visit with Hawaii high schools to raise awareness in accounting opportunities and encourage them to consider accounting as they think about attending college.

HSCPA volunteers enjoyed engaging with students during last year's event and shared their passion for the profession and how their career has been truly rewarding.

Tell your story! Share your career journeys and rewards of the profession. Just a couple of hours of your time to inspire students and spark interest in accounting will be rewarding for you, too!

Volunteer materials are prepared for you – all you'll need to do is show up in the classroom!

Complete this [volunteer form](#) and pay it forward – you'll be glad you did!

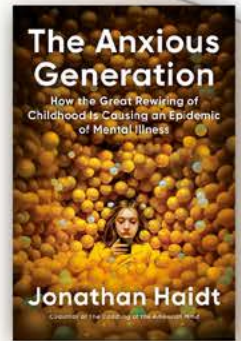




Norman's Book Review

"The Anxious Generation"

by Jonathan Haidt



It was big news in September when California became the latest state to restrict student smartphone use in all school districts, starting July 2026. California joins Florida, Louisiana, Indiana and several other states who have adopted similar measures "to try to curb student phone access in an effort to minimize distractions in the classroom and address the mental health impacts of social media on children."

Will Hawaii follow suit? Iolani School became the first Hawaii high school to restrict smartphone use during school hours this year.

Thanks to "The Anxious Generation", I fully understand the perils of smartphone use on our children and fully support smartphone restrictions at school, and for families to be more aware of what their children are doing on their phones ... for their own mental health and future success.

This review is a continuation of last month's book review and delves into the collective action everyone can take for a healthier childhood for our children.

Government and Tech Companies

Jonathan states there are four main ways government and tech companies can improve the virtual world for adolescents.

1. Assert a Duty of Care – Have some moral and legal responsibility for how

minors are treated and design services in the "best interests" of children, and not what hooks children at the earliest age and makes the most money. For example, setting all defaults about privacy to the highest standard, so posts are not viewed by strangers.

2. Raise the Age of Internet Adulthood to 16 from 13 – Jonathan strongly

believes 13 is too young to allow our children to open an account on YouTube or TikTok, where they can begin to upload videos, get customized online feeds and allow companies to use and sell our children's data. The most sensitive period of harm from social media is 11-13 for girls, and 14-15 for boys.

3. Facilitate Age Verification - On the internet it is relatively easy for children to say they are older than they are and likewise for adults to say they are younger than they are, to get access to websites that are not appropriate. We need some kind of age check feature that is accurate, protects our privacy and can be turned off and on.

4. Encourage Phone-Free Schools –

This is slowly happening but needs to happen quicker. Jonathan has presented compelling data that shows all schools, from elementary through high school, should go phone-free to improve not only mental health but academic outcomes as well.

Schools

Since the early 2010's, U.S. middle and high schools have seen an increase in mental illness and psychological suffering among their students.

Jonathan believes the following things can help our children during their critical growth period.

- **Go Phone-Free All Day** – This will allow students to interact more and form friendships with other children, instead of checking their phones during breaks.
- **Increase Play Time** – Improve recess by having more of it on better playgrounds and with fewer rules. This will allow children to improve their social skills and reduce anxiety.
- **Let Grow Project** – It is a homework assignment that seems to reduce anxiety. Children are asked to "do something they have never done before, on their own," after reaching an agreement with their parents as to what that is.
- **Assist Boys** – To reverse the declining academic progress of boys relative to girls, offer more shop classes and more vocational and technical training.

"It's time to bring our children home."

-- Jonathan Haidt

Parents

Young Children (0 – 5) – Minimize and limit screen time (smartphones, tablets, computers and TVs). Why? Watching things encourages more passive behavior and information consumption, which can delay learning. On the other hand, video chats with family members and friends can foster language learning and bonding.

Elementary and Middle School (6 – 13) – Increase the real-world experience by doing more things together with family and friends, rather than sitting alone watching videos, playing mobile games or reading posts from people online. The following are other tips.

- Focus more on maximizing in-person activity and sleep than on total screen hours.
- Provide clear structure to the day and the week.
- Delay the opening of social media accounts until 16.
- Talk with your preteen about the risks, and listen to their thoughts.
- Look for signs of addiction or problematic use.

