Transfer of Wealth in Rural America

Understanding the Potential
Realizing the Opportunity
Creating Wealth for the Future

By
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The Center for Rural Entrepreneurship is the focal point for energizing entrepreneurial communities where entrepreneurs can flourish. Created in 2001 with founding support from the Kauffman Foundation and the Rural Policy Research Institute (RUPRI), the Center is located jointly in Nebraska and North Carolina. The Center's work to date has been to develop the knowledge base of effective practices and to share that knowledge through training and strategic engagement across rural America. Working with economic development practitioners and researchers, the Center conducts practice-driven research and evaluation that serves as the basis for developing insights into model practices and other learning. The Center is committed to connecting economic development practitioners and policy makers to the resources needed to energize entrepreneurs and implement entrepreneurship as a core economic development strategy. To learn more about the Center, visit www.energizingentrepreneurs.org.

The Rural Policy Research Institute (RUPRI), founded in 1990, provides objective analysis and facilitates public dialogue concerning the impacts of public policy on rural people and places. RUPRI's research infrastructure includes diverse teams of researchers and practitioners, both across the U.S. and internationally, investigating the complex challenges and emerging opportunities in rural and regional development. This portfolio includes policy analysis and decision support, research and outreach, coordinated through a core team in Missouri and Washington, D.C., who support the work of national initiatives, panels and centers, **including the Center for Rural Entrepreneurship**. To learn more about RUPRI, visit www.rupri.org.

The Inter-Generational Transfer of Wealth (TOW) analysis is a service of the RUPRI Center for Rural Entrepreneurship. Original founding support to develop the TOW analysis was provided by the Nebraska Community Foundation (NCF). For more information about NCF, visit www.nebcommfound.org. Subsequent support was provided by RUPRI and regional funding partners. The TOW analysis is designed to help rural communities understand the potential behind the inter-generational transfer of wealth so that they can become more strategic about realizing this potential and reinvesting in ways that create greater wealth in rural America in the future.

CHAPTER 2

Understanding American Wealth

Background

During the peak of the Great Recession Warren Buffet was interviewed on CNBC and asked "what will bring America back to prosperity?" His response, we believe, is the foundation of America's capacity to create wealth. Mr. Buffet responded that it will be the same force that has always brought prosperity to America – "the regenerative power of American capitalism."[1] Underlying this "regenerative power" are some core American values – democracy, economic opportunity, innovation, entrepreneurship, resource abundance.

Democracy. American democracy is not perfect, but it embraces the values of a classless society, personal responsibility and the opportunity for self-improvement. The concept of hard work as a pathway to a better life is rooted in American culture and has encouraged waves of new immigrants, bringing their financial and human capital to our shores. Our democratic system also has supported policies and investments that enable upward mobility and personal freedom, among the most important of these is America's historic commitment to public education. Even today, educational attainment is one of the strongest predictors of personal and community wealth.

Economic Opportunity. While America's economic system has been challenged with depressions, recessions, and economic bubbles, our overall economic history is one of progress, reform and re-invention. A consistent and fundamental national value over time has been that, regardless of race, sex, religion or any other factor that differentiates among Americans, we each have the opportunity for personal economic advancement and success. That value, however, is under increasing pressure during this current period of historic inequality in the overall distribution of income in the country.

Spirit of Innovation. Americans embrace innovation and we have created vast networks and investments that foster and reward innovation (e.g., university and federal research labs). Innovation when commercialized becomes the foundation for new wealth creation. While innovation may destroy old wealth (e.g., the horse and buggy), it generally enables far greater wealth creation (e.g., the motor vehicle). And, while innovation is often equated with new technologies, innovation is equally present in the renewal or re-engineering of existing products or services (e.g., Jiffy Lube).

Entrepreneurship. One might argue that, over time, American democracy, economic opportunity, and spirit of innovation have resulted in a climate more supportive of entrepreneurs than almost any other nation or society in the world. This observation is supported by early Global Entrepreneurship Monitor (GEM) research showing the U.S. consistently at the top of the innovation-led economies included in the study. However, the climate is changing and 21st century entrepreneurship is truly global. The 2009 national GEM report noted that "contrary to past performance, when the United States led innovation-driven economies in early-stage opportunity-based entrepreneurship, in 2009 the United States lost its foothold. Today, opportunity-based entrepreneurship represents about the same percentage of total early-stage activity (%TEA) in the United States as it does in the average innovation-driven economies."[2] Renewing America's commitment to entrepreneurs is a key to economic renewal and new wealth creation over the coming 50 years.

Resource Abundance. America is blessed with some of the world's greatest natural resources including energy, minerals, forests, soils, water and beautiful landscapes. While America's vast land mass and natural resources enable economic development and wealth creation, possibly the greatest American resource is her people, including historic and current immigrant communities. Immigration brings passion, energy, innovation, work ethic and diversity to America. This diversity is a source of renewed prosperity, creating wealth with each new generation.

