Transported by giving

Learn how two brothers use generosity to lift the heavy burden of materialism

Can you imagine giving away a company earning $60+ million a year to charity? That's exactly what Alan and Eric Barnhart of Barnhart Crane and Rigging did. Read on to discover why these brothers decided to use their company to invest in something beyond earthly success.

"I tell you the truth ... it is easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of God." Alan Barnhart was just a young, 24-year-old entrepreneur starting out in his family's crane business when he first read these words from Matthew 19:24. This was one of hundreds of Bible verses he encountered over a two-year period that led him to an important realization that would change the course of his life: he did not want his business success to equal spiritual failure.

So in 1986, when Alan and his brother, Eric, started the process of transitioning from being employees in the family business to co-owners of Barnhart Crane and Rigging, they decided to establish safeguards against too much worldly success in their lives.

This led to an unusual promise – they made a commitment to one another to keep their lifestyle simple and modest, and use any additional money they made to fund ministry. Alan explains, "If God chose to prosper our business beyond what it would take to generate our middle class salaries, we promised that we would not increase our lifestyle."

In their first year in business, Alan and Eric didn't know if their new venture would even survive. They began with a small group of about 10 employees and equipment from the original family company and the corporate offices, which were two bedrooms of the home they grew up in.

But what happened next is pretty amazing. Alan says, "The company started to grow and the first year we made some extra money. We were able to give away $50,000 – which was more than my salary. I thought that was awesome!"

They decided that God wanted their giving to have an international focus because they saw such a disproportionate need there.

Alan travels to Africa and other countries for various ministry projects because his corporate giving has an international focus.

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>
> - Alan Barnhart

The next year they were able to give $150,000 and the next year it was more, and so on. The company grew about twenty-five percent a year for the next several decades.

Barnhart Crane and Rigging went from being a very small company to an established business with offices around the country. In the early 2000's, they were able to give away a million dollars one year. Then, one of their salesmen came up with what seemed to be an outrageous goal: to give away a million dollars a month. They were able to achieve this goal for the first time in 2005. Since then, they have continued to give away a million dollars a month, on average, every year.

As the years passed, the corporate earnings grew to more than $60 million and the value of their business was also very significant. Alan says, "We believe God owns everything, not just our income. So eventually, we decided to give the whole company away as well." They met with a number of advisors to come up with a strategy. But they couldn't find anyone who knew exactly how to handle their unusual gift until they met the National Christian Foundation (NCF). With NCF's help, they were able to accomplish their goals by giving their business to charity now.

Here's how it worked:

1. In 2007, the Barnharts contributed 99% of their business ownership interests into one of NCF's irrevocable charitable trusts (all non-voting shares). This gave them a large tax deduction immediately, and eliminated future estate taxes. It also enabled them to maintain the ongoing management oversight of the business.
2. Income earned by the company is taxable to NCF's trust, but effectively at rates below those previously experienced by the Barnharts. This allows for even more value to benefit charity.
3. To allow this arrangement to continue long term, the 1% voting interest was placed in a special trust (also benefitting charity) that allows the Barnharts to continue to manage the company. This arrangement was specifically approved by the IRS and completed a 100% gift of a business valued at several hundred million dollars that generated earnings of almost $60 million per year.

The Barnharts have locked in their commitment to generosity by including other team members in their company. Alan remembers that they told their employees from the beginning, "If we work hard at generating additional revenue and God prospers us, these profits will mean nothing to our lifestyle as owners, but they will mean a lot to the Kingdom." As a result, many were attracted to Barnhart Crane and Rigging because they wanted to be part of supporting Kingdom work through business. Alan adds, "But it also built in accountability for us."

They also have put a system in place to do all their giving through the company. Their desire was to keep personal pride out of the giving process and to share the joy of giving. They established a corporate "profit with a purpose" group and named it, GROVE: God's Resources Operating Very Effectively.

Through GROVE, team members of the company and their spouses are involved in the giving process and make decisions as a group. What started out as a group of six has now grown to more than fifty people.

Today, Alan and Eric and their families continue to live modest lifestyles. Alan says, "In reality, we don't live a sacrificial life at all. We live a life that even by U.S. standards would be a very good life, and by global standards, would be extravagant. Even though there are some things that we have given up, we've given up none of the good stuff. And we have saved ourselves all the energy it takes to accumulate."

PHONE 800 681 6223 EMAIL info@nationalchristian.com WEB nationalchristian.com