



KARDIA

FAMILY WEALTH COUNSELING

Keeping the heart of God at the heart of planning

Fear and Uncertainty

After over 27 years of working with wealthy families, it may come as a surprise to you that we have observed that the wealthier people are, usually the less comprehensive planning they seem to do.

Once we were introduced to a wealthy Christian couple who were perfect candidates for our Family Wealth Counseling process. After a couple of hours of talking with them during our initial visit, they were both very excited about the prospects of eliminating their multimillion dollar Estate Tax bill and maximizing their financial capacity to support Kingdom causes. The next day after our meeting, the husband called their long time and highly trusted attorney to tell him about what they had learned at our meeting and how excited they were about it.

The attorney reacted quite negatively to his client's newly discovered awareness and told him that it is impossible to eliminate all Estate Taxes at death and anyone who tells you that they can is "selling you a bill of goods." He sternly warned him of the significant dangers and consequences of illegal tax evasion scams. His attorney's strong, negative response so unsettled this man that he became completely and emotionally immobilized and called us back to tell us that they had decided not to move forward with working with us. In a word his problem was **Fear**. He was so afraid he might be making a mistake that he chose, instead, to do nothing – which in our judgment was a far greater mistake.

Some years ago we were introduced to an extremely wealthy Christian businessman who had been phenomenally successful in his particular business pursuit. Yet, as we visited we learned that all he had done in the way of planning was to execute a living trust agreement, which simply allowed him to avoid probate expenses at his death. He had done absolutely nothing in regards to dealing with a nine digit Estate Tax liability that was waiting to be paid within nine months after he went home to be with the Lord.

He had access to the highest paid estate planning attorneys, accountants and consultants in America and yet in spite of that he had done no meaningful planning with any of them. When I asked him why he had not done more planning, he gave me the classic answer, "I haven't done any planning because I don't know what I want to do." - In a word his problem was **Uncertainty**.

Almost without exception the wealthy Christian families we work with are plagued with uncertainty to one degree or another. They hear about all the great "deals" and clever strategies out there and have no way to get past the marketing hyperbole to effectively evaluate the tool or strategy that is being promoted and they sure do not know how it might best fit into their overall planning. They are

uncertain how much wealth they need to maintain their lifestyle; they're not sure how much of an inheritance is appropriate for their heirs; they are uncertain about how to effectively pass the family business on to the next generation; they do not know how to determine how much they really can afford to give to support Kingdom causes; and they have no clue how to effectively address the oppressive looming Estate Taxes and the current Income and Capital Gains Taxes that they are facing, just to name a few of their uncertainties. They face such an overwhelming number of issues with no real certainty about what they should do and afraid if they do make some plans they may later realize it was a mistake and end up regretting it.

It has been my experience that whenever wealthy families are fearful and/or uncertain about what to do in regards to planning they ultimately end up doing NOTHING. And when nothing happens the family loses, the Kingdom of God loses, and the families miss an indescribable opportunity to experience the joy of seeing God use them in meaningful and mighty ways with what He has blessed them with. In fact, it could be said that the only real winner as a result of a family's planning paralysis is the Federal Government who ends up by default collecting massive amounts of the family's wealth in unnecessary taxes.

The Family Wealth Counseling process helps families in three significant ways. First, it gives them Enhanced Clarity. Our counseling process helps families gain a clear sense of purpose that helps them "burn away the fog" of fear and uncertainty. It helps them see what is and what could be. Once these incurable movers and shakers get a clear vision of what they want to do and why, they do not hesitate to start moving and shaking in this area of strategic stewardship planning. It is actually fun to watch them run with the ball towards the goal line, once they know exactly where the goal line is.

Second, our process allows families to gain Greater Confidence. The "estate planning" area is very complex and can be quite intimidating to anyone who is a novice in this area. This is not a

wealthy family's area of experience or expertise. They feel vulnerable and have a sense that they are not in control of what is being done. And for those who are high control type people, not being able to be in control is very unsettling. One of our clients said it this way once, "Going through your counseling process has empowered us to be able to tell our other advisors what we want to do instead of us being forced to look to them to tell us what we should do." Exactly. We turn the planning controls over to the stewards of the wealth and equip and enable them to "drive" the planning process as God leads them. Which is the way it should be.

Lastly, we introduce our clients to opportunities previously unknown to them which produce dramatic Increased Leverage in their planning. Recently we worked with two brothers who were partners in a family business. When we first started working with them, they had planned to give during their lifetimes and at their deaths about \$2.5 million. However, through the process of developing an overall Master Stewardship Plan for both families, their lifetime and testamentary giving to Kingdom causes skyrocketed to over \$87 million. They could hardly believe the massive increase in leverage they had gained from developing an overall strategic master plan. We could give you story after story like this with clients who have so much greater capacity than they know. It is fun when we show a family that they can maintain their lifestyle, give an appropriate inheritance to their heirs and increase their Kingdom giving exponentially; it is an easy decision for them to seize the opportunity to take advantage of the major increases in leverage.

There is nothing magic about what we do. It is just a comprehensive and integrated approach to life and wealth planning. We take our time and we do it right. The results speak for themselves and our clients are delighted to talk to anyone who will listen about their experiences with the Family Wealth Counseling process.

In fact, we have a DVD which was produced in conjunction with one of the ministries we have a formal working relationship with where four of our clients are interviewed concerning their experience with Family Wealth Counseling. If you would like

a copy of that DVD, please email us and we will send you a complimentary copy.

If fear and uncertainty in planning are paralyzing you, we would be honored to have you consider our unique ministry of Family Wealth Counseling for you and your family.

The author, E. G. "Jay" Link, is both an ordained minister and the President/CEO of Kardia, Inc., a firm that specializes in assisting wealthy Christian families with the stewardship of all of their life resources. He is also the author of the book Family Wealth Counseling: Getting to the Heart of the Matter. Mr. Link may be reached via email at jlink@KardiaPlanning.com.