

ADVISOR TRAINING MINISTRY
COURSE NUMBER: SPP 800

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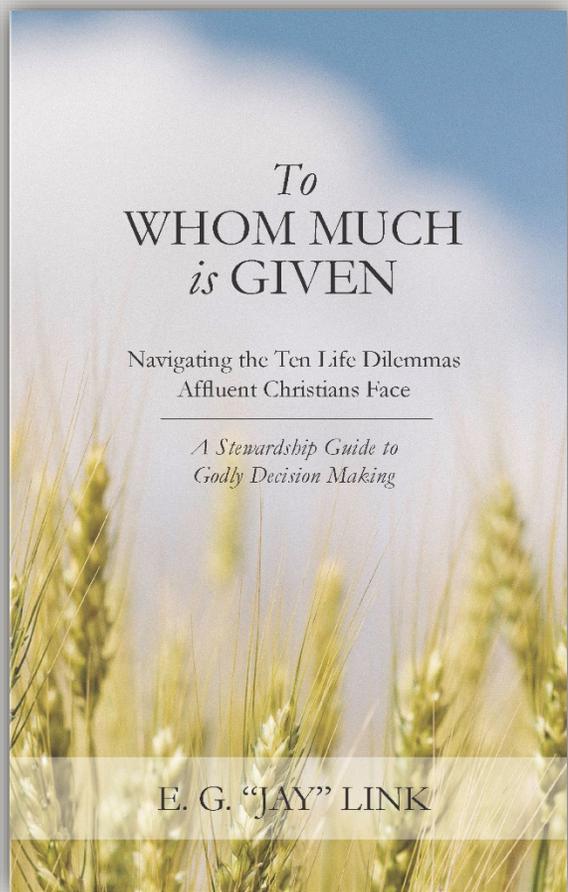
ADVISOR TRAINING MINISTRY
COURSE NUMBER: SPP 800

Ten Unique Stewardship Dilemmas Affluent Christians Face



Presented by E.G. "Jay" Link
Director of Stewardship Planning

To Whom Much is Given



Ten Unique Stewardship Dilemmas Affluent Christians Face



Ten Unique Stewardship Dilemmas Affluent Christians Face

**LIFESTYLE
DILEMMAS**



**PHILANTHROPIC
DILEMMAS**

**WEALTH TRANSFER
DILEMMAS**



LIFESTYLE DILEMMAS



The Bigger Barns Dilemma

How much is enough
for me and my heirs?

Are the “lifestyle
police” watching?



LIFESTYLE DILEMMAS

Erroneous Worldly Motivations

- It is the way to “keep score.” i. e. *Forbes 400*
- It is the way to gain power. “*Mr. Influence*”
- It is the way to gain self-esteem.
“*Mr. Successful*”
- It is the way to find meaning in life.
I’ve built something that will outlive me.
- It is the way to gain security.
What if my business goes bust?
What if one of us has major health problems?
What if we have another Great Depression?
- It is the way to find happiness.
Greatest lie of all, “Wealth brings happiness.”



LIFESTYLE DILEMMAS

Why do wealthy people want to keep building bigger barns?



LIFESTYLE DILEMMAS

Incomplete Spiritual Understanding

- God wants me to be rich. Wealth is God's way of showing me He is pleased with me.

The "Prosperity Gospel"

- God is the One blessing me with this wealth.

"Should I tell Him to stop blessing me?"

- I am only trying to be a good steward.

"What else should I do with all my gains?"



LIFESTYLE DILEMMAS

CAUTION

Do not falsely assume that because your clients are Christians, they have not been substantially affected by some or all of these erroneous worldly motivations!



LIFESTYLE DILEMMAS

Suggesting that people **intentionally limit** the size and number of barns they build to hold their ever-increasing prosperity creates a number of substantial financial, emotional and spiritual dilemmas.



LIFESTYLE DILEMMAS

“I have been building bigger barns for years now.”

“I enjoy building bigger barns.”

