

where there's a will there's a way - legacy giving

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1 Introduction

This paper, co-authored by Steve Pierce of Stewardship and Ian Clark from the Anglican Diocese of Chichester, explores the biblical perspectives behind the importance of making of a will.

It is hard to exaggerate just how important income from the legacies of supporters is to charities. Household name charities such as Guide Dogs for the Blind and Cancer Research receive more than 50% of their income from donations left in wills. To put it more graphically six out of every 10 lifeboats launched by the RNLI is launched by the legacies of its supporters.

Legacies are a significant source of income for charities and one which has potential for growth given a careful, sensitive and creative approach. Around 14% of those who make a will leave a gift to charity in that will. Around 65%-70% of the population support charities during in their lifetime; a small fraction leave a charitable legacy.

Most Christians regularly and generously support their local church and favourite Christian agencies during their lifetimes - but many fail to incorporate them into their wills. A recent survey by the Kingdom Bank shows that 23% of Christians have already included a legacy to their local church. This compares well to the national average and those legacies are very generous, worth 15% of their estate. But the survey also suggested that there is much scope for improvement. Of 100 evangelical Christians 38 have not made a will at all and of the 62 that have made a will 39 of them have not planned to leave anything to their church or a Christian cause.

Christians otherwise committed to sacrificial giving can sometimes be unaware of the opportunity offered by legacy giving or understand wills and legacies exclusively in terms of provision for the family. Such provision for the family is, of course, absolutely essential and foundational. It is surely part of the challenge in the first letter to Timothy: *'If anyone does not provide for his relatives, he has denied the faith and is worse than an unbeliever'*. (1Timothy 5:8) Provision for family is rightly a primary concern but is it the only one? How then can we consider wills and legacies in a way that is biblical and sensitive to the very real needs and situations of Christian people?

Whilst legacy income can important for churches, it can also be very variable. A large legacy one year can be followed by several years with very little. So it is best to use legacy income for one-off development projects like improving the building facilities or helping to fund a time-limited project, rather than paying regular bills. Legacy income can also be affected by factors like the ageing population and the costs of residential and nursing care for the elderly.

2 Will power

The benefits of leaving a legacy are considerable both to the church and/or charity and to the individual giver. However, the starting point is not the legacy but the wider and most important task of making a will. When Archbishop Cranmer wrote the first Prayer Book in the English language over five hundred years ago death through disease, wars and poor hygiene was commonplace. Cranmer was forthright on the subject:

And if he hath not before disposed of his goods, let him then be admonished to make his Will, and to declare his debts ... for the better discharging of his conscience, and the quietness [= peace of mind] of his Executors.

But men should often be put in remembrance to take order for the settling of their temporal estates whilst they are in health

Californian pastor John Ortberg tells how as a child he would play Monopoly against his grandmother, losing each and every time. At last the great day came when he finally defeated his grandmother at which point she reminded him, "*Remember John, it all goes back in the box!*" We can spend a lifetime taking too seriously the accumulation of money and the necessity of winning. This simple but profound story reminds us that what we accumulate is never ours and we cannot take it with us. Money can and does offer us security and choice and opportunity but it can never offer ultimate security against the vulnerability of human life.

Making a will then is an act of both spiritual significance in the face of our own mortality and an act of loving and wise preparation on behalf of our families and those we care for deeply. In Genesis 25:1-6 we read about Abraham's provision of money for the children of his concubines and the inheritance he passed on to Isaac. Again in Job 42:7-16 we read about the restored and twice wealthy Job providing both for his daughters and sons. Of course we know also that on the cross Jesus himself provided care and by implication financial provision for his mother, Mary, when he commended her to the care of John the disciple. (John 19:26)

Christians are called to exercise a godly stewardship over all that God has given to us. That includes not just our disposable income but also our estate. It is for many the most significant financial and family decision that we will ever be called upon to make and it is important that God is honoured in that decision. Teaching and preaching in church can play an important role in encouraging people to make prudent and wise preparation for their families as an act of love and care in anticipation of death. On the other hand the consequences of not having an up to date will can be serious:

