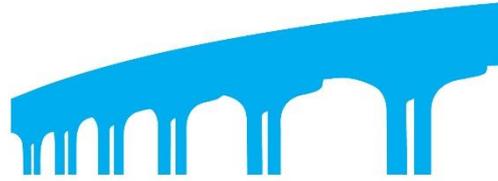


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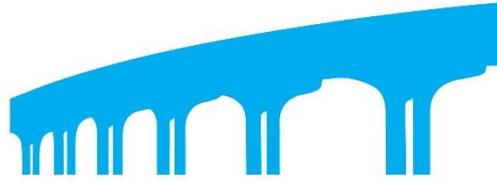
# The Transfer of Wealth

**YOUR CAUSE & YOUR COMMUNITY FOUNDATION**

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AFP - Treasure Coast  
Wednesday, May 27, 2015

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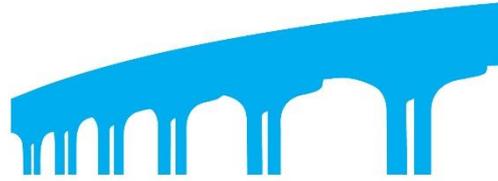
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## About Us

- Our **mission** is to facilitate philanthropy.
- We serve as a vehicle for donors to identify important issues, share ideas and build the financial resources to make positive, long-term change.
- Established in 1988
- 501(c)(3) publicly supported charitable foundation consisting of named funds established by many separate donors for wide range of charitable causes
- First CF in Cleveland in 1914
- Field has grown to more than 1,700 globally, over 750 located in the United States, with nearly 30 in Florida.

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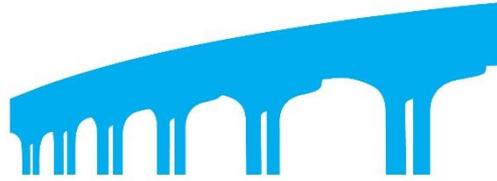
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# The Transfer of Wealth: A Philanthropic Opportunity for The Treasure Coast



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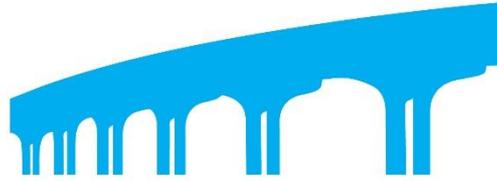
## A new era for philanthropy?

In the next few decades, members of the Baby Boom generation will pass enormous wealth down to their heirs.

If only a small portion – 5% – of this is captured for Florida philanthropy, we could see *ANNUAL* charitable giving in Florida increase by as much as **\$806 million** – in just 10 years.

That would be a **60% increase** over current giving by Florida's foundations.

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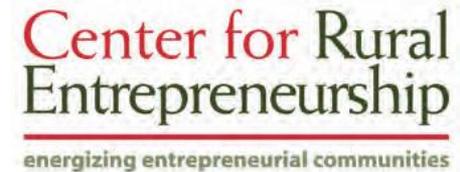
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## How do we know this?

### Transfer of Wealth Opportunity in Florida

Research by Center for Rural Entrepreneurship.

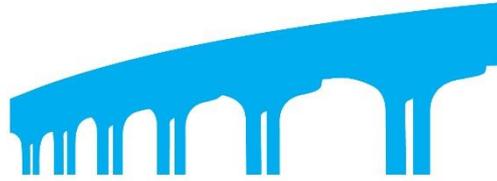
Led by Florida Philanthropic Network; funded by 11 Florida foundations; coordinated by 25 community foundations.



### Purpose of the Study:

Estimate 2010 net worth levels; project net worth to 2060; estimate transfer of wealth values & number of estates.

Document the potential for philanthropic giving in this historic generational transition.



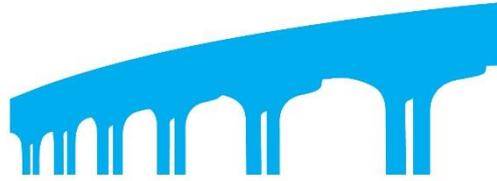
## How the research began:

In 1999, Boston College researchers projected **\$41 trillion** would shift from one generation to the next before 2052. Phenomenon now commonly known as the **“Transfer of Wealth”**

- Measured the giveback rate
- National in scope
- Lacked regional analysis



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## Why do we need to know this?

