

# Offerings



A Lutheran Planned Giving Newsletter

Spring 2001

## Endowed Gifts

**endowment:** *n. The portion of an institution's income (usually in the form of dividends) from invested funds that is derived from donations.*

Some people are reluctant to leave a large sum to their church out of a fear that the congregation will not be able to manage it responsibly. They worry that it will be spent frivolously and, far too soon, nothing will remain of the donation.

The solution to this problem is the endowed gift. A donor can direct that the beneficiary invest the gift and only spend the investment income. In some cases, the donor's wishes specify that spending never encroach upon the principal, creating a fund that will last indefinitely. This is like providing a goose that lays golden eggs in perpetuity!

On the other hand, endowment funds can cause problems if they are not established with care and administered prudently. Large sums of money in an endowment fund can cause the mistaken impression that the church no longer depends on the regular offerings of its members. We believe that endowment funds are best understood as an engine for growth in mission, a way of

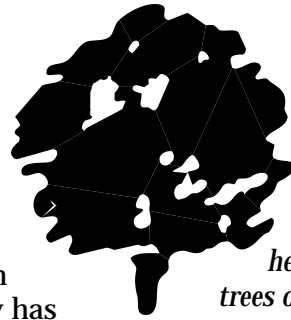
underwriting ministries that cannot be supported by regular budgets.

A person who makes an endowed gift obviously has a vision of the beneficiary's long-term future. This is illustrated in the following story, which is reprinted by permission from the Spring 1997 edition of *CI Connections*, the newsletter of CI Mutual Funds.

*In 1379, St. Mary's College of Winchester was established in Oxford, England by William Wykeham, Chancellor of England and Bishop of Winchester. It was re-named New College to distinguish it from an earlier St. Mary's College (now Oriel).*


*In more recent times, an entomologist at New College discovered beetles infesting the oak beams supporting the roof of the Great Hall. It was fairly urgent that these be replaced before the roof collapsed—but anyone who has looked at the price of oak lately can tell you that this was not something the college budget was prepared for.*

*Since oak from a commercial supplier was out of the question, someone suggested that the college Forester be consulted. His job was to administer the various scattered*



*tracts of land that had been deeded to the college over the years, and the trustees hoped he might know of accessible trees on college land.*

*It turned out that there was indeed a suitable stand of mighty oaks. They had been planted shortly after the college was founded, and down the centuries each Forester had told his successor, "You don't cut these oaks; they are for when the beetles get into the beams of the Great Hall."*

Most of us don't have to worry about beetles, but there are equally daunting challenges facing our church. An endowment is one way we can put resources into the hands of future generations so they can meet those challenges, whatever they may be. 

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# Stewardship and Discipleship

## Part II Implications For Renewed Christian Living

Having briefly reviewed what the Bible says about discipleship (see *Offerings* Winter 2000/2001), we now need to ask: “How does this relate to our Christian living?”

### Not an Option

In this age where strong emphasis is placed on personal choice, often people assume that discipleship is something we choose to do, or not to do. Not so!

The fact is, God has given us responsibility for creation already. To acknowledge and confess that God is creator of all creation is to be placed in a position of discipleship, *whether we like it or not*. Each one of us is a disciple and is already exercising discipleship. It is the mode of our existence, the style of how we live and work, the way we enact our faith.

Thus, the real question is not *should* we care for and relate to those in need. But rather, *how well* are we doing it?

Misuse of God’s resources, gifts, blessings — or the refusal to use them fully for the well-being and need of all creation — is embezzlement, that is cheating God. If we do that, we are putting ourselves and our personal concerns above God’s concerns. Discipleship is not an option, it’s a matter of priorities: God’s or mine.

### God’s Dream

Discipleship is not *only* a matter of how we use God’s possessions, it is also a matter of taking God’s mission seriously.

God holds a dream for what creation can become, and it is this dream that gives us as Christians our greatness.

Christians see their life not only as a creation of God but also a new creation in Jesus Christ.

God’s kind of discipleship sees the wonder of God’s work and love transforming the world, and seeks to join that creative work.



Dr. Richard C.  
Crossman

### Active Engagement

For each of us, I believe, this is also a call to “perceptive action”. Discipleship is not a passive thing, a spectator sport for couch potatoes. Rather, it is a call to:

- Listen to the needs of those around us (particularly the marginalized).
- Give as we are able — with our whole heart.
- Forgive so as to enable God’s dream for creation’s future to be better manifested through us.

festated through us.

To reach out is to also take risks even if it involves the risk of failure. You see, God’s kind of discipleship is not a conservative, no-risk approach to life. Rather, it is a movement from simply being a disciple of life to being a disciple *for* life. (See the Parable of the Talents in Matthew, where caring means more than playing it safe.)

### Spiritual Formation

If we are to live a God-shaped life, which seeks to be part of God’s dream for our future, then we must be re-newed, and re-formed, and re-empowered each day by:

God’s word

worship and the sacraments  
a clear sense of God’s presence in our whole life.

We must be converted and transformed by God’s Spirit into “little Christs”. We must open ourselves to God’s emerging Spirit that unites us in a faith community, and strengthens us for life as disciple partners with Christ in the mission of God.

