

2021 TRANSFER OF WEALTH STUDY

Summary Report

Over the next 10 years in Nebraska, more than \$100 billion will transfer from one generation to the next. In 50 years, that number exceeds \$950 billion.

This phenomenon has come to be known as the intergenerational transfer of wealth. There is always a transfer from generation to generation, as parents pass away and leave their estate to their children. But if the heirs no longer live where they grew up, that wealth may leave as well. Importantly, many Nebraska counties are approaching or are already in the midst of their peak transfer years. In other words, there is real urgency to act now. The opportunity will never be greater.



Nebraska Community Foundation's 2021 Transfer of Wealth Study reveals even more abundance and even more reasons to be hopeful about the future of Greater Nebraska.

TRANSFERRING ABUNDANCE



In 2002, Nebraska Community Foundation completed the nation's first statewide county-by-county analysis of the transfer of wealth. This groundbreaking work changed the mindset of philanthropic leaders across the country as well as local leaders and change makers working to improve their places.

In 2011, NCF completed an update to our original Transfer of Wealth Study. This work revealed even more assets, a deeper analysis of the wealth available, and the critical nature of the opportunity at hand. The study also served as a catalyst, growing momentum behind the Nebraska Community Foundation movement to build stronger communities and a Greater Nebraska. Of the 1,500 volunteers in the NCF network, more and more were making planned gift arrangements to benefit both their communities and their families. And they were asking their friends and neighbors to do the same.

In 2021, we are presenting the findings of a third study that provides more stunning insights into the unprecedented assets and opportunity available to the communities we love.

What We Know:

- 1. Nebraska has incredible wealth and ALL Nebraska communities have wealth to give.**
- 2. The wealth is transferring NOW and we must act with urgency.**
- 3. Our communities need these assets and many are already successfully putting them to work.**
- 4. When we leave some of our wealth to the places where it was made and accumulated, we can ensure a more prosperous future for our Nebraska hometowns.**

Nebraska Community Foundation is known nationally as one of the first organizations to study and evangelize the transfer of wealth and the unprecedented potential available to our communities. Since our original study in 2002, 32 states have conducted their own transfer of wealth studies to uncover the abundance in their own places.

Our 2021 study uses the most recent data and an improved methodology to reveal the incredible resources that have the potential to be a gamechanger for our state. Nebraska Community Foundation is proud to present this important report to the people of Nebraska and others who are invested in our collective future.

Together a Greater Nebraska,

A handwritten signature in blue ink, appearing to read 'Jeff Yost'. The signature is stylized and fluid.

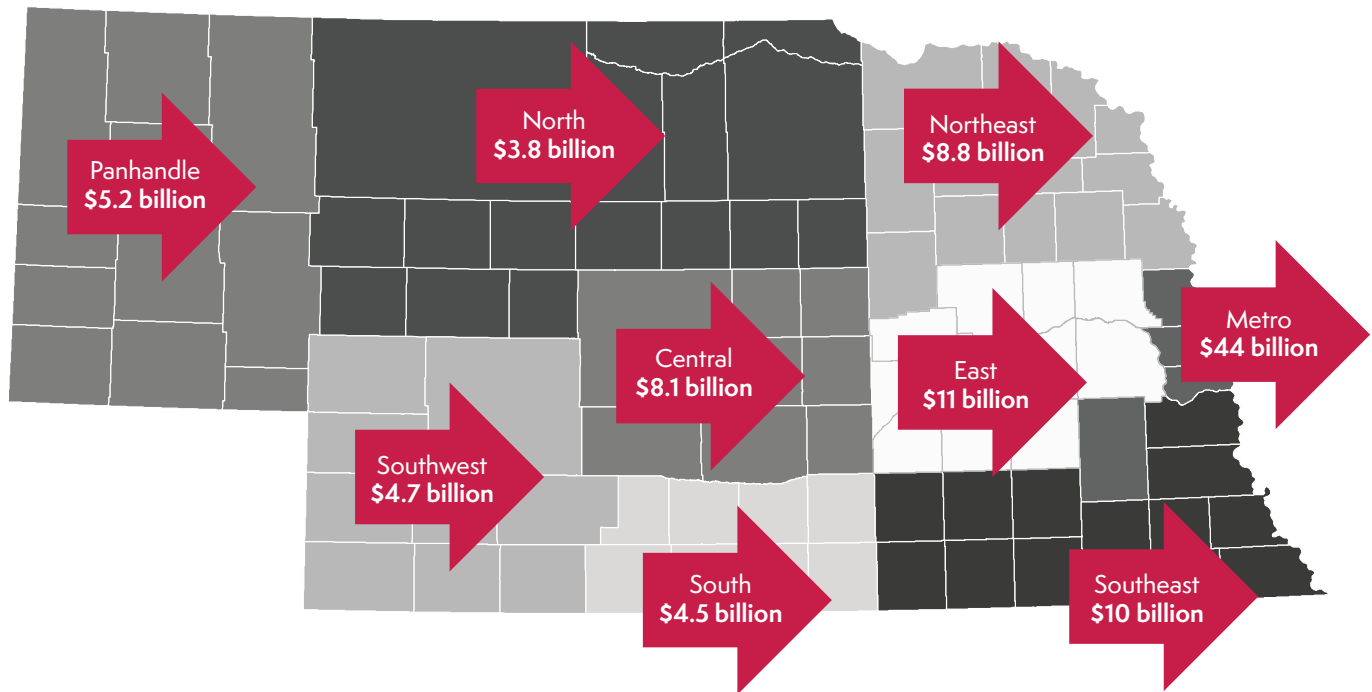
Jeff Yost, *President & CEO*
November 2021

