Stewardship Planning Guide

Budget

"If you will live like no one else, later you can live like no one else," Dave Ramsey.

The one of the most essential lessons of life is financial responsibility. It is absolutely necessary to live within ones means and plan for now and the future. Building wealth is about stewardship, not ownership, Psalm: 24:1 (KJV).

Finance and strategic planning were a part of my 40-year business career. In this chapter, I've referred to the writings of both Dave Ramsey and Larry Burke (deceased) for illustrative information. Each man is a Christian and a professional authority on the subject, as well as responsive to one of the nation's most pressing needs: government and individual fiscal responsibility.

God provides a quite clear formula in the Bible for financial peace. The Bible mentions money over 800 times. Very simply wealth building is a Holy activity according to Proverbs 10:4 (NIV). Many believe that everyone's wealth should be equal, but the Bible says otherwise in Matthew 26:6 (NIV).

Over three-quarters of Americans are bankrupted, broke & busted by credit cards. Education for lifetime budgeting and second half of

life plans need to become a religious and government priority.

A budget is a key document to financial health. Few people have a budget. Budgets are not popular because they require discipline, focusing on the necessities, rather than wants and wishes, of life.

Nowhere in the Bible does it say being poor is good or growing wealth is wrong. The Bible is clear. All good things are of God. During our life-time, we are His stewards as to all His gifts. We are merely stewards of what God has entrusted to us. As caretakers, it is important that we use His assets to their fullest potential during our lifetime for our personal, family, business, and charitable interests.

In this section of the chapter, we'll provide the how-to of building a budget. An essential element of building a budget is for each spouse to be a critical member of the team.

There are certain priorities or goals to budgeting. In Dave Ramsey's Financial Peace University (FPU), Dave calls them "Tips for Financial Peace:

Pay cash!

$1,000 in an emergency fund

Payoff all debt with debt snowball

3-6 months of expenses in savings

Invest 15% of income for protirement

College funding

Pay off your house early

Build wealth and give!

An annual budget is a vital management tool to control spending to predetermined necessities.

Creating a budget generally requires:

Identification of Current Expenditures

Fixed expenses follow:

Tithes

Federal Income Tax (ignore if taxes deducted)

State Income Tax (ignore if taxes deducted)

Federal Social Security (if deducted, ignore)

Medicare (if deducted, ignore)

Obama-Care (if deducted, ignore)

Housing (mortgage payment or rent)

Utilities (electric, gas, water, et al)

Automobile(s) (payments, gas, et al)

Now list the variable expenses, items that vary from month to month but that you still have to pay out each month:

Savings/Investment

Outstanding Debts (if applicable)

Food

Utilities

Insurance (life, health, auto)

Entertainment, Recreation

Clothing

Medical/Dental

Miscellaneous

In order to accurately determine variable expenses, it is suggested that both husband and wife keep an expense diary for 30 days. Each purchase, even small, should be listed.

Evaluate spending by historical guidelines:

Charitable Giving	10-15%
Saving / Investing	5-15%
Housing	25-35%
Utilities	5-10%

Food	5-10%
Transportation	10-15%
Clothing	2-7%
Medical/Health	5-10%
Personal	5-10%
Recreation	5-10%

Source: Dave Ramsey's FPU

Track your spending to make sure it stays within The above guidelines.

Use standard paper forms or available budgeting software. Don't drive yourself nuts.

One drawback of monitoring your spending by computer is that it encourages overzealous attention to detail. Once you determine which categories of spending can and should be cut (or expanded), concentrate on those categories and worry less about other aspects of your spending.

Watch out for cash leakage. If withdrawals from the ATM machine evaporate from your pocket without apparent explanation, it's time to keep better records. In general, if you find yourself returning to the ATM more than once a week or so, you need to examine where that cash is going.

Spending beyond your limits is dangerous. Figures show that many households with a total income of $50,000 or less are spending more than they bring in. This doesn't make you an automatic candidate for bankruptcy - but it's definitely a sign you need to make some serious spending cuts.

Beware of wants or wishes dressed up as necessities. If your income doesn't cover your costs, then some of your spending is probably for luxuries - even if you've been considering them to be filling a real need.

Your spendable budget is What's left after all government taxes. For example, the government takes the following:

Federal Income

State Income

Federal Social Security

Medicare

Federal Health Care

Next is to set aside 10-15% for charitable contributions and 5-10% for savings and investments.

When projecting the amount of money you can live on, don't include dollars that you can't be sure you'll receive, such as year-end bonuses, tax refunds or investment gains. Traditional income sources follow:

Salary

Interest

Dividends

Rents

Royalties

Other Income (garage sales, gifts)

Establish a budget based on the primary income producer. Apply the other spouse's income to one-time purchases only—vacations, furniture, cars—or to savings or debt reduction. Too many times, the income is interrupted by illness, health leave absence, or a change in employment location.

A caution on both spouses working. Be certain the income exceeds the expenses and stress of both partners working.

If total income exceeds total expenses, you only have to implement a method of budget control in your home. However, if expenses exceed income (or more stringent controls in spending are desired), additional steps are necessary. In that case, to reduce expenses, an analysis of each budget area is called for using the above spending guideline.

Beware of spending creep. As your annual income climbs from raises, promotions and smart investing, don't start spending for luxuries. It's better to use those income increases as an excuse to save more. “Budget busters” are the large potential problem areas that can ruin a budget. Failure to control even one of these problems can result in financial disaster in the home.

Major Budget Busters

DEBT: Credit cards, bank loans, and installment credit have made it possible for families to go deeply into debt. Hints for Debt Elimination:

Pray. Ask the Holy Spirit for help and guidance.

Allow no more debt. Destroy all credit cards.

Establish a payment schedule that includes all creditors.

List all assets to evaluate whether or not to sell for immediate debt reduction.

Contact all creditors, honestly relate your problems, and arrange an equitable solution for repayment.

Use a repayment plan, focusing on the higher interest rates first. The average family can be debt free in three years.

Buy on a cash basis, and sacrifice your wants and desires until you are current.

HOUSE: Typically, this is one of the largest home budget problems. Many families, motivated by peer pressure or some other pressure, buy homes they can’t afford. It is not necessary for everyone to own a home. The decision to buy or rent should be based on needs and financial ability, rather than on internal or external pressure. Tips on buying a house, interest, and real estate taxes down:

Don't buy if you can't stay put.

Start by shoring up your credit.

Aim for a home you can really afford.

The rule of thumb is that you can buy housing that runs about two-and-one-half times your annual salary. But you'll do better to use one of many calculators available online to get a better handle on how your income, debts, and expenses affect what you can afford.

Save until you can put down the usual 20 percent.

Buy in a district with good schools.

Get professional help.

Choose carefully between points and rate.

Before house hunting, get pre-approved.

Do your homework before bidding.

Hire a home inspector with guarantees.

Refinance your mortgage.

