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**Generosity: Handout**

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## The Benefits of a Family Foundation

I first learned about giving at the age of five. Every Sunday on the way to church my mother would give me a quarter for the offering. My Father was an usher and faithfully served every Sunday for as long as I can remember. My parents modeled giving both financially and of their time, on a regular basis. I learned a lot by watching the two of them. As a teenager, we attended Arcadia Presbyterian Church and it was then that I began giving from my own earnings on a regular basis.

I have been self-employed since I was eighteen and have always been accustomed to being the last guy paid. Therefore, my giving reflected a small monthly gift with a year end emphasis. When Kathy and I were first married we were giving away about two percent of our income. Although we had been taught through God's word that we should strive to give ten percent, actually doing so seemed miles away. Nevertheless, we set the goal of ten percent and continued to faithfully increase our giving each year. God continued to bless us more than we could ever have imagined. After several years we finally reached our goal, and I remember feeling a real sense of accomplishment and relief.

Yet God continued to bless us, and we learned first hand that "you can't out-give God." Kathy and I felt a sense of obligation to get to ten percent. Once we exceeded it, we felt even more freedom to give, no longer out of obligation, but for even a greater joy of giving.

A couple of years later, I remember coming home in October and sharing how well the business was doing and how much we would need to give away by year end in order to meet the percentage goal we had established for that year. When we looked at the amount, Kathy and I felt we could not steward the funds appropriately. We didn't have a lot of time and if we waited too long, the amount would be reduced by the income tax we would have to pay. We were somewhat in a catch 22 situation.

Fortunately, we were introduced to the opportunity of a private foundation and by the end of November we were incorporated. Our primary motive was to make a gift by year-end and still have the time to steward the funds in a God

honoring manner. Over the years we have discovered many benefits to having a family foundation, and they include:

1. **Giving in the year that the income is earned.** As I said earlier, this allows us to give in the year that income is earned. It also provides the necessary time to discern which ministry opportunities we feel called to support.
2. **Structured approach to giving.** Working with the foundation has resulted in a more structured approach to our giving. We now have strategic goals, a clear focus and we follow-up to evaluate every gift's impact. We operate our foundation as a serious business, and in doing so, it enables us to be better stewards.
3. **Family legacy.** The foundation helps create a family legacy of giving. We involved our children at an early age. We created a world wall map and had the children identify with colored dots all the places we have given around the world each year. We also read thank you letters together and discussed the impact of each gift. When the children were younger, we did not share the dollar amounts of each gift. However, a few years after they completed college, we invited them to participate in our monthly Servant's Heart Board meetings and to this day participate in the approval process of every grant we make. It has been an absolutely amazing and wonderful experience giving together as a family!
4. **Vehicle to provide services.** In addition to financially supporting ministries, we partner with them by providing services such as strategic planning, mentoring, administrative help, and financial planning. Our Foundation provides a vehicle for us to employ a team that helps with these services.
5. **Grow at a pre-tax rate.** God's assets in the foundation are growing at a pre-tax rate, which ultimately increases the amount given.
6. **Family giving.** We are not leaving our children an exorbitant sum of money for a variety of reasons. We feel instead that providing them the opportunity of continuing to direct funds that God entrusted to our family after our death will benefit them in many ways.
7. **Lending to ministries.** We have found opportunities where we can make loans to Christian ministries, which may not be in a position to borrow from conventional sources. Thus, the ministry benefits from the loan. In addition, they feel good about the fact that their interest payments go 100% back to God's Kingdom.
8. **Investing.** Foundation funds are invested in God's Kingdom, provide a return for God's Kingdom, and ultimately are given to the Kingdom. This creates investment flexibility in a foundation. Having total control over

where the funds are invested prior to giving, allows us to manage the foundation in a way where God gets a **better return**.

In 1998, Kathy and I sold our company and I made the transition from spending most of my time in the “for profit” world to now spending the majority of my time in the ministry world. I feel privileged to have so much discretionary time, and it has been an incredible blessing to spend my time serving. However, what I found is I am spending so much time serving God and stewarding gifts that I haven’t been spending enough time personally with Him. He clearly calls us to be servants and to give generously, but I know in my heart what He wants most, and what I need most— is time with Him. In parting I urge you to hold tight to whom we serve and why we give.