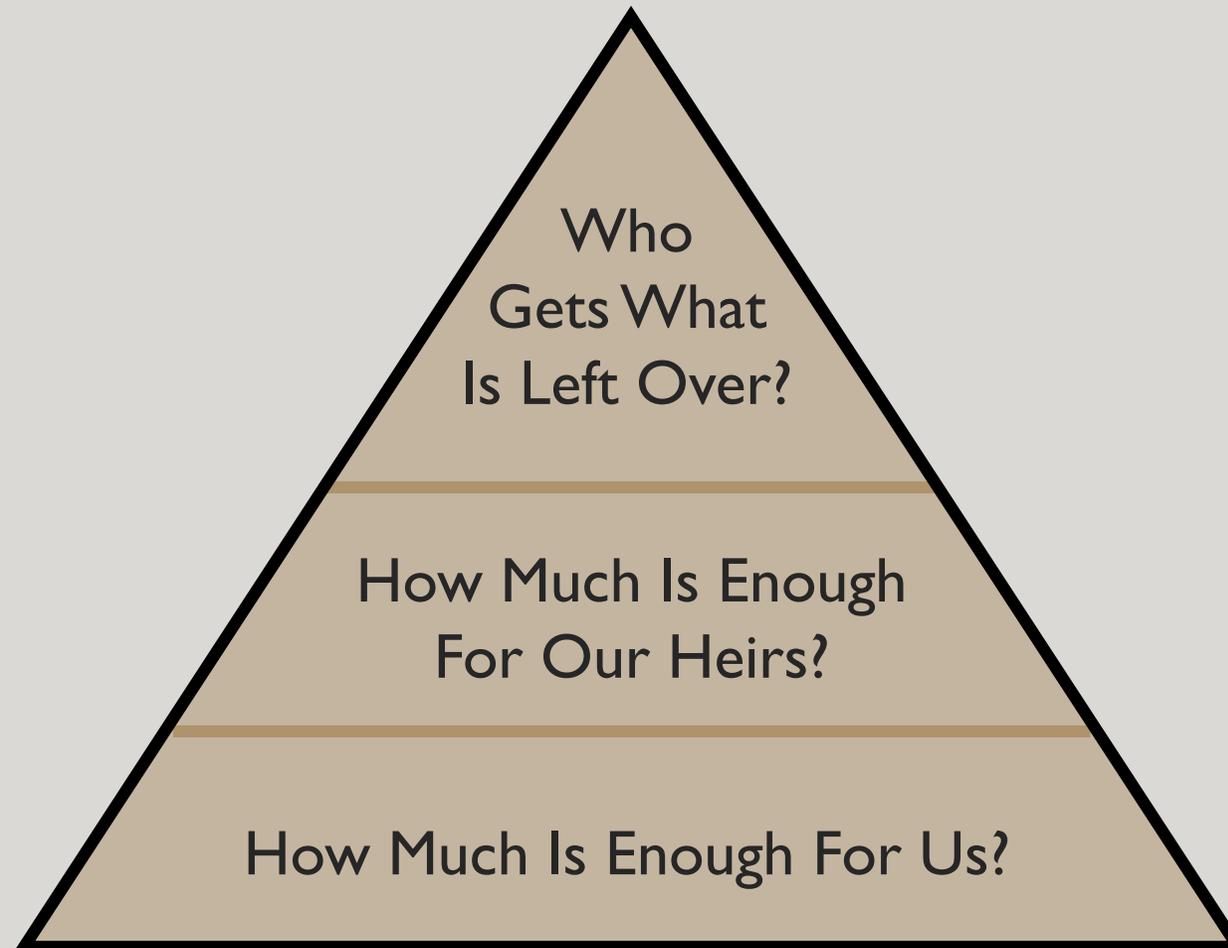
“I’m good at building bigger barns.”

“If I don’t build bigger barns, where will I store my surplus/emergency reserves?”

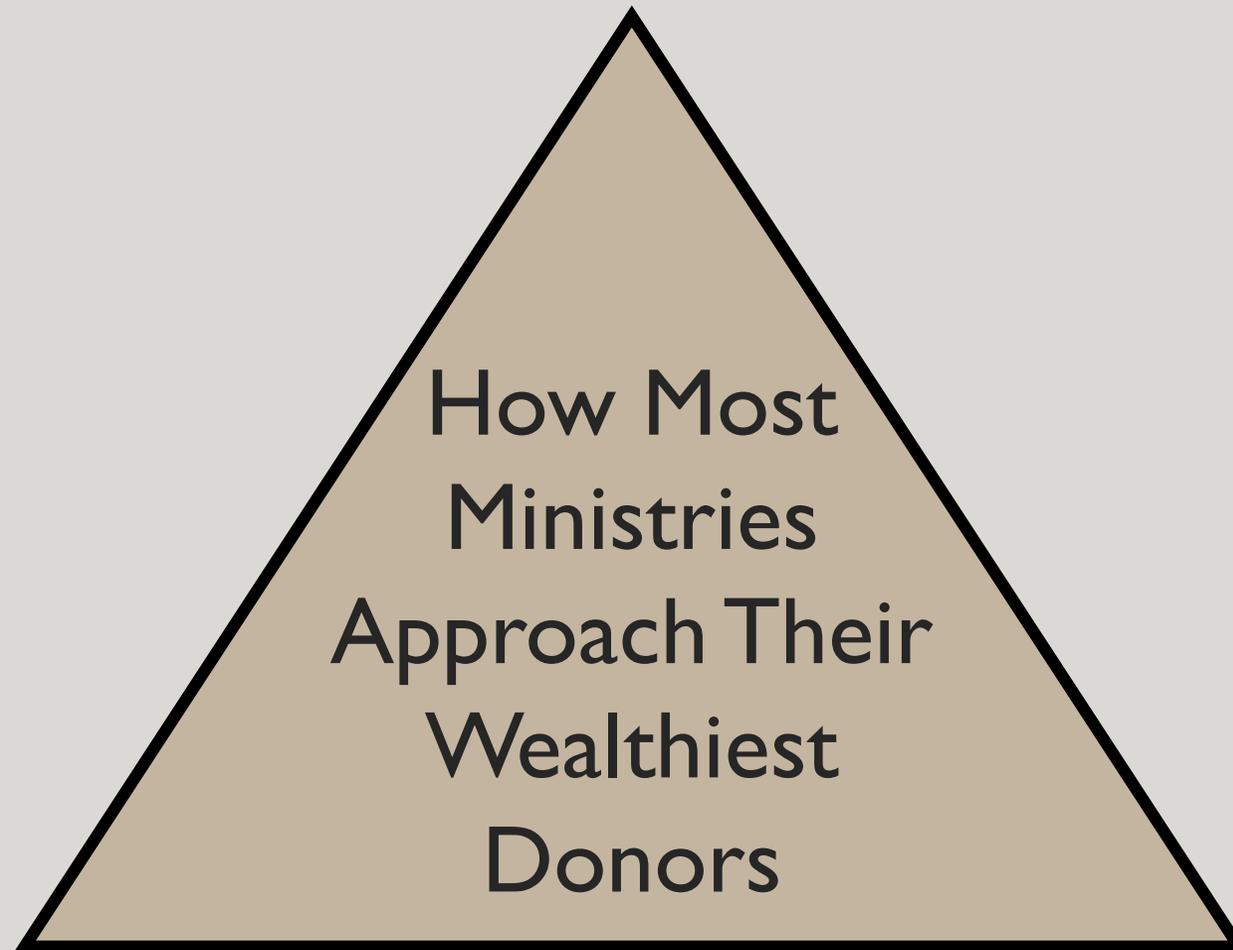
“If I stop building bigger barns, what would I do with the rest of my life.”



