



Splitting Heirs

This year, the Foundation Board has decided to include reinventing our planned giving program as one of its top priorities. The following article puts this initiative into perspective. It is adapted from a speech given a few years ago at the annual Generous Giving Conference by financial counselor Ron Blue, founder of Ronald Blue & Co., a national financial, estate and investment counseling firm headquartered in Atlanta, Georgia.

We are living in the most affluent time that the world has ever seen. God has blessed America in a way that the world has never seen before. It is estimated that we have 40% of the world's wealth with 2.3% of the world's population. Forty percent of the wealth in America is held by 1% of the population. We have been led to believe that if we can accumulate enough, our lives will become simple, but the paradox of prosperity is that the more we have, the more options we have—and life becomes far more complex than we had ever imagined.

And it doesn't get any easier when we get older. The problems just get bigger while our influence to solve these problems, especially those affecting our children and grandchildren, becomes less. When does it end? It doesn't end. In light of this, we must accept the challenge

to understand God's principle of money: how God views money and how God views our use of money. How do we make it work?

When we talk about giving, we are really talking about wealth transfer, which is a much bigger issue than just estate planning, and begins now rather than waiting until death. A friend of mine asked me whether I had ever seen wealth transferred successfully to the third or the fourth generation. I couldn't remember any such successful transfer. Let me tell you what the problem is. The wealth that is transferred to the second generation typically doesn't cause a problem because by the time they get it, they are 40, 50 or 60 years old. They have already established their lives, and you have raised them. They have also seen the wealth created. The third generation has not seen it created, and they don't have any real perspective or concept of where it came from. The fourth generation absolutely has no idea where the wealth came from. It's a problem transferring wealth successfully to generations that I will never know.

Think Like a Steward, Not Like an Owner

Biblical stewardship is the accomplishment of God-given

objectives using God-given resources. Financial freedom means to understand that God owns it all. If God gave it to me and God has given me direction as to how to use it, stewardship is using wealth for God's purposes, plans and objectives. Think about what it means to see yourself as a steward as opposed to an owner. Your mindset becomes radically different when we think of ourselves as stewards. If we think of ourselves as managers, not owners, money then becomes three things: a tool that God uses in our lives and that we can use in other people's lives, a test and a testimony to the world.

What God gives us is ours to steward and to use for God's plans and purposes. We are called to let our good works shine before humanity. How I use money is a tremendous testimony to the world because the culture tells us one thing while God's word tells us another.

If we think of money as a tool, we will think of it differently. For instance, I once visited a married couple. The husband had just sold his business, and they were telling me about their lifestyle. They had old bedroom furniture and the wife had been wanting for years to redo

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FBH Caring Ministries Foundation

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Letter from the Chair

We all have treasure. We may know it as a house, car, or retirement savings. I encourage you to reflect on your faith, values and commitments for the future by putting your treasure where you want your heart to be—in support of the ongoing mission of Fairport Baptist Homes Caring Ministries.

The gift of your treasure can be in the form of a “planned gift.” The term “planned gift” usually refers to a contribution that you plan to give at a later date from your estate, one that may be distributed after your lifetime. However, some planned gifts may actually increase the amount of treasure available to you during your lifetime. These planned gifts can include bequests in a will, gift annuities (that give you income while you live), stocks, living trusts, charitable remainder trusts, charitable lead trusts, life insurance, real estate, retirement accounts or certificates of deposit. These gifts may sound complicated, but the intent behind them is simple: to extend your treasure into a living legacy, one that benefits a ministry you care about, for long into the future. Financial planners, attorneys, or development personnel such as the Foundation’s Ellen Bevan, can talk with you to simplify your donation of a planned gift.

Your planned gift ensures that FBHCM continues into the future. At the Foundation, all planned gifts support the Permanent Endowment, which operates like a



savings account for Fairport Baptist Homes. The income generated by the endowment enables special enhancements and improvements to be made to FBH for improvements or programs that are not covered in the annual operating budget.

