The Wealth Transfer Gap

• Greatest transfer of generational wealth ever between 2007-2061….>$59 trillion dollars! (Boston College)

• Whites are five times as likely as blacks to receive substantial inheritances. This allows white families to pass down a wealth advantage from generation to generation (Amy Traub - Brandeis University - The Asset Value of Whiteness)

• The proportion of white households reporting a wealth transfer was on average more than twice as great as the share of African-Americans and Hispanics (25 versus 10 and 5 percent, respectively). (Bureau of Labor Statistics - January 2011)
Wealth Transfer Examples

• Sam Walton/ Jim, Alice, Robson
• SC Johnson / Herbert / Herbert Jr, Henrietta / Henry III
• Frank Mars / Forrest Sr / Forrest Jr, Jacqueline, John
• Abraham / Isaac / Jacob
• David / Solomon / Rehoboam
6 Steps To Future Proof Your Financial Legacy

1. Pinpoint your financial vision
2. Practice stewardship daily (Live on less / Make more money / Save the difference)
3. Invest in education
4. Invest for retirement
5. Buy life insurance
6. Create estate plan documents
6 Questions To Pinpoint Your Financial Vision

1. How will I finance my child’s education?
2. Will I be able to maintain my desired lifestyle in retirement?
3. How can I ensure I don’t outlive my money?
4. What might my unexpected costs be and how will I be able to handle them?
5. If I pass away unexpectedly, will my family be taken care of?
6. How do I want my heirs to use what I leave behind?
Education Is The #1 Way To Create Wealth & Change Your Family’s Economic Status!
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- Education is the best investment against unemployment and poverty.
- Those who completed four year or graduate programs are projected to earn near $2.1 million dollars over their lifetime while those with master's degrees are estimated to make just over $2.5 million dollars.
Rising Value of a College Degree

- Americans with a 4 year college degree earn 98% more per hour on average than a person without one (Economic Policy Institute Washington - 2014)
Tips For Investing In Education

1. Open a 529 College Savings Plan As Soon As You Can
2. Set A College Expense Budget For All Of Your Children
3. Let Your Children Finance The Tuition Outside Your Budget
Investing For Retirement Is The #1 Way To Create Long-Term Wealth
Investing Requires Patience And Time For Interest To Compound
You can come up with a laundry list of reasons not to invest, but I can give you 20,000 reasons you should start investing at least $20 per month — and even more reasons to invest even more.
The Cost of Not Investing $20 Per Month

• Before interest, $20 per month adds up to $240 per year. Over 25 years, that is $6,000.

• If you were to invest the $240 at the end of every year for 25 years and earn 10% (annual return of the S&P 500 over time) — you would have $23,603 at the end.

• If you were to invest the $20 automatically every month instead of at the end of the year, you would have $26,537 at the end of 25 years.
The Cost of Not Investing Grows With Your Ability to Save

• Odds are you spend at least $70 per month on something you don’t really need.

• If you were to cancel cable and invest $70 per month, you would end 25 years of investing with $92,878 — again, assuming an average annual return of 10 percent per year, compounded monthly.

• If you were to invest $211 per month in an IRA or Roth IRA, you would hit the maximum $5,500 annual limit imposed by the IRS. Invest that $5,500 per year for 25 years at the average return of the S&P 500, you would have $608,131.98.
Tips For Retirement Investing

1. If you have stewardship challenges, trust forced savings plans – 401K
2. Open an IRA (Traditional or Roth)
3. Consider paying down your mortgage faster as part of your retirement plans
4. Consider funding a long-term care policy (don’t count on Medicare!)
Buying Life Insurance Is The #1 Inheritance Hack
Life Insurance: A Powerful Tool That Hedges Against The Knowns & Unknowns In Life

• 29% say they will feel the financial impact from the death of a primary wage earner in 1 month (lifehappens.org).

• Think about Burial Expenses, Children Expenses, Replace Income, Pay off Debt, Business Buyout
Estate Planning Is The #1 Way To Transfer Wealth
Failure to do at least minimal estate planning puts an unfair burden on your family.
Estate Planning Documents Everyone Should Have

1. Advanced Medical Directives (Proxy, Living Will, MPOA)
2. Financial Power of Attorney (Durable vs Limited)
3. Last Will & Testament
4. Letter of Instruction
A Final Word About Inheritance

• Inheritance is mentioned 237 times in scripture…..
• OT: Material (Birthright) / NT: Spiritual (Christ)
• Revelation = leaving a legacy is as much financial as it is spiritual
• We must transfer our wealth and heart to the next generation so they continue building the cycle of wealth.

*Good people will be remembered as a blessing…*
Prov 10:7