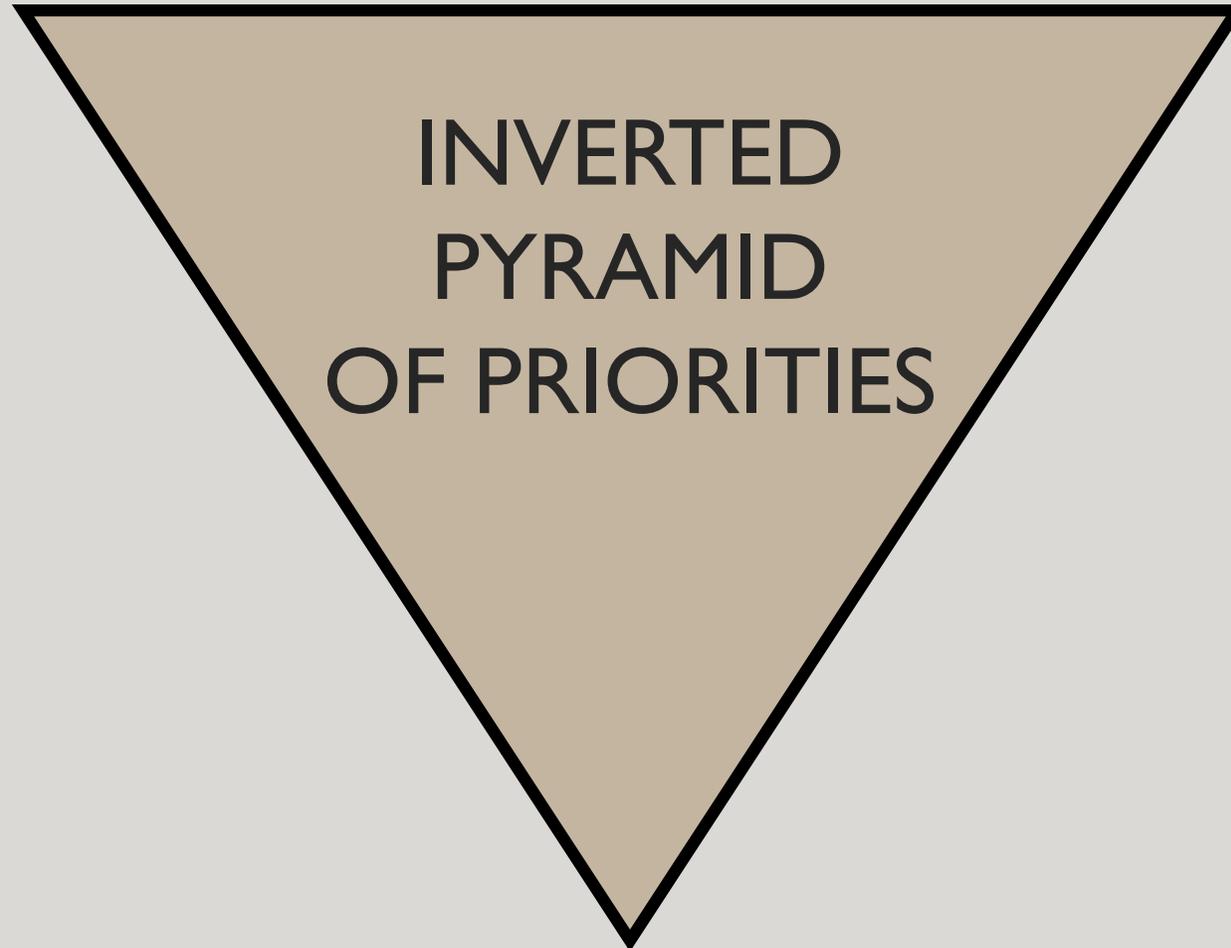
Understanding the Psychological Pyramid of Priorities in Planning



