Gilbert Money Story May 5, 2017

This document presents in written form the basis of the conversation Ken and Ruth had with the ICA Board during their face to face weekend at lunch on May 5, 2017.

INTRO

Ruth: We find it amusing that we are in front of you to talk about our family experience with money. Like any couple, there are days that we can barely figure out why we stay married another day, let alone share what we might know about money!

Ken: But we are still married, and have been for 49 years. But since Jim asked us to talk about money, we did sit down to figure out what we know about our money

But we have to admit that this was a bigger project than we imagined. If we were making a recommendation about how to bring your marriage closer, I probably would not recommend the strategy of reviewing every financial decision you had ever made.

OUR FAMILYs OF ORIGIN 0 – 20 years

Ken: Attitudes about money are very much created by your own family culture where you absorb those attitudes and assumptions unconsciously. As we thought about our own families, of course they were very different.

Ruth: My dad's family farmed in Nebraska. They lost that farm during the depression and dust bowl of the 30s. My mom's family also farmed but in upstate New York. They just survived the depression by selling eggs on a stand in front of their house.

Both my parents grew up during the depression and were formed by it. They each had a need to live simply and save. Dad was especially focused on securing their retirement years. This meant they signed up for both federal and state retirement plans (not allowed now). Mother kept track of money in envelopes and I remember her frequently having to borrow from Peter to pay Paul in order to make it through the month. She was sometimes in tears because while they poured funds in to retirement savings she didn't have enough money to by shoes for her children.

My family did give me three foundations to grow in. One was the church – attendance Sunday morning whether you "had a stomach ache or not" Another was the world – we had international students in our home all the time. And I spent a year in the Philippines with my dad's work. And I realized that because we stopped in multiple countries going and coming with his work, that I had been around the world by the time I was 20 and exposed to lots of local experiences. The third foundation came from my maternal grandmother. I knew I was blessed because she told me I was. My husband was also blessed. Each of my children were blessed. We had a blessed marriage. And so on.

Ken: My family had no financial status to start with. My grandmother was an orphan and left the orphanage when a family who wanted her labor “adopted” her. She left that family as soon as she was of age. There is a lot of speculation about who fathered my dad. The culture he lived in knew he was illegitimate, and he accepted the idea that illegitimacy was shameful. It sure doesn't come with any income base to work with. My grandmother subsequently married another man –an older man who was a widow and needed help raising his own four kids. That family was still using draft horses, no electricity, no inside plumbing when I visited as a little kid in 1960. My mom's dad was a plumber who lost his business during the depression, and who lost his wife to mental illness as she was taken to reside permanently in an asylum. Both of these families were just getting by in survival mode. There was certainly no tradition of wealth management on my side of the family.

Once I was married to Ruth, the deal was that her dad talked pretty openly about money, and regularly sent us articles that he had clipped out of Kipplinger's Magazine that he suggested we might read. In contrast, nobody ever talked about money in my family and certainly didn't talk to us about our use of money.

Ruth: Ken and I are basically children of the 60's. We knew there was a lot wrong with the world and we thought we could fix it. We set about doing that.

Ken: Our understanding that much that was wrong with the world was at the feet of the monied classes, and we knew that we didn't want to be like them.

OUR YOUNG ADULT YEARS 20 – 45 years

Ken: It is Ruth’s fault that we were in the Order Ecumenical. I asked her to marry me. She said OK on one condition. I had to go to a weekend course. I asked if I had to like it. She said “no”, just go. So I did go, and I didn't like it. But there is probably more to the story than that. We were very attracted to the Order Ecumenical. While I was still in school in Philadelphia, our little apartment was the local headquarters. Then we made the one way U-Haul journey to Denver and then Fifth City. The Order Ecumenical valued the ideas of Poverty, Chastity, Obedience. We absorbed those values in thinking about our own financial wealth. Poverty was understood to be detachment from rather than inadequate funding. That was thought of as virtue. In fact the stipend kept getting smaller. I remember it as $40 for a month for a couple, and I was OK with that.