- You cannot assume that your spouse will simply inherit everything or that your personal wishes will be met.
- The Court will appoint someone from amongst family and friends to act as what is known as the Administrator of your estate. This will not necessarily be the most appropriate person, and they get no recompense for this task they are assigned.
- You might leave problems for your Administrator or cause distress or disagreements among the family that is left behind
- Your possessions will be sold off and the proceeds distributed by a fixed legal formula. Almost certainly it will not be how you would have wanted things to happen. You cannot specify which relatives and friends should get your most treasured possessions
- Nothing can be donated to your favourite church or charity

3 Will it do?

It is not simply a question of making a will. Most people do leave a will but does it adequately reflect an individual's ongoing concerns and priorities? Even where a will is made it should be reviewed at least once every 5 years. In addition be aware of important events which should trigger a review of any will: new births, marriages or deaths, divorce or even house moves. Such a review ensures that the will reflects your current situation and personal choices.

When people are younger the main focus in the will is likely to be on the immediate family and how to protect any children if there is a family tragedy – for example by nominating potential guardians and protecting the funds to help bring them up.

As we grow older and our earthly families become established and financially independent, we need to consider a number of factors as we review our wills. What is the fairest distribution among our close family? How much do different family members actually need - as some may need relatively more than others? What is a fair split between children and grandchildren, taking into account their different family situations? What is a fair proportion to go to our church or favourite charity? What is the best way of ensuring our hard-earned wealth is used wisely, and not simply frittered away? Should gifts be made as one-off lump sums, or as regular income?

A solicitor who specialises in wills can offer advice on the best ways to meet our wishes in a range of circumstances. In old age it may be sensible to ask the solicitor to draw up an Enduring Power of Attorney at the same time as revising your will – this is a document that nominates who should act for you if you ever become incapable of handling your own legal and financial affairs

4 Why legacies matter

Jesus told a parable (Luke 12:13-21) about a rich man who built bigger barns to house his wealth and planned his retirement unaware that there was a greater claim on his life than his own personal satisfaction. The challenge of the parable of the rich fool is to live our lives in this world in a wise and attentive manner, good stewards of the gift entrusted to us. At the appropriate time in life and our domestic circumstances leaving a legacy gift as part of a careful and prayerful will is the exercise of mature stewardship.

4.1 Legacies are about planned giving

In 1 Cor 16:2 St Paul urges the Christians in Corinth to set aside an amount in proportion to what they have received from God and to do so on the first day of the week. Again in 2 Cor 9:1-5 we read of Paul urging the same Corinthians to prepare the collection in advance of his coming so that there might be no last minute, begrudged, ill prepared response of the needs of the Jerusalem church. This biblical principle of planned giving is the midwife of generous, gracious giving. Planning to leave a legacy to our church and to the Christian ministries which have been important to us in life simply applies this biblical principle of planned giving to the whole of our wealth and not just to our disposable income.

4.2 Legacies speak of our life, not our death

A legacy speaks not about how we died but how we lived. It speaks about, the things that move us in life, the things that matter to us. A legacy is an expression of gratitude and thanks to God for all that has been given and enjoyed in life. It declares that we are stewards of all that we have. Equally a legacy is also an opportunity to make financial provision for the church that nurtured our faith and also for those other ministries which expressed and put into action our passion for the Gospel. Legacy expert Richard Radcliffe suggests that charities should identify significant anniversaries which celebrate past achievements to inspire support form new services or projects. In churches foundation anniversaries and past evidence of the support and vision of local people can all help congregations look to the past in order to give a future.

4.3 Legacies are a unique opportunity to give

Many people find themselves to be cash poor but asset rich. Their disposable income is limited but a considerable amount of wealth can be tied up in their homes and cannot be released in their lifetime. A legacy often proves to be the single most generous gift a person has ever made to their church or Christian mission. For some a legacy can make possible a very substantial gift that can make a significant difference in sustaining and developing ministry. Legacies can take a number of forms and so allow choice and flexibility to the legator and their personal circumstances. A gift may be of a fixed amount of money, properly called a pecuniary legacy. Alternatively a legacy may be a bequest of a specific item of property such as a house or a piece of jewellery. Finally a residuary legacy leaves a percentage of the remaining value of the estate after all the other gifts have been made.