Appeal your home assessment.

AUTO: Many families will buy new cars they cannot afford and trade them long before their utility is depleted. Many factors enter here, such as ego, esteem, and maturity. Watch Dave Ramsey's video "Drive Free Cars for Life." On You Tube. The current economy makes the calculations inaccurate, but the concept still has potential.

CLOTHING: Many families in debt sacrifice this area in their budget because of excesses in other areas. And yet with prudent planning and buying, your family can be clothed neatly without great expense. This requires effort:

Saving enough money to buy without using credit.

Educating family members on care of clothing.

Applying discipline with children to enforce these habits.

Developing skills in making and mending clothing.

Learn to utilize resources rather than consume them. How many families have closets full of clothes they no longer wear because they are “out of style”?

Many families with large surplus incomes spend excessively in the area of clothes. Assess whether or not it really matters that you have all of the latest styles. Do your purchases reflect good utility rather than ego? Do you buy clothes to satisfy a need, or a desire? Hints for Clothing Savings:

Make as many of the clothes as time will allow, if possible.

Make a written list of clothing needs and purchase during “off” season, if possible.

Select outfits that can be mixed and used in multiple combinations.

Frequent the discount outlets that carry unmarked name-brand goods.

Shop at authentic factory outlet stores for close-out values of top quality.

Select clothing made of home-washable fabrics.

Use coin-operated dry cleaning machines instead of commercial cleaners.

Practice early repair for damaged clothing.

Learn to utilize all clothing fully (especially children’s wear).

RECREATION/ENTERTAINMENT/DINING: We are a recreation-oriented country. That is not necessarily bad if put in the proper perspective. But those who are in debt cannot use their creditor’s money to entertain themselves. Christians must resist this urge and control recreation and

entertainment expenses while in debt. What a terrible witness it is for a Christian who is already in financial bondage to indulge at the expense of others.

Hints for Recreation Savings:

Plan vacations during off seasons, if possible.

Consider a camping vacation to avoid motel and food expenses. (Christian friends can pool the expenses of camping items.)

Select vacation areas in your general locale.

To reduce expenses and increase fellowship, consider taking vacation trips with two or more families.

If flying, use the least expensive coach fare, i.e., late night or early morning.

Every believer, whether in debt or not, should seek to reduce entertainment/dining out expenses. This usually can be done without sacrificing quality family time.

WINDFALL: JUST FORGET IT!

Other regular spending areas follow:

FOOD: Many families buy too much food. Others buy too little. Typically, the average American family buys the wrong type of food. The reduction of a family's food bill requires quantity and quality planning.

Hints for Grocery Shopping Savings:

Always use a written list of needs.

Try to conserve gas by buying food for a longer time period and in larger quantities.

Avoid shopping when hungry (especially if you're a "sugarholic"). Use a calculator, if possible, to total purchases.

Reduce or eliminate paper products—paper plates, cups, napkins (use cloth napkins).

Evaluate where to purchase sundry items, such as shampoo, mouthwash.(these are normally somewhat cheaper at discount stores).

Avoid processed and sugar-coated cereals. (these are expensive, and most of them have little nutritional value).

Avoid prepared foods, such as frozen dinners, pot pies, cakes. (you are paying for expensive labor that you can provide).

Determine good meat cuts that are available from roasts or shoulders, and have the butcher cut these for you. (buying steaks by the package on sale is fairly inexpensive also).

Try store brand canned products. (these are normally cheaper and just as nutritious).

Avoid products in a seasonal price hike.

Substitute or eliminate.

Shop for advertised specials. (these are usually posted in the store window).

Avoid buying non-grocery items in a grocery supermarket except on sale. (these are normally high mark-up items).

When possible, purchase food in bulk quantities from large discount stores; the per-item cost is cheaper. Do not buy from convenience stores except in case of emergency.

Use manufacturer's coupons (cents-off on an item or items) only if you were going to buy the item anyway and it is cheaper than another brand would be without the coupon.

Walmart offers to match any price lower than theirs.

For baby foods, use normal foods processed in a blender.

Leave the children at home to avoid unnecessary pressure.

Check every item as it is being rung up at the store, and again when you get home.

INSURANCE: It is unfortunate to see so many families misled in this area. Few people understand insurance, either how much is needed or what kind is necessary.

Insurance should be used as a supplementary provision for the family, not for protection or profit. An insurance plan is not designed for saving money or for retirement.

In our society, insurance can be used as an inexpensive vehicle to provide future family income and thus release funds today for family use and the Lord's work.

MEDICAL/DENTAL: You must anticipate these expenses in your budget and set aside funds regularly. Failure to do so could wreck your plans and lead to indebtedness. Do not sacrifice family health due to lack of planning; but, at the same time, do not use doctors excessively. Proper prevention is much cheaper than correction.

You can avoid many dental bills by teaching children to eat the right foods and clean their teeth properly. Your dentist will supply all the information you need on this subject.

Many doctor bills can be avoided in the same way. Take proper care of your body through diet, rest, and exercise. Abuse your body, and you must ultimately pay through illnesses and malfunctions. This is not to say that all illnesses or problems are caused by neglect, but a great many are.

Do not be hesitant to question doctors and dentists in advance about costs. Also, educate yourself enough to discern when you are getting good value for your money. Most ethical professionals will not take offense at your

questions. If they do, that may be a hint to change services.

In the case of prescriptions, shop around. You will be amazed to discover the wide variance in prices from one store to the next. Ask about generic drugs. These are usually much less expensive and are just as effective.

The Obama-Care is new and yet to prove itself as promised by President Obama.

SCHOOL/CHILD CARE**:** An ever increasing segment of our population has expenses for private school and/or childcare. This category must reflect those expenses. All other categories must be reduced to provide these funds.

MISCELLANEOUS (variable expenses): These can include myriad items. Some of the expenses occur monthly, and others occur on an as-needed basis (such as appliances).

One of the most important factors in home expenses is you. If you can perform routine maintenance and repair, considerable expenses can be avoided. Many people rationalize not doing these things on the basis that time is too valuable. That is nonsense. If every hour of the day is tied up in the pursuit of money, as previously defined, then you're in bondage.

A part of care and maintenance around the home relates to family life, particularly the training of children. When they see Mom and Dad willing to do some physical labor to help around the home, they will learn good habits. But if you refuse to get involved, why should they? Where will they ever learn the skills of self-sufficiency?

Some men avoid working on home projects because they say they lack the necessary skills. Well, those skills are learned, not gifted. There are many good books that detail every area of home maintenance. As previously mentioned, at some

point in the future many of these skills will be necessities rather than choices.

VARIABLE INCOME PLANNING: Families with variable monthly incomes need budgets even more than families on fixed salaries. Many people with fluctuating incomes get trapped into debt because they borrow during lean months and spend what they make during high-income months, rather than repaying what they previously borrowed.

