

Charities look to estates

5/12/2008

By [DUANE SCHRAG](#)

Salina Journal

A study being released today projects a dramatic increase in the next two decades in the value of the estates being transferred from the baby boom generation to its offspring.

And the charities that commissioned the study are hoping they'll be remembered when that happens.

"Some people will be surprised to see the potential in our community," said Betsy Wearing, president and executive director of the Greater Salina Community Foundation.

According to the study, which was commissioned by the Kansas Health Foundation on behalf of the Kansas Association of Community Foundations, about \$59 million a year is transferred from one generation to the next in Salina County alone. In the next decade that figure is expected to jump to \$92 million. By 2060, the estimated transfer will be \$232 million a year.

Statewide, the figures are \$3.4 billion a year currently, \$5.5 billion a year during the next decade and \$18.7 billion by 2060.

"Our conservative goal is to secure 5 percent of the total amount transferred in the next 12 years by encouraging individuals, families and businesses to give together to community foundation endowments or to local nonprofits," Becky Goss, chairman of the Kansas Association of Community Foundations, said in a press release. "Through this generosity, we have the potential to add \$3.3 billion to community foundation endowments, which would help provide grants to support the good work of local non-profits and ultimately strengthening Kansas communities."

Data on how much residents of each Kansas county give to charity isn't readily available, much less what percentage of those donations are from estates. Some gifts are so large they make the news: last week Wichita State University announced that it had received \$8.5 million from the estate of Paul and Evelyn Cassat, a couple who lived in Abilene. Paul died in 2002; Evelyn died in September.

But local donations to charities, which are mostly from individuals while they are alive, rather than estates, already far exceed the 5 percent target. The Greater Salina Community Foundation alone, for example, received \$8.8 million in donations in 2006, which is about 15 percent of the estimated value of estates that transferred that year.

"Salina's a very generous community. Philanthropy is alive and well here," Wearing said. "It's not a stretch for people in Salina to give to things."

She's hoping the study's findings will spur more people to remember charities when estates are inherited.

"Our strategy will be to share this information with people and let them know what the potential is," Wearing said.

The study is modeled after one done at Boston University, said Anne Gallagher, senior research associate at the Center for Economic Development and Business Research at Wichita State, which produced the study.

It relies primarily on the Survey of Consumer Finance, a project of the Federal Reserve. The survey is done every three years and provides detailed financial profiles of 4,500 families. Gallagher said that the 2004 survey was used to first calculate the net worth of Kansas residents -- \$545 billion -- and then, on the basis of population, estimate the net worth of each county.

Demographic information -- age, occupation, family size, income, etc. -- was used to adjust the county totals, but didn't move the numbers much: the per capita net worth ranged from \$175,600 (Chautauqua County) to \$227,000 (Johnson County).

From that starting place, the study aged the state's population through 2060, using U.S. Census data on county birth and death rates, as well as in- and out-migration trends. Wealth was assumed to grow at 2 percent per year.

Don Macke, an economist with the Rural Policy Research Institute at the University of Missouri-Columbia, said that a similar study was done for the state of Nebraska in 2002.

"Until you have that transfer of wealth number out there, communities don't realize just how big an opportunity exists," Macke said. "For a community like Salina, we're talking about hundreds of millions of dollars."

n Reporter Duane Schrag can be reached at 822-1422 or by e-mail at dschrag@salina.com.



©Salina Journal