Understanding the Psychological Pyramid of Priorities in Planning

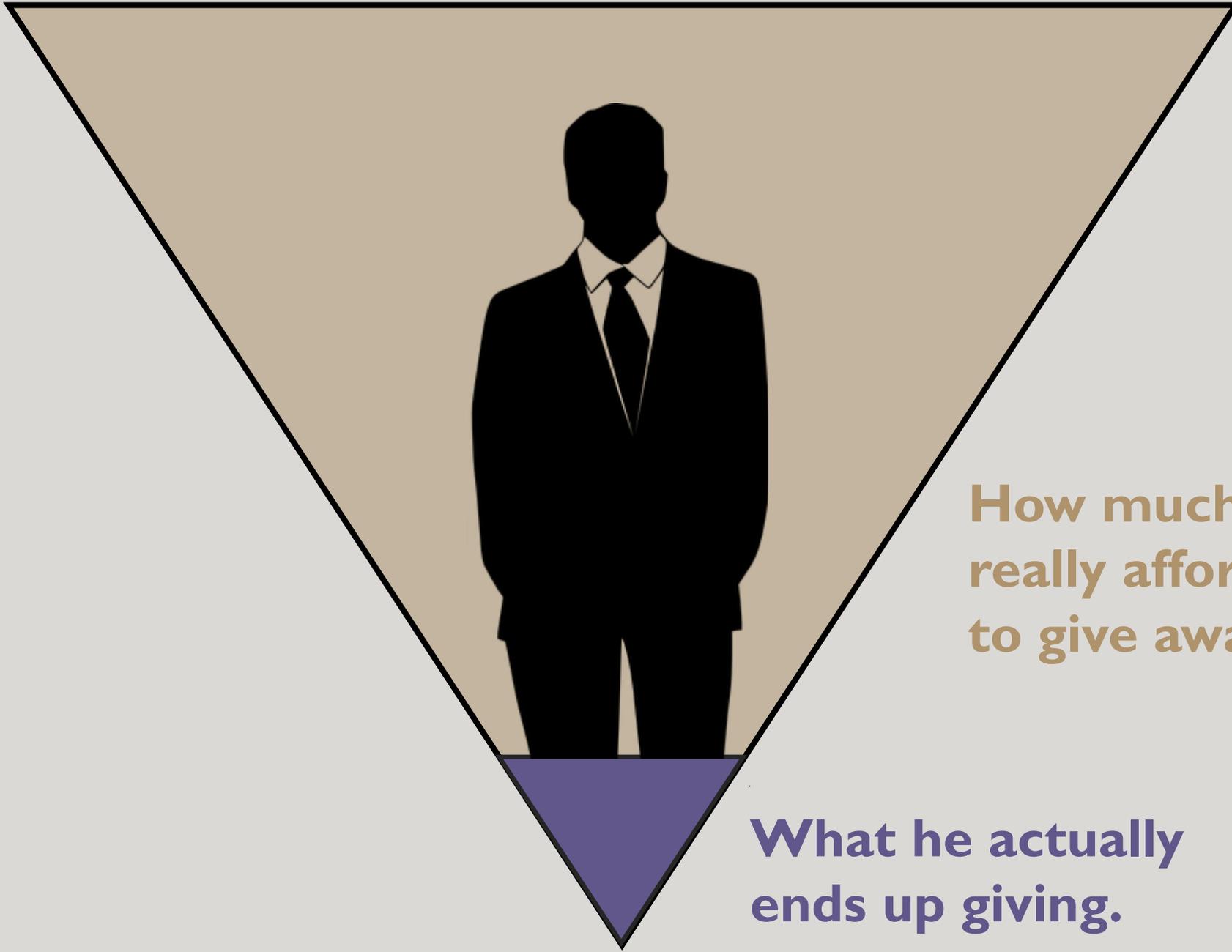


Understanding the Psychological Pyramid of Priorities in Planning



Understanding the Psychological Pyramid of Priorities in Planning





**How much can I
really afford
to give away?**

**What he actually
ends up giving.**





Ministries' Fundraising Options



LIFESTYLE DILEMMAS

2.

The Prisoner of My Own Success Dilemma

“How do I get off this merry-go-round I built, that is running so profitably, without breaking a leg?”



LIFESTYLE DILEMMAS

In many cases, older business owners feel stuck in their businesses.

They've already grabbed the brass ring, but they have no idea how to now get off the ride.



Obstacles Faced in Divesting The Family Business

FINANCIAL Obstacles

- Finding a buyer/heirs to take over the business
- The tax liability of sale/gift
- The possible reduction of cash flow

EMOTIONAL Obstacles

- Giving up power/control
- Giving up the exhilaration of the adrenaline rushes
- Giving up my source of self-worth/prestige

PRACTICAL Obstacles

- Loss of primary focus and purpose/life's work
- Loss of opportunities to use all my developed skills



LIFESTYLE DILEMMAS

3.

The “It’s Lonely At The Top” Dilemma

“How can I have meaningful and intimate relationships with people of common means?”



Barriers to Relationships with Common People

Wealthism

With all your money how can you possibly have any problems?