Living on a fluctuating income can be very deceiving—and difficult. Months of high income can easily be construed as a windfall profit. To properly budget a variable income, you must conservatively estimate what your annual income is likely to be, divide that by 12, and then develop your monthly budget based on that amount. You should put all your income into a savings account and withdraw your average monthly salary from that account each month. This method will allow surplus funds from higher income months to accumulate in the savings account to cover budgeted expenses during months of lower income.

Individuals and families with surplus income in their budgets will have the opportunity to invest for retirement or other long-term goals. As debt-free status is achieved, more money can be diverted to this category.

Whatever your situation, here are some common ways that people can reduce monthly bills:

ELIMINATE NEEDLESS COSTS: Look first for small savings - not because they'll end your budget problems, but simply because they're easy to find and take advantage of. For example, swear off that mid-afternoon, expensive premium latte. Shop for clothes and household furnishings only during sales. Higher gasoline prices make it a good idea to "bundle" shopping trips. Keep your house warmer in summer and cooler in winter. Take on chores that you usually pay someone else to perform, such as mowing the lawn or shoveling snow.

REDUCE LARGE EXPENSES: These recommendations are decidedly more painful. If you smoke, for instance, take steps to quit. Don't buy season tickets to anything. Trade in your luxury car or sport utility vehicle for something a lot cheaper to buy, fuel and maintain (we did say this was painful).

Here are some other specific areas where many people can find savings:

Bargain Shopping

Pet Food

Interest on Debt

Luxury SUV

Speeding Ticket

Large Tax Refund

Uncollected Rebates

Unused Gym Memberships

Tax Return Tips

Use a software tax return service, such as Intuit. TurboTax and an Audit Defense service, such as Tax-Audit.Com. The cost is about $125 depending on package and including a state return.

The benefits are numerous- including tax expertise, quick returns and never having to deal with the IRS directly.

Savings/Investments

It is important that some savings be established in the budget. Otherwise, the use of credit becomes a lifelong necessity and debt a way of life. Your savings will allow you to purchase items for cash and shop for the best buys, irrespective of the store. Hints for Savings:

Use a company payroll withdrawal, if possible.

Use an automatic bank withdrawal from your checking account.

When an existing debt is paid off, allocate any extra money toward the next largest debt.

When all consumer debt is paid off, then reallocate that money to savings.

Pros and Cons of Different Investments from Dave Ramsey's Financial Peace University

Be sure you have completed the first four tips noted above. Begin by doing pre-tax savings—in 401(k), 403(b), TSP, Traditional IRA—and tax-free savings—Roth IRA, Roth 401(k). You'll invest 15% of your income. If your employer matches your contributions to your 401(k), 403(b), or TSP, then invest up to the matched amount.

Mutual Funds

Ramsey recommends mutual funds for your employer-sponsored retirement savings and your IRAs. Divide your investments equally between each of these four types of funds: Growth, Growth and Income, Aggressive Growth, and International.

Choose A shares (front-end load) and funds that are at least five years old. They should have a solid track record of acceptable returns within their fund category. If your risk tolerance is low, this means you have a shorter time to keep your money invested, put less than 25% in aggressive growth or consider adding a "Balanced" fund to the four types of funds suggested.

Single Stocks

Ramsey does not own single stocks and does not suggest single stocks as part of your investment plan.

Single stocks don't consistently generate returns as high as mutual funds do in the long-term. If you really want to own a stock for some reason (company stock, fun, etc.), limit single stocks to no more than 10% of your investment portfolio.

Certificates of Deposit (CDs)

Ramsey recommends CDs only for savings (for a purchase, taxes if you own a business, etc.), not for long-term investing because of their low rate of return. Long-term investments must earn a high enough rate of return to outpace inflation (3-4% per year) and cover taxes on the gains if not inside a retirement account. Most investors need to average a minimum of 6% per year over time to do these two things.

Bonds

Ramsey does not own any bonds and does not suggest them as part of your investment plan. People mistakenly believe bonds are “safe” investments that have slightly lower rates of return than equities. Single bonds can actually be very volatile and go down significantly in value. Bond mutual funds can at least be tracked for historical returns but do not offer the returns equity mutual funds do.

Fixed Annuities

Ramsey does not own any fixed annuities and does not suggest them as part of your investment plan. Simply stay away from these!

Variable Annuities (VAs)

Variable annuities cause more confusion than any other financial product. What are they? A VA is a savings contract with a life insurance company:

They offer tax-deferred growth on an after-tax investment.

They offer beneficiary designation, which allows the account to be transferred to a beneficiary outside of probate court.

VAs carries penalties if the contract is broken prior to the expiration of the contract time period (usually a declining surrender charge that lasts from 6 to 11 years).

10% IRS penalty for withdrawing prior to age 59 ½.

VAs offer many bells and whistles, such as guarantees of principal, life insurance, etc.

VA fees vary widely.

Ramsey has strong suggestions for investors considering VAs:

Only consider VAs when you've reached the last tip. At that point, you're debt free, including your home—and all other tax deferred options have been used.

VAs can be useful investment tools because they allow your investments to grow tax deferred.

When purchasing VAs, understand the fees, surrender period and any riders or options you choose.

When purchasing VAs, stay with the four types of mutual funds Ramsey suggests inside the VA.

High-Income Earners

If a person earns too much to contribute to a Roth IRA and is limited to what he can contribute to a 401(k) plan due to top-heavy rules (unable to contribute 15% into pre-tax or tax-free investments), Ramsey recommends using either low-turnover mutual funds or a combination of low-turnover mutual funds and variable annuities. While this is an option for high-income earners, Ramsey still does not personally use variable annuities.

Worth Mentioning

Don't commit to VAs until you're sure you are ready. Once you're in, you're in.

Never, ever, ever roll an IRA, 401(k), or 403(b) into a VA. These three things already have the

benefit of tax-deferred growth, and you do not need a VA.

While Ramsey fits all the pre-requisites, for VAs he does not personally own any. He prefers mutual funds and paid-for real estate for investors on the last tip.

Investing for College

Ramsey recommends investing the first $2,000 per year in an Education Savings Account (ESA,Coverdell Savings Account). ESAs are very simple and work much the way a personal IRA does. When saving for a young child who will attend a public school, the ESA will usually be all you need.

For investing more than this amount, or if your income exceeds $200,000 annually, choose a 529 plan. The challenge with 529s is that every state has a different 529 plan and they all work differently. Some allow you to pick mutual funds; some require you to choose funds based on your child's age; while others are prepaid tuition programs.

When choosing a 529 plan, pick a plan that allows you to choose the funds up front and keep those funds all the way up until time to use the funds for education. Remember to stick with the four types of funds Ramsey suggests. Don't use the pre-paid plans or ones that do age-based asset allocation.