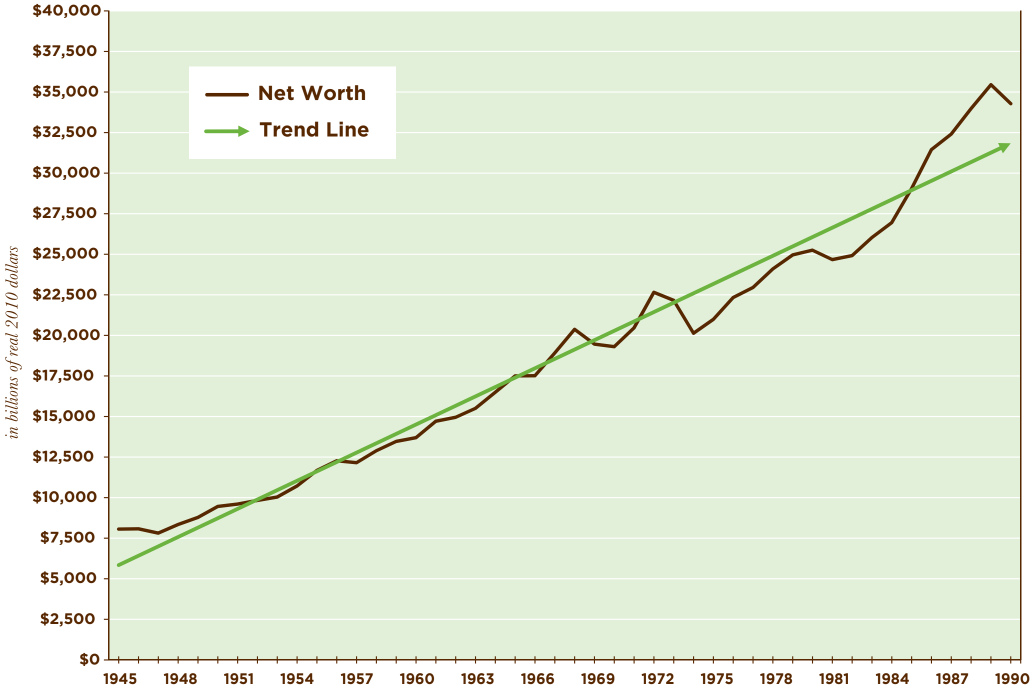
These five core values – democracy, economic opportunity, spirit of innovation, entrepreneurship, and resource abundance – have combined to create the conditions for the country to prosper and to create both personal and societal wealth for generations. The most recent economic crisis, however, has created doubt about the potential to create wealth and encourage philanthropic give back in the coming decades. To provide context and create broader understanding of wealth in America, it is helpful to explore two recent periods of American history – the historic period between the end of World War II and the 1990s and the contemporary period of the 1990s to the present.

The Historic Period

During the historic post-World War II period, there was a demonstrated and powerful connection between overall economic performance and growth in household wealth.[3] The U.S. emerged from World War II in a very unique condition – substantially larger and stronger than the other major mature economic powers. The war-time sacrifices made by Americans were replaced with tremendous pent up demand for more babies, cars, houses, education and consumer goods. Gross domestic product increased consistently through this period.[4]

This period was also marked by increased productivity and increased annual incomes, increased unionization and increased access to higher education through the GI Bill, and widely shared prosperity.[5] As a consequence, household assets were increasing. Figure 1 shows the trend line for current net worth between 1945 and 1990, illustrating the strong growth in household wealth during the historic period with dramatic growth in the 1960s, declines in the 1970s and early 1980s, and strong growth in the last decade of this period.

Figure 1 - U.S. Household Current Net Worth, 1945-1990



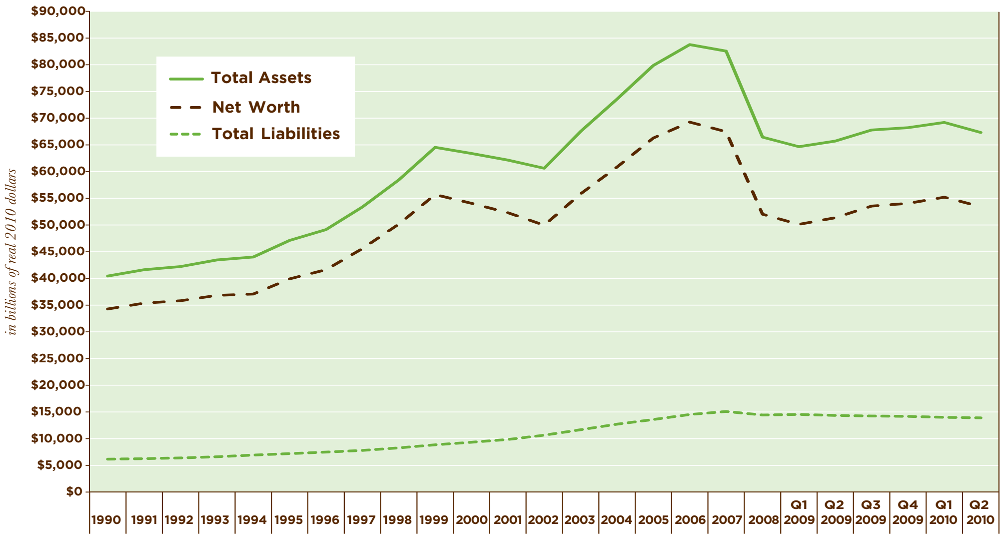
Source: Board of Governors of the Federal Reserve System, Statistical Releases, Flow of Funds - Z.1 and Center for Rural Entrepreneurship December 2010

As early as the 1970s, the global economic environment began to change. After four decades of economic dominance, the U.S. experienced increasing competition from newly industrializing Asian economies (including India, China, Singapore, and a renewed Japan) and increasingly from Brazil.[6] By the 1990s, it was clear that America's dominant position was eroding; lagging demographic and economic growth rates reflected these changes as America moved into the contemporary period. While the underpinning of America's wealth-creation engine may have shifted, the capacity to create new wealth is not necessarily undermined. Global economic growth rather than a growing domestic market now offers new opportunities to grow both the American economy and the wealth of its households and communities.

The Contemporary Period

The last 30 years can be characterized as both the best and worst of times for American households. As the country struggled with globalization and increased international competition, American households, and their ability to create new real wealth, were equally challenged. Figure 2 plots contemporary trend lines for household assets, liabilities and net worth for 1990 through 2010. Three critical trends characterize this contemporary period with respect to new household wealth creation.

Figure 2 - Assets, Liabilities & Net Worth, 1990-2010 Q1



Source: Board of Governors of the Federal Reserve System, Statistical Releases, Flow of Funds - Z.1

Increased Volatility. During the past 30 years, there have been two major periods of wealth expansion and two record-setting recessions. The 1990s were characterized by remarkable real economic expansion that generated relatively widespread wealth creation. This period was followed by the dot-com bubble and ensuing crash, and the recession following the attacks of September 11, 2001. There was a dramatic rise in the value of household assets and wealth from 2002-2006, but this expansion was fueled by debt-driven bubbles in both real estate and the stock market. Beginning in 2007, the country and its households experienced the worst economic downturn since the Great Depression. The U.S. stock market dropped in value by over 50%; household current net worth was eroded by about 25%.

