Estate Planning for the Steward

As Christians, we have a responsibility to steward our resources until they are passed on to someone else to manage. We need to not only have plans for managing those assets while they are in our care, but also to transition them when our responsibilities are over.

Estate planning is the process through which we not only care for our assets during our lifetime, but also organize and facilitate their transfer following our death. Estate planning lays out the final steps of our stewardship journey. It allows us to provide structure and order to the management of everything from our healthcare to the ultimate passing of everything we own after our time on earth is finished.

Where and how to leave an inheritance can be a very difficult decision and is one that will likely evolve over time as situations change and we grow in wisdom. It's also important to recognize that this is an emotional topic, so we need to be careful to not make quick decisions.

Foundation

Let's start with a reminder of a few basic truths that will give us a solid foundation for the rest of the discussion.

1. God is the owner of everything. As we read in Psalm 24:1, "The earth is the Lord's and the fullness thereof, the world and those who dwell therein." Everything is God's and we are simply stewards, or managers, of His possessions during our time on this earth. As managers, our sole mission is to use His resources to bring Him glory. At the end of our life, we make our final management decisions by directing where those assets go next in order to bring God the most glory in the future.

2. Everything was given to us by God. Deuteronomy 8:17-18 – "Beware lest you say in your heart, 'My power and the might of my hand have gotten me this wealth.' You shall remember the Lord your God, for it is he who gives you power to get wealth." It's common for people to say "I've worked hard my whole life to make this money and I'm going to do what I want with it." Well, you may have worked hard, but even your wisdom and abilities weren't your own. They were gifts from God, along with your wealth. Pride has no place in your estate decisions.

3. An inheritance isn't always a blessing. Proverbs 20:21 – "An inheritance obtained too early in life is not a blessing in the end." (NLT) We all know stories of people who have been ruined by wealth. The younger the recipient, the greater the danger.

4. The Bible does not instruct us to leave all our wealth to our children. In support of leaving great wealth to their children, people often cite Proverbs 13:22, which says "A good man leaves an inheritance to his children's children, but the sinner's wealth is laid up for the righteous." The problem is in thinking that the inheritance of the Old Testament was the same as it is today. Back then, fathers passed the family land down to the next generation, who needed it to provide for their family. The inheritance was essentially passing along the opportunity to work

for your provision. However, the modern-day inheritance is more like winning the lottery. Most heirs today are older and independent of the wealth of their parents and an inheritance is nothing more than additional wealth added to their own stockpile.

5. People are more important than money. Hopefully you agree that your family's relationships are more important than wealth, but unfortunately, many families have been destroyed by an inheritance. When thinking through our estate plan, let's not just focus on money, but also on people.

Stewardship

As stewards of God's resources, we realize that we can't take anything with us and our opportunity to send wealth ahead into eternity stops the moment we die. In the end, our two choices are to either pass things on to another person to manage or place them into Kingdom work directly.

The first option is to look for another manager that can take over where we left off and continue to use these resources to glorify God. Solomon contemplated the ramifications of this idea in Ecclesiastes 2:18-19 when he said "I hated all my toil in which I toil under the sun, seeing that I must leave it to the man who will come after me, and who knows whether he will be wise or a fool? Yet he will be master of all for which I toiled and used my wisdom under the sun." We can try to use good judgment in choosing who takes over for us, but as Solomon said, who knows how wisely they will ultimately manage it in the end.

If our children are believers and have shown they are responsible in the way they handle their finances, they may be good candidates to receive some or all of our wealth. However, if a child is not a believer and is living a sinful lifestyle, we need to ask if it is wise to leave wealth to that child. Giving money to an irresponsible child or one struggling with a sinful lifestyle will only magnify their problems. In many cases, it will either enable them to be even more foolish with their money or lead them down a road of destructive sinful indulgence and possibly addiction. While I know we all want to treat our kids the same, it would be hard to justify how such a decision glorifies God. Sometimes, leaving less to such a person is a greater act of love. We always need to remember that the size of the gift is not reflective of our love for the individual and if our child is angry at the inheritance they receive, they likely were not mature enough to handle it anyway.

The other option we have is to place the money directly into Kingdom work. If God will be glorified more by supporting ministries than by passing it on to individuals, that should be our decision. The temptation to leave everything to our kids is so strong that I often see people establishing charitable structures that receive their estates so their kids can "benefit" from the process of giving their assets to charity. However, in thinking about the effectiveness of such strategies, I'm quickly reminded of the story from 2 Samuel 24 when Araunah offered David oxen to sacrifice to the Lord and his response was, "I will not offer burnt offerings to the Lord my God that cost me nothing." David understood that offering someone else's property had little value because there was no cost to him. In the same way, if you're looking to teach your children how to give, do so during life and then show them how it's done at death by doing it yourself. There is no sacrifice in directing how other people's assets are given.