Insurance

Long Term Care Insurance (LTC)

Ramsey recommends making LTC part of your plan when you turn 60 years old. LTC is a wise choice even if you do not have a sizable estate to protect as long as the premiums are well within your budget. For example, a 60-year-old couple with a plentiful current income but a smaller estate

may choose LTC simply for the quality of care it will provide them

Disability Insurance

Ramsey recommends everyone purchase long term disability insurance to replace income in the event they are disabled. The cost of long-term disability depends on your occupation. White-collar employees carry less risk than blue-collar employees and therefore are less expensive to insure. For short term disabilities (90 to 180 days), a fully funded emergency fund will cover your expenses, so Ramsey does not recommend purchasing short-term disability policies.

Life Insurance

Everyone should have 15-year (or longer) level term life insurance. Your coverage should equal eight to 10 times your annual income. The logic behind this is that a beneficiary could invest the entire amount into mutual funds and draw 8-10% annually as income without actually consuming the original insurance amount. Effectively, this replaces the income that was being generated by the deceased person. Never purchase any type of cash value or permanent insurance such as whole life, variable life, universal life, etc. Never cancel any old policy until the replacement policy is fully in force.

Exchange Traded Funds (ETFs)

Ramsey does not own ETFs and does not recommend them as part of your investment plan.

ETFs are baskets of single stocks that are intended to operate like mutual funds, but they are not mutual funds.

Separate Account Managers (SAMs)

SAMs are third-party investment professionals who buy and sell stocks or mutual funds on your behalf. Ramsey prefers to stick with the team of managers in large, old, experienced mutual funds.

Real Estate Investment Trusts (REITs)

Ramsey does not own any REITs and does not suggest them as part of your investment plan. As a category, REITs don't perform as well as good growth stock mutual funds. If you really want to invest in REITs, limit this to no more than 10% of your total investment portfolio.

Equity Indexed Annuities

Ramsey does not own Equity Indexed Annuities and does not suggest them as part of your investment plan. Equity Indexed Annuities agree contractually to limit your loss while you agree to limit your gains. Instead, invest directly into index funds if you want to follow an index such as the S&P 500 or a similar one.

Thrift Savings Plan (TSP)

Ramsey suggests investing 60% in C; 20% in S; 20% in I fund/plan.

Values-Based Investing

Ramsey does not use a values-based investing approach. Here's why:

> In values-based investing, you pick between two similar mutual funds that align with your beliefs—a good concept.
>
> However, few of these funds stand up to Ramsey's criteria for picking mutual funds (a five-year or longer track record of strong rates of return, professionally managed by a team of mutual funds managers, etc.).
>
> This is a very personal decision you will have to make. It's what is known as a slippery slope. If you no longer invest in funds that might invest in a company that supports abortion, to be consistent, you will need to stop shopping at the grocer that sells pornography. You would also need

to stop banking because nearly all banks contribute to United Way, which supports Planned Parenthood.

Do not choose these funds out of guilt.

Do not make poor investment decisions to choose these funds.

Commissions and Fees

Long-term, class A shares are much less expensive than B shares or C shares, so Ramsey recommends them.

Ramsey does not personally choose fee-based planning (paying 1% to 2.5% annual fees for a brokerage account). With an A share mutual fund, you pay an upfront load of 5% to 6% once. But with a fee based account, also known as a wrap account, you agree to pay a 1% to 2.5% fee every year—forever. As your account grows, the 1% to 2.5% fee will really add up.

Pay a Pro or Do it Yourself?

Pay a pro. Ramsey still chooses to use a pro and suggests you do, too. Statistics show that “do-it yourselfers” are quick to jump out of funds when they begin to underperform. A good professional advisor will remind you why you chose the fund and prevent you from buying high and selling low.

Working With Your Advisor

They advise. You make decisions. This is very important. You are paying them for advice and the ability to teach you enough to make smart decisions about your investments. You are not handing over this responsibility because they are a professional, or even because they are trusted by Dave Ramsey.

Retain ownership and responsibility for all final decisions. Don’t invest in anything unless you can easily explain to your spouse how the investment works. If you cannot communicate easily with your

financial advisor, find one that does a better job of communicating. Take your time and make wise decisions.

In this section of the chapter, we'll provide some thoughts as to what age to start toward having a budget. This has been simplified by Dave Ramsey's product line:

KIDS & SCHOOL

Kids (3-12)

Teens

Graduates & Entering College

For Church Youth Group

For Schools

For Homeschool

CLASSES

Financial Peace University

The Legacy Journey

Spanish

Military

Foundations (High School)

Foundations (College)

Generation Change for Home (Teens)

Generation Change for Church (Teens)

There are a number of areas this information is available: family, church, school, and personal initiative. All are important. The most important is parents setting a Christian example. It's what you do, not what you say, that your kids remember.

Dave Ramsey recommends you begin investing for protirement after you've done two things: you're debt-free, and you have saved an emergency fund of three to six months of expenses.

Three-fourths of the people on the Forbes list of the 400 wealthiest people in America say getting and staying debt-free is the most important thing you can do when it comes to handling your money. The full emergency fund ensures you have a cushion in case of an illness or job loss and that your retirement funds stay where they are and keep growing.

Protirement Planning Tips by CNN Money

Save as much as you can as early as you can.

Set realistic goals.

A 401(k) is one of the easiest and best ways to save for retirement.

An IRA also can give your savings a tax-advantaged boost.

Focus on your asset allocation more than on individual picks.

Stocks are best for long-term growth.

Making tax-efficient withdrawals can stretch the life of your nest egg.

Working part-time in retirement can help in more ways than one.

There are other creative ways to get more mileage out of retirement assets.

Personal Protirement Experience

In my mid-sixties, I personally began serious protirement planning. My goal was to have started in my forties, but three graduation cars and out-of-state college expenses delayed the process.

In retrospect, I could have done a better job in budget training of my children. Example would be encouraging them to save for a used car and a local college.

I evaluated a number of information sources and found that Fidelity Investments offered me the most helpful tools for the process. It also may have

been that I had years of familiarity with Fidelity though my company 401(k). Fidelity offers many services. The one's that I used and found extremely beneficial follow:

Articles

Bill Pay

Full View (Balance Sheet & Net Worth)

Income Management Account (IMA)

Portfolio Advisory Service

Research

Retirement Planning

1040 Tax Transaction Transfer

Key Takeaways

Your salvation, marriage, home, and budget are the biggest decisions that you make in life. Take your time, think, and pray about them.

A budget requires both spouses approval.

Never spend more than you earn.

Always pay taxes and give charitable gifts first, then live on what is left.

Compound interest is either a powerful foe (Debt) or friend (Investment)!

Encourage your Church to facilitate the process.

Estate

70% of Americans do not have a will.

Touching the Future: A Guide and Workbook for Estate Planning and Charitable Giving by the American Red Cross (www.redcrosslegacy.org) is an excellent resource.

