

Brown County Foundation Fund's transfer of wealth

In 2009, the Advisory Board of the Brown County Foundation Fund set a goal to raise \$500,000.00 in new Endowment Fund principal by January 1, 2015. The Endowment Fund was established during 2008 with an initial transfer of about \$86,000.00 from the Foundation's General Fund. Unlike the General Fund, the principal of the Endowment Fund cannot be invaded. Only about five percent of the annual investment income can be used, while all remaining income is reinvested to insure that the Endowment Fund principal increases to maintain its original value relative to inflation.

The Advisory Board of the Brown County Foundation Fund has developed a plan for the endowment fund raising campaign which included an initial "silent phase" that ran from January 1 - April 15, 2010. During this "silent phase" of the campaign, members of the Advisory Board and a select fund raising committee solicited unrestricted donations from the current 23 annual and 117 life-time members of the Brown County Foundation.

The second part of the Brown County Endowment Campaign is being kicked off with a series of newspaper articles and radio spots, and will run through January 1, 2015. During this "public phase" of the Endowment Campaign, donations and pledges from all resident and nonresident supporters of Brown County will be solicited. The "public phase" of the Endowment Campaign will consist of periodic print and radio promotions as well as endowment fund raising events, and individual solicitations of potential major donors.

Examples of how the \$500,000.00 overall goal can be met are as straightforward as donations and pledges of cash, but can also include more creative gifts. The story of Doug and Judy Gaswick of Imperial is one example. The Gaswicks recently made a generous commit-

ment to the Imperial Community Foundation Fund in the form of a life insurance policy in the amount of \$200,000.00. Doug and Judy make tax-deductible contributions to fund the premiums on the policy and the policy is owned by Nebraska Community Foundation for the benefit of the Imperial Community Foundation Fund. The Petersburg Community Foundation Fund also has an expectancy of \$15,000.00 in the form of a life insurance benefit. Another example is Paul and Karen Seger of Atkinson. The Segers owned and operated the funeral homes in Atkinson and Stuart. The Seger's initial gift of agricultural commodities (kidney beans) raised on the family farms and valued at approximately \$130,000.00 established an endowment that will benefit community activities and organizations in Atkinson, Stuart, Antelope County and Elgin. Their first grant of \$4,850.00 was to the Murphy Center in Stuart which will operate as a regional theater and media center. The Center is scheduled for completion in June.

There is another dynamic phenomenon taking place that provides tremendous opportunity for

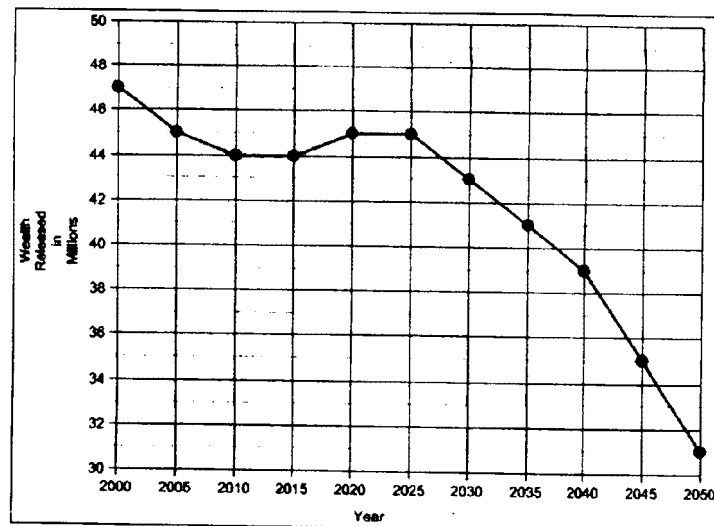
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insuring the prosperity of Brown County. Recent research on the generational wealth transfer that is occurring within Brown County suggests that during the next five years about \$44 million will transfer from one generation to the next. If just five percent were gifted for the betterment of Brown County, an endowment of \$2.2 million could be built. Assuming a conservative five percent annual payout for community development grants, there would be \$110,000.00 available each year. Although these are larger amounts than the Fund Advisory Board settled on as their five year goal, they make it plain that a very bright future is very much within the grasp of the cur-

rent Brown County community and its residents. Indeed, there is the potential for very significant "surprises" in community Endowment fund-drives.

Whether large or small, all contributions or pledges will have a lasting impact on Brown County and will assist in making the benefits of the Endowment Fund goal a reality. There are many ways to invest in the future of this area. Consider a gift of cash, property, grain or livestock. Other ideas include gifts of life insurance, annuities, retirement plans or bequests by will.

Be watching in the coming weeks for more information and ways that you can be involved in making an impact on Brown County's future. Next week will be the early results of the Endowment Fund raising Campaign and in two weeks grant recipients will share their stories.



In the last ten years, approximately \$136 million of wealth from Brown County was transferred through estates. The total estimated transfer between 2000 and 2050 is \$459 million. This analysis was prepared by Don Macke with the Nebraska Community Foundation.