Wealth Concentration. In Robert Reich's recent book, *After-Shock*, he states:

> In the late 1970s, the richest 1 percent of the country took in less than 9 percent of the nation's total income. After that, income concentrated in fewer and fewer hands. By 2007, the richest 1 percent took in 23.5 percent of total national income. It is no mere coincidence that the last time income was this concentrated was in 1928.[7]

As Reich points out, income began to concentrate at a rapid rate in the mid-1970s. Underlying this trend toward increasing concentration of wealth was the erosion of real incomes by America's middle class families. Increases in labor productivity were not rewarded by increases in average hourly compensation, which has remained relatively flat since the early 1970s.[8] This trend, similar to the trend leading up to the Great Depression, is a source of economic instability undermining overall economic growth and the capacity for wealth creation.

Debt-Driven Spending. The final critical trend during the contemporary period is the rise in debt-driven spending that Reich sees as a consequence of stagnant growth in real incomes for most Americans. In an effort to maintain a middle class lifestyle, and aided by more relaxed lending standards, American families began to borrow. Savings rates went from about 9% of after-tax income in the mid-1970s to 7% in the late 1980s to 6% in 1994, and a meager 2.6% in 2008.[9] Net worth disappeared for many American households as debt surpassed assets in value. This trend was obviously unsustainable, contributing to the housing crash, dramatic declines in overall consumer spending, and ultimately a slower economic recovery. Only as households have worked to get their finances in order have saving rates increased and debt to asset ratios improved.

A key reason for comparing the historic and contemporary periods is to highlight that the relationships that held over the 1950-1990 period should not be assumed to define post-Great Recession trend lines. Over the past 20 years, fundamental changes such as globalization, wealth concentration, immigration and slower overall economic growth suggest fundamental new realities for American society. From the perspective of understanding American wealth, we interpret these changes to mean that future wealth creation in the U.S. will be somewhat lower and more concentrated in the top 25% of U.S. households. Assumptions about these structural changes are embedded into the new 50 year household current net worth and transfer of wealth scenarios presented in Chapter 3. These scenarios reflect the transition America is making from the heady days of the historic period to the new realities associated with the contemporary period.

Building Blocks of American Wealth

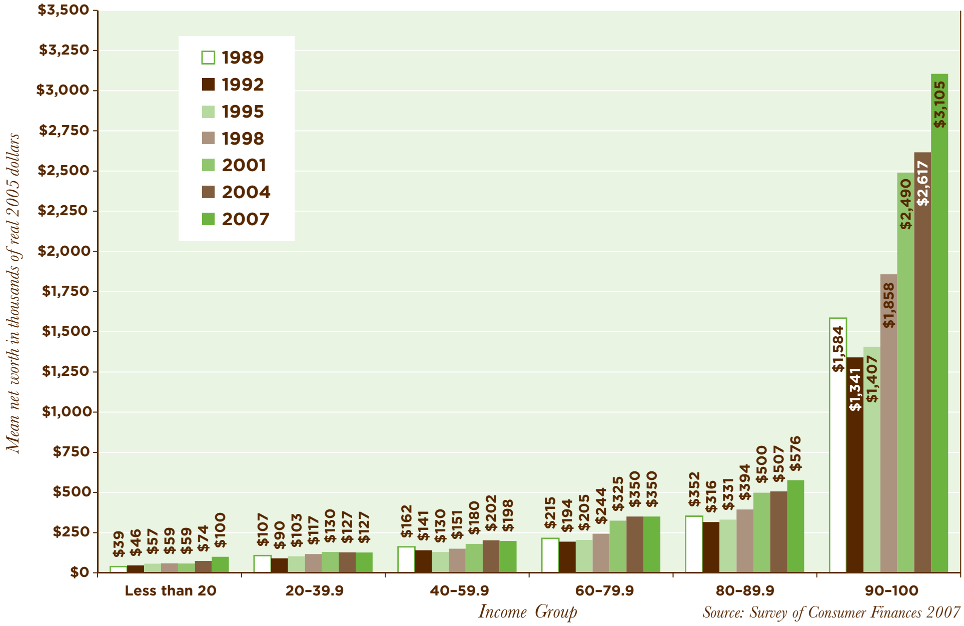
WWhat contributes to wealth creation in America? Every three years beginning in 1983, the Federal Reserve Bank has conducted the *Survey of Consumer Finances*, providing a snapshot of average U.S. household net worth. The most recent survey data covers 2007, the bubble peak before the Great Recession took its toll on household wealth. Analysis of this research suggests several key factors that shape and drive household wealth creation:

- **Household income**
- **Age of household head**
- **Family structure**
- **Education**
- **Ethnicity**
- **Work status/entrepreneurship**
- **Occupation**
- **Housing status**

The relationship between each of these factors and wealth, or current net worth (CNW), is explored in more detail in the following pages.[10]

Household Income and Wealth Creation. As one might expect, there is a strong connection between household income and wealth accumulation (Figure 3). In 2007, Americans in the top 10% income group averaged $3.1 million in CNW compared to $100,000 for households in the bottom 20%. These averages are just that – averages. There are ample stories of modest income families that saved, invested well, and left a sizeable estate to their church, school or community. At the same time, there are Americans with exceptionally high incomes who are challenged to make ends meet due to extravagant lifestyles. However, Figure 3 demonstrates a clear positive correlation between income and the ability and probability of households creating larger estates.

