

“Charity” is not the most popular name for natural born children of Christian families. Charity, however, is an increasingly common name for the child that Christian families add to their estate plan. Many people have included a “Child Named Charity” in the financial plan for their estate.

Here’s how it works: Often families divide their assets equally among the children God has given them. With a “Child Named Charity”, families add another child to their plan. For example, if a couple has four children and wants to have a “Child Named Charity”, they divide their estate five ways; one-fifth goes to each child and one-fifth goes to their favorite Christian organizations.

In other words, “Charity’s” share of the estate is given to one or more charitable organizations that God has placed close to their heart. A “Child Named Charity” makes a strong statement to children about their parents’ commitment to Christian causes. At the same time, it provides a substantial portion of the estate to their children. The concept of a “Child Named Charity” actually came to Barnabas Foundation through a couple who had lost a child and wanted that child’s share to go to their favorite Christian charities. Since then, it has become a popular way for many people to distribute their estate.

As you prayerfully consider how to treat children and charity in your estate planning, you may also want to consider the planning points below, offered by Christian financial advisor Ron Blue. Ron is the author of *Splitting Heirs*, and shared the following insights at a national stewardship conference:

- **See your wealth as God’s resources** used to accomplish God’s purposes. God is not interested in the amount of money you have. He is only interested in your use of those resources.
- **Decide ahead of time who will receive your wealth.** You have three choices: (1) You can give it to your heirs, (2) you can give it to charity or (3) you can give it to taxes and expenses. If you decide to leave more than a specified amount to your heirs, you need to leave a dollar for the government for every additional dollar that you leave to heirs under today’s estate tax laws. If you leave money to charity, you have no tax on that.
- **Ask yourself “What kind of wisdom do my children demonstrate today?”** Three questions will help you think through this one: (1) “What is the worst or the best thing that can happen if I transfer this wealth to such-and-such?” (2) “How serious is that?” (3) “How likely is that to occur?” Do this for each child and keep in mind that the answers may change over time.
- **Give some money to your children now** so that you can watch and see how your children or your heirs handle it. But don’t give your children money – now or later – to the point that you change their lifestyles. By doing so, you pre-commit them to a lifestyle that God may not have chosen for them.
- **Don’t get in God’s way of dealing with your children.** God may take them through financial adversity, not so that you can bail them out, but because He wants to teach them something. Be careful when you bail your children out. Some parents try to take the place of God in children’s lives.