Usually when you get married or the birth of the first child occurs is a good time to prepare a will and maintain it regularly. If single, as you begin to

accumulate stuff is a good time to prepare a will and maintain it regularly. In this chapter, informational materials by Dave Ramsey and Fidelity Investment were included.

Estate Planning, for some, is primarily tax driven. However, for the Christian steward, the estate planning process is relationship driven. We desire to be in proper relationship in our stewardship trust given by God, therefore we plan in advance to assure that leaving assets behind blesses our family and our ministries—thus strengthening relationships rather than harming them.

For most, estate planning is not as complicated or costly as feared. For others, it can require complex documents and involve multiple professional authorities. In either case, good life stewardship includes a plan of distribution for when we no longer need the assets God has entrusted to us.

Basic to every estate plan is a will, health care directive and power of attorney. Dave Ramsey endorses USLegal. Since 1997, U.S. Legal Forms has offered cost-effective, state-specific legal forms on the Internet (www.uslegalforms.com/#).

Will

Basic to every estate plan is a will:

It is a legal document drafted during your lifetime.

It provides the opportunity for you to give a final testimony of your Christian faith.

It revokes all previous wills that you have made.

It authorizes payment of all debts and expenses related to your final illness.
It authorizes the payment of taxes by the estate.

It disposes of your personal property according to your desires, either through direct instructions in the will, or by reference to a letter of instructions.

It makes in-kind or fixed dollar distributions to family members or charitable organizations. It distributes the remainder of your estate to your individual and charitable beneficiaries.

It names a personal representative who is responsible for entering the will into probate and making distribution according to your desires expressed in your will.

It can nominate the person you wish to serve as guardian of minor children and other persons for whom you have custodial responsibility.

It empowers the personal representative to carry out the terms of your will, especially relating to the ability to sell, dispose of, and liquidate property and to continue the operation of business interests.

It establishes trusts for the benefit of minor children or other individuals for whom you have income responsibilities.

It names the trustee of any trusts established and empowers that person to carry out the terms of the trusts for their duration.

It can be used to waive bond.

Each state has strict laws regulating the execution and validity of the will. It is important that you retain competent legal counsel, familiar with the laws of your state of residence, to draft your will.

Joint Ownership of Property

For smaller estates, joint ownership of property may be an excellent estate planning tool. It avoids probate and provides an orderly transfer of property

between two individuals. However, care must be taken not to place too much property in joint ownership, eliminating the use of tax saving opportunities available with other estate planning tools.

Except for small estates, the use of a trust is usually more desirable.

Trust

A trust can be used to:

Avoid estate taxes.

Provide management for property in case of disability.

Protect minor children from premature distribution of property.

Avoid ancillary administration of the estate. when you own real property in more than one state.

Distinguish separate property from community property when you move from one state to another, and for many other purposes, including income tax planning.

A trust can be confidential, can be used to avoid probate, and can provide coordination of your entire estate planning process. It is easy to establish and easy to change.

When a trust is used as a key instrument of your estate plan, it is typically combined with a simple will that transfers all remaining property to the trust at the time of death.

The trust should also be combined with a durable power of attorney. This allows the individual holding the power to place property into the trust, should you become incompetent.

Durable Power of Attorney for Property

The realities of life dictate that we must give consideration to who will be in a position to manage

property in case of mental or physical disability prior to death. Relying on family members or friends to act under court-appointed conservatorship is usually unwise. It may affect interpersonal relationships, and unnecessary costs and restrictions are often imposed.

The alternative is to grant the power to manage your property in case of disability to an individual or a bank trust department. This can be arranged through a power of attorney designed to be in effect during incompetency. In other words, a trust can do just about anything that you design it to do.

Durable Power of Attorney for Health Care

A separate power of attorney can be granted to an individual to make health care decisions during disability. This power should be granted to an individual whom you trust to hold your personal care and well-being as a priority.

A durable power of attorney for health care does not give authority to the named individual to declare your inability to act for yourself. However, it does grant specific authority to that individual to consent to or refuse treatment for you, if you are physically and mentally unable to make that decision.

Directive to Physicians

You should also consider a directive to physicians. This is the statement by you during a time of good physical and mental health that indicates whether you do or do not wish to be kept alive by heroic means, if there is no hope for survival.

Life Insurance Contract

Liquidity: Even when the best estate planning tools are used, there are liquidity needs to pay final expenses, death taxes, or provide distribution to one family member so assets can be distributed to

a family member involved in a business or farm. Life insurance may be the only way to guarantee that this money will be available, in the right amount, at the time needed.

Protection for Dependents: Life insurance is when there has not been sufficient time to accumulate assets. A life insurance policy designed to provide cash when needed most, may be the only way a family can guarantee sufficient assets for the surviving spouse and children.

Charitable Estate Planning

Your charitable gift will be made because of your concern for your charitable beneficiaries and because you believe it is God's plan of stewardship for your estate to share part of that which is entrusted to you.

When you have made this decision, the tax advantages of a charitable transfer and the integration of these transfers into your total estate plan can be of great advantage to the overall plan. Several tools are available.

Planned giving is a process that determines which giving technique will provide the greatest charitable potential to both the donor and the charity. It encompasses gifts that are made annually, gifts that are made for special projects, and gifts that are made for future use.

There are four types of donors:

Those who can make gifts now:

Cash
Real Estate
Personal Property (Appreciated Securities)

Those who can make gifts, if they receive income in return:

Charitable Gift Annuity
Charitable Remainder Unitrusts

Those who can make gifts, but only in the future:

Gifts From Your Will or Trust
Gifts of Life Insurance
Gifts From Your Retirement Plan
Gifts of Real Estate
Gifts of Personal Property

Those who want to preserve assets for their heirs:

Deferred Gift Annuity
Charitable Lead Trust

Business Estate Planning

There are additional estates planning tools available to the owner of a closely held business. Many advantages of these tools are related to the income tax structure of the business. Some that may be beneficial in estate planning may have income tax disadvantages. Their use may also be contingent upon the relationship of the business estate to the personal estate.

Incorporation

Many people own and operate small businesses, and family members are often involved. The incorporation of the business, combined with a program to make annual gifts of closely held corporation stock, may have excellent estate planning results. These include the tax-free transfer of future appreciation to family members, while maintaining income and voting control.

This is a very complex area of planning. You should work with your tax and legal counsel to determine whether or not the incorporation of your business is advisable. Incorporation may have drawbacks from income tax, workmen's compensation and unemployment insurance standpoints.

Partnership Agreements

Similar benefits can be achieved by forming a partnership with family members. This can allow family members to participate in the appreciation of the business. Like incorporation, this is a very complex area of planning. Again, you should rely entirely upon your legal and tax counsel.

Business Purchase Agreements

In business planning, it may be wise to consider entering into an agreement with a business partner to buy your share of the business upon your death. In exchange, you would agree to purchase his or her share of the business, should the partner predecease you. The partner maintains control of the business, and the surviving beneficiaries of the deceased partner have a ready market for the business interest.