Figure 3 - Average U.S. Net Worth by Income Group

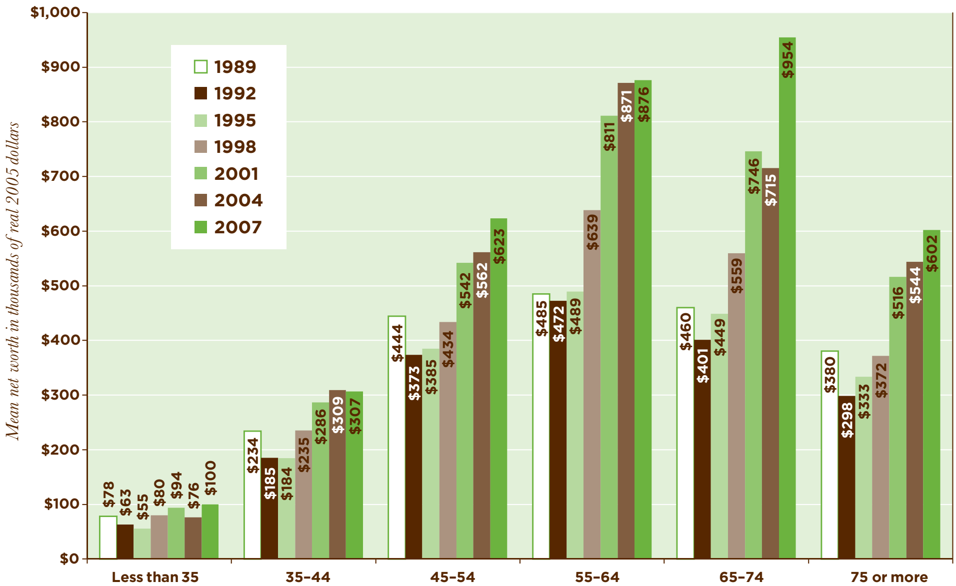


Age of Household Head and Wealth Creation. The age of household head is also a strong predictor of wealth accumulation. On average, assets accumulate as we age in the form of homes, retirement funds, investments, businesses, etc. (Figure 4) In general, young household heads accumulate limited wealth as they struggle to pay for school, start a family and establish a career. By the time most household heads reach their 40s, wealth accumulation takes root and grows, hopefully, as they age toward retirement. Wealth holding diminishes as household heads continue to age, incomes decline, and savings are spent down or given away.

An interesting change between the 2004 and 2007 surveys reflects the trend toward extending working life into the late 60s and beyond. For the first time in the history of the survey, peak wealth holding is now achieved in the 65 to 74 year old age cohort as opposed to the 55 to 64 age group. Greater life expectancy and increased uncertainty over retirement programs and Social Security translate into greater pressure in the latter part of peak earning years to accumulate necessary assets to support retirement. In terms of understanding wealth creation and the potential to build estates, these data suggest that life stage really matters.

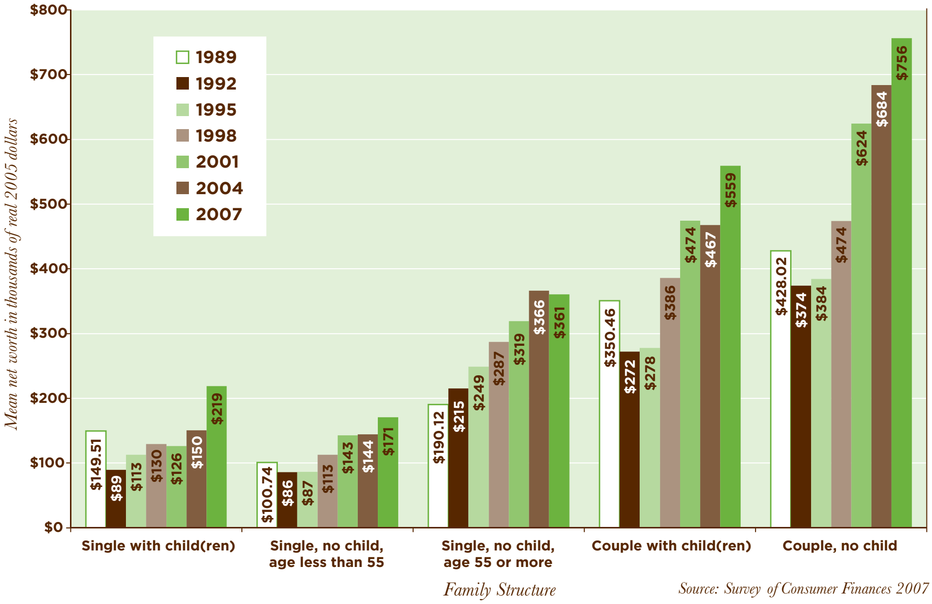
Family Structure and Wealth Creation. Family structure is a good predictor of wealth status and Figure 5 provides a number of comparison groups based on the Federal Reserve's research. As expected, a couple with no children has significantly greater wealth than a single parent with children ($756,000 vs. $219,000). Preliminary Census studies (2009 American Community Survey) suggest that Americans are coping with the current recession by delaying marriage and having fewer children; both trends may reflect coping strategies for dealing with the uncertainty caused by the recession and the need to stabilize assets ahead of these life changing events. These contemporary trends coincide with the increased average age for first marriages and continued declines in average family size observed over time.[11]

