


Widows and Their Mites

Charitable Planning for the Less Affluent


By Scott Farnsworth



**“By small and simple things
are great things brought
to pass.” Alma 37:6**



**Please indulge me as I share
a bit about my own “small
and simple” background.
I hope it will set the context
for my presentation.**



I grew up on a small dairy farm in Fruitland, NM, one of thirteen children in a “yours-mine-and-ours” family.



Uncle Jack let us buy clothes and shoes wholesale at his trading post on the Navajo Reservation in Shiprock.



**“We can’t afford to buy me new shoes today, and we can’t afford to buy you new shoes either.
Do you understand?”**



I learned a number of important lessons growing up on that small dairy farm.

One was that I was not very good around farm machinery.



**While I was in high school,
my family met in council
(without me) to discuss
a very compelling question:**

**HOW DO WE GET THIS KID
OFF THE FARM WHILE HE
STILL HAS LIMBS?**

Their
Answer:



a




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Over the past few years, I have substantially reduced my high-net-worth client work and shifted my practice toward more lower- and middle-income families.




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**In this shift, I have felt
a sense of mission,
a return to my own roots.**



I imagined, however, that I would not be doing much philanthropic work with this primarily lower- to-middle-income client base.

That turned out not to be true.

From my remarks in 2015:

**When there is a conversation
about philanthropy,**

**it is initiated by the client
93.4% of the time;**

**by the advisor
6.6% of the time.**

According to Drs. Michael Sanders & Sarah Smith (University of Bristol) and Dr. Russell James (Texas Tech University):

When the advisor asks no questions related to charitable giving:

5% include charitable gifts in their wills

According to Drs. Michael Sanders & Sarah Smith (University of Bristol) and Dr. Russell James (Texas Tech University):

That percentage can be doubled (to 10.4%) by the advisor asking a “weak” question, such as “Would you like to leave money to a charity in your will?”

According to Drs. Michael Sanders & Sarah Smith (University of Bristol) and Dr. Russell James (Texas Tech University):

That percentage can be tripled (to 15.4%) by the advisor asking a “strong” question, such as “Many of our clients leave money to charity. Are there any causes you are passionate about?”

According to Drs. Michael Sanders & Sarah Smith (University of Bristol) and Dr. Russell James (Texas Tech University):

**HOWEVER, these increases
in percentages are driven only
by CLIENTS WHO HAVE
NO CHILDREN OR
GRANDCHILDREN.**

According to Drs. Michael Sanders & Sarah Smith (University of Bristol) and Dr. Russell James (Texas Tech University):


**It's the old adage that
"CHARITY BEGINS AT
HOME."**

In my current practice, I sometimes encounter clients who make charitable gifts even though they:

- 1. Have children and grandchildren, and**
- 2. Have zero tax motivation to give**

**It is this subset of donors
that I find most
fascinating.**

**To me, they are the
modern-day equivalent of
widows and their mites.**



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Mark 12: 42 And there came a certain poor widow, and she threw in two mites, which make a farthing.

43 And he called unto him his disciples, and saith unto them, Verily I say unto you, That this poor widow hath cast more in, than all they which have cast into the treasury:

44 For all they did cast in of their abundance; but she of her want did cast in all that she had, even all her living.

Mark 12: 42 And there came a certain poor widow, and she threw in two mites, which make a farthing.

43 And he called unto him his disciples, and saith unto them, Verily I say unto you, That this poor widow hath cast more in, than **all they which have cast into the treasury:**

44 For all they did cast in of their abundance; but she of her want did cast in **all that she had, even **all** her living.**

Observations?

What can we learn from this?



1 Kings 17:8-24: The Widow of Zarephath

Imagine what it was like for her,
just her and her little boy.


Her husband had died, and together,
mother and son were starving to death.

They were victims of a widespread famine,
and she had faced the reality of their coming
demise. She would take her little pot of flour
and the little bit of oil she had left, gather
some sticks, make a little cake, eat this final
meal with her son, and lay down to die.

**What would you be thinking
if it were you?**

**What would you be thinking
about God?**

**What would you say
to your son?**



And how would you respond if someone you didn't know came and asked you to give them the ingredients for your and your child's last meal on earth?



1 Kings 17: 14 For thus saith the Lord God of Israel, The barrel of meal shall not waste, neither shall the cruse of oil fail, until the day that the Lord sendeth rain upon the earth.