Teens (13-18)

At this age, children are on their way to adulthood. Jonathan offers the following tips to enhance our children's journey.

- **Increase Mobility** – Get a driver's license and explore. Also master various transportation modes.
- **Rely More on Your Teen at Home** – Have your teen help you with chores and running the household.
- **Find a Part-Time Job** – It increases a teen's life experience and empowers them.
- **Find Ways for Them to Nurture and Lead** – Be it babysitting, camp counselor or assistant coach, helping others turns on an empathy switch and a leadership gene.
- **Bigger Thrills in Nature** – Let your teen go on outdoor adventures with friends or an organized group.
- **Take A Gap Year After High School** – It may help your teen discover more about their interests and find their life path.
- **Develop a Good Evening Routine** – Most teens are sleep deprived so help

your teen develop a good evening routine, which includes removing their smartphone from their bedroom at a set time each night.

- **Talk With Your Teen** – Continuously communicate with your teen to see how they are doing and any challenges they are facing. Look for signs of problematic or addictive use.

Summary

This is one of the most important books you will ever read to understand how our children are being rewired in this modern and virtual world we live in. The internet has allowed children and adults to not be fully present with us, even if they are physically in the same room as us. If we are not careful, our children may be scarred and harmed forever, and if we are like some unfortunate families, lose our children forever due to suicide.



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Understanding the Next Generation of Accountants

By Roberta Katz, PhD

Last year, I participated in a MassCPAs-led focus group of young professionals discussing their experiences in accounting. It was a rich and positive discussion, but a troubling theme also surfaced, a worry that older accountants were not seeing or understanding that many young accountants have concerns about their chosen profession. This led to the creation of two questionnaires designed to learn more about the two groups – accounting professionals who were over 35 and/or had 10 or more years of experience and those who were younger and newer to the profession.

Each questionnaire asked respondents why they had become accountants, whether they had ever considered leaving the profession, how satisfied they were with their jobs and firms and what advice they would give to aspiring accountants. The questionnaire for the younger respondents also asked what they wished their employer understood about them. Response rates, although not high (24 older and 44 younger), were sufficient to highlight what the focus group had said: changes are brewing in the profession, as younger accountants are questioning some of what older accountants have long taken for granted.

Certain changes, of course, are demographic, with 100% of the older respondents self-reported as Caucasian, compared to 90% of the younger group, and 80% of the older respondents self-reported as male, while 55% of the younger group self-reported as female. More striking; however, was how the two groups an-

swered the question about what inspired them to join the profession: 42% of the older participants, but only 18% of the younger group, said they were motivated by a desire to help others with their finances. By contrast, 73% of the younger group said they were motivated by the prospects of career stability and security, compared with only 21% of the older group.

Differences showed up in other survey responses as well. For example, 87% of the older group said they had never considered leaving the profession, while almost one-third of the younger group said they had considered leaving. Their reasons varied, but included (in their words), the long hours (especially during busy season), the lack of work-life balance, the stress of the job and the low pay relative to the long hours. There was a similar flavor to the younger group's answers to the question about what might make them leave their current workplace, noting a lack of support or appreciation for their

work, inadequate compensation, a desire for more flexibility (e.g., work from home and flexible work hours), a need for more mentorship and training, a firm culture that was toxic and "blind leadership."

Another striking difference between the groups stood out when we looked at what older respondents offered as advice for new accountants and compared that advice with what the younger respondents wanted their employers to know about them. The older group's advice consisted of statements like "show commitment," "engage with co-workers," "pay your dues," "find a mentor," "work hard," "stick with it," and "keep learning." The younger group, on the other hand, wanted their employers to know that "my job is not my life," "work is not the most important thing in life," "down time is OK," "I value my personal life," and "we have lives outside of work."

If you are now wondering if these disconnects between older and younger



generations of workers are unique to the accounting profession, we assure you they are not. In the medical profession, older doctors are puzzled by the new cohort of medical school graduates who balk at the grueling hours that are a longstanding feature of internship and residency training. We hear similar concerns from CEOs and HR VPs across the corporate world who are struggling to understand why their newest employees, members of Generation Z (Gen Z), are not willing to do what prior generations of newbies always did by “paying their dues.”