Ruth: For 25 years of our life we were full time participants with the Order/ICA. They were good years. We didn’t have much money but that didn’t bother us. We were rich in community, friendships, activities, and experience, in making a difference – it all seemed important.

Ken: We are aware that all our life was shaped by and influenced by the Order Ecumenical experience.

OUR MATURATION YEARS 45-60 years

Ruth: There came a time when ICA re-organized itself. We arrived back from Africa to the US at age 45 with our two suitcases and three kids about ready to go to college. Ken and I both found employment and started working. Money in the form of paychecks began to arrive. But that was a new problem. We had never had money to manage. Now we did. We didn’t have college funds.

Our assumption was that our children would go to college on scholarships because we were poor. That wasn't true any longer. Also, we had never paid an electric bill or a phone bill or a water bill. We hadn't owned a car or had a house mortgage. Now we had all these. In addition, we were needed to be saving for a retirement that would soon be upon us. So there many "envelopes" to fill and not money enough to go around.

Ken: We stayed connected to ICA. I served on the ICA USA board and Ruth was on the International ICA board.

My father in law loved to tell stories that he thought carried a message. One of the stories we heard several times was that he served several times as stewardship Chair at church. This was at the same time he was administrator of human resources on Cornell's campus. He knew that some of the least well paid secretaries were giving a larger percentage of their income than some of the higher paid administrators. He told that story a lot, and it was really clear which side of the equation he expected to be sitting in. We knew to always include some contribution category as well as retirement category – after a while we settled on the figure of 10% of our after tax income to go as contributions.

Ruth: With a decision to tithe, we had funds set aside for giving back. But to where? We made a list of the programs we wanted to support. There were a lot! We saw that we couldn't do all of them, that scattering money everywhere wouldn't get anything done. But we saw a value in supporting a variety so that we would be in their membership count. We made decisions about a more limited list for which we could make annual routine gifts of $50 -100. This wasn't easy for us. We went back and forth with each other and our different values until both of us could live with the list we had.

But we also wanted to make a difference. We settled on 3 programs for which we wanted to be annual substantial donors. ICA was one of those. That is how we came to make annual contributions to the ICA from 1990 onward.

Ken: Fairly soon we had a house, a car, and we were starting to sock away cash for our needs when we are no longer able to be wage earning. We engaged a broker with the same firm that Ruth's dad had used, and in some ways he initiated our financial investment education.

Ruth: We gradually learned about stocks, performance reports, pooled stocks. My Dad also continued to give us a subscription to Kiplinger's Magazine. We learned a lot from that – like not buying stock when the price is going up! Through my work, we came to know of a fee-only-financial-planner whose program integrated investment decisions and tax preparation.

Ken's Eureka! I was still unsettled about the whole idea of having enough wealth that we needed a financial planner. Somebody pointed out that the financial world that we live in is totally different than what our grandparents or parents lived with. Grandparents were focused on just surviving the depression –especially after the banks failed. Our parents on the other hand, inhabited a world where you worked for one company all of your life and retired with a pension you could count on. Our generation could not possibly have learned from our grandparents or our parents how to pull together money for our retirement in the world of serial employments and complex tax code that we inhabit. At that point I figured out that we did need a financial ally and I did let go of the idea that virtue resides with detachment from all material things.

LOOKING TOWARD THE END 60 – 70

Ruth: we knew that we should have a will. We engaged a law firm got ours drafted. We ended up with a complex document that met the tax situation at the time, but was hard to understand. It was that process got us started talking about how we wished to distribute money to our kids once we are gone. And it was at that point that we figured out that we also wanted to leave money to the three agencies that we were giving larger annual gifts to. Getting all of that formalized was a big step at the time, even if we ended up not liking the structure of the will/trust very much.

Ken: That was about the time that Karen Sims was developing the idea of Legacy Group for ICA. We easily said yeah, sure, we will leave something in our will when we go. All of this got us thinking more about formal, legal declaration.