THE OPPORTUNITY IS MASSIVE

In the coming decades, our state will experience the largest intergenerational transfer of wealth in its history. Over the next 10 years in Nebraska, **\$100 billion** will transfer from one generation to the next. In 50 years, that number exceeds **\$950 billion**. The wealth may be held in real estate, securities, retirement accounts, and other assets.

Some will go to taxes. Most will go to heirs. Due to outmigration, many of those heirs no longer live where the wealth was built and may no longer feel connected to those places. Once wealth leaves our communities, the opportunity for give-back becomes more and more unlikely.

10-YEAR TRANSFER OF WEALTH



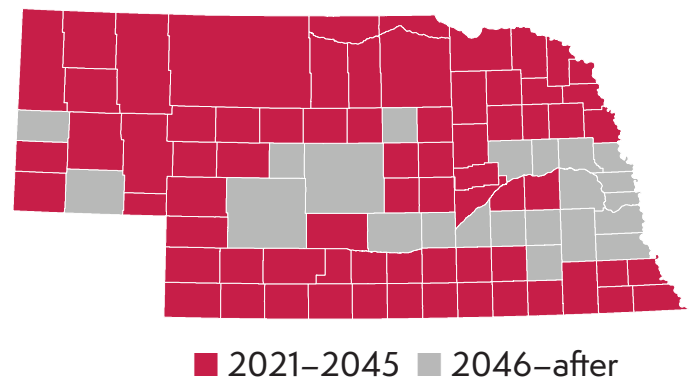
THE TIME IS NOW

Many Nebraska counties are approaching or are already in the midst of their peak transfer years. In other words, there is real urgency to act now. The opportunity will never be greater.

"The transfer of wealth opportunity is real. I see it in my work as a financial planner every day. It's why I chose to make my own planned gift and it's why our local affiliated fund is intent on reaching our goal of 100 planned gifts in the next five years."

KIEL VANDERVEEN, NEBRASKA CITY

TIMING OF PEAK ESTATES



THE SOLUTION IS SIMPLE

We must act now to encourage charitable investment in the future of our communities while the window of opportunity is open. We must teach, encourage, and inspire generous Nebraskans to give back today, and include their community in their estate plans for tomorrow.

Imagine if just five percent of this abundance were given back to the places where it was made and accumulated. **That's well over \$47 billion.** If it were endowed, think of the impact that kind of money could have on education, health, prosperity, and quality of life. Think of how it could contribute to a community's ability to attract quality talent and young families. Harnessing just a small percentage of the transfer of wealth could be a gamechanger for the future of our hometowns.

"Giving back to a community that has given so much to us just felt right. The future of this community depends on all of us."

BRIAN & JOAN MASTNY, HOWELLS

FIVE TO THRIVE



Think of the Nebraska hometown you love. This is your opportunity to enrich its future. We're asking you to consider leaving just five percent of your assets to your favorite Nebraska hometown or to Nebraska Community Foundation to benefit all of our communities. When you leave just five percent to a community's endowment, you can secure your family's legacy and help your hometown thrive.

REMEMBER:

***Once our wealth leaves the community, it is gone forever.
Once our wealth is endowed in our community, it is here forever.
The time to act is now—the opportunity will never be greater!***



What You Can Do

- Visit www.fivetothrivene.org and learn more about the transfer of wealth in your county.
- Explore NCF's planned giving resources at nebcommfound.giftlegacy.com.
- Talk to your professional advisor about including your community in your estate plans.
- Give to the endowment of your local community fund, Nebraska Community Foundation, or another favorite charity.
- Spread the word! ***When we all leave five, our hometowns thrive!***