What has happened to make this younger generation so different?

That very question was at the heart of a study about Gen Z I wrote with three colleagues, *Gen Z, Explained: The Art of Living in a Digital Age* (University of Chicago, 2021). The book outlines many aspects of Gen Z life, and below are some of the Gen Z behaviors and values that seem particularly pertinent to the MassCPAs survey results:

1. Gen Zers are self-reliant, and they tend to seek out information on their own.
2. Gen Zers are used to working in teams and often prefer collaborating over individual efforts. It helps to recognize that these young people were using digital technologies and tools from a very early age, and those technologies and tools, like Wikipedia and Google Docs, promote collaboration and co-creation.
3. Gen Zers are oriented to flat organizational structures. They favor notions of “servant leadership” and shared or rotating leadership based on the specific expertise needed to accomplish a group’s particular task at hand. In some ways, online

communities have been a model for this type of nonhierarchical organizational structure.

4. Gen Zers are adapted to constant change. Broad internet connectivity began in the mid-1990s, which is also when the oldest members of Gen Z were born. Successive waves of technological and social disruption were childhood norms for Gen Zers, and not surprisingly, they anticipate change and have learned the importance of adapting to continuous change, citing “flexibility” as one of their highest values.
5. Gen Zers are very worried about their futures. They know they cannot assume their lives will be better than – or even as good as – what their parents and grandparents have experienced, and they worry about the effects of climate change, mass shootings, artificial intelligence (AI) and more.
6. Gen Zers do not want to devote the entirety of their lives to their jobs. Thanks to online tools, work and “non-work” are now much more integrated than they were when we had a “nine to five” notion of a workday, and Gen Zers want to be sure work doesn’t completely take over. They appreciate the importance of living “whole” lives, including taking time for mental and physical health.

These attributes help explain why, in the survey, the younger accountants were prioritizing job stability and decent compensation, adequate time for family and health, a need to be appreciated and supported

and a desire for healthy work cultures, enlightened leadership and teamwork. Their priorities are often different from those of older generations.

The need to build bridges across this generational gap is clear, but doing so requires mutually respectful interactions and open-minded exchanges of views. In the context of the accounting profession, Jon Lokhorst, CPA, CSP, PCC, leadership speaker, trainer and coach and the author of *Mission-Critical Leadership: How Smart Managers Lead Well in All Directions* has helped firms and companies develop new bridge-building ideas and practices that are creating positive experiences for older and younger accountants alike. You can find his resource, *The Bridging Conversation: Guidelines to Inspire Dialogue with Young Professionals* at masscpas.org/bridgingconversations.

Roberta Katz, PhD, is associate vice president for strategic planning, emerita, and is currently involved in a strategic role with the Stanford Doerr School of Sustainability and the Stanford Institute for Human-Centered Artificial Intelligence. Contact her at rrkatz@stanford.edu. Reprinted with permission by the Massachusetts Society of CPAs.





Better Building Benchmarking Data

By Adrian Hong, Owner of Hong Consulting, LLC.

Curious to learn more about Hawaii's energy usage, water consumption, and greenhouse gas emissions? The recent release of some data may be of interest. The City & County of Honolulu (C&C) has recently made data from last year's Better Buildings Benchmarking reports available for download in an Excel format for the first time. For those that are unfamiliar with the Better Buildings Benchmarking Ordinance (Ordinance 22-17), it requires Oahu building owners to submit a benchmarking report to the C&C on an annual basis.

Buildings with a gross floor area of 100,000 square feet or more started submitting their benchmarking reports in 2023. Buildings with a gross floor area of 50,000 square feet or more will have to start submitting their benchmarking reports by September 30th, 2024, and buildings over 25,000 square feet will have to start reporting by June 30th, 2025.

The report contains metrics regarding the building's energy usage, water usage, and greenhouse gas (GHG) emissions. Metrics for buildings that reported last year can be downloaded by clicking the following link: <https://www.resilientoahu.org/s/BBB-2023-Disclosure-Data-Report-61824.xlsx>. The data can also be viewed in a visual format by using the C&C's Transparency Map. The following link allows the user to view buildings by compliance status, Energy

Star Score, site energy use intensity, water use intensity, property size, and year built: <https://maps.touchstoneiq.com/honolulu/>.