It is usually wise to fund a business purchase agreement with life insurance, to make certain that there is sufficient cash when needed most. The business purchase agreement can also be used to peg the value of the business interest in the estate, for federal estate tax purposes.

Special Use Valuation of Real Property

The law allows a special use valuation method for real property devoted to farm or other closely held business use. This valuation method places a lower value, and thus a lower estate tax on such property.

There are rules that govern qualification for this valuation. Qualification is based upon the relationship of the property to the total estate value, management of the property before death, length of ownership, who receives the property, and restrictions on the sale of the property after death. However, when these qualifications are met, a substantial reduction in estate taxes can be achieved.

Redemption of Corporate Stock at Death

The Internal Revenue Code includes provisions for a corporation's redemption of stock from the estate. That stock is not taxable as a dividend, to the extent that distribution does not exceed the amount of the federal and state death taxes, interest on those taxes, and deductible funeral and administration expenses of the estate.

Again, restrictions must be noted. But in many business estates, this is an important estate planning tool. These are but a few of the estate planning instruments available to you.

Taxation of the Estate

The following is an overview of three general areas of taxation of the estate, federal gift taxes, federal estate taxes, and state death taxes.

Federal Gift Taxes

The federal government imposes a tax on irrevocable transfers made during a lifetime. There are certain exceptions to this rule.

An individual has an unlimited marital deduction for gifts to a spouse. There is an unlimited deduction for gifts to charitable beneficiaries. You can give $12,000 to as many different individuals as you wish, and you can give it each year. And if you are married, your spouse can consent to the gift, and increase it to $24,000. This annual gift tax exemption is indexed for inflation. It should be noted that there are no restrictions to relationship of beneficiaries. The only restriction is that it must be a gift of current interest, and not of future interest. Everything else is taxable. This does not necessarily mean there is a tax payable.

Federal gift tax law allows a credit that offsets the taxes on the first $1 million of gifts made to personal beneficiaries. Each spouse has this credit available. However, just because you can give property to individuals tax-free does not mean that you should.

You should never give away anything that you may need in the future.

The four D's of life explain why:

DEATH: You make a transfer of property to your children with the assumption that they will care for you in your old age. Should their deaths occur prior to your own, the property that you have given to them may be distributed to their beneficiaries, who may not assume responsibility for your own care.

DIVORCE: This is not a pleasant subject, but it is important that we be realistic. Many divorce settlements are financially devastating. If you transfer property to your children with the understanding that they will care for you for life, and their marriages end in divorce, they may not have sufficient assets to provide the care that they promised.

FINANCIAL DISASTER: You have transferred property to your children, and they experience reverses in business or personal financial affairs. They may become bankrupt or financially unable to fulfill their obligation.

DESERTION: It has been known to happen. Property is transferred to family members, but they do not fulfill their responsibility and use the property for their own enjoyment, while mother and father are in need.

Therefore, make lifetime gifts only of property for which there is no possibility that you will need it in the future.

Federal Estate Taxes

Federal law imposes a tax upon all property that you own at the time of your death. However, there are two items specifically exempt from federal estate taxes. Any transfer made in a qualifying manner to a surviving spouse, no matter the amount, is exempt from federal estate tax.

A full charitable deduction is allowed for the value of property transferred to a charitable organization. The remainder of the estate is taxable. However, that does not mean that a tax is payable. The law allows an offsetting credit as listed below:

Year	Exclusion	Top Estate Rate
2013	$5.25 Million	40%
	Ditto	

The gift tax and estate tax rates are unified. Therefore, if the credit available to offset gift taxes has not been used, it is available to offset estate taxes.

Credit Available to Both Spouses: This tax credit is available to both spouses. With proper planning, a married couple can transfer twice the value to personal beneficiaries, tax-free. However, this planning must be done before the death of the first spouse. The amount transferred by the first spouse's credit can be protected against taxation in the estate of the surviving spouse.

State Death Taxes

There is a deduction against federal estate taxes for state death taxes actually paid. State inheritance tax: Many states have a tax on the right to inherit property. States that impose an inheritance tax usually divide beneficiaries into classes. Those closely related to the decedent form one class, those less closely related form another class, and those unrelated form a third class. A different exemption is usually allowed for each class. Certain types of property may be exempt from state inheritance tax, such as life insurance, real estate held jointly with a surviving spouse, etc. Your local tax adviser, legal counsel, or bank trust department can furnish you with information relating to state inheritance tax implications in your state.

State estate tax in place of an inheritance tax: Some states impose an estate tax that operates on a principle similar to the federal estate tax. The state imposes an established exemption or credit, and one tax rate (though it might be progressive) for all beneficiaries.

The Property Section

When you are making a listing of your property, it is important that you clearly convey to your planners how your property is held. The basic

types of property ownership are: Individual ownership, Tenants in common, Joint tenants with rights of survivorship, Tenants by the entirety and Community property.

The success or failure of tax planning and the final distribution of your estate are often dependent upon the coordination of property ownership with legal instruments in effect. It would not be practical to have appraisals made on all of your property at this time. However, it is important that you furnish your professional counsel with reasonable values. Be realistic; do not over-value, or be too conservative. Give special attention to collections, hobbies, jewelry, and antiques. If there is any question on valuation or ownership, provide your professional counsel with as much information as possible.

Personal Representative Choices

The personal representative will be responsible for carrying out the terms of your will at the time of death. There are several items to take into consideration as you choose this individual.

Availability: Many times, individuals wish to appoint a personal representative who lives some distance from the estate. An individual of approximately the same age or an individual who is occupied in business might not be available to handle the responsibilities of a personal representative. Be sure to consider a personal representative who will be available when needed.

QUALIFICATIONS: Is the individual whom you are considering qualified for the job through experience, business management?

INTERPERSONAL CONFLICTS: Many times, the individual appointed is a family member, or someone with a vested financial interest in the estate. The responsibilities as personal representative may place him in a position of potential conflict with other family members.

The distribution of household goods and personal effects, sale of the family home, continuation of the family business or farm, all are decisions that may be better made by a third party, someone without a vested interest.

A good case can be made for the bank to serve as personal representative. They are bonded; they are available; they never move away or die. They do not have a vested financial interest in the estate, and they have experience in the probate process and management of estate assets. If personal involvement in decisions is desired, a family member can serve with the bank, with powers limited to certain management decisions.

Remember, people are important. Choose your personal representative carefully. You should also name an alternate representative, should you choose not to use a bank or trust company.

Name/E-mail Address/Telephone

Personal Representative_____

Alternate_____

Trustee

All that we have said concerning the choice of a personal representative can also be said about the choice of a trustee. The avoidance of interpersonal conflict, competence, and availability, all need to be taken into consideration.

