

# Act Now to Capture Community Wealth



October 10, 2012



**Heartland Center**  
for Leadership Development

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# A Timely Opportunity for Financing Community Development

Montana's Cities and Towns are  
Surrounded by a Stockpile of  
Financial Resources



# The TOW Opportunity

- From 2006 to 2016, \$8.8 billion will transfer from one generation to the next.
- Four times the state's annual operating budget.
- Capturing 5% would yield \$22 million proceeds each year.



# Value of Land Holds Key

Land values are generally increasing at a fast pace, despite the overall economic turndown. Much of the vested wealth in rural places is real estate.



# The 5% Solution

- Valley County, Nebraska, set a 5% goal in 2002
- By 2007, the 10-year goal of \$6.5 million had been succeeded
- Similar opportunities exist in Montana



# Flathead County

- 50-year TOW = \$6.92 billion
- 10-year estimate = \$.9 billion
- 5% = \$45 million
- \$2.25 million payout annually
- Younger counties will continue to grow endowment potential



# Richland County

- Potential may have peaked already in the counties with an aging population
- Yet, here the 10-year transfer = \$.07 billion



# Getting Started

- Contact Montana Community Foundation
- Start a local endowment
- Create a local leadership team
- Set a 10-year goal
- Articulate a case statement
- Educate estate planners
- Target likely donors



# Estate Planners

- Come in many forms: attorneys, accountants, brokers, bankers, undertakers
- May not know all of today's options
- May be unaware of the value of TOW to community development
- May not have heard of the 5% solution
- May welcome some new information



# Local Leadership Team

- Leads by example
- Builds the case
- Targets likely donors
- Makes the case
- “People give to people”



# Donor Identification

- Older than 60
- Lives comfortably, modestly
- Owned a business or real estate
- Is a compulsive saver/investor
- Loves their hometown



# O'Neill, Nebraska Success Story



# O'Neill, Nebraska Success Story

- Estate planner advised bachelor farmer
- \$2 million endowment created
- Proceeds support entrepreneurship
- Business coach position supported
- Entrepreneurs getting support to start, transition, grow their businesses



# Strategic Grant-Making

- Non-Traditional Scholarships
- High-quality Affordable Childcare
- Microenterprise Education
- Build Leadership with a Purpose
- Retain/Recruit volunteers
- Value-added curriculum for K-12 school



People living in small, rural communities are discovering that they need to help themselves because no one else will do it for them. There is no better time to give back to the community that helped build your wealth, educate your children and saw you through hard times.

--Montana Community Foundation





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# Thank You!



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