

# Lighthouse Beacon

SPRING 2021



## Spring Greetings!

Greetings from Lighthouse Financial! We hope you are doing well. Some of you reading this have had COVID or know of family or friends who have had COVID. For some, it's a minor inconvenience but for others it has been quite traumatic with some lingering long-term effects. We pray for healing for you.

During the past year I have been blessed to witness many of you demonstrating what it means to be content – to be grateful for what God has given us. It is easy to dwell on things we have lost such as in-person church fellowship, family gatherings, team sports and vacations. I have been inspired by those



who focus on what we do have. A Christian blogger provided the example of John the Baptist

who had "enough" which for him meant a stick, one outfit, a pair of sandals, and a joyful heart as he proclaimed the coming of Jesus.

In *Bloom Where You are Planted*, we highlight Edmonton-based, Riverbend Gardens whose mission is to grow healthy, nutritious food for our local community, while stewarding the land for future generations.



In *Planner's Corner* we discuss "Six Decisions for a Successful Wealth Transfer" which was derived from a presentation by fellow Certified Kingdom Advisor® Brad Smith at Investment Planning Counsel's virtual Fall Summit on October 21, 2020. Kingdom Advisors is a network of Christian Advisors throughout Canada and the United States who are committed to

integrating Biblical principles in the advice they provide their clients.

I look forward to connecting with you virtually or in person in the months ahead. You and your business are appreciated.

Jim Hummel, CFP® CKA®

## Bloom Where You are Planted: Riverbend Gardens



Located on the banks of the magnificent North Saskatchewan River in northeast Edmonton is Riverbend Gardens, a 120-acre family farm owned and operated by **Aaron & Janelle Herbert**. The farm has a unique microclimate that enables Riverbend to harvest vegetables much earlier than the norm and provides a longer growing season. Riverbend Gardens' mission is to grow healthy nutritious food for their local community, while taking care of their precious resources for future generations and leaving a better place for their children.

Riverbend Gardens was an early pioneer in providing local food to local people starting with Janelle's parents in 1981, the year Janelle was born. Aaron and Janelle were married in 2004 and started farming with Janelle's parents in 2006. Aaron, who did not grow up on a farm, jumped at any opportunity that was offered by Janelle's parents to help. He loves being close to his family and working outdoors in the fields with his crew. He also loves sharing his passion with the customers at markets.



Riverbend Gardens sells its produce at nine farmers market in the Edmonton area including the long running, Old Strathcona's Farmers Market. They have recently started a new initiative, called Community Supporting Agricultural (CSA) where Riverbend Gardens packages fresh produce and brings it to 13 locations in the Edmonton area where about 800 subscribers pick up fresh vegetables from Summer to Christmas. You can check it out at <https://riverbendcsa.ca>.

To the Herbert's, farming is not just a job, it is a lifestyle. Janelle comments, "For us, we feel like we're always working and never working. We live farming. We also love that farming allows us to always be available for our children – sharing our work with them. We are terribly busy but very flexible." Asked about the challenges, Janelle adds "Farming always reminds us that we are not in control. God controls the weather and the growing. We are here to steward the land and the plants. Farming can be very demanding and requires constant watch, missing details can be devastating to crops. Farming also requires many skills – running a business, marketing, maintenance and of course growing."



About working with Jim at Lighthouse Financial, the Herberts mentioned "We met Jim in 2004, when we bought our first house. We have

always appreciated his wisdom and attention to detail. His attention to his clients and caring nature does not go unnoticed by us!"

The Herbert's feel farming is a great responsibility. "We feel truly fortunate, blessed and called to do what we do. It hasn't always been easy, but God continues to sustain us and bless us."



## Planner's Corner: Six Decisions for Wealth Transfer

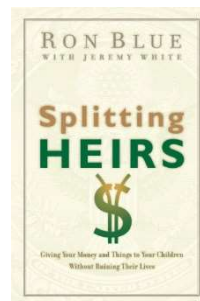


During the virtual IPC Fall Summit on October 21, 2020, I had the pleasure of listening to a presentation by **Brad Smith, Advice First Wealth & IPC Securities Corporation**, Kitchener, ON. Brad, a fellow Certified Kingdom Advisor®, has been working in the estate planning area for many years. Much of his work is influenced by Ron Blue's book, *Splitting Heirs: Giving Your Money and Things to Your Children Without Ruining Their Lives*. Brad challenged advisors to help clients finish well and to incorporate six decisions for successful wealth transfer in our estate planning discussions. The six decisions are:

1) **Transfer Decision:** When we die, we have 3 choices as to who will receive the wealth God has given us: the government via taxes, our heirs, and charities. We can choose one, two or all three. There are three guiding principles to help us with this decision:

- **Treasure Principle:**

- This is the last stewardship decision you will make while on earth.
- Remember that you cannot take it with you, but you can send it ahead by paying it forward.





- Consider how taxes can affect your choices. Alberta residents receive a 50% combined federal and provincial donation tax credit which will offset any taxes due and payable on death as the top marginal tax rate in Alberta is currently 48%.



- **Unity Principle:** Aim for unity between spouses and ideally within a family. Your spouse completes you; spouse does not compete with you.
- **Wisdom Principle:** First pass on wisdom before you pass on wealth. Wisdom can create wealth, but wealth never guarantees wisdom. Prepare the next steward to use wealth wisely.

## 2) Treatment Decision

- **Love your children equally but treat them uniquely.** When making wealth transfer decisions, consider the need, life choices and past spending choices of your children. (For example, consider dependencies such as gambling).

## 3) Transfer of Title Decision

- Consider transferring assets such as businesses, farms, or cabins to the next generation or to charities without first liquidating or selling.
- Ensure that those receiving these assets have an appreciation for how the wealth was created.

## 4) Timing Decision

- **Optimize the timing of asset transfers** to maximize the asset's use to you, heirs, and charities.
- **How much is enough?** Do I have enough? If yes, consider giving away some of the wealth



God has given you now (with a warm hand) versus on death (with a cold hand).

5) **Tools & Techniques Decision:** Invite a lawyer and if necessary, an accountant and others to help achieve goals.

## 6) Talk Decision

- Inform designated persons of their roles in the event of your incapacity or death.
- At a family meeting, discuss decisions made, bridge expectation versus reality, speak into next generation and answer questions they might have. This will:



- Promote family harmony
- Train the next generation
- Share values with next generation
- Ensure formal transfer of the stewardship of assets

Estate Planning and the corresponding wealth transfer decisions are complementary services provided to Lighthouse Financial clients. For non-clients, Estate Planning is a fee for service. If you would like help in this area or could use a review, please let me know.

Jim Hummel, CFP® CKA®

