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## A hometown effort

**R**ural Nebraska counties will see a gigantic transfer of wealth between generations in coming decades. As land, businesses, investments and other assets are passed on, the amount will be in the billions of dollars.

In two dozen of Nebraska's small, rural counties, the peak in that inter-generational income transfer is projected to arrive quite soon — in fact, by 2010. After that, these communities will see the annual amount begin to decline.

Consider three lightly populated Nebraska counties that fall into this category. The Nebraska Community Foundation estimates that in Franklin County in south central Nebraska, the annual wealth transfer in recent years has been around \$8.7 million. In Loup County in north central Nebraska, the figure is \$8.5 million. For Banner County in the Panhandle, it's \$10 million.

For most of the rest of rural Nebraska, the peak in wealth transfer will come later, by 2039 at the latest.

Tremendous good can be accomplished if just a small portion of such wealth is directed to local endowments that provide long-term benefits for rural Nebraska communities. At present, there are 97 local endowments across the state, some with impressive histories of accomplishment going back decades.

Via tax credits established in 2006, the State of Nebraska provides useful tools to facilitate such gift-giving. And the Nebraska Community Foundation has been invaluable in helping local endowments arrange for such gifts and promote community conversations to boost awareness of this need.

In the five years since the Nebraska Community Foundation launched a campaign to promote such giving, the state has seen notable progress on this score. Five community endowments (Bassett, Lynch, Shickley, Spencer and Valley County) have reached their goal of endowing at least 5 percent of their community's projected 10-year transfer of wealth.

The total gifts and pledges for those endowments have ranged

**Wealth transfers in Nebraska are a key to the future of rural communities.**

from \$400,000 to more than \$6 million — a wonderful demonstration of community spirit.

An additional 33 community funds each have accumulated more than \$100,000 in combined endowments and pledges.

The individual success stories are quite encouraging.

Oakland, Neb., in the northeastern part of the state, has seen two significant donations come in after a generous \$1 million gift. A World-Herald article last week noted how the south central community of Shickley, Neb., has built an endowment of \$335,000 with pledges of an additional \$1.4 million.

Communities such as Ord and Atkinson, meanwhile, are proactively building for the long term by starting "founders clubs" in which each member provides a minimum donation of \$1,000.

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Richard Baier, head of the Nebraska Department of Economic Development, rightly notes that community endowments need not be in a rush to spend money too quickly. This is a long-term effort.

Baier is correct, too, in saying that endowments should focus on funding projects that encourage long-term economic development. He cites an example from McCook, where the Hormel Foundation has teamed up with a local matching fund to provide support for business startups in that southwest Nebraska community.

Sustainable development is indeed a key theme emphasized by many endowments across the state as well as the Nebraska Community Foundation. A variety of programs are providing support for hometown entrepreneurs, for example.

This type of practical approach to community endowments is crucial to the future of rural Nebraska. Ultimately, the destiny of rural communities will depend primarily on their own efforts, vision and solidarity.

An indispensable tool in that effort will be public-spirited pledging that keeps a vital portion of rural income in the communities that need it most. Now is the time for Nebraskans to spread that word.