


# Investing in the Future of Kansas

How to make People and Place a  
Possibility



# Intergenerational Transfer of Wealth

## The Story

- Rural USA is Land Rich but Cash Poor
- “Millionaires in the Millennium”

Havens & Schervish, 1999 Boston College

- “Wealth in Nebraska

Don Macke, 2002 Nebraska Community Foundation





# 50 Year TOW Findings

## Boston College Study of 2000

### ● Per House Hold Transfer Each year

● Nebraska	\$389,000
● Wisconsin	\$302,000
● Indiana	\$150,000
● South Dakota	\$131,000
● Montana	\$129,000
● Wyoming	\$121,000
● Louisiana	\$102,000

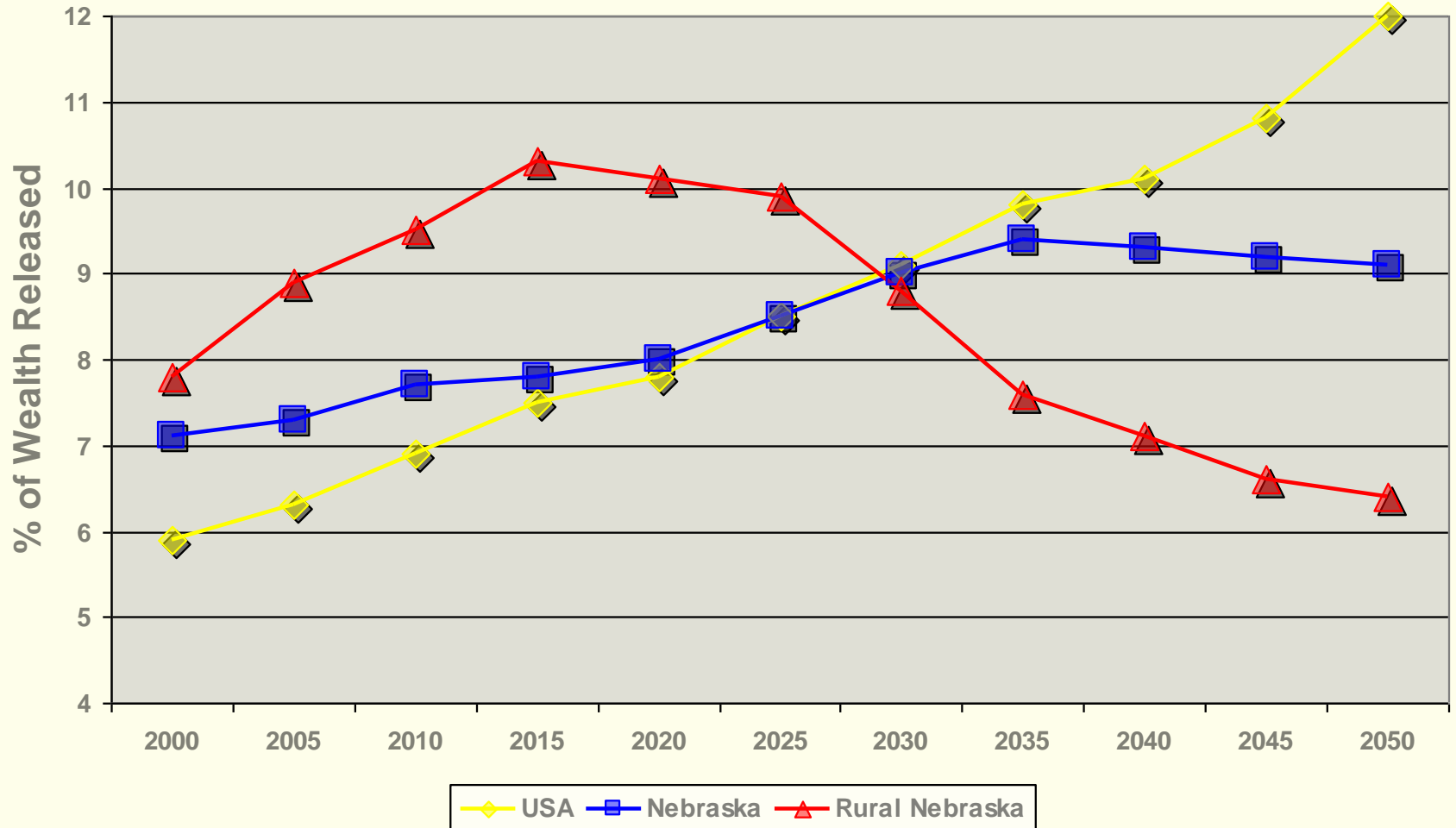
### ● US Bench Mark

● \$281,000 Moderate  
Estimate

● Boston College  
\$389,000



# Transfer of Wealth In America






# Intergenerational Transfer of Wealth

## The **KANSAS** Story

### Largest Transfer of Wealth

- Baby Boomers #1      1946 to 1954      -      2009 to 2017
- Baby Boomers #2      1955 to 1964      -      2018 to 2027
- Generation X            1965 to 1981      -      2028 to 2044
- Generation Y            1982 to 1999      -      2045 to 2062

### TOW is peaking Now!

- Aging Rural and Urban Population
  - Heirs Don't Reside in Our County
  - Community Dollars GO OUT
- 