I should note that if you're going to give to ministry from your estate, it's a good idea to let your children know of your intentions. This gives you a chance to teach them by example and also make sure they won't be hurt or surprised by finding out after you're gone.

People

Part of seeking God's glory involves considering the effects an inheritance will have on those who receive it. An inheritance left to an individual is an investment in that person and as with any investment, we want to get a positive return. We should all agree in theory that a gift that damages the recipient is a gift that is better not given. However, when it comes to inheritances, it's not uncommon for people to still make gifts knowing that it could be destructive. It all goes back to that obligation we feel to make things equal. However, it's important to understand that the same is not equal when it comes to inheritances. Consider the different results that would come from leaving a huge windfall to both a wise and responsible child and to one that is rebellious and has no ability to manage money. To one it will probably be a blessing and to the other, a curse. Note: An attorney may be able to help you set up structures that attempt to protect individuals from their own poor decisions in certain cases, so it is wise to seek legal counsel on these issues.

You know your children as well as anyone and you should plan your estate accordingly. In an effort to invest in the person and the relationships that exist, consider the following family and sibling issues:

Families

- We shouldn't steal the need to work from the next generation. Even wealthy non-Christians understand this concept, which is why many mega-wealthy people are choosing to not leave their large estates to their children. There's an old adage, "shirt sleeves to shirt sleeves in three generations." This saying refers to the common circle of wealth in that the first generation earns the money, the second sees the first earn it and learns the values of hard work despite experiencing wealth and the third generation knows only the life of luxury and eventually loses it.
- Husbands are wired by God to take on the responsibility of providing for their families. That drive can be reduced when money is handed to them by family instead of earned through work. Husbands and wives should make decisions together that build a household able to care for itself. When Mom and Dad become the provider, marital unity will suffer.
- Difficult times build character and if we're always shielding our children from struggles, they may never learn those lessons or get to celebrate their victories.
- Wealth can threaten our dependence on God. We need to trust in the Lord, not our bank account.
- An inheritance received early in life or even the anticipation of a future inheritance can prevent responsible decisions such as getting an education, building a career, or saving for the future.

Siblings

- While you probably hope your children will get along with each other, don't force them to do it when money is on the table. It's better for you to divide the assets among them and let any anger be directed at you since you'll be gone.
- If you wouldn't start a business with all your kids as partners today, don't make them partners in your estate. I've seen estates passed down to the next generation where assets remained combined and the children had to make the decisions together. This ultimately leads to inefficiency and frustration among the siblings. In some cases, estates pass on for multiple generations and end up with hundreds of heirs in business together that don't even know each other. Often, the beneficiaries get little benefit from their inheritance in these situations. If you want to see an example, watch the George Clooney movie, "The Descendants". This is not a Christian film and not for everyone, but I do enjoy the estate planning aspects shown in the film.
- If there is a family business or farm to pass on, the need for planning is great and the sooner you do it, the better your chance of a successful transfer. This is especially true if some of your children want to continue in the business and others don't.

Alternatives

When deciding how to most effectively bless your children financially, you can consider making gifts during your life. This not only allows you the pleasure of helping them get off to a good start in life, but you also get to see if they use it wisely. You may even have the opportunity to provide advice if they ask for it. Besides, most people would be more blessed by a smaller amount early in life when things are tight, than they would with a windfall later.

From a financial standpoint, the best gifts we can give our children are wisdom in managing money, a good education, a solid work ethic, and the ability to provide for their own families. If we can provide these things, any inheritance we leave them will be well managed, but they likely won't need it anyway.

Eternal Inheritance

In reality, the best inheritance we can offer our children isn't money. We need to invest time in our children to grow them into godly men and women. We can't pass on our salvation to them, but we can model the Christian life, share the Gospel with them and plant the seeds of faith. Through Christ, all Christians have already secured the perfect inheritance. Romans 8:16-17 spells it out well for us – "The Spirit himself bears witness with our spirit that we are children of God, and if children, then heirs—heirs of God and fellow heirs with Christ, provided we suffer with him in order that we may also be glorified with him." If our children become heirs with Christ and receive that eternal inheritance, there will be nothing greater we can leave them anyway. As Charles Spurgeon once said, "Heaven is the undefiled inheritance; it is the land of perfect holiness, and therefore of complete security."

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