

## Kern County Can Expect \$19 Million in Grants in 10 Years

For more than 100 years, Luigi's, a restaurant and bar in Bakersfield, Calif. usually bustles with a crowd after high school football games or other popular events. One Wednesday in May, though, it was full again, but not with gleaming parents boasting about the big game.

This time it was full of past and current Directors of Kern Community Foundation. Three years earlier, Kern Community Foundation had finalized their study, "Transfer of Wealth in Kern County" with the help of the Center for Rural Entrepreneurship. The foundation wanted to update the former Directors on its plans for future growth.



Kern Community Foundation held a meeting at Luigi's Restaurant. Photo courtesy of Luigi's.

"In the last three years for our foundation, it's been a turnaround," said Jeff Pickering, president of the Kern Community Foundation. "After our 10<sup>th</sup> anniversary and the retirement of our first executive director, we were kind of ready to go into the next chapter of our foundation's growth."

Kern had good economic drivers like agriculture and oil, Pickering explained but there was still room for the foundation to grow.

"We believe that doing nothing is simply not an option and the opportunity to create lasting change as a result of the study is too great," he said.

Since the "groundbreaking" Transfer of Wealth study, as Pickering called it, released in 2011, Kern Community Foundation's vision has been reshaped to focus on '5%| Good of Kern,' as the study highlights how much opportunity could be captured if just five percent of the generational wealth being passed down reached Kern Community Foundation.

The five percent initiative provided a jumping off point for strategic discussion around one question: **What if our community was able to capture just five percent of the wealth that will transfer over the next 50 years for the good of Kern?**

"In the coming five decades we estimate that there is an \$80 billion transfer of wealth giveback potential in Kern County," Pickering said.

In just five years, that number is estimated to be at \$388 million, a number that has inspired donors in the area to give to the future of Kern.

“It gave people some perspective of what’s possible,” he said. “I can say that was a bit of a motivating factor.”

The foundation found those motivated donors in Robert (Rob) and Judith (Judi) McCarthy and Marvin and Nadene Steinert.



Robert and Judith McCarthy. Photo courtesy of Kern Community Foundation.

The McCarthy’s are successful entrepreneurs in the area, who made their wealth through Lightspeed Systems, Inc., an educational software company. Judi has a passion for supporting causes that focus on improving the lives of women and girls, and Rob has a desire to give to organizations like the local Boy Scout’s Council. In partnership with the Kern Community Foundation, the two established the Robert and Judith Family Fund.

Mr. and Mrs. Steinert, on the other hand, built their wealth from the cattle industry and commercial real estate and were more interested in small social services and faith-based charities. But the Steinert’s had commercial assets (such as buildings), so Kern Community Foundation helped the Steinert’s set up transfers of commercial properties to those charities in which they are interested.



Marvin and Nadene Steinert. Photo courtesy of Kern Community Foundation.

Though they had different backgrounds and passions to give, Kern Community Foundation helped each couple create funds for the betterment of Kern County.

“Essentially the Transfer of Wealth Study has helped us with talking points and information about how we can help those individuals put transfer of wealth to work,” Pickering said.

With the donors investing into new funds and building endowments for Kern Community Foundation, Pickering and staff then began to reach out to nonprofits throughout the area. But there was a hard line to establish funds with nonprofits, Pickering said. Before Kern Community Foundation steps in to help nonprofits build endowment funds, he asks them three questions:

## Kern County Findings

2010 Net Worth.....\$32.90 Billion

10-Year (2011-2020) Transfer of Wealth:

Opportunity.....\$7.7 Billion

5% Capture .....\$388 Million

Grant Making Capability.....\$19 Million

Source: Center for Rural Entrepreneurship

1. Do the organizations have profitable annual campaigns?
2. Do they hold and manage a reserve fund to be used for a rainy day?
3. Do they receive annual contributions from individual donors who give year after year?

“If they answer yes, and they have to answer yes to all three of those questions, then we start working with them,” Pickering said.

The reason for asking these three questions, Pickering explained, is to make sure the nonprofits have assets of their own that they can use if need be and whether they can find loyal donors who would be interested in giving gifts to them down the road. Now, with a strategy and a plan from the Transfer of Wealth Study, Pickering hopes to see Kern Community Foundation continue to grow. While the foundation is worth about \$16 million now, Pickering is setting a goal to be at almost \$30 million by the end of 2014 and eventually \$100 million by 2023.

“We continue to make the transfer of wealth work a central part of our communications with our constituency here in Kern County,” Pickering said.

**Jeff Pickering implemented Transfer of Wealth in Kern County in 2011. You can see that report, [here](#). We want to thank Jeff for presenting in a National TOW webinar in May 2013.**



Jeff Pickering

*Prior to joining Kern Community Foundation in Bakersfield, California, Jeff Pickering served as Vice President of Philanthropic Services at the Community Foundation of Central Florida. Jeff graduated from the University of South Florida in 1995 with a BA in political science. He earned a MA in leadership studies in 1997 from the University of San Diego's School of Leadership and Education Sciences and a certificate in management from the Crummer Graduate School of Management at Rollins College in 2004.*

*This story was produced by Kyle Cummings; a marketing associate for the Center for Rural Entrepreneurship. Kyle is a senior journalism major at the University of Nebraska-Lincoln.*

### Questions & More Information

Ahmet Binerer  
[abinerer@e2mail.org](mailto:abinerer@e2mail.org)  
 402.323.7339

[www.energizingentrepreneurs.org](http://www.energizingentrepreneurs.org)

**The Center for Rural Entrepreneurship's** vision for rural America is one of vibrant communities and regions that embrace entrepreneurship, that find new sources of competitive advantage in their inherent assets, and that invest in a new more sustainable future for both present and future generations. The Center's mission is to help our local, regional and state partners achieve this future by connecting economic development practitioners and policy makers to the resources needed to energize entrepreneurs and implement entrepreneurship as a core economic development strategy.

These development efforts require financial resources. Most traditional sources of funding are challenged as governments, businesses and foundations struggle to meet rising community needs. A core program area for the Center is Community Development Philanthropy, where our team helps your community, region or state build a community wealth road map. Our Transfer of Wealth (TOW) research offers insight into possibly the greatest opportunity to tap new, significant and sustainable funding streams in support of growing better and stronger communities. For many communities and regions, TOW research can help jump start important conversations leading to greater community giveback.

The Center has conducted TOW studies for clients around the nation for more than 10 years, and has published a book titled, *Transfer of Wealth in Rural America: Understanding the Potential, Realizing the Opportunity, Creating Wealth for the Future*. More product offerings are planned under our Community Development Philanthropy area.

To learn more about the Center's history and program areas, go to [www.energizingentrepreneurs.org](http://www.energizingentrepreneurs.org).

**The Rural Policy Research Institute (RUPRI)** provided founding support to create the Center for Rural Entrepreneurship in 2001. RUPRI's mission is to provide independent analysis and information on the challenges, needs, and opportunities facing rural people and places. The work of the Center for Rural Entrepreneurship, along with other centers and collaborations, helps RUPRI achieve this mission. To learn more about RUPRI, visit [www.rupri.org](http://www.rupri.org).