Figure 4 - Average U.S. Net Worth by Age of Head of Household



Source: Survey of Consumer Finances 2007

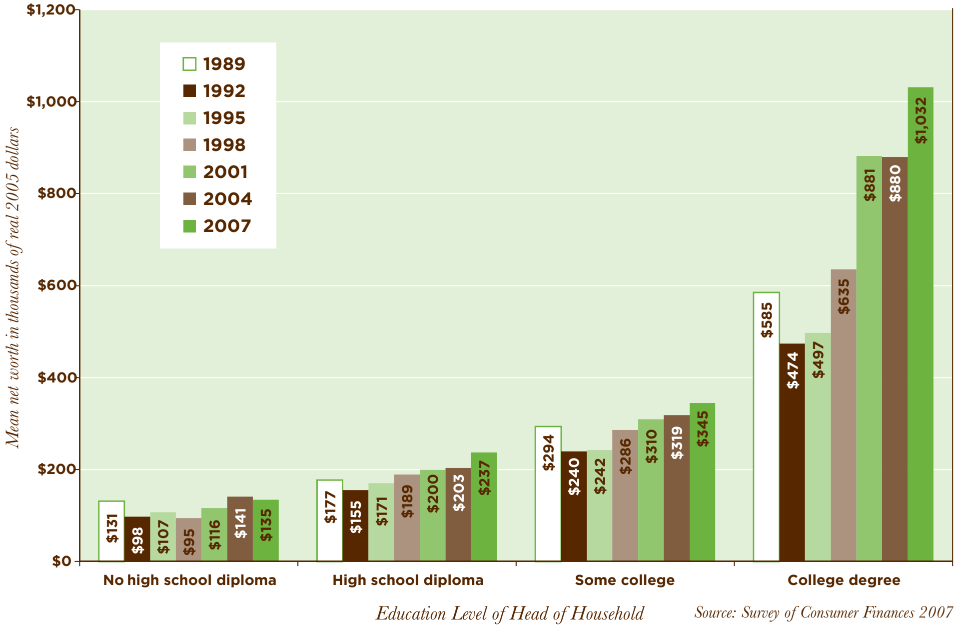
Figure 5 - Average U.S. Net Worth by Family Structure



Source: Survey of Consumer Finances 2007

Education and Wealth Creation. There is broad agreement that education is key to the ability of households to get ahead.[12] Figure 6 illustrates the relationship between education and CNW, and the difference is profound. In 2007, a household head with a college degree had over $1 million in CNW compared to $135,000 in CNW for one without a high school diploma. Census research suggests an even greater gap when advanced or specialized education is considered. Historically, a high school diploma was adequate to ensure a reasonable income. In 1975, the annual earnings associated with a bachelor's degree were 1.5 times the earnings of someone with a high school degree, a modest premium. In 1999, that premium grew to 1.8 times, while annual earnings for an individual with an advanced degree were 2.6 times those of someone with only a high school education.[13] This research suggests that in an economy characterized by globalization and advanced technology, post-16 education with specialization appears to be increasingly important to achieve a somewhat secure middle income lifestyle. There are exceptions; Figure 8 shows the important role of business ownership as a pathway to wealth formation and accumulation. Many entrepreneurs are exceptionally bright, innovative, and creative, but may not have advanced formal education typically associated with wealth creation.

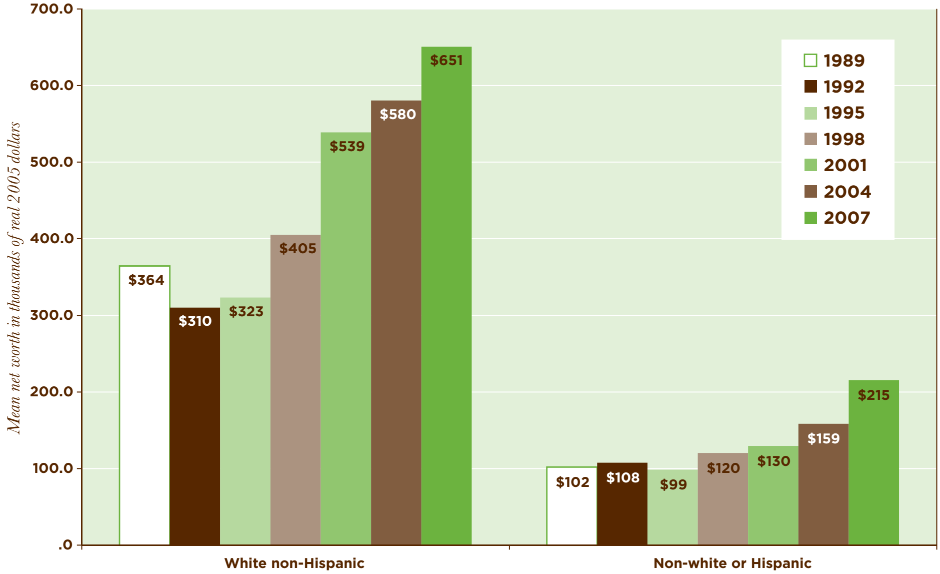
Figure 6 - Average U.S. Net Worth by Education Level



Source: Survey of Consumer Finances 2007

Ethnicity and Wealth Creation. Unfortunately, the legacy of disadvantage based on racial ethnicity continues to be reflected in household wealth holding. Figure 7 compares average household wealth for "White non-Hispanic" households with "nonwhite or Hispanic" households. On average, white non-Hispanics have estates that are three times greater than those of people of color. Unfortunately, the sample size does not provide more detailed breakdowns by ethnicity. As one might expect, other factors can alter these relationships. For example, educational attainment and business ownership by minorities may significantly increase wealth holdings as it does for white non-Hispanic households.