The cost for FBH’s outstanding level of care continues to increase at a time when federal and state revenues continue to decline. Demand for our services increase as seniors attempt to age successfully in their own homes, in part by taking advantage of programs provided by FBH’s SOFI services.

By promising donations in the form of planned gifts, you can help FBH bridge the gap between current funding and actual cost of service both today, tomorrow, and into the future.

A handwritten signature in cursive script that reads "Dick".

Richard Wien, Chair
FBH Caring Ministries Foundation

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Rev. Garth E. Brokaw
President, Fairport
Baptist Homes

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Advancement

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their bedroom and buy new furniture. The husband, being a good steward, felt this was a waste of money. After a while, I asked the husband, "Would you spend \$1,000 on your wife's peace of mind?" He answered, "Well, sure." I told him to buy the new furniture because money is nothing more than a tool. It is not to be hoarded; it is to be used to accomplish various goals and objectives. Money is never an end in itself. It is always a tool to be used. Once we die, we no longer have the opportunity to use it again.

The decision-making process for transferring wealth to the next generation, then, begins with the process of trying to answer the questions, "How much is enough?" and "Why am I doing what I am doing?" Note the word "process" in making these decisions. Because it is process, you don't do step 2 until you have done step 1 or step 3 until you have done step 2. You have to stay in process to end up with the right decisions.

Decision 1: Transfer

The first decision you need to make in the wealth-transfer process is transfer. Where are you going to leave your money? The biblical life overview says that wisdom, like an inheritance, is a good thing and benefits those who see the sun. Wisdom is a shelter as money is a shelter, but the advantage of knowledge is that wisdom preserves the life of its possessor while money can and does destroy the life of the possessor. Wisdom gives life, and money does not. So, how much do we leave? We will leave it all. You have never seen a hearse pulling a U-haul.

The decision of transferring wealth offers three choices: (1) You can give it to your heirs, (2) you can give it to charity or (3) you can give it to taxes and expenses. That is it. If you decide to leave to your heirs, you need to leave a dollar for the government for every dollar that you leave to heirs under today's estate tax laws, though planning may help you get around some of these fees. If you

leave 100 percent of it to charity, you have no tax on that. With the repeal of the estate tax, you will no longer get a tax benefit at death but while you are living, against your ordinary income.

In the decision to transfer wealth, there are three principles.

The first, the treasure principle, which is taught by Randy Alcorn, is that you can't take it with you, but you can send it on ahead.

The second principle is the unity principle: Regarding estate planning, if you and your wife (or other family members important to you) need to agree. Giving is a shared decision. The truth is, 80 percent of women will experience widowhood, and the average widow's age is 55. The fact of the matter is that most women will end up managing most of the wealth that has been created. It is estimated that between \$41 trillion and \$136 trillion will change hands over the next 50 years, an average of \$1 trillion to \$3 trillion per year. In 80 percent of the cases, the wife is going to be the major decision maker on that wealth transfer.

Finally, the wisdom principle teaches this: Never transfer wealth without transferring wisdom first. Wealth never generates wisdom, but wisdom may generate wealth. Without this, you are guaranteed to destroy the person to whom you are transferring the wealth. Ask yourself "What kind of wisdom do my children demonstrate today?" Three questions will help you think through this: (1) "What is the worst or the best thing that can happen if I transfer this wealth to such-and-such?" (2) "How serious is that?" (3) "How likely is that to occur?" Do this for each child and keep in mind that answers may change over time. I am not saying that you shouldn't give to your children, but you need to think about how to give and why you are giving.

Decision 2: Treatment

The second decision to make in the

wealth-transfer process is treatment. You love your children equally, and as such, you treat them uniquely. Thus, when you think about transferring, you might start with asking, "What is the worst thing that can happen if we leave such-and-such?" Then ask if that same answer applies to each of your children. You might have sons, daughters, grandchildren, sons-in-law and daughters-in-law. You need to treat your children uniquely with unique circumstances.

We have one daughter who has gone through a divorce. Her situation is absolutely different from her two sisters who are married, one to a banker and one to a vice-president of marketing. We treat them uniquely.

