

Trend	Description	Implications for Tax Departments
<p>BE RESILIENT Growing appreciation and desire for more resilient personality traits and nimble business models</p>	<p>Life is full of surprises, and now they come everyday. While the scientific community had an eye on the emergence of COVID-19, many of us were blindsided. Our entire world turned upside down. We all now more fully appreciate change and the possibility of dramatic shifts. People, organizations, and even entire communities will increasingly value the ability to be nimble, flexible, adaptive, and innovative.</p>	<p>Tax department strategic planning will shift from creating long-term plans to a perpetual “what if” mindset, which will include greater monitoring of trends and risks and use of scenario planning. There will be a shift from WHAT is done to HOW it is done.</p>
<p>TAKE CARE Growing appreciation of health and wellness and quality of life</p>	<p>COVID-19 is more than a health crisis. It’s a human crisis we continue to watch unfold around us 24-7. Social isolation, lack of exercise, and financial uncertainty are creating higher levels of mental and physical stress in us all. In addition, the crisis has helped to increase awareness of the health disparities in minority populations. These factors are all conspiring to raise the demand for universal health and wellness access and a better quality of life for all.</p>	<p>Tax departments’ employee benefits will continue to prioritize more health and wellness features and programs. There will be increased focus on physical and emotional security.</p>
<p>VALUE ALL Increasing appreciation of and support for equity and social justice policies and initiatives</p>	<p>COVID-19 affects everyone — young, old, rich, poor, black, white. In addition, society has a newfound appreciation for frontline, essential workers, as well as what they are being paid. The events and protests related to the social justice BLM movement have advanced our understanding beyond economic inequities and health disparities. As a result, community-wide investments will be made in new supportive pathways to help ensure everyone thrives.</p>	<p>Diversity, equity, and inclusion initiatives (DE&I) will become a “must have” — not a “nice to have” — for all tax departments. The demonstration of effective DE&I-related policies and behaviors will become critical in attracting and retaining employees.</p>
<p>GO TEAM Increasing appreciation and strategic value of partnering and collaboration</p>	<p>The war against the COVID-19 crisis has rekindled the spirit and power of teamwork. Managing through the COVID-19 crisis has made partnering and collaboration a necessity. Corporate advertising is mirroring this through “stronger together” messaging. This social sentiment shift will last well past the COVID-19 crisis and recovery period as expenses mount. Everyone will look for and embrace ways to do more with less. Business success will continue to shift from serving shareholders to serving all stakeholders.</p>	<p>Tax departments will identify and leverage unique private and community partnerships. In addition, tax departments will be expected to provide opportunities for their employees to make a positive impact on the community. State departments will share ideas, processes, and employees with each other.</p>
<p>HYPHER-CONNECT Growing need for personal connections and sense of belonging</p>	<p>People are driven by a deep-seated personal need to feel they belong — to a family, group, team, organization, and community. Social isolation, economic and health-related uncertainty and vulnerability, and civil unrest are fueling this primary need for personal connection and, most importantly, affirmation.</p>	<p>Tax Departments will increase investment in building their culture, spaces, programs, and events that foster and advance more personal connections across their workforce, customer base, and community. Technology will help enable these connections.</p>
<p>GET REAL Growing appreciation and support of local artisans, experts, admired leaders, companies, and experiences</p>	<p>Joni Mitchell’s refrain, “You don’t know what you’ve got ‘til it’s gone,” has never been more poignant. This includes favorite restaurants, local artists, and unique places. Authenticity — the real deal — will become more recognized and cherished. After COVID-19, we will value our most authentic and local people, experts, companies, events, and places even more. The social justice movement is accelerating this “Get Real” trend, too, as businesses and brands leveraging or benefiting from stereotypes are being publicly called out or “getting doxed.”</p>	<p>Tax departments will embrace and promote their values and local community support and impact in their communications efforts. Many tax departments are already establishing purpose statements to explain WHY they do what they do.</p>
<p>WORK VIRTUALLY Increasing movement toward a distributed workforce</p>	<p>Pre-COVID-19, 1 in 3 workers were part of America’s distributed or remote workforce. Experts speculated that this segment would grow to 1 in 2 by 2030. COVID’s impact will push us there in a few short years. The largest tech companies are leading the way. Google, Amazon, and Apple are hiring with no expectation that new workers will ever be physically present. More and more people will expect and ask for flexible home-based working arrangements. This will be especially challenging to support for some industries (manufacturing, construction, retail, etc.), as well as for fast-growing or high turnover companies who rely on successful on-boarding. Nevertheless, more people will join the distributed workforce, especially younger workers. This will increase the challenge of lowering the average age of most tax departments.</p>	<p>Tax departments will create formal distributed workforce strategies that work best for their situation and their employees. As more cities and regions target and recruit remote workers, tax departments will start to explore the impact of state level payroll taxes. They will also need to further refine their already flexible work-from-home schedules.</p>