**Wealth passing between generations is a primary driver of philanthropy.**

Families establish endowments at community foundations.

Families create private foundations.

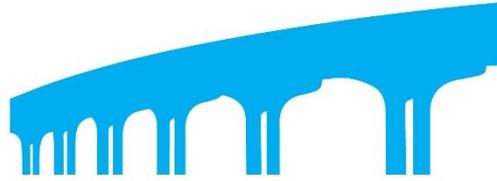
Families give legacy gifts to institutions and organizations that they care about.

**We are facing a huge opportunity that we don't want to miss.**

Opportunity to talk about planned giving.

5% giveback goal would create substantial charitable endowments for Florida.

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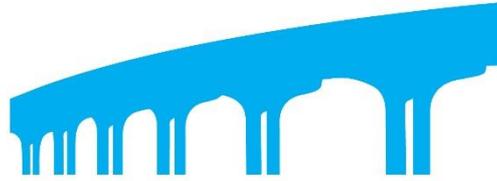
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## Demographics

	Martin	St. Lucie	Indian River	Okeechobee
<b>Population</b>	146,850	277,257	138,028	39,996
<b>High Wealth (\$250k &amp; Up)</b>	41.90%	26.90%	33.40%	16.00%
<b>Millionaires</b>	14.90%	5.80%	11.00%	3.20%
<b>Age 65+</b>	27.30%	19.90%	27.20%	17.00%

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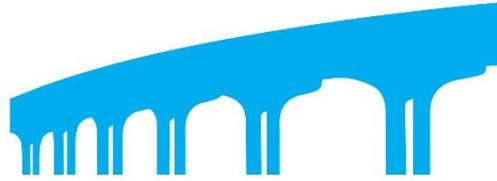


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## The Opportunity

	Martin	St. Lucie	Indian River	Okeechobee
<b>Current Net Worth Value (billions)</b>	\$21.75	\$19.05	\$15.72	\$1.53
<b>Value of TOW Opportunity (billions)</b>	\$5.68	\$4.89	\$4.81	\$.43
<b>5% Capture (millions)</b>	\$283.88	\$244.39	\$240.45	\$21.37
<b>5% Payout (millions)</b>	\$14.19	\$12.22	\$12.02	\$1.07

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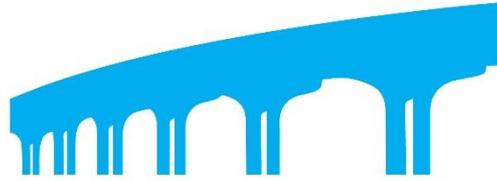


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## Scenario Changers

	Martin	St. Lucie	Indian River	Okeechobee
<b>Agriculture</b>				X
<b>Climate Change</b>	X	X	X	X
<b>Closing of Nuclear Power Plant</b>			X	
<b>Government</b>	X		X	X
<b>Low Wealth</b>		X		X
<b>Migration</b>		X	X	X
<b>National Economy</b>	X	X	X	
<b>Tourism</b>	X	X		

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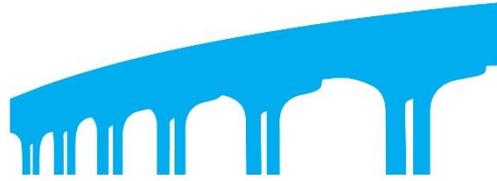


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## Donor Opportunity Areas

	Martin	St. Lucie	Indian River	Okeechobee
High Net Worth	X			
Retirees	X	X		
Former Residents				X
Specialized Talent	X	X		
Developers	X	X		
Transplants	X	X	X	X
Closely Held Family Businesses			X	X
Thrifty Retirees			X	X
Cash Poor & Asset Rich			X	X
Specialized Professionals			X	

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## How are CF's using this information?