Figure 7 - Average U.S. Net Worth by Ethnicity

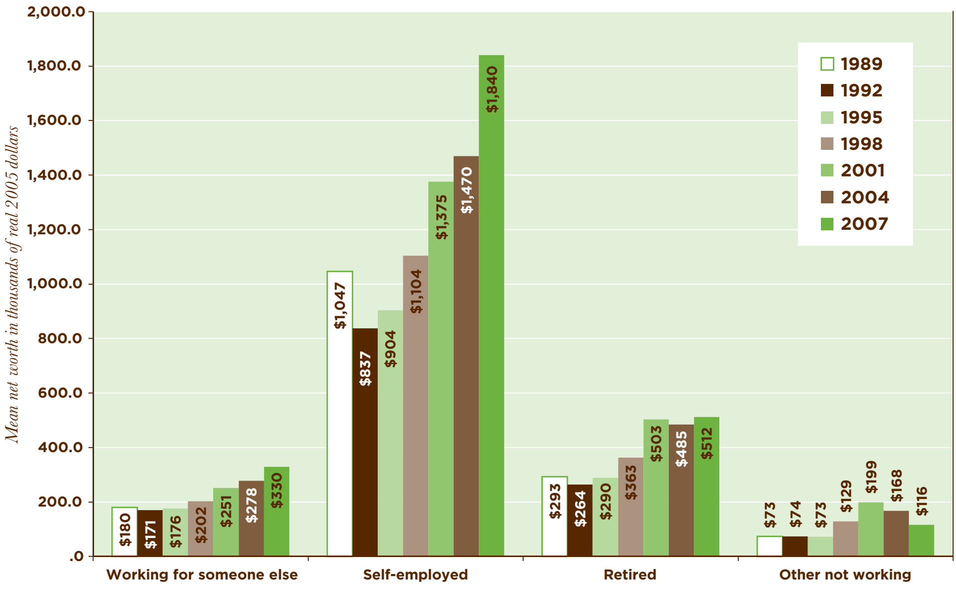


Source: Survey of Consumer Finances 2007

Work Status/Entrepreneurship and Wealth Creation. Entrepreneurship or business ownership is part of America's tradition. From our earliest history, a promising pathway to economic success and security was through self-employment or business ownership. For many immigrants unable to obtain good jobs, business ownership was the primary route to economic success and wealth formation. The path to business ownership is not without obstacles, and many new businesses fail. Despite this reality, on average, CNW of self-employed household heads was 5.6 times greater than those who work for someone else (Figure 8).

These figures reflect pre-recession American reality. During the current recession, the rate of "necessity entrepreneurship" was the only form of entrepreneurship to show an increase from 2008 to 2009.[14] As we discuss in Chapter 8, this movement appears to be not just a function of the current economy but a longer term trend. This trend coincides with increasing opportunities to outsource work, not just on a temporary basis but over the long term. What is not yet clear is what implications these trends might have for wealth creation in America. Will this form of entrepreneurship generate comparable wealth to more traditional forms of self-employment associated with owning a store on Main Street, a local construction company, or a manufacturing plant? The answer to this question may lie in whether communities and regions can help these entrepreneurs step onto a pathway from necessity to opportunity entrepreneurship so that their enterprises create wealth.

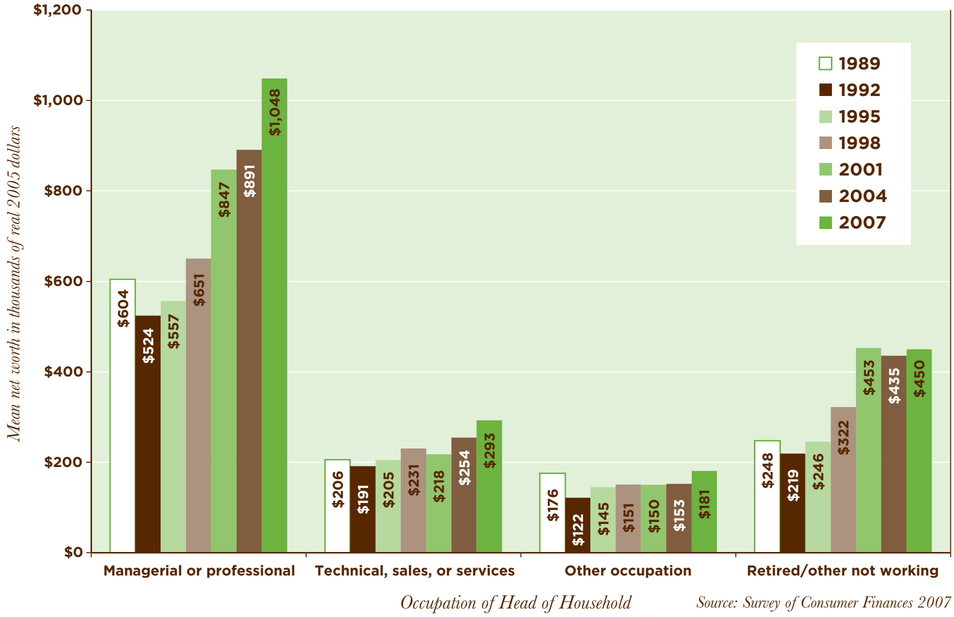
Figure 8 - Average U.S. Net Worth by Work Status



Source: Survey of Consumer Finances 2007

Occupation and Wealth Creation. Career tracks associated with different occupations are also an important indicator of wealth formation and estate size. Household heads in "managerial or professional" occupations have significantly greater wealth as compared to other occupations (Figure 9). As one might expect, there is a strong positive relationship between an individual's level of educational attainment and their occupation. It is increasingly difficult for individuals with a high school degree or less to realize higher incomes as compared to those with more advanced and specialized education.[15] Unfortunately, Federal Reserve research provides only the most basic breakouts by occupation. However, even this limited comparison is helpful in understanding the linkages between education, occupation, income potential and wealth formation.

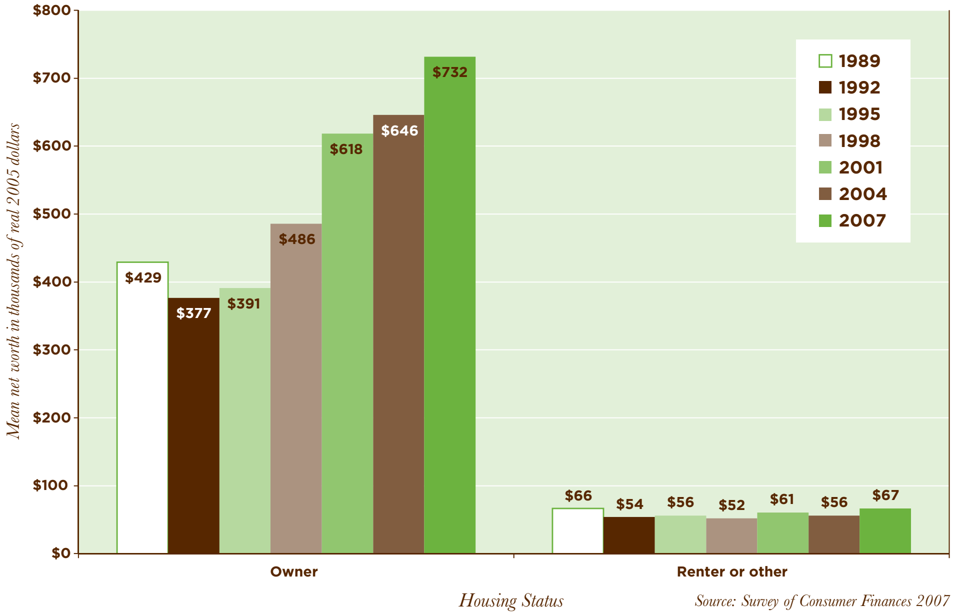
Figure 9 - Average U.S. Net Worth by Occupation