Where a bank is chosen and you wish family representation, co-trusteeship is possible. But it's interesting to note that where the beneficiaries are given the power either to change trustees, or veto the action of the trustee, this is usually sufficient control to satisfy most estates.

Name/E-mail Address/Telephone

Trustee_____

Alternate_____

The realities of life dictate that we must give consideration to whom will be in a position to manage property and make health care decisions in case of mental or physical disability prior to death.

Relying on family members or friends to act under court-appointed conservatorship may affect interpersonal relationships and cause unnecessary costs and restrictions. The alternative is to grant this power to an individual whom you trust to hold your personal care and well-being as a priority. This power does not give the named individual the ability to declare your incompetency. However, it does grant specific authority to that individual to act on your behalf when creditability has been determined.

Name/E-mail Address/Telephone

Power for Property_____

Alternate_____

Health Care Power_____

Alternate_____

Guardian for Minor Children

One of the most important reasons for a young family to have an estate plan is to name a guardian for minor children. It's impossible to replace parents, but if death occurs, someone must fill that place.

You can select someone whose lifestyle is compatible with yours, who will care for your children in the kind of family surroundings that you desire, or that person will be selected by the probate court. It is your choice. If you have not already selected that individual, it will be one of the most difficult decisions you will make in the estate planning process.

The following guidelines may be of value as you make this choice:

Individuals who do not have children may not make good guardians. You learn to be parents by being parents of babies, one-year-olds, five-year-olds, etc. This experience is important.

Many people who have two children want two children. For this reason, they might not wish to be guardians, creating a larger family.

The age of the children of the family you choose as guardians is important. They should be the same general age as your children, avoiding a two-family situation.

And most importantly, make certain that the lifestyle of the people you choose is compatible with your Christian lifestyle, so your children will have the opportunity to continue to grow spiritually. When you have made your choice and are comfortable with these individuals, you should discuss with them their willingness to serve.

The nomination of an alternate guardian is also important, should the individual you have chosen be unable or unwilling to serve when called upon.

Name/E-mail Address/Telephone

Guardian_____

Alternate_____

The Planners Section

Estate planning is not a do-it-yourself project. Competent counsel, with expertise in state law, tax planning, and estate draftsmanship, is extremely important.

If you have legal counsel who is competent in the field of estate planning, you are fortunate. Your legal counsel will be the key to your estate planning team.

Other members of the team will be your accountant, life underwriter, investment adviser and bank trust officer. If you do not have competent legal counsel, another member of the estate planning team may be able to direct you to an individual who is experienced in this specialized field.

Most communities also have a lawyer referral service, which can refer you to two or three attorneys who are competent in this field.

Name/E-mail Address/Telephone

Attorney_____

Financial Planner_____

Insurance Agent_____

Investment Adviser_____

Spiritual Leader_____

Family Physician _____

Human Resource Manager
(If employed)_____

The New Beginnings website (gonewbeginnings.net/) offers Your Estate Planning & Gift Guide under Resources. In the guide, you'll find forms, a terminology glossary, and charitable tool glossary.

Funeral planning is an important part of the estate planning process, performed by you as a labor of love to give guidance and direction to loved ones when they need it the most by relieving the emotional burden of decision-making and allowing them to support your wishes regarding your final plans. Most people should start thinking about pre-planning their funeral in their forties. Here's how to do it:

Write down your funeral plans. Write down all the details, including the kind of service you want (religious, secular, etc.), where and how

you want to be buried, whether or not you want a public viewing, and the funeral home you'd like to use. Keep these directions in a safe place where your family can easily access them upon your death. The Funeral Home and Commentary will have helpful forms.

Pre-pay for as much as you can. Many funeral homes will let you pre-pay for the funeral service and related items, and many cemeteries will let you pre-pay for the plots. This way, your family will have little, if any, bills upon your death.

Estate Document Locator

The organizer should include the following sections:

Financial accounts and records: car title, home ownership document, every active insurance policy, mutual funds, rental property, business ownership documents, college funds, financial statements, contact advisor directory, etc.

Wills and estate plans

Information for all financial accounts

Recent tax returns and other documents: deeds, titles, birth certificates, passports, Social Security cards, etc.

Funeral Instructions

Legacy letters to family members

Testimonial letter

Even in the most open families, conversation often quiets when two subjects arise: death and money.

For both parents and adult children, confronting the prospect of each other's deaths can be uncomfortable. Privacy around financial matters is often a key concern, even among close family members.

Why conversation is critical:

When it comes to estate planning, there are often significant financial and personal benefits to being transparent and having sensitive conversations. For example, you might assume one of your likely survivors would be comfortable managing a certain asset or serving as trustee, when in reality that person is not up to the responsibility.

From the survivors' perspective, it's important that they understand your intentions and plans for your estate. Lack of clear communication during estate planning (or an inadequate or outdated plan) can not only reduce the amount your beneficiaries receive, it can also result in uncertainty and conflict for them in an already difficult time.

If you do most of the work on your family's finances, you'll want to be certain of your survivors' comfort level with taking on the task and their understanding of your intentions. For some, it may be best for a professional to assume the responsibility. Consult with your attorney or advisor.

Survivors may even make decisions based on erroneous ideas of what the deceased would have wanted. For example, when communication is lacking, some surviving spouses think honoring their loved one means keeping investments exactly as they were at the time of death. Eventually, this could lead to an outdated portfolio and missed growth opportunities.

Sometimes, to be effective, the conversation may need to extend beyond your immediate household:

As an adult child, make sure your parents have their own plans and will be properly cared for if one of them passes away or becomes incapacitated.

As a parent, make sure your children have an understanding of your plans and wishes; if the children are still minors, make sure the appointed guardians are willing and clear on your intentions.

As a grandparent or other relative, ensure your grandchildren, nieces, nephews, etc., will be taken care of through your own estate planning, as well as coordinating with their parents on their plans, too.

The benefits of having a dialogue about estate planning within your family don't stop at asset protection and an accurate understanding of intentions. Such an open dialogue can:

Bring your family a sense of empowerment, that you are taking control of each other's collective future rather than leaving some elements to chance.

Passing-on of Family Values

Help your family develop a common understanding and a common philosophy for how you and your family's legacy will be carried out through generations.

Help prepare the family in the event you or another family member becomes incapacitated.

Help other members of your family—your parents, your siblings, or your children— develop a responsible plan.

Allow your family to take advantage of some of the best tax strategies.

How to get the conversation started:

Despite how important this conversation can be, it may still be difficult to initiate. There is certainly more than one right way to begin a dialogue; however, here are a few suggestions to help guide you:

Pick a positive, comfortable environment during a period of relative calm. Don't wait until a time of crisis when it may be too late to make adequate plans and family members may not feel emotionally able to talk.

Be sincere about your intentions. Be clear that you are initiating these talks out of concern that proper plans are in place and are understood.

Stress the importance and benefits of this conversation to everyone affected. One way to do this is to show an example of an estate that was improperly handled because family members had failed to discuss their plans with each other.