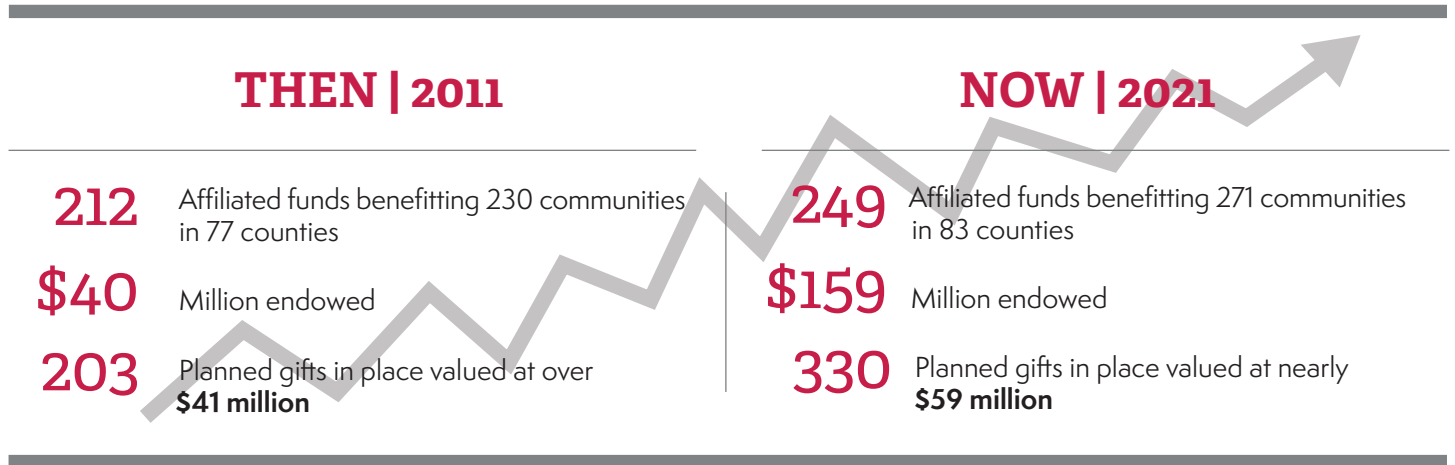


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THE TRANSFER OF WEALTH AT WORK

Nebraska Community Foundation is leading a statewide movement of people who are harnessing the power of the transfer of wealth. Together we are unleashing abundant local assets, inspiring charitable giving, and connecting ambitious people to build stronger communities and a Greater Nebraska.



There are countless success stories across the network of communities harnessing the transfer of wealth and putting it to work to improve their places and the lives of those living in them. For instance:

■ In Boone County and Red Cloud, local philanthropic investments have created state-of-the-art early childhood education centers that are transforming the lives of local families and setting kids up for success.

■ With over \$14 million in endowments and planned gifts, Valley County has turned the generosity of local people into a national model of what a thriving rural entrepreneurial ecosystem can look like.

■ In Shickley, population 347, 14 donors are planning to benefit their hometown through their estate plans, and Shickley's endowed assets and expectancies now total over \$4.7 million.

■ In just a little over a decade, the McCook community has successfully met four challenge grants and increased their unrestricted endowment to almost \$4.8 million.

■ Nebraska City's local affiliated fund has granted more than \$6 million back into the community to further its mission of "investing in people."

■ With \$3.6 million in endowments and planned gifts, Butler County's investments in youth—from education to the arts—have significantly improved people attraction efforts in their community.

■ Through the generosity and vision of local citizens, Pender built a \$7.1 million community center that can easily accommodate its 1,002 residents.

■ In Diller, a community of 247, 13 expectancies total \$536,643, and payout from an unrestricted endowment of \$1.08 million is creating superior amenities that are drawing young people home.

■ In Keith County, a massive \$8 million estate gift is inspiring even more generosity.

Building a multi-million-dollar community endowment can happen in every Nebraska hometown. The 2021 Nebraska Transfer of Wealth Study is proof the abundance is here.

You can explore more community success stories at www.fivetothrivene.org.



Homegrown philanthropy has made world-class early childhood education a reality in Red Cloud.

ACKNOWLEDGEMENTS

The 2021 Nebraska Transfer of Wealth Study was commissioned by Nebraska Community Foundation and authored by LOCUS Impact Investing. We owe special thanks to our Technical and Implementation Advisory Committees as well as other key advisors who helped us ensure this report is an accurate reflection of the unique circumstances present in each Nebraska county.

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Nebraska Community Foundation unleashes abundant local assets, inspires charitable giving and connects ambitious people to build stronger communities and a Greater Nebraska.

Headquartered in Lincoln, the Foundation serves communities, donors and organizations by providing financial management, strategic development, education and training to a statewide network of 1,500 volunteers serving over 270 communities. In the last five years, over 46,000 contributions have been made to NCF and its affiliated funds. Since 1994, NCF has reinvested \$423 million in Nebraska's people and places.



LOCUS is a national nonprofit consultancy and mission-driven investment advisory firm. LOCUS believes that philanthropy and mission-driven investors should work alongside communities to grow economies that work for all. LOCUS partners with these impact investors to redefine their role as capital

providers, activate investments and endowments for community impact, and uses their capital as a tool to drive equitable prosperity.

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