

Research projects \$1.3 billion potential for Cloud County Foundation

Research results announced recently by the Kansas Association of Community Foundations, including the Community Foundation for Cloud County, projects that over the next 50 years, more than \$1.3 billion will transfer from one generation to the next in Cloud County. When considering a 12-year time frame, this wealth transfer is estimated at \$275,193,671.

Following the Great Depression and World War II, the United States entered a golden age of business growth and personal prosperity. Americans have created, invested and multiplied unprecedented wealth. Over the next 50 years, this capital—a conservative estimate of \$41 trillion nationwide—will change hands. Most will go to heirs and taxes, but Kansas community foundations are leading an effort to ensure that a portion is preserved and invested in communities across the state.

"For generations, people lived their entire lives close to their birthplace and as wealth passed from one generation to the next, most stayed in the same county. This is no longer true," said Bob Steimel, chairman of the board of directors. "Once the wealth leaves our community, it may never return. Many of the 'next generations' no longer live in Kansas. We hope to encourage residents to designate a portion of their estates, 401(k) and IRA accounts or life insurance policies to the community foundation.

"Our conservative goal is to secure five percent of the total amount transferred in the area served by the Community Foundation for Cloud County by encouraging every resident to consider leaving a gift to our community foundation's unrestricted endowment or an endowment at the Community Foundation for a local nonprofit. We have the potential to add \$13,759,684 to our community foundation endowment in the next 12 years, which would help us provide \$687,984 in annual grants to local nonprofits and ultimately strengthening our community."

The Community foundation for Cloud County was estab-

lished in 2002. The Foundation, an affiliate of the Greater Salina Community Foundation, is an endowment that will ensure the Cloud County area enjoys the long-term benefits of this transfer of wealth opportunity. Community foundations are tax exempt, public charities created by and for the people of a designated area. Community foundations have a long history as experts in identifying and supporting the long-term needs of communities, as well as acting as knowledge leaders in the area of philanthropy, assisting individuals, families and businesses with their charitable giving decisions.

Betsy Wearing, executive director of the Greater Salina Community Foundation, said, "The potential impact on Central and Northwest Kansas is very exciting. Philanthropy at this level can potentially expand needed health and human services, help relieve the burden of governments, particularly in smaller communities, and preserve and improve the quality of life in rural Kansas."

The Transfer of Wealth study was commissioned by the Kansas Health Foundation and conducted by the Center for Economic Development and Business Research at Wichita State University. Future intergenerational wealth transfer for each county in Kansas was estimated based on a model initially created by Boston College. For more detailed information about the study, visit www.kansascfs.org.

According to the study, a statewide total of \$598 billion will transfer from one generation to the next by 2060 and \$66 billion will transfer by 2020. Five percent of this 12-year transfer would bring \$3.3 billion to community foundations or local nonprofits across Kansas.

"We would invest the dollars and use just 5 percent each year for community betterment projects and programs undertaken by our local nonprofits. Within a decade we would be able to address the challenges facing our community and enhance the quality of life for our residents," Steimel said.

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