Decision 3: Timing

The third decision to make in the wealth-transfer process is timing. You need to decide to transfer your assets to maximize their use by you, by your heirs and by kingdom servants. Whether you do it on a current basis or on a deferred basis, you need to ask "What is the best use of the money right now?" If you are going to transfer significant wealth at a later point to heirs, I suggest you begin that process right now rather than waiting, which will enable more current giving. Do your giving while you're living so you know where it's going. Give now so that you can see how your children or your heirs handle it.

Never use money to manipulate behavior. When you give money, it is a gift, given unconditionally. As we help our children, whether to buy a car or with a down payment or a mortgage payment, we may think we should have some control. Then we have to step back and remind ourselves that it was a gift, and it is theirs to use however they want.

We don't ever want to get in God's way of dealing with our families with respect to handling money. God may take them through financial adversity, not so that we can bail them out, but because God wants to teach them something. Don't try

to take the place of God in people's lives.

Also, don't be manipulated by your children relative to their own demands and expectations. You can never avoid your stewardship responsibility. It is a responsibility that God gave to you and to you alone. God didn't give it to them. God gave it to you. You are the one who is accountable for how you use the resources that God has entrusted to you. Be careful that you don't create an expectation with your children that you can't meet.

Decision 4: Title

The fourth decision you need to make in the wealth-transfer process is title. What am I going to transfer, and when am I going to transfer it? If it is an amount of money that I give or if it is a business, whenever I transfer that title, it is done. It is irrevocable. When you have transferred title, stop thinking of it as your money.

Decision 5: Tools and Techniques

The fifth decision in the wealth-transfer process is tools and techniques, usually driven by attorneys or financial planners.

Techniques may help you to accomplish your objective, but they themselves are not the objective. Tax reduction is not the objective. If you want to reduce your taxes, you can give it all away.

Never use a trust because of a lack of trust. If you are setting up a trust because you don't trust the person's decision-making ability, why are you even leaving money to the discretion of somebody you don't trust?

Decision 6: Talk

Last, there is the talk decision, the one that rarely happens. Talking about your decisions helps your children generate the right expectation about them.

A family conference is important, and it is a good idea if you can be there since it will take place in the attorney's office at some point, whether or not you're still alive. You may need a facilitator to help you process the planning and the thinking.

Using God's Wealth to Accomplish God's Purposes

Your thinking may change over

time, but continue to consider the perspective of eternal returns. You can't control wealth beyond the grave. When you give it away, you begin God's work of compounding—making an investment and letting God work it all out.

Remember that you are using God's resources when you transfer wealth to the next generation. If the resources are going to be dissipated, you may want to think about to whom you are going to leave them. Am I saying not to give anything to your heirs? Absolutely not, if that is what God is calling you to do. Just remember that stewardship is using God's resources to accomplish God's objectives. Just get your direction from God, to experience the magic of what God wants to do in all of eternity.

Don't presume that not leaving money to your children is the right answer, for it is not. Your wealth is God's resource used to accomplish God's purposes. When you go through this process, begin to ask yourself these questions. And don't fail to make these important decisions.

That is my counsel to you.



FBH Benefactor Klaus Gueldenpfennig stands with therapists Sarah Peryea and Jennifer Profetta, in front of the Universal Weight Machine he and his wife, Brigitte, generously donated to FBH's Rowley Therapy Suite. Klaus has had rehabilitative therapy for both of his knee replacements at FBH's Transitional Care Center.

Foundation Advisory Council Meets

In May, the Foundation's Advisory Council met at the home of Paul Vick for a panel discussion on "The Future of Aging in Our Community." Led by moderator Ellen Lewis, panelists included Rev. Garth Brokaw, President/CEO of Fairport Baptist Homes Caring Ministries; Roger Brandt, founder and president of Rochester's Cornerstone Group; Sharon Riesenberger, Council Chair, Account Manager with MVP; Mark Maxim, President of Home Care of Rochester/HCR; and the Honorable Jim Smith, Town Supervisor of the Town of Perinton.

