

## Sharing local wealth

# Smoky Valley Community Foundation joins move to secure a portion of legacies

The Smoky Valley Community Foundation has joined scores of other similar foundations in a campaign to keep a portion of local wealth from otherwise leaving the communities in which it originated.

It is not a cheerful topic; but as what has been called the "greatest generation" passes away, studies now show that communities stand to lose millions of dollars when out-of-state relatives inherit local wealth. In previous decades, many people were life-long residents of their communities, and so were their heirs. Wealth that was built in a community, and based in that community, stayed in that community. Wealth that passed from one generation to the next often stayed in the same county, if not the same town.

But as families and individuals become more transient, today's families and neighbors are less des-

tinued to be tomorrow's – especially in rural regions.

"We are approaching a time when more wealth will be transferred among families and individuals than in the history of our country," says Leon Burch, executive director of the Smoky Valley Community Foundation.

Research commissioned by the Kansas Health Foundation and directed by the Wichita State University Center for Economic Development and Business Research shows that in the next 12 years, more than \$66 billion will transfer through generations in Kansas.

The Kansas Association of Community Foundations, including the Smoky Valley Community Foundation, has set a goal to secure five percent of that estimate – \$3.3 billion – for Kansas communities by 2020. In McPherson County, about \$800 million is estimated to transfer from generation to generation by 2020; five percent of that is \$40 million.

Burch hopes to generate interest by encouraging individuals, families and businesses to consider designating a portion of their estates, life insurance, or property (real estate) to community foundation endowments.

"We are an extremely giving community," Burch said. "And many, many people and businesses

contribute so very much to support the many organizations here. To solidify their heritage, we hope to encourage creating a financial base for these organizations, with examples like the churches, the Swedish Dancers, Hyllningsfest, local scholarships, and many other projects.

"We would like people to begin discussing this in terms of how we can continue special legacies – and those commitments of course are up to the individuals," he continued. "It's a matter of how to leave something lasting to the community."

In terms of general contributions, he said, foundations may manage the donations professionally in determining a community's greatest need.

He added that community foundations are not saying that endowments be made instead of leaving an inheritance for children. "We're asking a consideration of ten or five percent in an awareness of community," Burch said.

That leaves 90 or 95 percent for heirs or other purposes.

"We never have the funds to meet what is needed," said Becky Gross, executive director of the McPherson County Community Foundation. "But if we're able to secure five percent of what we're looking for ... programs in our community wouldn't want for a lot."

June 19, 2008