**We are starting the conversation!**

Key groups we engage:

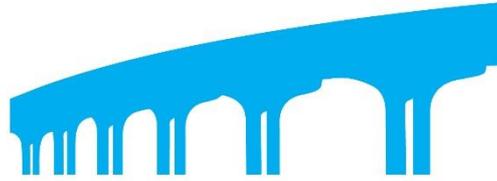
- Inspiring **professional advisors** to talk with clients about giving.
- Encouraging **nonprofits** to talk with supporters.
- Motivating **residents** to count our community among their heirs.

Tools and Resources:

Website, collateral pieces, planned giving toolkit.

Visit [www.yourmccf.org/receive/endowments](http://www.yourmccf.org/receive/endowments)

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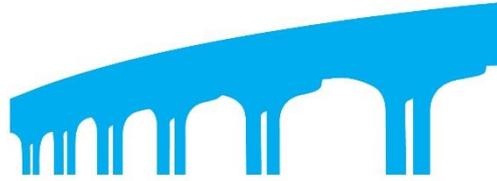
# Inspire ... Inform ... Transform

INSPIRE those with the capacity to give.

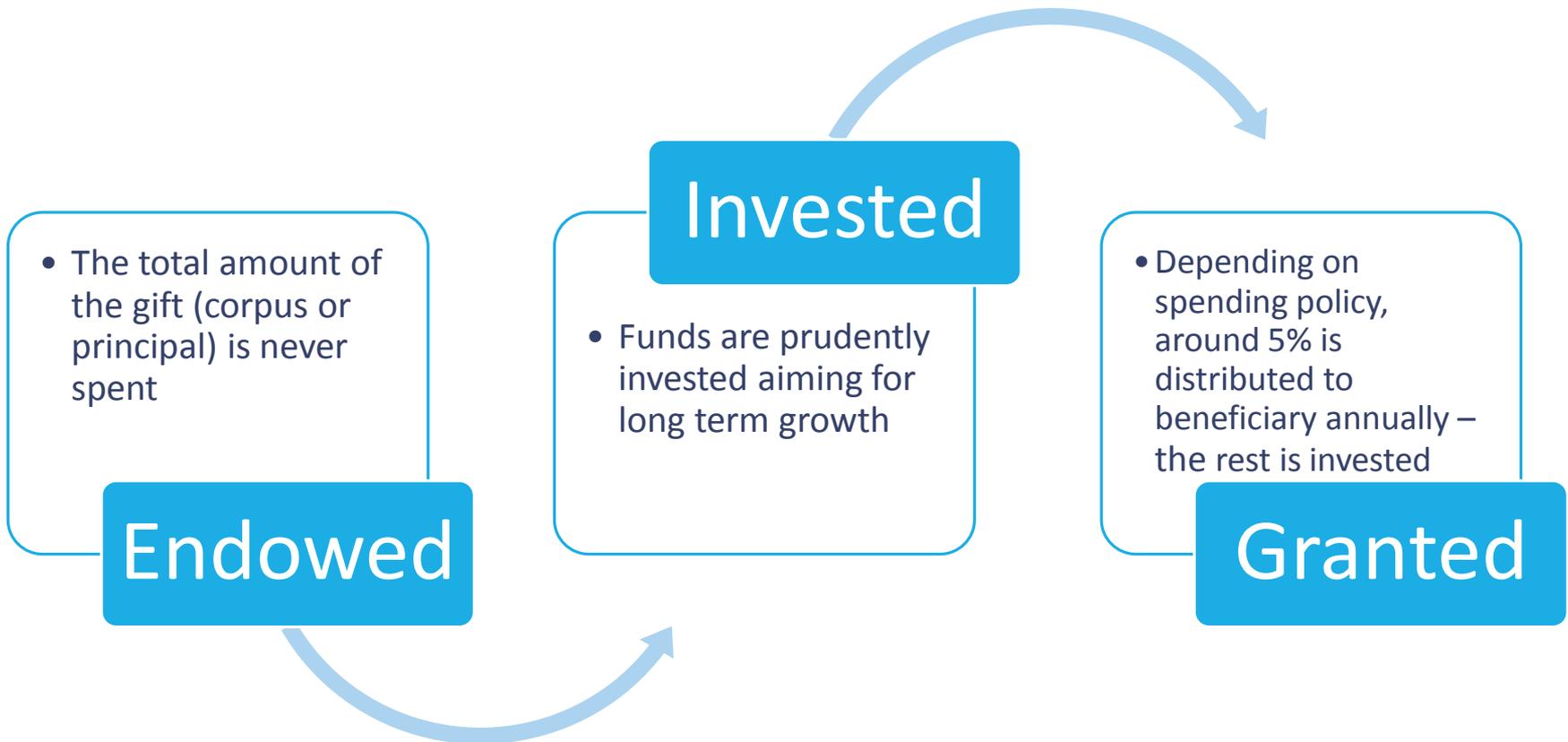
INFORM those with the opportunity to encourage giving.