With all your money you shouldn't dare complain about anything!



Barriers to Relationships with Common People

Wealth Intimidates

Common people are intimidated by people who have wealth.

Economic class distinctions in America are much more emotionally driven than culturally driven.



Barriers to Relationships with Common People

Wealth Creates One-Sided Relationships

“I always do the giving/buying?”

What can you give to the man who already has everything?

What can you do for a man who already has everything being done for him?



Barriers to Relationships with Common People

Wealth Bestows Power

“He who has the gold makes the rules.”

It is used as a substitute for personal interaction.

It is used for problem solving.

It buys relationships.

“Wealth adds many friends.”

Proverbs 19:4



Barriers to Relationships with Common People

Wealth Needs To Be Protected

They build walls around their homes.

They put automatic entry gates up.

They have lots of locks.

They end up building “walls” instead of “bridges.”



Itemized Standard of Living



The story of Tom and Mary Smith

WEALTH TRANSFER DILEMMAS

4.

THE NEXT GENERATION DILEMMA

“Will he be
a wise man or a ‘fool’
with my wealth?”



WEALTH TRANSFER DILEMMAS

“The answer to this dilemma will be determined far more by what is being done in your living room than by what is being done in your lawyer’s conference room.”



WEALTH TRANSFER DILEMMAS

The dangers of excess access to unearned wealth are very real and very serious.

“Wealth is like a blazing fire. It can cook and warm or it can burn and destroy.”



WEALTH TRANSFER DILEMMAS

The Bitter Fruit of Excess Access to Unearned Wealth

- 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 of Managing Finances



WEALTH TRANSFER DILEMMAS

5.

The Tax Man Cometh Dilemma

“Can I do anything
to avoid his very
costly visits?”



WEALTH TRANSFER DILEMMAS

Do Your Wealthiest Clients Know that ...

- Estate Taxes are optional and do not have to be paid ...
- Capital Gains Taxes are optional and do not have to be paid ...
- Income Taxes can be dramatically reduced annually ...

with strategic stewardship planning?



WEALTH TRANSFER DILEMMAS

6.

The Conflict Of Interest Dilemma

“Is everyone in America
trying to sell me something?”

“Can I even find objective, godly
counsel for planning?”



WEALTH TRANSFER DILEMMAS

Everyone in the financial services industry has the rich as their target market.

- Bankers/Trust Officers
- Stock Brokers
- Money Managers
- Financial Planners
- CPAs
- Attorneys
- Insurance Agents