4.4 Legacies reduce inheritance tax

As with Gift Aid the Chancellor of the Exchequer offers a helping hand as well! In these days of rising house prices more and more people are falling into the bracket of inheritance tax (the current inheritance tax exemption ends at £285,000). A legacy gift to charity provides additional tax exemption and can therefore substantially reduce the overall tax that may be paid on the estate.

4.5 Legacies may help you live longer

No guarantees here of course but the facts are interesting! In 2001 legacy expert Richard Radcliff offered statistical evidence that people who had wills lived longer than those who did not and that those who had included a charitable bequest in their will outlived them all. Maybe facing up to our own mortality, taking control of our lives and finances and being generous does affect our happiness and our length of life.

5 The challenge to the individual

If you give a proportion of your income to your local church each week or month, why not include a similar proportion in your will, as a percentage of the residue of your estate after your family has been cared for? This is the logical culmination of your lifetime of Christian response to God's generosity. Many churches were quite literally founded and equipped on legacies. Today many churches use one-off legacy gifts for developing new facilities or launching new ministries. How would you like your Christian life to be remembered?

6 The challenge to the church

Legacy thinking starts with encouraging people to take seriously the importance of making a will and keeping it up to date. Secondly the challenge to churches is to integrate the legacy message sensitively into all stewardship messages about giving. Legacy initiatives that are hastily grafted on or are felt to be unrelated to the grace of giving and personal spirituality run the risk of being misunderstood as another appeal for money for the church. The message about legacies should be a natural part of stewardship communication within the church.

Perhaps the core reason for Christians not leaving a legacy is the simple fact that no one has ever asked them to do so. One American pastor reports the response of one congregational member to a legacy message: *"I've never thought about the church that way"*. Churches should give careful thought to developing a low key and sensitive initiative around wills and legacies. Extensive advice for local churches is available from the excellent website www.churchlegacy.org.uk. It may be several years before a legacy

blesses the church. They are a long term investment, blessing the church not only financially but, just as importantly, contributing to the spiritual life and preparation of the giver.

7 To will and to do

Making a will is a job for a professional and church members are strongly advised to visit a solicitor. Making or revising a will is relatively straightforward, and requires only a few hours of your time. There are five simple steps:

1. List your main assets (house, car, bank accounts, savings etc) and liabilities (mortgage, credit and store cards, HP etc)
2. Decide on your preferred executors - the people who carry out the instructions in your will – usually this includes someone close who is reliable and well-organised from the next generation. They can be joined by an experienced probate professional like a solicitor or bank to cope with the more technical work – or your relatives can employ them to help if necessary. But they will charge professional fees to your estate.
3. Decide who should get what - and how it should be divided and protected.
4. Use a solicitor to discuss the best ways to ensure what you want to happen and then draw up your will and get it witnessed. Most solicitors have fixed charges for most straightforward wills – and they often do special deals for wills that leave a legacy to your favourite charity!
5. Store the original will safely (usually at the solicitors or at a bank) whilst keeping a copy safely in your personal papers – and let your executors know where it is!

8 The Stewardship Legacy Account

Stewardship can make leaving a legacy easier through the Stewardship Legacy Account. Simply instruct your solicitor to leave the legacy to Stewardship. It is very important (from a legal perspective), that the legacy is made to Stewardship in 'absolute' terms with no qualification whatsoever. You then let us have a letter (an 'expression of wishes') indicating how you would like us to deal with the bequeathed funds. If and when your circumstances change a further letter to Stewardship will suffice to change your intentions. There is no need for legal codicils or visits to the solicitor to change the legacy. We can supply a suggested form of wording for your solicitor (with the full legal details of Stewardship) and a 'letter of wishes' form which you can use to list the donations you want us to make (and which you can update at any time). Remember, however, that reviewing your will with a Solicitor at least every five years is always advisable.

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