Together, we can TRANSFORM the organizations and places on the Treasure Coast that they love.

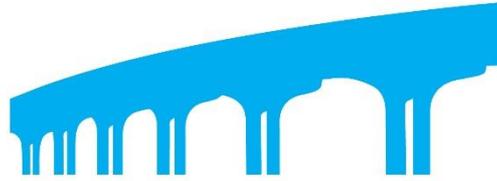




# Endowment



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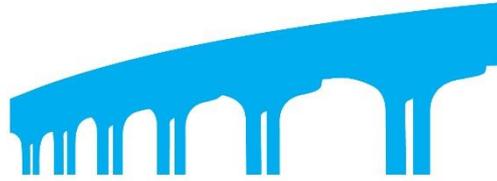
For example:

A nonprofit has annual property costs of \$15,000.

If 20 people put \$15,000 (\$300,000 total) into an endowment...

That endowment could pay the property costs forever – freeing up funds to go toward services.

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# Endowment Fund Options

## **Agency Endowment Funds**

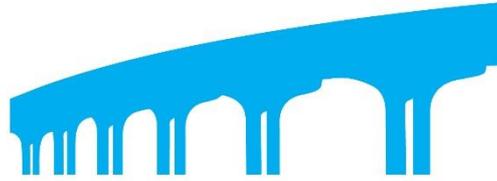
- Created by a nonprofit to protect charitable dollars for the future of their work and mission.
- Receive prudent stewardship, while providing a lasting source of income.
- The fund is technically owned by The Community Foundation on behalf of the agency.

## **Designated Funds**

- Donors may establish a designated fund, ensuring continuous gifts to their favorite charitable organization(s) and perpetuating their charitable goals.
- Supports one or more nonprofit organizations the donor selects.

**In both scenarios, the nonprofit organization(s) receives annual distributions for unrestricted use.**

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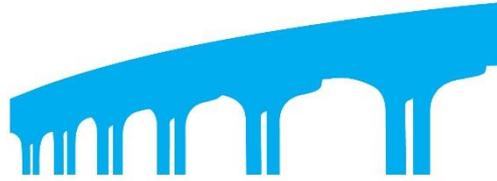
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## Getting Started in Planned Giving

What is it?	Why is it important?
Gifts of assets that require more planning	Gives your donors a unique way of supporting your organization
Gifts of assets that generate income for donors	Provides potential tax income benefits for your donors
Gifts created in perpetuity	Takes advantage of current market trends

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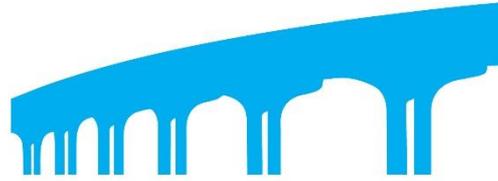
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## Getting Started in Planned Giving

- Engage your board of directors
- Deepen relationships with donors and make the “ask” easy
- Gain the confidence and language you need to start conversations with donors and follow through
- Set up planned giving information for websites, annual reports, etc.
- Customize a brochure that you can hand directly to donors.

**Download the Planned Giving Toolkit at  
[www.yourmccf.org/receive/endowments](http://www.yourmccf.org/receive/endowments)**

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# Contact Information

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