The stimulating and wide-ranging discussion included such issues as trends in long term care, including the implications for skilled nursing and assisted living communities in our area and how care delivery is projected to change in the next few years; trends in local government designed to accommodate the anticipated needs of the community's senior citizens; trends in housing options for seniors, including community accommodations to assist aging in place; changes in the home care service industry as well as challenges

facing providers of these services; and concerns facing family members in determining the best care plans for a loved one, as well as how the community can help in making these transitions.

Panelists offered to participate in future events to share their thoughts with the public. Contact Ellen Bevan (ebevan@fbhcm.org) or (585) 388-2324 for more information.

FBH Foundation Board Member Honored with Philanthropy Award

The Foundation Board is proud to announce that TC Lewis, a board member of long standing not only with the Foundation, but also with Caring Ministries and with Seasons Child Care, has been honored by the Rochester Community Foundation. At its 2010 Philanthropy Awards and Annual Report to the Community Luncheon on September 22, 2010, he received the Joe U. Posner Founders Award, named after the Community Foundation's founding chair.

Like Joe U, as Posner was affectionately called, TC exemplifies tireless support for community-based philanthropy, not only giving but also volunteering and relentlessly engaging others in the excitement and satisfaction of charitable work.

Lewis was recognized for his many gifts to the Community Foundation, both in funds and volunteering. He is a former Community Foundation board member and one of its early volunteer treasurers in the 1970s. He was responsible for convincing the head of a private family foundation to transfer to the Community Foundation and make grants that impact greater Rochester. He also encouraged the Perinton Historical Society to establish an organizational fund with the Foundation.

TC Lewis has lived in Perinton with his wife Pamela for over 40 years. He is a longtime member of the Perinton Town Planning Board and the Bushnell's Basin Fire Department.

A banker, Lewis was Perinton's Citizen of the Year in 1992. He was an umpire for Fairport Baseball, from 1975 until 1995 and also has served on the board of the Perinton Historical Society, Lollypop Farm, Strong Children's Medical Center and Dollars for Scholars. Lewis serves on the boards of Hillside Family of Agencies, Fairport Baptist Homes and the Perinton Advisory Board for Canandaigua National Bank and Trust.

His other community efforts include fundraising for the George Eastman House, Boy Scouts of America, Rochester Museum & Science Center and the Memorial Art Gallery.

Rev. Garth Brokaw characterizes TC

as "the voice of reason, [one who] listens carefully and helps construct positive pathways to good solutions and directions. He is never afraid to raise an alternative perspective which often brings broader focus to discussions. He takes Board membership very seriously bringing life experience, professional knowledge in his field, and passion for the care of elders. He is always willing to speak his mind and his heart."

Over the past decade, TC's leadership in financial management and his dedication to ensuring that the Homes' ministry is sustained on a firm financial footing have been exemplary. He has taken on this difficult, sometime painful role, with quiet determination and evident expertise that have served us well in challenging times.

TC has served "above and beyond" to advance our work in the community. We are honored and fortunate to be able to count him among our most valued and valuable Trustees.



FBH CARING MINISTRIES FOUNDATION

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The FBHCM Foundation has given the following allocations since 2007:

FBH Caring Ministries	\$20,300
FBH Community Ministries	\$76,700
Seasons ChildCare	\$24,700
ACF/RHCF (Nursing Home)	\$41,600
ACF/RHCF (LifeTimes Adult Day Health Care)	\$9,500
FBH Assisted Living Community	\$335,000
TOTAL ALLOCATIONS	\$507,800

Your gift to the Annual Fund makes these allocations possible.

This total includes the Foundation's 2010 Allocations: \$22,000 to SOFI for the pilot project "Fix It Bits & Pieces", \$3,000 to SOFI for the NNORC match, and \$25,000 to the nursing home for renovations to the Transitional Care Center.

Enclosed is our/my check for \$_____ (Please make checks payable to FBHCM Foundation)

Please charge this gift to our/my: _____ Visa _____ MasterCard

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