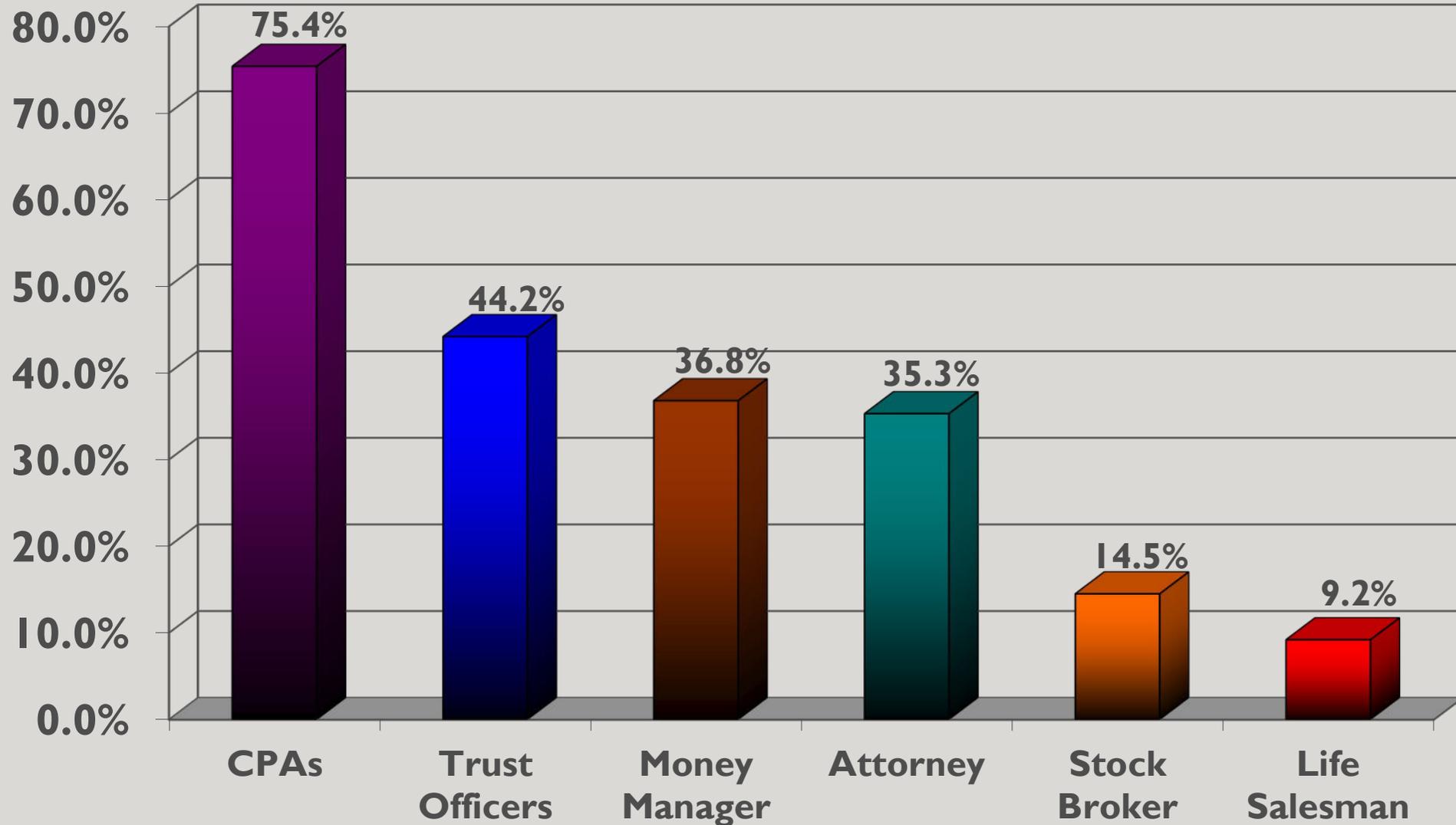
WEALTH TRANSFER DILEMMAS

Each seems to be pushing their own pet tools, documents or services.

- The attorney is “selling” his favorite legal documents
- The insurance agent is selling life insurance
- The money manager is selling assets under management
- The financial planner is selling the latest tax planning scheme or proprietary product
- The bank is selling its private banking trust administration services



Percentage of Affluent Who Say Advisors Are Very Ethical



PHILANTHROPIC DILEMMAS

7.

The More or Less Dilemma

“Should I give some now
or keep investing and
give a lot more later?”



PHILANTHROPIC DILEMMAS

- **Time Value of Money (\$100,000 x 10 years)**

- 12% = \$ 310,000

- 18% = \$ 523,000

- 24% = \$ 860,000

- 36% = \$ 2,165,000

- **Time Value of Money (\$100,000 x 20 years)**

- 12% = \$ 965,000

- 18% = \$ 2,740,000

- 24% = \$ 7,390,000

- 36% = \$ 46,856,000



PHILANTHROPIC DILEMMAS

8.

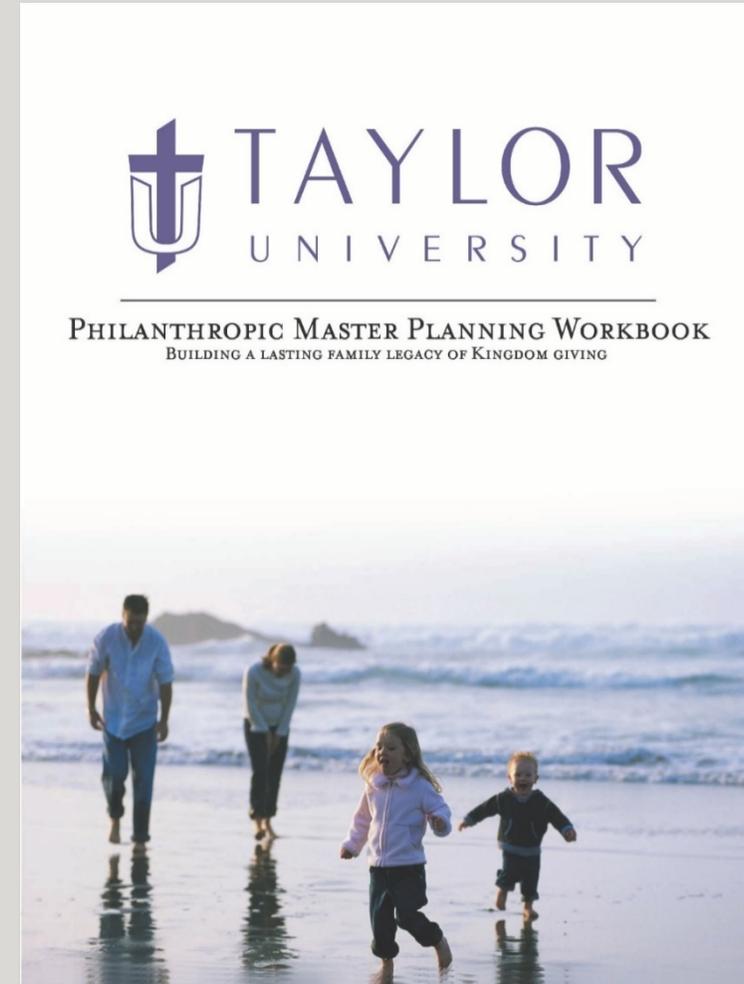
The Strategic Master Plan Dilemma

“How do I choose what ministries to give to; and how much each should get and for what?”