15 And she went and did according to the saying of Elijah: and she, and he, and her house, did eat many days.

16 And the barrel of meal wasted not, neither did the cruse of oil fail, according to the word of the Lord, which he spake by Elijah.

Observations?

What can we learn from this?

I find that donors who:

1. Have children and grandchildren, and

2. Have zero tax motivation

are sometimes the most interesting to study. Here are a couple of cases from my practice.

**The Marshall Family: \$350,000 Home, Savings Accounts,
Retirement Accounts, Net Worth approx. \$500,000**

- 1. Ten percent of their estate to their local congregation**
- 2. \$100,000 each to their three children**
- 3. The balance to their church's international mission program**

Observations?

What can we learn from this?

**The Marshall Family: \$350,000 Home, Retirement Accounts,
Net Worth approx. \$500,000**

- 1. They have addressed “the question of ENOUGH.”**
- 2. They have considered how to have a conversation with their children about their future inheritance.**

**The Marshall Family: \$350,000 Home, Retirement Accounts,
Net Worth approx. \$500,000**


- 1. They have addressed “the question of ENOUGH.”**
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John Bogle, Founder of Vanguard:

**“Step back a bit, however, and you will see that every money question eventually boils down to a single line of inquiry:
How much is enough?”**

“It is a quantitative question for sure. How much insurance is enough, how much federal revenue and how much personal income and spending?”

“But the question’s qualitative nature is what makes it special and singular.



“It is about how money makes us feel and, ultimately, it is an inquiry into the nature of our values — about what our spending, saving, and giving say about us and what we and our families ultimately stand for.”

**How Much is Enough
For You?**



**I have lived long enough
to learn how much there is
I can really do without. . . .
He is nearest to God who
needs the fewest things.**

Socrates

**How Much is Enough
For You?**

And Yours?

**The Marshall Family: \$350,000 Home, Retirement Accounts,
Net Worth approx. \$500,000**

- 1. They have addressed “the question of ENOUGH.”**
- 2. They have considered how to have a conversation with their children about their future inheritance.**

If you had to guess what chimpanzees' favorite food is, what would you guess?



Chimps and Bananas

**If you had to guess what
chimpanzees' SECOND
favorite food is, what would
you guess?**

Bananas and Lettuce

An Interesting Experiment . . .



Observations?

What can we learn from this?

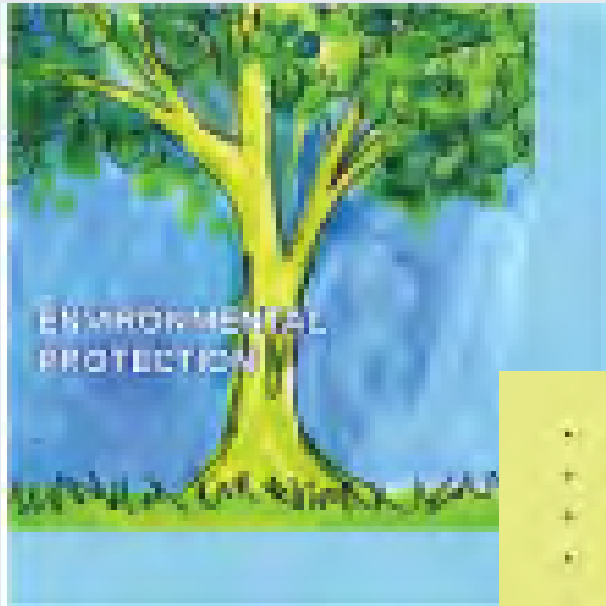
**The Torres Family: Net Worth approx. \$1,000,000,
three adult children and several grandchildren**

- 1. $1/10^{\text{th}}$ of the estate to a “children and grand-children donation fund.” Each child (with their spouse and children) is to select a charity to receive $1/3^{\text{rd}}$ of that fund.**
- 2. One-sixth of the balance to each of their three children and to three of the parents’ charities.**

Observations?

What can we learn from this?

Make a Difference (MAD) Cards



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 - Parks and Nature Preserves
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 - Clean Water and Waterways
 - Air Quality Improvement
 - Promotion of Renewable Energy
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Make a Difference (MAD) Cards



What lessons did you learn from your MAD Card experience?

**“By small and simple things
are great things brought
to pass.” Alma 37:6**

**What is something
you are taking away
from our discussion
this morning?**



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