Ruth eventually proposed some poetry that held why we had chosen these three organizations for our substantial annual contributions and our legacy giving. :

Ruth: We give to these organizations now and in deaths:

Our church	as it cares for history long tradition and profound meaning-giving of life
The ICA	as it cares for human community and ways for people to participate in it
The Nature Conservancy	as it cares for the future of planet earth that we share and inhabit

SITTING ON ENOUGH 70 – 100

Ruth: My father lived with us for some years at the end of his life. We noticed that my parents had given a lot of money away while they were alive. The established a foundation for children, made 5 year long challenge grants to three churches in which they participated, and others. Their tax preparer pointed out that on Dads taxes, he had exceeded his contribution limit so frequently that they were now three years out in terms of taking his deductions on his itemized schedule. My sisters and I asked him about this.

This is when we learned about his position on having "enough."In 1955 as he and mother were retiring, they realized that they had done well in saving for their retirement. They set about deciding how much was "enough" and decided $500,000 was enough to care for them for a life time. After they hit that mark, they decided to give everything else away. They did that for a lot of years, living off of my father's two pensions. And they knew that they had enough.

After years of thinking so strongly about accumulation, it's not so easy to start to think about distribution. Ken and I have been incredibly fortunate. We were able to put three children through college on a combination of current funds and loans. Both of us were still healthy. We are not providing health care for any of our adult children. We entered the stock market at a time that it was expanding fast for 10 good years. We had a really good financial planner with effective and safe investment methods. We were able to take advantage of putting off Social Security until we were both 70. We were incredibly fortunate, and that good fortune allowed us to arrive at the point of saying we have"enough." We want to care for our children and the organizations that matter to us.

Ken: Not surprisingly, the two of us thought differently about this. Ruth leaned toward building a large endowment fund that could we could bequest to a favorite organization. She always noticed on NPR when they announced that a particular program was supported by a bequest by such and such family foundation. Ken leaned toward giving away money now while we were alive and enjoy seeing what difference it could make and enjoy being donor. (And people treat you nicely when you are a donor! ☺)

Ruth: It wasn't easy for us to arrive a common agreement about how we would proceed. This conversation like other financial conversations during our life time witnessed what we fondly call our "discussions." But we kept at it over time to arrive at decisions we were both happy with.

Ken's Eureka: I had another Eureka Moment. The estate plan that we had laid out so carefully in 2005 didn't make much sense any more. None of our kids were minor any more. Grand kids had appeared. Tax code had changed. Property had been acquired, property had been sold. We had to do it again. And in the midst of trying to figure out all the moving pieces and where they might be by the time we are likely to die we realized that you don't ever do a will and estate plan that you expect to be your final one. You set out to get one done, but know that you may have to tweak portions of it every five years or so. That realization allowed us to focus more on what needs to be in place now and not try to second guess the rest of our natural life. We know that as life continues to change, we can make modifications to what we have set up. That was way easier. Yes, the attorney for the will and trust takes a substantial amount, but compared to a expense of a state imposed probate process, the attorney fees are worth it.

Ruth : Ken loves working and has continued to do so part time. We are lucky in that regard. He has figured out a work schedule that lets us travel and see the grandkids when we want to. We think we have shifted from a process of accumulation to one of distribution. We have "enough"

"Harvest"is a word we like. Last year we were required to take our first Required Minimum Distribution. Our planner pointed out that since we aren't living off of the money in our retirement investment accounts because of a combination of ongoing income from 2 Social Security payments, my university pension and Ken's continued part time work. That means that we could combine our RMD and the sale of investment funds to start making major gifts now. That is how we came to be able to make a major contribution to ICA this year and a commitment to four more years.

We hope that these stories of our money journey help you think about the possibility of your annual gifts to ICA and a long term legacy gift either now or after you die.

Ken: So we looked at each other, and then we wrote an email to Ted and said we think you need to come to visit us one day soon. And that is the story of Ken and Ruth and Money – and how good fortune allowed us to be in a position to make out legacy gift now.

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