DESIGNING YOUR PERSONAL GENEROSITY PLAN

Questions designed to guide you in establishing your Personal Generosity and Legacy –

- Transfer of Values & Legacy
- Charitable Estate Giving
- Estate Settlement
- Legacy Oversight
- Financial Management

Your Legacy –
Kingdom Minded Vision

> **But generous people plan to do what is generous, and they stand firm in their generosity.**
>
> **– Isaiah 32:8**

Early in our lives we learn that things seldom happen apart from having a plan. Perhaps you've heard the proverb, ***"The difference between a dream and a goal is a plan."*** If you think about it, we naturally live in planning mode. We planned our education, then our career paths. We planned our families. If we've built a house, we met with an architect to review building plans. We plan weekly meals and annual vacations. As we get older, we focus on retirement plans and how we desire to spend our remaining time. When we were young, we traded our days for dollars. Now, we trade our dollars for days.

But do you have a plan for generosity? A generosity plan provides you with the strategy to take the things you have received, whether it be your time, talents, treasures or values, and steward those resources toward recipients whom you closely identify with who also perpetuate your values.

Like every other plan we formulate, a generosity plan considers both the timelines and the size and scope of what we wish to accomplish. It needs to be inclusive, because each of us has more than material wealth to contribute for the good of our local and global communities. This will require strategic thinking because we want to direct anything we give in a manner that will maximize impact in accordance to our values. It will also provide us with the opportunity to be creative as we begin to think differently about how we give.

Having a Generosity Plan Will Help You Accomplish Four Things:

1. First, it will protect you from transactional giving, where you give because you've received tickets for a gala or because a friend called in a favor.

2. Second, it will prevent you from what philanthropic advisors call "peanut butter philanthropy," where people spread their giving in a thin layer to multiple recipients versus diving deep into one or two causes they care deeply about. Would you rather give a hamburger to many, or give a steak to a few?

3. Third, it requires you to be thoughtful about how you want to transfer wealth to your heirs, and what you want to do with what is left over.

4. Finally, a generosity plan lets you make major current gifts, whereas your estate documents will limit legacy giving to the end of your life. You can experience the joy of generosity during your life!

One of the most tragic things people can do is spend 40-50 years building wealth, then spend three hours in an attorney's office deciding how to distribute that estate through wills and trusts.

This form of planning must be bathed in prayer, for the core of generosity planning is an act of discipleship and therefore deeply spiritual. The invitation in Scripture is "*Commit to the Lord whatever you do, and he will establish your plans" (Proverbs 16:3).*

VALUES & LEGACY

"The earth is the Lord's, and everything in it,
the world, and all who live in it;"
Psalm 24:1

Wealth

Complete the statement, "Wealthy is the person who…"

What is important to you about your wealth (material resources)? Why?

What's a nugget of advice that you received from a family member or friend that helped you with your wealth? Who was it that gave that advice?

Legacy

Something transmitted by or received from an ancestor or predecessor or from the past.

Please share about your family's (parents and grandparents) legacy.

For what do you most want to personally be remembered?

For what do you want your family to be remembered?

What is your desired legacy?

IMPORTANT DEFINITIONS

GIVING	The voluntary transfer of something in your control and possession to another person's control and possession.
GENEROSITY	We cross the threshold from giving to generosity when we have to "stop and think about it."
MONEY	The income from our W-2 or 1099 earnings that we use to sustain our lifestyles. It usually resides in our checking account, and comprises 1-3% of our net worth.
WEALTH	The illiquid assets we have in the form of real estate, investment property, personal property, retirement accounts, mutual funds, publicly traded stocks, business interests, investments, etc. This usually comprises 97-99% of our net worth.
LEGACY	The product of bringing our values and valuables together for a greater good that will create either a current and future impact, or both. We cannot control the legacy we receive, but we can control the legacy we leave!

QUESTION 1: What Do You Have?

Five types of assets or capital that we develop during our lifetimes.

- **Financial Assets** – Cash, Non-cash Assets, Material Possessions, Real Estate
- **Personal Assets** – Personal Character, Physical Health
- **Intellectual Assets** – Education. Knowledge. Wisdom, Experiences
- **Relational Assets** – Family, Friends, Associates, and Acquaintances
- **Spiritual Assets** – Faith, "And since we are his children, we are his heirs. In fact, together with Christ we are heirs of God's glory. But if we are to share his glory, we must also share his suffering." Romans 8:17

How do these five types of "assets" rank in importance to you?
(Please rank from 1 – 5 with 1 being most important and 5 being least important).