Source: Survey of Consumer Finances 2007

Housing Status and Wealth Creation. The American tradition of home ownership is strong, dating back to the Homestead Act. Federal and state policies, such as mortgage interest deductions, matched savings accounts, and federal mortgage insurance, have historically encouraged home ownership. And, for many households, home ownership is the first step in asset accumulation and wealth formation. Figure 10 drives home the importance of home ownership to wealth creation, demonstrating the striking contrast in wealth holding by household housing status. On average, a homeowner has nearly 11 times more CNW as compared to renters. It remains to be seen whether or not this historic pattern continues to hold true in the face of pressure to reduce the federal commitment to encouraging home ownership.

Figure 10 - Average U.S. Net Worth by Housing Status

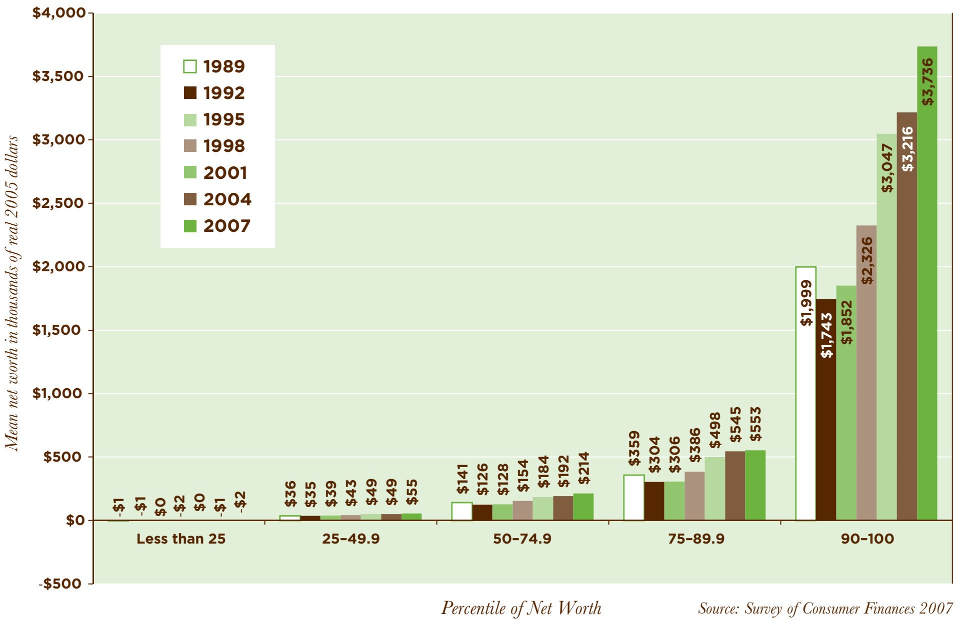


Source: Survey of Consumer Finances 2007

Who Holds the Wealth? Recognizing the patterns and relationships between these drivers and wealth creation is one step in understanding American wealth. A second step is recognizing who actually holds the wealth in the country and in communities and regions. This understanding is critical as communities build give back strategies to create pools of resources to support development efforts over time. For the past 30 years, household wealth holding has been concentrating in the U.S.[16] Using data from the Federal Reserve, all American households are profiled by the dollar value of their estate holdings (Figure 11). The extreme concentration of wealth in the hands of the top 10% is dramatically illustrated. The bottom 25% of households has negative current net worth; the next 25% has very modest estates of between $36,000 and $55,000 (average mean net worth in 2007). In other words, one out of every two American households has a very limited estate, both historically and currently. Estate size increases for the next 25% of households, suggesting the influence of middle income households, but more than doubles for the next 15% of households. The most remarkable difference occurs between those households with the greatest wealth – mean net worth for those in the top 10% is 6.8 times larger than for those in the 75 – 89.9 percentiles. The comparable figure for 1989 (a mere 22 years ago) is 5.6 times, reflecting the increased concentration of wealth over the past two decades.

A detailed discussion of the implications of concentrated wealth holding in America is beyond the scope of this book, and authors like Reich have dealt thoughtfully and compellingly with the issue. However, a community's or a region's capacity to develop its assets, encourage its entrepreneurial talent, respond to external demand, and secure its economic future does depend on marshaling resources that can be invested strategically to spawn future rounds of wealth creation. It depends on capturing some component of the wealth that is created in that place, for the benefit of that place. And, to understand the wealth creation potential in a region will require some consideration of who owns both the assets and the wealth.

Figure 11 - Average U.S. Net Worth by Percentile of Net Worth



Source: Survey of Consumer Finances 2007

Final Thoughts We began this chapter with Warren Buffet's wisdom about the "regenerative power" of the American economy. Though the path has been full of cycles, the American economy has shown resilience and growth in both the historic and contemporary periods. And, we have seen that the factors that impact wealth creation in this country have been relatively consistent over time – getting a good education, obtaining a good job, earning a decent income, and building a nest egg through home ownership. While no one has the capacity to predict what America's future will be, recent trends suggest some fundamental restructuring of the national and world economies. It is unclear whether the patterns of the past will determine the outcomes of the future. With this as background, Chapter 3 presents four wealth creation scenarios of America's future. These scenarios provide a range of possibilities based on the history that forms their starting point and reasonable assumptions about how America responds and shapes its future. We offer these scenarios as conversation starters for the important decisions about community and regional futures that will be undertaken across America in the years ahead.

