

Millions of \$\$ in local wealth to change hands

BY LINDA MOWERY-DENNING

ELLSWORTH COUNTY I R

Over the next dozen years, more than \$109 million in Ellsworth County wealth is expected to transfer from one generation to the next. Carry that number out 50 years and it grows to an estimated \$925 million.

The wealth transfer projections were compiled by Wichita State University economics professor Anne Gallagher on behalf of the Kansas Health Foundation and the Kansas Association of Community Foundations, of which Ellsworth County's Smoky Hills Charitable Foundation is a member.

The purpose of the study was to educate the public and also to encourage philanthropic giving across the state.

"I had no idea what to expect," said Judy Toman, chairwoman of the Smoky Hills Foundation. "I was amazed at the numbers they came up with. They were just staggering."

Statewide, the study projected the transfer of \$598 billion in wealth by 2058, or \$66 billion over the next 12 years. Researchers used a model initially created by Boston College to determine Kansas' total wealth.

The information is especially significant in rural areas, where the population tends to be older. Further, as the wealth transfers, it often goes to a younger generation that has moved to Kansas City, Wichita, Denver or some other larger town.

"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," Toman said.

This past week, at the monthly meeting of Smoky Hill Development Corp., Ellsworth attorney Patrick Hoffman, another director of the Ellsworth County Charitable Foundation, spoke to the group about the establishment of a fund within the foundation with income being used for economic development projects.

"Once the wealth leaves our community, it may never return, so we hope to encourage residents to designate a portion of their estates, 401(k) and IRA accounts or life insurance policies to the com-

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Continued from Page A1

community foundation," Hoffman said.

Economic development directors took no action following Hoffman's presentation; however, director Rob Fillion said the work of the foundation fits into the vision the economic development organization has for Ellsworth County.

"We are trying to expand the wealth of the county, while they're trying to retain it," he said.

Toman said Kansas Farm Bureau and its local chapters also have targeted wealth transfer as one of its concerns.

"I think we just need to sit down and look at these figures and figure out what needs to be done," she said.

For their part, Smoky Hills and other Kansas foundations have set a "conservative" goal to secure 5 percent of the transferable wealth — an amount they consider achievable and one that would mean huge benefits to communities.

Since it was organized in 2003, the Smoky Hills Charitable Foundation has used income from its almost \$600,000 in assets to support the county's two school districts, improvements to American Legion buildings, the purchase of playground equipment at Kanopolis and dozens of other projects.

The more money the foundation has, the more grants it can award each year. Hoffman said capturing 5 percent of the county's wealth transfer could return large dividends.

"Through this generosity, we have the potential to add \$8 million to our community foundation endowment in the next 12 years, which would help us provide grants to local non-profits and ultimately strengthening our community," he said.

Toman said foundation trustees hope to make the organization more visible over the coming months. A workshop is planned in September or October with representatives of non-profit organizations to receive input on ways the foundation can help with their efforts. Also being discussed is a luncheon, where foundation directors will announce the organization's annual grants and thank those who have donated to the foundation.

Another possibility is a charity catalogue, which would contain wish lists from Ellsworth County's non-profit organizations.

Toman said it's all part of the foundation's effort to answer the question, "What can we do for Ellsworth County down the road?"

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Rob Fillion
Smoky Hill Development Corp.

June 5, 2008