



DON'T RENDER UNTO CAESAR MORE THAN YOU HAVE TO

Is April 15 anyone's favorite day? I have yet to meet anyone who looks forward with great anticipation to April 15—that infamous date in which we are required to make a major contribution to the largest non-profit organization in America, with national headquarters in Washington, D.C. and branch offices in every major city in America. I often say that April 15 is the only day that I regret how much money I made the previous year. Many affluent Christians will reluctantly write five to six digit checks to the IRS on this day.

Even though your check is written to a not-for-profit organization, the “donation” due doesn't feel anything like a charitable contribution. When we have to write possibly our largest single check of the year to the IRS, no one I have ever met feels good about sending that money back east never to be seen or heard from again. What is particularly disappointing, with the size of your “contribution” to this non-profit organization, is they won't even send a thank you note!

For Christians, it is even more troubling knowing our “contributions” will often be used for things to which we are ethically, morally, and spiritually opposed. Of one thing we can be sure, they will not be calling us to ask what they should do with our contributions. I think it is safe to say that of all the things we do with our annual income, our payments to the IRS are the least enjoyable “expenditure.” Over my 35 year Family Wealth Counseling career I found that 100% of families we worked with prior to working with me had been for many years unknowingly donating substantially more to the IRS annually in income taxes than was necessary.

The Pleasant Surprise of the Family Wealth Counseling Process

See stewardship planning as primarily focusing on the avoidance of estate taxes and wealth transfer to the next generation and those are indeed key components of the planning we do with our client families. And these are critically important long-term outcomes that need to be addressed. But a much more immediate benefit is current income tax planning. In fact, reducing income taxes and eliminating capital gains taxes on the sale of appreciated assets is far more an immediate planning priority than is eliminating the estate taxes.

Substantial annual income tax savings often come as rather a surprise to families, especially the amount of tax savings they actually realize. It is usually a very significant planning “bonus” that they had not fully expected when they began the planning process. It is only good stewardship to do all we can to legally reduce the income taxes we must pay to the IRS. And let me add that the difference between income tax avoidance and income tax evasion is about fifteen years in Leavenworth! I am talking about tax avoidance here. When you employ common, often-used, time-tested, creative planning techniques you substantially reduce income taxes—all as a direct result of having developed a comprehensive and integrated master stewardship Plan.

Stories of Our Clients' Income Tax Savings

“The proof is in the pudding,” as the old saying goes. Below are some real life examples of a handful of our clients. The names have obviously been changed to protect the wealthy!

Walter and Sue, were an independently wealthy couple devoting their full-time efforts to ministering to Pastors in some very creative ways. As a result of our assistance in developing a comprehensive, strategic Master Stewardship Plan, they are now saving over \$300,000 per year in annual income taxes. This \$300,000 now remains in their pockets and under their control instead of going into the coffers of the federal government. Consequently, their capacity to minister to Pastors has increased by over \$300,000 a year.

Tom and Betty, were owners of a growing business and needed to develop a strategic Master Stewardship Plan that would enable them to (1) pass on their family business to the next generation who were already involved (2) maintain their current lifestyle, and (3) enable them to support Kingdom causes they really cared about in a significant way. The implementation of their strategic Master Stewardship Plan produced over \$230,000 in income taxes savings in the first five years and \$700,000 over the rest of their lives.

Rick and Mark and their wives jointly own a very successful family business. They needed a business continuation plan to get the business to the next generation, and they were also facing devastating estate taxes that would severely cripple, if not kill, the business with their current plan. They are deeply committed Christians who have a genuine heart to support Kingdom causes. By developing an inter-generational Master Stewardship Plan, the fringe benefit to the plan saved them over \$1.4 million in income taxes over the first five years and right at \$11 million over the rest of their lives.

One significant note to all these stories is that they collectively learned how to give a combined \$200 million away to support the cause of Christ during the rest of their lives and at their deaths. This \$200 million under their current plans would have never found its way to Kingdom work. In addition to the income tax savings and the increased Kingdom giving from implementing their respective plans, each of these couples' net, spendable income actually increased and their children will now be receiving the exact inheritance they wanted them to have. All of these positive outcomes were achieved because they took the time and made the effort to develop an overall Master Stewardship Plan for themselves and their heirs. It truly is a win-win-win situation. They win, their heirs win and the Kingdom of God wins.

ABOUT THE AUTHOR — E. G. “JAY” LINK

Jay Link, Director of Stewardship Planning at Taylor University, spent 35 years counseling Christian families to build customized Master Stewardship Plans. He is an author, a mentor to hundreds of financial advisors and attorneys, and started his career as a pastor. His passion is helping Christian families use all the Lord has entrusted to them for Kingdom-building purposes.