*This is the final excerpt from a presentation by Dr. Richard C. Crossman to a series of stewardship dinners held in the Eastern Synod throughout 2000. Dr. Crossman is Principal- Dean of Waterloo Lutheran Seminary.*

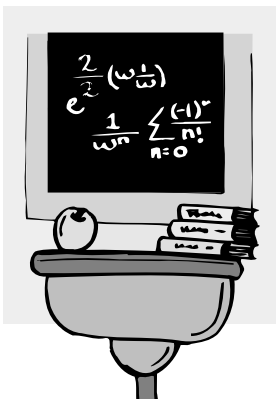
# Planned Giving New Math

## 100 minus 10 equals 94?

*That's the correct answer with planned giving new math.*

Imagine that you decide to leave 10% of the residue of your estate to your church and everything else to your two children. 100% minus 10% should leave 90% to be divided by your children, right? Wrong. It actually leaves them 94-95%. The missing factor in the equation is the charitable donation credit that your executor will claim on your final income tax return.

Suppose the residue of your estate (after obligations are discharged) has a value of \$100,000. Ten percent to your church will be worth \$10,000,



leaving \$90,000 for the kids. Since all charitable donations after the first \$200 can be claimed for a credit of 40-50% (depending on your level of income and province of residence) of the value of the donation, the credit is worth at least \$4,000. That offsets the amount of income tax otherwise payable on income in the year of your death or the prior year, which puts \$4,000 back into the estate for the other beneficiaries. Add that to the other \$90,000 and that's \$94,000, or 94% of the residue.

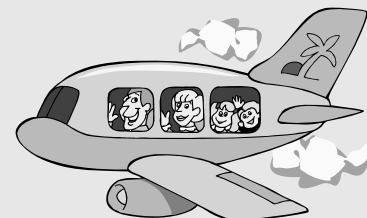
Planned giving new math means that your heirs get more than you thought. And that means that you can afford to give to your church without disadvantaging your heirs. To learn more about how new math affects your estate planning, call Lutheran Planned Giving today at 1-888-308-9461.

## The Lighter Side

A man in his 60s, living in Ontario, calls his son in Calgary on a Thursday night.

The father says to the son, "I hate to tell you, but we've got some troubles here in the house. Your mother and I can't stand each other anymore, and we're getting a divorce. I've had it! I want to live out the rest of my years in peace. I'm telling you now, so you and your sisters shouldn't go into shock later when I move out."

He hangs up, and the son immediately calls his sisters in Saskatoon and Halifax and tells them the news.



One of the sisters says, "I'll handle this." She calls Ontario and says to her father, "Don't do ANYTHING until we all get there! We'll be there Saturday night."

The father agrees, "All right." He hangs up the phone and hollers to his wife, "Okay, they're coming for Easter. Now, what are we going to tell them for Christmas?"

**Offerings** is a publication of Lutheran Planned Giving, a ministry of the Evangelical Lutheran Church in Canada. Lutheran Planned Giving does not provide or purport to provide legal or tax counsel. We urge our readers to consult with and rely upon the opinion of qualified legal, tax and financial advisors before implementing any of the ideas described in this publication.

Lutheran Planned Giving  
Jeff Pym, Director  
385 Torrance Street  
Burlington, ON L7R 2R7  
1-888-308-9461  
lpg@worldchat.com

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# Dollars or Donuts?



The structure of a typical will distributes the deceased person's possessions in the following order:

- a) **debts** (funeral expenses, taxes and other obligations);
- b) **specific bequests** (of either property or cash);
- c) **residual bequests** (whatever remains, the residue).

The question facing a person who wants to remember the church in their will is: should I leave property, a specific amount of money, or a share of the residue?

Property can take a variety of forms. It can be real estate (family home, farm, vacation property, investment property or vacant land) or such things as objects of art, collections, automobiles, etc. Anyone donating property should realize that the church or other Lutheran institution may not be able to use the property as is and may decide to sell it in order to get cash. If the thought of your stamp collection ending up in the hands of strangers makes you uncomfortable, perhaps you should donate something else to the church and leave your collection to someone who will cherish it.


Specific bequests of money are *always* useful to church beneficiaries. Naming an amount of money as the gift is simple and straightforward. It may be easier for the executor to distribute cash than to complete other forms of bequests. That means that the church may get its money sooner.

But some people are troubled by doubts and questions when they consider leaving a specific amount to the church in their will:

- Will I need that money for nursing home expenses in my final years?
- Will there be sufficient left for my children (or other heirs)?
- What happens if there isn't enough money in my estate to cover the bequest to my church?
- Will inflation have eroded the gift to the point where I'll look like a cheapskate?

Perhaps these people should switch their thinking from dollars to donuts. [Doesn't the percent symbol (%) remind you of donuts?] A gift of a percentage of the residue of the estate has a number of advantages worth considering:

- It removes the problem of uncertainty. Most of us have no idea how many years we have left on this earth, so it's impossible to calculate the ultimate value of our estate. Donating a percentage of the residue makes this irrelevant.
- It avoids the problem of inflation. Inflation has the same effect on the entire estate as it has on the charitable bequest, so your gift grows or shrinks at the same rate as the total.
- It removes the need for frequent trips to the lawyer to make changes to the size of the gift.
- It's biblical. Proportionate giving goes back to the time of the Old Testament, where the tithe (10%) was prescribed as the model for people of faith.

As you consult with your lawyer or financial advisor about how to make your planned gift to the church, keep in mind the benefits of a residual bequest expressed as a percentage of the total. I'll bet you dollars to donuts you'll be pleased with the outcome. 

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## Let Us Know

### If you:

- have a comment, question or quibble;
- need more information;
- want to share a story or tell us about your gift

### You can reach us at:

**Lutheran Planned Giving**  
**1-888-308-9461**  
**[lpg@worldchat.com](mailto:lpg@worldchat.com)**

*If you received more than one copy of this newsletter, please pass a copy on to someone who might appreciate the opportunity to learn more about planned giving.*