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## Rural areas realizing the benefit of asking

### Foundation helps small towns build endowments with eye toward future.

Jeff Yost left Red Cloud, Neb., but his love for the town has continued. In fact, he would like his hometown of about 1,131 to continue to grow. As President and Chief Executive Officer of the Nebraska Community Foundation, he is helping Red Cloud and other rural towns, such as Shickley, build endowments that can be used to fund philanthropic projects, community programs and improvements.

According to its Web site, the Nebraska Community Foundation has distributed \$65 million since 1993. It has \$33.7 million in total assets under management. In December 2007 alone, the foundation received 1,448 gifts, totaling \$1.8 million, to 96 affiliated funds. "We really view charitable giving as a tool. We're using it to help community leaders envision a different future," Yost said.

"The group uses philanthropy as a tool for community revitalization," said Communications Director, Reggi Carlson. "We provide training, planned giving education, coaching, technical assistance, financial and investment management and, importantly, guidance in strategic planning to help communities recruit leaders, set goals and really engage their citizens."

Yost talked about a massive transfer of wealth out of rural communities. "There's really very significant wealth in many of these communities, maybe not reflected in income or tax returns. If you own a farm, you may possibly be a millionaire. When parents die, that wealth may be split among their children, and most of it leaves the area." Yost, one of six children, said, "What if my parents treated Red Cloud as a seventh child? Then some of that wealth stays to benefit and sustain that community long term. In many of these communities, we already do things in communal ways. This reinforces community tradition."

As an example, in the fiscal year ending June 30, 2007, there were about 257 gifts to the McCook Community Foundation, totaling just over \$500,000. The donors identified 15 projects within the community, including public safety, education, parks and recreation, and training programs.

"In the last five years, we've had about 30,000 individual gifts in these funds, sometimes for \$25 to \$50," Yost said. "We're trying to build a system to make people think about including a portion of what they have to their communities. With more community leaders joining the effort the patterns of growth are really reinforcing each other."

Philanthropic and community projects funded by the endowment can help entice young people to return to their hometowns, since electronic "commuting" has made it easier for people to live and work wherever they want. "Departure of rural Nebraska's young people is a key issue for the foundation," Carlson said. "We now can talk to community leaders and give them some real numbers on how many of these kids they may need to return home to sustain or grow their population," said Carlson. "It's just been such a mindset since the Second World War that people were going to leave their small town. Parents got into this mindset, and they thought there was no

hope in attracting kids back. Now there's a way to reverse what you've been seeing in the last 50 years," Yost said.

There is an element of urgency to the work of officials at the Nebraska Community Foundation. Within the next 50 years, an estimated \$94 billion in wealth will be transferred in rural Nebraska communities of 12,000 or less where about 750,000 people live, Yost said. "Large numbers of heirs no longer live in the same community as their parents did," he said, so the wealth could leave the community completely. "That's the importance of growing these community endowments today, as opposed to waiting."

About 40 teachers recently committed support to a foundation in Pender, Neb., by pledging to give \$100 a year. "Some of those teachers will end up giving substantially more," Yost said.

Getting in the habit of giving is the biggest hurdle, he said. "The act of writing a check is a big hump for people to get over. But once they begin to gain a sense of the impact they're having, that's when the habit is formed," he said. "Huge percentages of people give annually to their local church. We want them to form a similar habit to give back to the causes they care about in their community."