# Kansas TOW Study

- “Millionaires in the Millennium”

Havens & Schervish, 1999 Boston College

- Legacy encouraged Kansas Health Foundation to fund a KS TOW study


- KHF commissioned the TOW Study

- Center for Economic Development & Business Research at WSU conducted the study





# TOW Study Methodology

- Determine Current Wealth by County
  - Estimate Future Population Changes
  - Calculate Potential Estate Creations
  - Determine Estate Adjustments
  - Calculate TOW Transfer within each Kansas County
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# Validation The Technical Team


<b>Team Member</b>	<b>Position</b>	<b>Organization</b>
Tim Carr	Sr. Scientist Emeritus	Kansas Geological Survey
John Cyr	Executive Director	NC Regional Planning
Kelly Edmiston	Sr. Economist	Federal Reserve Bank - KC
Tony English	CFO	Frontier Farm Credit
Anne Gallagher	Sr. Research Associate	CEDBR- Wichita State
Terry Kastens	Sr. Ag Economist	Ag Econ - K- State
Lynn Kent	Oil & Gas Section Mgr.	KS Dept of Revenue
Laszlo Kulscar	Director	Population Center - K-State
Frank Lenk	Director of Research Serv.	Mid-America Regional Coun.
Don Macke	Co-Director	RUPRI Center for Rural E-ship
Ken Wasserman	Sr. Legal Advisor	Salina Law Firm
Brett Zollinger	Director	Docking Institute-Fort Hays

# Validation User Advisory Team

Team Member	Position	Organization
Anne Gallagher	Sr. Research Associate	CEDBR- Wichita State
Don Macke	Co-Director	RUPRI Center for Rural E-ship
John Schmidt	Estate Planning Attorney	Shughart Thompson & Kilroy
Jeff Thorpe	Trust Officer	VP - Trust Officer
Jeff Dinkel	Financial Planner	VRS Financial Services
Kenny Wilk	State Representative	KS House of Representatives
Janis Lee	State Senator	Kansas Senate
Jeff Usher	Program Director	Kansas Health Foundation
Aubrey Patterson	Director	Hutchinson Comm Foundation
Carolyn Dunn	Board Member	Golden Belt Comm Foundation
Larry McCants	President & CEO	First National Bank Goodland
Steven Hill	EVP & CFO	CornerBank



# TOW – Kansas as a Whole

- 2004 State Net Worth - \$545 Billion
  - Transfer of Wealth State Wide:
    - 2004 – 2010 \$23.6 Billion
    - 2011 – 2020 \$54.7 Billion
    - 2021 – 2030 \$79.6 Billion
    - 2031 – 2040 \$109.0 Billion
- 



# TOW – Butler County

- Estimated Total County Net Worth in 2004

**\$11,907,607,692**

- Estimated TOW 2004 – 2010

**\$489,746,613**

- Estimated TOW 2011 – 2020

**\$1,204,466,069**






# TOW – Butler County

- Butler County, in the next 50 years cumulative, will experience an estimated transfer of wealth of:

**\$13,956,821**





# What Does All This Mean?


- What if 5% of the wealth being transferred from 2011 to 2020 could be captured?
- $\$1,205,000,000 \times 5\% =$

**\$69.3 Million**






# How Can this Help Butler County?

- \$69.3 Million in Community Foundation Endowments
  - Using a 5% payout rate
  - \$3,465,000 would be Available Annually for Community Gifts and Grant Awards
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# Current Rural Issues

- Declining and Aging Rural Population
  - Youth Leaving Communities
  - Community Wealth Disintermediation
  - Declining Growth in Job's
  - Cycle of Government Dependency
  - Declining Community Attitude
- 



# What If We Could...

- Start and Grow Small Business
  - Provide Better Local Economic Opportunities
  - Build Leadership \ Build a more Diverse Leadership
  - Attract more Young People to Live and Work in our Communities
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# Strategic Grant Making


## Support Entrepreneurship

- Help Existing Businesses Grow
  - Start New Businesses
  - Business Ownership Transfer
  - Support Youth Entrepreneurship
  - Fund Local Entrepreneurship Staff
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# Strategic Grant Making


## Affordable Quality Daycare

- Safe Nurturing Places for Children
  - Increased Employee Productivity
  - Decreased Employee Distractions
  - More Entrepreneurial Ventures
- 



# Strategic Grant Making


## Build Leadership

- Connect Leadership To Community Needs
  - Develop a Broader Leadership Base
  - Build Individual Skills
  - Future Leadership Development
- 



# Strategic Grant Making


## Youth Engagement

- Empower Youth on Hometown Issues
  - Community Commitment to Youth Issues
  - Grants that Foster Youth Leadership Development
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# Strategic Grant Making

## Value Added Education

- Connect Youth to Local Community
  - Provide Teacher Enhancements
  - Classes Tailored to Individual and Community Demands
  - Non-traditional Scholarships
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# Charitable Giving to Community Foundations

- 50% to 70% Have No Will or Estate
  - 70% of Endowments were from Bequests
  - Give back to the Community that Gave so Much to You
  - Consider Establishing an Endowment
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# Community Foundations Can Help

- Establish Community Benefiting Endowments
  - Strategic Grants to Benefit the Community
  - Name a CF in Your Will/Estate Plan
  - Make an Endowment
  - Direct Your Endowment
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