PHILANTHROPIC DILEMMAS

Assisting Clients to Develop a Strategic Philanthropic Master Plan



PHILANTHROPIC DILEMMAS

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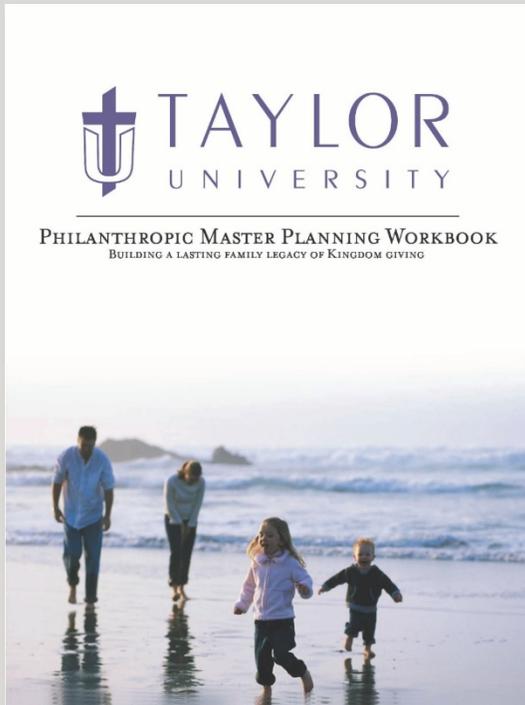
Section II Deciding on Our Family's Intergenerational Involvement

Section III Deciding on Our Foundation's Mission/Purpose

Section IV Deciding on Our Foundation's Giving Guidelines

Section V Deciding on Our Foundation's Ministry Beneficiaries

Section VI Deciding on Our Foundation's Life Expectancy



PHILANTHROPIC DILEMMAS

The importance of developing a written **Strategic Philanthropic Master Plan** for your wealthiest clients and the ministries they care about cannot be minimized.

- It will **significantly increase** current giving
- It will **significantly increase** deferred giving
- It will **promote** continued giving from future generations
- It will **dramatically increase** donor loyalty and participation beyond the financial



PHILANTHROPIC DILEMMAS

9.

The Giving Until It Feels Good Dilemma

“How can I experience the joy of sacrificial giving when I have so much surplus wealth at my disposal?”



Business ■ Investments ■ Homes ■ Personal Property

What Does it Mean to Give Sacrificially?

Luke 21:1-4

“And He looked up and saw the rich putting their gifts into the treasury. And He saw a poor widow putting in a two small copper coins. And He said, “Truly I say to you, this poor widow put in more than all of *them*; for they all out of their surplus put into the offering; but she out of her poverty put in all that she had to live on.”

The New Testament Measure of Giving:

Your degree of generosity is not based upon what you give, it is based upon what you have left over after you give.



The Spiritually Fatal Flaw of Tithing

THE REST OF THE STORY ABOUT OLD TESTAMENT TITHING

1. The Old Testament called for three tithes.
 - Two tithes were annual and one was every third year.
 - That calculates to an average annual tithe of 23.3%
 - Free lifetime membership in Legalists Anonymous
2. Tithes were partially collected to underwrite Israel's theocratic governmental services. They had an IRS too (Israel Revenue Service).
3. Tithing was based upon a family's net worth, not their annual income.