The following are some preliminary statistics pulled from the data on multifamily housing buildings in compliance with the ordinance¹:

- Average gallons/square foot of water usage for multifamily housing buildings 100,000 square feet or more was 57 gal./square foot.
- The lowest gallons/square foot reported for a multifamily housing building was 0.02 gal./square foot and the highest was 181.9 gal./square foot.
- The median gallons/square foot for multifamily housing buildings was 56.6 gal./square foot.
- Average kBtu/square foot of site energy usage for multifamily housing buildings 100,000 square feet or more was 29 kBtu/square foot.
- The lowest kBtu/square foot reported was 0.7 kBtu/square foot and the highest was 116.7 kBtu/square foot.
- The median kBtu/square foot for

multifamily housing buildings was 25.7 kBtu/square foot.

- The greenhouse gas emissions for multifamily housing buildings ranged between 25.6 metric tons CO₂e and 5,785.9 metric tons CO₂e, with an average of 1,828 metric tons CO₂e.

Thirty-four of the 106 multifamily housing buildings were listed as pending revisions, meaning that only 68% were in compliance with the ordinance. This amount does not include buildings that failed to submit a benchmarking report.

The value of these statistics will be in comparing them over time as buildings submit benchmarking reports each year. That will allow researchers to determine trends in water and energy usage. As last year was the first year Oahu buildings had to start reporting, there is no trend data right now. However, there is energy data from other states. The following median and mean site energy use intensity was pulled from EnergyStar Portfolio Manager Data Explorer for multifamily housing²:

State	Median (kBtu/square foot)	Mean (kBtu/square foot)	Property Count
All States	51.1	58.3	10,000-49,999
Arizona	36.7	38.6	250-500
California	34.4	36	10,000-49,999
Oregon	35.9	40.7	100-249
Washington	32.6	36.9	1,000-2,499

¹ City & County of Honolulu. BBB 2023 Disclosure Data Report 6.18.24. Publication Date 2024-06-18. Excel. Date accessed 2024-07-15. <https://www.resilientoahu.org/s/Copy-of-BBB2023DisclosureDataReport71724-2x8m.xlsx>.

² Environmental Protection Agency (EPA). EnergyStar Portfolio Manager Data Explorer. Web Portal & Excel File. Date accessed 2024-08-21. https://portfoliomanager.energystar.gov/dataExplorer/?_gl=1*qt3u3r*_ga*MTM3MjI0Njc1NS4xNjgyMzgwMzAz*_ga_S0KJTVVLQ6*_MTcyNDI4MzgwNS4yMjAuMS4xNzI0Mjg1NDYyLjAuMC4w.

Oahu's multifamily housing energy use intensity is below that of all the states combined and that of our nearest neighbors. That could be due to not having to heat homes during winter, the condition of multifamily housing on Oahu, or the fact that not all of Oahu's buildings have reported yet. Future data will provide a clearer picture of Oahu's buildings energy and water usage.

What is clear in the preliminary inspection of the statistics is data quality will need to be a focus of buildings, consultants, and the C&C going forward. It is unlikely that the average multifamily housing building uses 284,900% more water than the lowest user and 4,043% more energy than the lowest user. While the City provides resources to help buildings comply, the 32% of buildings who are not in compliance may be experiencing challenges, including access to whole building data, turnover in building management, or have yet to learn the requirements for compliance. Buildings will also need to take the reporting requirement more seriously for more individuals, businesses, and governments to rely on the data. Many businesses that supply multifamily housing with products and services already have great interest in the benchmarking data. However, if data quality remains low, no one will be able to rely on it.

About the Author

Adrian Hong is owner of Hong Consulting, LLC., a consulting firm that helps clients measure and report on their sustainability. He is hosting the following webinars on Better Buildings Benchmarking compliance:

- February 25th, 2025 | 9 AM - 10 AM
- March 18th, 2025 | 10 AM - 11 AM
- April 24th, 2025 | 2 PM - 3 PM

If you are interested in attending one of these webinars, please contact him by email at adrianhong@hongconsultingllc.com.



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