

ADVISOR TRAINING MINISTRY
COURSE NUMBER: ESC 800

Inheritance Planning and Heir Training

TAYLOR UNIVERSITY





Who Gets
What Is Left Over?

**How Much Is
Enough for Our Heirs?**

How Much Is Enough for Us?

Seven Inheritance Conundrums Parents Face in Planning



Of all the issues that affluent parents confront in planning, none consumes more time and emotional energy than that of inheritances – and for good reason. There is no area of planning that could be more devastating to a family than an ill-thought-out or ill-timed inheritance.

Seven Inheritance Conundrums Parents Face in Planning



#1: The “Unready” Conundrum

Our children are not wise enough or mature enough to handle the inheritance we want them to have.

#2: The “Equal vs. Fair” Conundrum

We love our kids equally, so we want to treat them the same. However, some of our children really need more than others.

Seven Inheritance Conundrums Parents Face in Planning



#3: The “Black Sheep” Conundrum

We have one child that is not living a lifestyle of which we approve. This significantly affects how we are able to plan for our “good” children.

#4: The “Family Dysfunction” Conundrum

Our children are extremely different and do not get along well. If we simply divide all our assets equally among them, serious family conflict will be inevitable.

Seven Inheritance Conundrums Parents Face in Planning



#5: The “In-Laws/Out-Laws” Conundrum

Should we treat our in-laws the same as we do our own children? If they split up, we would not want our children to lose half of their inheritance to a divorce.

#6: The “Good Steward” Conundrum

We have tried to be good stewards of all the Lord has entrusted to us, but we are not sure that all our heirs will be good stewards of the Lord’s resources that we would like to pass on to them to manage for the Lord going forward.

Seven Inheritance Conundrums Parents Face in Planning



#7: The “Generation Skipping” Conundrum

We would like to leave our grandchildren an inheritance, but we do not want to override the influence and control of their parents by giving an inheritance directly to them.

Seven Inheritance Conundrums Parents Face in Planning



A Word from Solomon on Inheritances

Wisdom along with an inheritance is good and an advantage to those who see the sun. **For wisdom is protection just as money is protection** (Ecclesiastes 7:11-12a).

An inheritance gained hurriedly at the beginning will not be blessed in the end (Proverbs 20:21).

The Golden Ghetto: The Psychology of Affluence

Jessie O'Neill



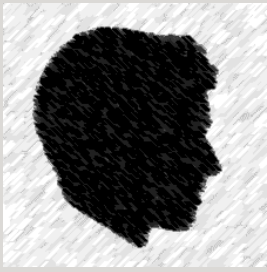
Bitter Fruit #1: Lack of Motivation to Work

Bitter Fruit #2: Lack of Perseverance

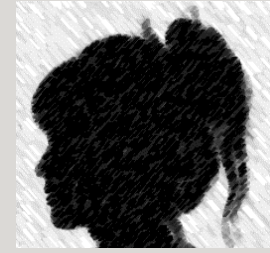
Bitter Fruit #3: Problems with Relationships

Bitter Fruit #4: Self-Worth Struggles

Bitter Fruit #5: Poor Understanding and Managing of Finances



FACES



Holistic Inheritance Planning

Financial Inheritance – Providing Heirs with Resources for Life

Academic Inheritance – Providing Heirs with Knowledge for Life

Character Inheritance – Providing Heirs with Anchors for Life

Emotional Inheritance – Providing Heirs with Stability for Life

Spiritual Inheritance – Providing Heirs with Wisdom for Life

Two Questions to Ask

1. If you could only pass four of these five inheritances on to your heirs, which one would you leave off?

2. If you could only pass on one of these five inheritances on to your heirs, which one would it be?

Maturity Markers: **Assessing Heirs Readiness to Receive Their Inheritance**



Spiritual Maturity Marker #1

An Heir's Relationship with God



Signs for this Spiritual Maturity Marker include an heir who is...

- (1) growing as a personal follower of Jesus;
- (2) developing in godly character; and
- (3) ministering to others.

Emotional Maturity Marker #2

An Heir's Relationship with Himself



Signs for this Emotional Maturity Marker include an heir who is...

- (1) taking responsibility for his/her actions and proactively seeking to correct his/her mistakes and sins;
- (2) controlling his/her anger, frustration, disappointment, and stress appropriately; and
- (3) avoiding chronic problematic and self-destructive behavior.

Relational Maturity Marker #3

An Heir's Relationship with Others



Signs for this Relational Maturity Marker include an heir who is...

- (1) developing and maintaining healthy and meaningful long-term relationships with friends and family;
- (2) treating other people with respect and dignity; and
- (3) making personal sacrifices for the benefit of others.

Financial Maturity Marker #4

An Heir's Relationship with Money



Signs for this Financial Maturity Marker include an heir who is...

- (1) living financially independent of parents;
- (2) exercising consumptive self-control in spending; and
- (3) engaging in enthusiastic and generous giving.

Conducting an Inheritance Fire Drill

Question #1:

Is an Inheritance a **Right** or a **Privilege**?

RIGHT

Question #2:

How much do you owe them?

OPPORTUNITY

Question #4:

What opportunities do you want to fund?

PRIVILEGE

Question #2:

Do you want to fund

Opportunity or **Lifestyle**?

LIFESTYLE

Question #3:

How much lifestyle do you want to fund?

Opportunity Inheritances

1. Receive the family business:

\$ _____ When? _____

2. Funds available for new business start up:

\$ _____ When? _____

3. Receive funds for a first home (down payment or pay off mortgage):

\$ _____ When? _____

4. Receive funds to establish an emergency reserve (personal, medical, etc.):

\$ _____ When? _____

Opportunity Inheritances

5. Receive funds for tuition for (all or part of) children/grandchildren's education:

\$ _____ When? _____

6. Receive funds for increased charitable giving:

\$ _____ When? _____

7. Receive funds to provide ongoing income for a pre-set desired lifestyle:

\$ _____ When? _____

Lifestyle Inheritances

8. Receive family property, or the funding for other personal property (boats, cars, motor home, plane, etc.):

\$ _____ When? _____

9. Receive the family residence/farm/homestead/vacation home:

\$ _____ When? _____

10. Receive funds to provide ongoing income due to special needs/disabilities of heir (physical or emotional):

\$ _____ When? _____

Questions and Answers