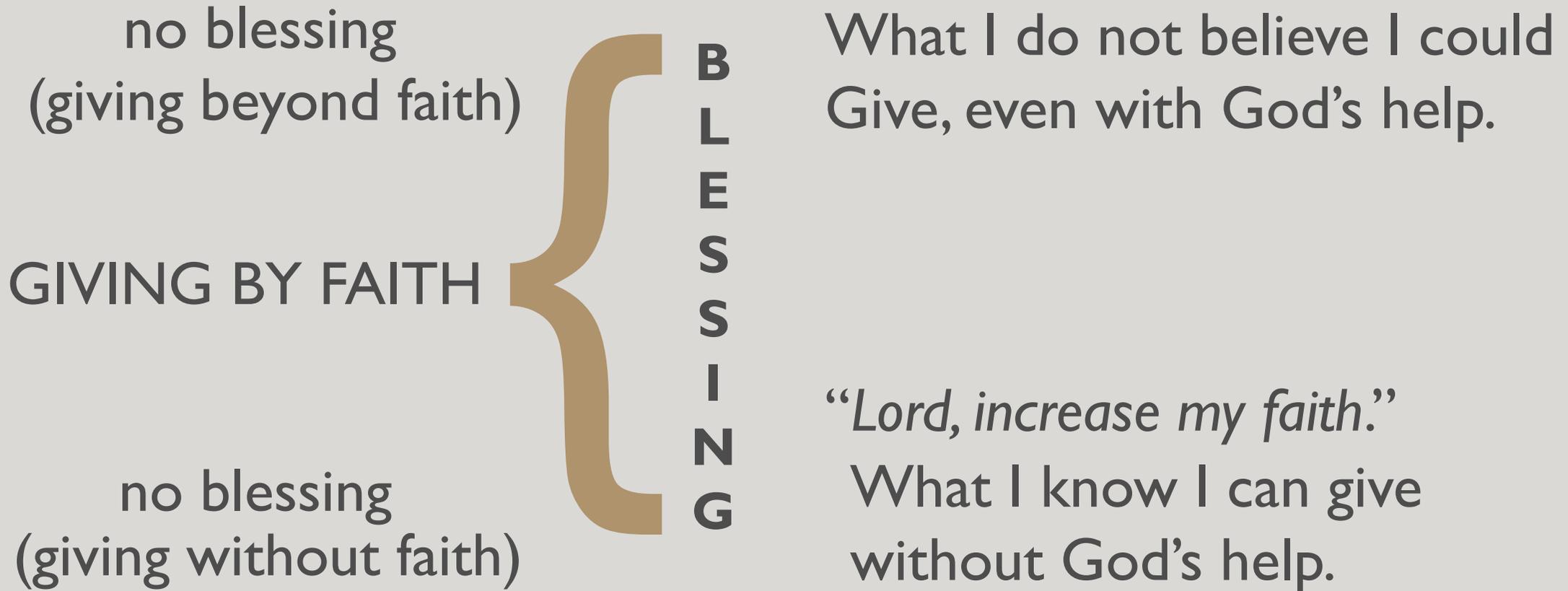
The Spiritually Fatal Flaw of Tithing

- Giving because you love (NT) is superior to giving because you owe (OT).
- Giving by faith (NT) is superior to giving by law (OT).
- Grateful giving (NT) is superior to obligatory giving (OT).

The concept of Malachi 3:10 ...
“bring the whole tithe into the storehouse”
has no basis or application for the New
Testament believer.



New Testament Concept of Giving by Faith



PHILANTHROPIC DILEMMAS

C. S. Lewis, *Mere Christianity*

“I do not believe one can settle how much we ought to give. I am afraid the only safe rule is to give more than we can spare.

In other words, if our expenditures on comforts, luxuries and amusement, etc. is up to the standard common among those with the same income as our own, we are probably giving away too little.

If our charities do not at all pinch or hamper us, I should say they are too small.”



PHILANTHROPIC DILEMMAS

The Story of the Dollar

Do you think He would mind
if I kept a dime?



PHILANTHROPIC DILEMMAS

Ways the Wealthy Might
Begin to Experience
the Joy of Sacrificial
Giving



PHILANTHROPIC DILEMMAS

- **Make** your Kingdom giving a ratio of what you personally consume on your lifestyle.
- **Reduce** your current lifestyle consumption to increase current annual funding of Kingdom causes.
- **Sell** assets that you currently use for your lifestyle and give the proceeds to support Kingdom causes.
- **Forego** a planned purchase or expense and give what would have been the cost to fund Kingdom causes.
- **Purchase** a less expensive product than you normally would and give the difference to support Kingdom causes.
- **Give** all growth of net worth over specific amount to Kingdom causes.
- “**Sell** all they have. Give it to the poor and come follow Me.”

PHILANTHROPIC DILEMMAS

10.

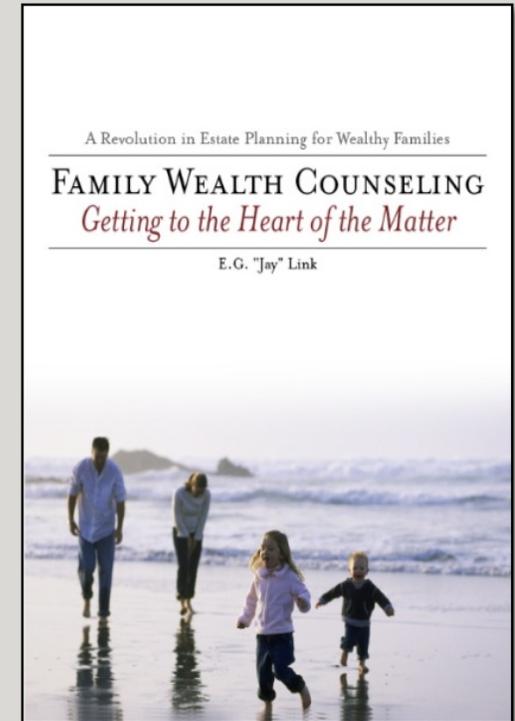
The “I Surrender All” Dilemma

“You mean I have more to give than just my wealth?”



PHILANTHROPIC DILEMMAS

- We live in a youth-driven culture.
- Often, older/retired people feel like they have been put out to pasture.
- Yet, some of the happiest and most fulfilling years of their lives could be ahead of them.
- They often find themselves simply “*waiting to die in luxury*” (chapter 16).



Calvin and Maurine Hill
(page 273)

PHILANTHROPIC DILEMMAS

Ways Your Clients Can Give of Time and Talents Don't Be Afraid to Ask!

- Short/Long Term Missions
- Business Management (CEO)
- Executive Board Member
- Mentoring/Coaching
- Volunteer Worker
- Fund Raiser
- Technical/Computer
- Advisory Board Member
- Oversee Specific Projects (COO)
- Construction Projects
(General/Sub Contractor)
- Financial Management (CFO)
- Join the Staff
(with no or reduced pay)



The Ten Unique Stewardship Dilemmas Affluent Christians Face

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5. The Tax Man Cometh Dilemma
6. The Conflict of Interest Dilemma
7. The More or Less Dilemma
8. The Strategic Master Plan Dilemma
9. The Giving Until It Feels Good Dilemma
10. The I Surrender All Dilemma



Questions and Answers