1 CNBC Transcript, Warren Buffet on Recession, Taxing the Rich and Capitalism's 'Regenerative Capacity', http://www.cnbc.com/id/39321868/CNBC_TRANSCRIPT_Warren_Buffett_on_Recession_Taxing_the_Rich_and_Capitalism_s_Regenerative_Capacity.

2 Abdul Ali, et al, 2009 Executive Report, Global Entrepreneurship Monitor, National Entrepreneurial Assessment for the United States of America, September 2010, www.gemconsortium.org.

3 Wealth and current net worth are used interchangeably in this book.

4 United States Gross Domestic Product time series data, http://data.worldbank.org/indicator/NY.GDP.MKTP.CD/countries/US?display=graph.

5 Robert B. Reich, *After-Shock: The Next Economy and America's Future*, New York: Alfred A. Knopf, 2010, Chapter 6.

6 Tatyana P. Soubbotina with Katherine A. Sheram, *Beyond Economic Growth: Meeting the Challenges of Global Development*, The World Bank, Washington, D.C., 2000, http://www.worldbank.org/depweb/beyond/beyond.htm.

7 Robert Reich, p. 6.

8 Robert Reich, p. 52.

9 Robert Reich, p. 62.

10 The source for Figures 3-11 is Board of Governors of the Federal Reserve System, *The Survey of Consumer Finances*, 2007.

11 This is particularly true when first generation immigrant households are excluded.

12 Jennifer Cheeseman Day and Eric C. Newburger, *The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings*, Special Studies, Current Population Reports, U.S. Census Bureau, July 2002, http://www.census.gov/prod/2002pubs/p23-210.pdf.

13 Cheeseman and Newburger, p. 3.

14 Abdul Ali, et al, *2009 Executive Report*, Global Entrepreneurship Monitor, National Entrepreneurial Assessment for the United States of America, September 2010, http://www.gemconsortium.org/document.aspx?id=1062.

15 This trend coincides with the declining power of unions in the country. In the mid-1950s, about 1/3 of workers were unionized; in 2010, fewer than 8% of private sector workers were unionized. (Robert Reich, pp. 45, 56).

16 For an excellent discussion about current and historical implications of wealth concentration in the U.S., read Robert Reich's *After-Shock*.

About the Authors

Don Macke is a co-founder of the RUPRI Center for Rural Entrepreneurship. He pioneered the first state and county level transfer of wealth study for the Nebraska Community Foundation in 2001 and 2002. Since then Don has been part of the TOW Research Team evolving a robust and ever expanding collection of TOW and community development philanthropy related work. Don has over 35 years of community economic development experience working throughout North America.

Dr. Deborah Markley is a co-founder of the RUPRI Center for Rural Entrepreneurship where she serves as the Managing Director and research team leader. Deb has served as the editor for this book and contributed to the writing of numerous chapters. Deb has extensive experience in rural community economic development leading a team that has conducted extensive documentation and evaluation work focusing on successful development strategies.

Ahmet Binerer joined the RUPRI Center for Rural Entrepreneurship shortly after graduating from the University of Nebraska with a degree in information management. Ahmet is a core member of the TOW Research Team. He leads research and scenario modeling efforts. Ahmet's talents have greatly enhanced the Center's ability to expand the quality and breadth of our TOW and community development philanthropy work. Ahmet is currently working on a Masters degree in economics and is a new first time father.

Questions & Additional Information

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Thoughts from our Partners

The Nebraska Community Foundation uses an asset-based approach in its community building work. We're interested in helping local leaders transform their communities. To change and evolve, community leaders must first believe. NCF uses the transfer of wealth opportunity to help community leaders better understand the indigenous assets that exist in their community and to motivate them to reach out and ask their friends and neighbors to invest in the future of their hometown. Then, once the philanthropic assets are endowed, NCF works with community leaders to make impact grants that generate greater opportunities for everyone to live and work in their hometown. This book shares lessons learned from the genesis of rural Transfer of Wealth in Nebraska to ongoing initiatives in other regions as motivation for leaders in rural communities to embrace community development philanthropy.

Jeff Yost
President and CEO
Nebraska Community Foundation

After members of our local community foundation Board and other community leaders visited the Nebraska Community Foundation in September 2006, we came back to Pickaway County Ohio with new enthusiasm. While in Nebraska, we learned about HomeTown Competitiveness (HTC) and the Transfer of Wealth (TOW). Through a process of visioning and community focus, we developed a community agenda targeting philanthropy in support of education, leadership and agriculture. As part of an ongoing process, we continue to learn about, develop, and adapt the TOW resources to the unique perspectives of our community.

Shirley Dunlap Bowser
Founding member
Pickaway County Community Foundation (Ohio)

In rural America, there are many who believe population loss and economic decline are foregone conclusions. While a global answer may be difficult to find, there are opportunities to reverse these trends at the local level. The Transfer of Wealth analysis provides an opportunity to pinpoint the areas where assets are leaving communities most rapidly, and to communicate a strategy to capture some of those assets before they are gone. Ultimately, these assets are used to address the issues that brought a particular rural place to the brink in the first place. This tool is the starting point for re-investment into rural areas.

Bob Sutton
President
South Dakota Community Foundation

The extraordinary changes facing this nation leave an uncertain picture of our future. Don Macke and his colleagues at the RUPRI Center for Rural Entrepreneurship have given states and local communities insights into one powerful way to prepare for whatever lies ahead. They demonstrate that, collectively, we have tremendous wealth and that if we all set aside even a small amount of that wealth in community endowments, we can assure that our communities prosper and are positioned to take advantage of the opportunities that change will offer.

Mike Hammons
Executive Director
Kentucky Philanthropy Initiative

Transfer of Wealth in Rural America demystifies the community foundation's role in Community Development Philanthropy. This book is a must for community foundations engaged in rural economic development that are looking for a guide to tie wealth transfer, regional leadership, civic democracy and social justice to their missions and visions.

Donnell Snite Mersereau
Vice President, Community Foundations
Council on Michigan Foundations

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TOW Transfer Of Wealth

ISBN 978-0-615-55830-1