



Community Report

The Coming Transfer of Wealth in Stanislaus County

What Is Transfer of Wealth?

Transfer of Wealth (TOW) occurs when one generation leaves their assets to the next generation in their family. This transfer typically occurs at the time of death and represents the moment when legacy community giveback is the greatest. Transfer of Wealth is among the single largest under-developed financial resource available to communities to support their long-term development.

A WEALTH OF OPPORTUNITY

What if our community could capture just five percent of the wealth transferred between generations over the next 10 and 50 years to support investments in our region's well being?

The Stanislaus Community Foundation, in partnership with the Association of Fundraising Professionals-Yosemite Chapter and the Stanislaus County Estate Planning Council, commissioned the Center for Rural Entrepreneurship to complete a county-wide Transfer of Wealth analysis.

Quantifying our region's Transfer of Wealth helps illustrate the powerful role that philanthropy can play in the development of our community, government entities and non-profit organizations.

WHY TRANSFER OF WEALTH MATTERS

- » The United States is in the midst of its greatest intergenerational TOW in history
- » Between **2017 and 2066, \$72 trillion** will transfer from the current “Baby Boomer” generation to the next two generations
- » In the next decade alone, nearly **\$8 trillion** will transfer generations in the United States
- » The opportunity to capture just a portion of this wealth to create permanent endowments has never been greater

WHY PHILANTHROPY IS IMPORTANT TO THE FUTURE OF STANISLAUS COUNTY

- » Practically every state, community and non-profit organization struggles to find the financial resources necessary to fulfill their missions and undertake vital work
- » Today, traditional funding sources are capped and often inadequate to meet future needs and opportunities
- » Building permanent endowments is an underutilized strategy for creating flexible pools of community-development resources
- » Generating financial resources to augment government spending and traditional charitable giving offers donors an opportunity to promote the future development of our county, individual communities and non-profit organizations

LEGACY GIVING IN STANISLAUS COUNTY



The Gifts That Keep Giving

- » Endowments and legacy giving occurs when a family or business gives to a community organization from their accumulated wealth or estate
- » When invested, these large assets accumulate sizeable annual interest that can be re-invested in the community – while also growing the initial principal

- » These funds help provide organizations a hedge against an ever-changing future
- » Established endowments deliver consistent and predictable grantmaking capacity; helping ensure a bright future for Stanislaus County

Our 10-Year Wealth Opportunity

- » Stanislaus County residents currently have an estimated net worth of **\$74.1 billion**, the result of assets accumulated over a lifetime, savings and investments
- » More than **\$8.4 billion** will be transferred between generations from 2017 to 2026
- » **THE DREAM EXERCISE:** if just five percent of transferred wealth was designated for local philanthropy, more than **\$421 million** would be retained in Stanislaus County over the next 10 years
- » Achieving a five percent charitable giving goal on the county's 10-year TOW opportunity would generate more than **\$21.1 million** in annual grantmaking



Our 50-Year Wealth Opportunity

- » More than **\$77.6 billion** will be transferred between generations from 2017 to 2066
- » **THE DREAM EXERCISE:** if just five percent of transferred wealth was designated for local philanthropy, more than **\$3.9 billion** would be retained in Stanislaus County over the next 50 years
- » Achieving a five percent charitable giving goal on the county's 50-year TOW opportunity would generate more than **\$193.9 million** in annual grantmaking



How You Can Help Make This Opportunity A Reality

INDIVIDUALS

- o Give to the endowment of your favorite local charity
- o Speak to your professional advisor about including a Stanislaus non-profit organization in your estate plans
- o Create a donor-advised fund to support charitable causes
- o Share this report with your family and friends

NON-PROFIT LEADERS

- o Assess your organization's readiness for establishing and growing an endowment
- o Establish legacy programs that clearly define impact and make gift giving easy for donors
- o Talk to existing stakeholders about giving a meaningful gift to support your legacy efforts
- o Build relationships with local professional financial advisors

PROFESSIONAL ADVISORS

- o Discuss philanthropy with clients as part of their financial planning process, including local giving opportunities
- o Review transfer of wealth options, appropriate investment vehicles and multi-year giving strategies
- o Consider current and future giving in consultation with accountants and estate planning attorneys

“As we do in our business, we’ve implemented a long-term strategic vision to our family’s philanthropy. It’s important to us to be able to leave, at our choosing, legacy gifts that will impact OUR COMMUNITY for future generations.”

– Norm Porges –
Owner, Prime Shine Car Wash

“Many of my clients appreciate discussing their philanthropy and the importance of charitable giving in Stanislaus County. Often, it leads to a deeper conversation that really helps ensure they’re leaving the family legacy they intend.”

– Michael Gianelli –
Attorney, Gianelli & Associates

“These figures reflect an amazing opportunity to benefit our county through transfer of wealth. Most local non-profit organizations make it easy to leave an endowment or legacy gift - it’s just a matter of doing some research and making a phone call.”

– Patty Amador –
President, Ambeck Mortgage

HOW TRANSFER OF WEALTH IS CALCULATED



Research for this report was conducted by the staff of the Center for Rural Entrepreneurship and created using a method

developed and refined to specifically produce scenarios based on projections of most likely financial futures – not predictions or forecasts of actual future outcomes. These scenarios are designed to provoke strategic discussions based on the wealth transfer between generations of Stanislaus residents over the course of the next 10 and 50 years.

The Transfer of Wealth analysis uses a data series produced by the U.S. Federal Reserve’s Survey of Consumer Finance Report to match demographic characteristics for Stanislaus County with key national indicators, as well as financial data compiled by Esri, a mapping and spatial analytics software. All TOW scenarios are presented in “2016 dollars,” thus removing the distortion of inflation.

ACKNOWLEDGEMENTS

This project was guided by a dedicated Technical Advisory Committee that provided essential local guidance, connections and assistance to enhance the quality and scope of this analysis.

TECHNICAL ADVISORY COMMITTEE

- *Jeff Burrow, Managing Director, United Capital Financial Advisers*
- *Keith D. Boggs, Assistant Executive Officer, Stanislaus County*
- *George Boodrookas, Dean of Advancement, Modesto Junior College Foundation*
- *William Broderick-Villa, Attorney, Curtis Legal Group*
- *Louis Friedman, Attorney, Gianelli & Associates*
- *Matthew Friedrich, Attorney, E. & J. Gallo Winery*
- *Clive Grimbleby, President, Grimbleby Coleman CPAs, Inc.*
- *Monica Ojcius, Executive Director, Community Hospice Foundation*
- *Michele Weber, Financial Advisor, Edward Jones Investments*
- *Jon Whited, President, Stanislaus County Estate Planning Council*

Special thank you to the sponsors who helped make this project a reality: Community Hospice Foundation, Modesto Junior College Foundation, Sutter Health Foundation and CSU Stanislaus Foundation.



Stanislaus
Community
Foundation



Stanislaus County
Estate Planning Council