Key Takeaways

Prepare and review regularly:

- Will
- Revocable trust (if needed)
- Power of attorney for Health Care
- Power of attorney for Property
- Memorandum of Tangible Property
- Funeral Instructions
- Animal Care Instructions
- Legacy Letters
- Testimonial Letter
- Executor Instruction Letter
- Estate Document Locator

Have a family discussion meeting

Have a sentimental property meeting

The funeral should be a happy day. All the aches, pains, and concerns of this life are taken away. The old worn-out body is laid to rest. God and all the heavenly hosts are celebrating the arrival of your spirit

Encourage your Church to facilitate the process.

Legacy

A legacy is the story of some-one's life, the things they did, places they went, goals they accomplished, their failures, and more. Legacy is something that a person leaves behind to be remembered by. Legacies are pathways that guide people in decisions with what to do or what not to do. By wanting to leave a mark and create a legacy example for people to follow.

Leaving behind a legacy is important no matter who you are. Heroes, villains, and everyday people leave behind a legacy that creates meaning in our lives. A grandmother's legacy may be important to her family. A family's heritage is a legacy that a person would be interested in.

A legacy also leaves behind the story of a person so that they are not forgotten. Legacies are important pathways for the future to follow or to be guided by in order to make better decisions in life. Leaving behind a legacy gives us comfort in knowing that once we are gone, we will not be erased from the memories of others.

The Legacy of Memories

Sharing or creating memories gives your family the gift of "you." Share stories about your life, about your childhood and teenage experiences. These stories let your family know about who you are and who you were. They create a sense of history and heritage. Even if grandchildren don't fully appreciate your stories now, it's likely they will later in life, which thus creates that legacy of memories.

Spending time with your family is also important – in a variety of life's settings – as these times will create memories that stick with your grandchildren, i.e. the "Power of Being There!"

The Legacy of Faith

The greatest legacy you can leave is the gift of faith. Model your faith, letting them see what the Christian life looks like in real life. Talk about what faith in Jesus Christ means to you. Engage your family in discussion about spiritual issues. If you've been a believer for a long time, express to your family the ways your faith has changed, been challenged and has deepened over the years. Throughout the years, as your family matures in faith, they will develop an increasing gratitude of the heritage of faith that you have contributed!

The Legacy of Life

Make note in that the characteristics of real life are based on the fruits of the Spirit, which are found in Scripture in Galatians 5:22-25. The characteristics are: love, joy, peace, patience, kindness, goodness, faithfulness, gentleness and self-control. In your interactions with your family, anything you can do to model, speak about or praise these characteristics invests in driving these principles deep into their hearts, creating a desire for a Spirit-led and Spirit-fed life.

The Legacy of Love

Loving your grandchildren now will have a powerful influence on the kind of people they will grow up to become. Loving your grandkids doesn't mean that you have to buy them expensive gifts! Ultimately, the best

demonstration of love you can provide is by your presence and involvement in your grandchildren’s lives. Give them the gift of yourself! This is possible even when you’re not physically present through phone, notes, emails and the like. Love is powerful! Loving your grandchildren will make a lifelong difference! Never underestimate the power of a grandparent’s love.

Legacy planning is anything handed down from one generation to the next. It can be heredity (green eyes), inheritance (dollars and cents), or heritage (spiritual). Spiritual legacy leavers are the most important, from my perspective:

Make time for family

Know actions teach louder than words.

It is never too soon to begin teaching salvation and stewardship.

The local church is an ally.

Be happy and laugh a lot.

Vivian VanLier recommends the following protirement exercises and question:

Start a protirement planning journal. Let this be where you place all your ideas as they come to you about what you'd like to do "someday." Cut out pictures that represents your desired future and pastes them into the journal: pictures of places you'd like to travel to, of how you'd like your home and surroundings to look, of the work (whether paid or volunteer) you are doing. Are these pictures similar to your life today, or different? Allow yourself to dream. Don't edit!

Set aside an hour or two. Meditate, listen to music, do what works for you to get in a relaxed state. Now write in your journal about your life 10, 20, 30 years from now. Include details describing a typical day, week, and month. Where are you living? Who are your friends? What do you do for your health? What are your hobbies? What is your work, if you are working? Be imaginative and let your mind wander. Don't edit!

Pretend you've won the lottery and you never have to worry about money again. What would you do with your time? What interests would you pursue that you just haven't had time for? Don't edit!

Make a list of things you've ever enjoyed doing. Look back over your life and remember what it felt like just have a good time. Do you do those things now? Have you forgotten what your hobbies and interests are because you've just been too busy working and living life? Keep writing and add to the list as you remember joys from the past. What have you always wanted to do that you never had time for? Add those to the list. Don't edit!

How do you want to be remembered? Pretend you are a fly on the wall at your own funeral. What are people saying about you? Have you lived a life in synch with how you want to be remembered? What can you do in the future to become the person they are talking about?

Remembering Your Story, by Richard L. Morgan, is an excellent resource to help you write your story. Kindle Direct Publishing (e-

copy) and Create Space (paper copy) are inexpensive ways to publish. I've used both sources to publish.

My elderhood protirement journey with God's help includes:

The Summit with Amy Hanson, PhD, gerontologist and intergenerational ministry specialist, teacher, free-lance writer, speaker, consultant, author and mother of three

Founding of New Beginnings (gonewbeginnings.org/), a personal website dedicated to helping second-halfers' finish extremely well

The Longevity Response-Ability Crusade, a reform organizational action group for second half of life equality and a better society

USA Missions Harvest Campaign, an initiative to equip 60 million second-halfers to evangelize 82 million unchurched

Contributor to the forum on a new life stage, longevity response-ability, elderhood, protirement, salvation, elderhood evangelism, stewardship, and second half of life equality. An essential ingrediant for accompanying equality is changing the requirements for minist ry degrees to include training and equipping pastors for the new life stage, elderhood.

Author of *Basic Ministry for the Second Half of Life* (2012); *Longevity Response-Ability* (2013); *Making an Aging Difference* (2013); A New Life Stage (2014); *Life Stages Lessons* (2014); *The Essential Ingredients for Second-Half Ministry*

(2014);); *Planning the Life God Wants* (2014*); Daily Legacy* Living (2014); *Chism's Isms* (2014); *The Second Half of Life* (2014); and *Gods's Grand Plan* (2015). All royalties after expenses go to fund helping second-halfers'.

Speaking, Teacher, and consulting.

Key Takeaways

Inter-family and inter-generation communication

Be happy and laugh a lot

Spend time together with loved ones

Share life lessons and family stories

Coordinate sentimental property

Give back

Encourage your Church to facilitate the process of training and equipping ministry degree graduates for work with elderhood adults.

"Remember that when you leave this earth, you can take nothing that you have received... but only what you have given." —Francis of Assisi