Personal Assets	Asset Description	Asset Rank
Financial Assets	Cash, Non-cash Assets, Material Possessions, Real Estate	
Personal Assets	Personal Character, Physical Health	
Intellectual Assets	Education. Knowledge. Wisdom, Experiences	
Relational Assets	Family, Friends, Associates, and Acquaintances	
Spiritual Assets	Faith	

QUESTION #2
What Do You Need?

QUESTIONS TO CONSIDER

A. Think about what you need each week or month to live your preferred lifestyle. What are your sources of income? Will you need additional sources of income?

1) Household budget

2) Debt Retirement

3) Upcoming events such as weddings, etc.

4) Aspirations such as travel, etc.

QUESTION #3
How Much Do I Want to Enrich My Heirs?

What is Estate Planning? Two Definitions:

> "Estate planning is the accumulation, management, conservation and transfer of wealth considering tax, legal and personal objectives. The goal is the efficient transfer of assets."– Dalton and Langdon
>
> "Estate planning is the effective transfer of an appropriate amount of financial assets to succeeding generations of family in a way that will improve their life course." – Charles Collier

Specifying what you want to happen to your estate after you pass can create peace of mind for your family when they need it most. If you pass away without a will or trust, the court system may be responsible for dividing your estate and determining who receives those assets. Estate planning can be stressful for families, but the investment of time now can prove to be beneficial later on.

There are three benefits to estate planning:

1. Peace of Mind. Making difficult decisions today will yield the benefit of internal peace tomorrow.

2. Provision for You and Your Family, giving the right way at the right time at the lowest cost, allowing you to obtain your objectives and goals for loved ones and causes you care about.

3. Protection for You, Your Family, and Your Assets

Psalm 49: 1 -20 teaches three important principles:

1. The Reality of Our Mortality. Closing our eyes to something uncomfortable doesn't make the reality disappear. Even devoted people of faith can be apprehensive about discussing it. But Psalm 49:15 introduces hope for the righteous which re-frames the conversation.

2. The Recognition that the Wealth we amass will be left behind. Even the memories of our success will be forgotten (Psalm 49:18-20)

3. The Responsibility of Wisely Stewarding our Resources toward future generations and things of eternal significance.

65% of Americans do not have a will or trust. Of the 35% who do, only 10% have a charitable component.

At death, we will leave everything behind by default or by design.

QUESTION #4
What Do You Desire to Accomplish?

Hopes, Dreams, Desires & Concerns

A. What are you passionate about? What is your heart connected to?
B. What are the entities you are committed to whose mission you wish to advance?

   1) What can you do now?
   2) What can you do through your estate?

C. What concerns do you have that you need to protect or guard against?

Personal or Cause	Desires to Accomplish

"The plans of the LORD stand firm forever, the purposes of His heart through all generations."

Psalm 33:11

Supporting your charity(ies) or church can be an important part of one's legacy. You've invested in important things throughout your life. What happens when you are gone? Will the need remain? Will your support be made up by others? Or would you like to continue your support through your estate?

For those considering their church or charity through their estates there are generally three main ways to do so upon your passing:

a. You can make an outright gift where the charity receives a lump sum. These can be restricted to a particular segment of the charity or given for operational needs or for capital improvements.

b. You can provide ongoing support through establishing an endowment fund where the principle of the gift is held for a period of time and a small percentage is directed to the cause annually. This ensures your financial support in a way that is consistent with your current giving.

c. You can do a combination of both an outright gift and an endowment

In thinking through your church, charities and causes you will like to include, how would you wish to support each? In each of the above strategies you can prescribe either a set dollar amount or a percentage.

GENEROSITY PLANNING WILL SURFACE THREE IMPORTANT DISCIPLESHIP ISSUES	
CONTROL	Am I living as an owner? Or am I living as a steward?
CONTENTMENT	How much is enough?
SECURITY	Do I have enough?

FINAL CHALLENGE

1. **Success vs. Significance**
Significant means "of a difference too great to calculate."

2. **How much more important?**
A thousand years from now, there's only one thing that's going to matter.

NEXT STEPS

We would love to follow up with you answer any questions you might have about your financial planning. Please fill out the information below, and we will contact you to schedule a meeting to discuss your needs.

- ☐ I am ready to discuss my financial needs with a professional legacy advisor.
- ☐ I already have a financial advisor, but I would like to hear more about the giving opportunities.
- ☐ I am not ready to discuss my financial needs at this time.

Name: ______________________________

Phone: ______________________________

Email: ______________________________

Please return this card at the end of the workshop or scan this QR code to schedule a time to discuss your plans with a MortarStone Financial Advisor.

MortarStone