

Where Will Your Next Pastor Live?

A recent article in the Marin Independent Journal called attention to the difficulty of the local hospital in attracting new physicians. "Doctors just cannot afford to live in this area," lamented the hospital's chief of staff.

If this applies to medical doctors, how much more does it apply to those ministers whom we call to be our spiritual leaders! The high cost of living in the entire Bay Area poses a crisis for ministry for our church.

Few parishes have parsonages. Some parishes have established "equity sharing" arrangements in which the congregation and the minister share the down payment and, when the property is later sold, both share in the appreciation. But for the parish to raise its share of the down payment to a level that brings the minister's monthly mortgage payment to a feasible level may—as some parishes have discovered-- require a major capital funds drive.



If you own your own home, you are aware that you have personally benefited by the general appreciation of real estate. Depending upon your circumstances, there may be two ways that you can help your parish to answer the question, "Where will our next minister live!?" This may also help you personally by avoiding or reducing taxes.

Selling? Bypass Capital Gains Taxes. Capital gains for an individual selling a home that she has lived in for many years can easily exceed the \$250,000 exemption. But capital gains taxes can be bypassed by the use of trust for the sale of a portion or the whole of the house. This trust will pay lifetime income as well as resulting in a significant income tax deduction. The remainder principal of the trust can be used by the parish or diocese for clergy housing expenses.

Staying Put? Lower Your Income Tax You can donate your home to your parish or to the diocese and continue to live in your home for as long as you wish. If your home is your major asset and you wish your heirs to have some value from it, you can still donate a portion of it to the Church. This gift of a "remainder interest" to the church may lower your taxes since it qualifies for a current income tax deduction.

If you donate your home, or a portion of it, in this way, you retain the right to live in it for your lifetime. If you should wish to move elsewhere after making the donation, you would receive a portion of the proceeds when the home is sold.

These are two ways that you can share the value of your home with the Church. By donating some of your own home, you will be making it possible for future ministers to have a place to live. This would be a very special legacy indeed!

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