

OPINION

It may be time to share the wealth

The numbers are staggering: \$41 trillion, \$687 billion, \$49.46 billion, \$14.54 billion. It's the unprecedented intergenerational transfer of wealth that is expected to take place in the next 50 years in the United States. Wisconsin, the counties that make up Northcentral Wisconsin, and Marathon County, the largest contributor in the 10-county region.

This wealth represents an accumulation of property, investments, and insurance. On average, that breaks down to \$389,000 per household nationwide; \$302,000 statewide; and \$304,780 per household in Marathon County.

The figures come from a study, "Wealth in Wisconsin," commissioned by Wisconsin's 21 Certified Community Foundations, through The Donors Forum of Wisconsin, and conducted by the Nebraska Community Foundation/Center for Rural Entrepreneurship.

And it's already under way. In the next four years, Marathon County will see \$2.24 billion transferred from one generation to the next. Langlade County will see \$0.37 billion transferred in the next four years, and \$2.05 billion transferred in the next 50. Lincoln, \$0.55, \$3.03; Menominee, \$0.04, \$0.27; Oneida, \$0.96, \$5.32; Portage \$1.16, \$7.60; Taylor \$0.32, \$1.71; Vilas, \$0.73, \$3.94; Waupaca, \$0.92, \$5.31; Wood, \$1.44, \$7.59.

So, where is this money going? Some is transferred to heirs. Some is gifted to churches and other charitable causes. Some is lost to taxes. And some is re-invested in the communities in which it was earned, providing for healthcare, education, business development, safety, child care, and the arts -- our quality of life.

What the study also shows is that we are seeing a change in the way wealth is being produced. It should come as no surprise that wealth formation among the nation's wealthiest households continues to grow, but is falling, and falling rapidly among 80 percent of the population.

This is most noticeable in our region, where we are seeing ownership of businesses from outside of the state. We're seeing an aging population and out-migration of college graduates and residents that is estimated to produce a leveling of wealth.

For example, in 2000, Wisconsin had a net worth that was about 12 percent higher than the national average. By 2025, the study predicts, the state will begin to fall behind the national average, and by 2050, it will trail

ED
WODALSKI
MANAGING
EDITOR



“

We're trying to preserve our brightest and best, but if we don't do something now, we're going to lose this window of opportunity.

— Jean Tehan, executive director of the Community Foundation of North Central Wisconsin

”

by nearly 13 percent. This doesn't mean Northcentral Wisconsin and the rest of the state is doing a bad job retaining and creating wealth, only that other regions doing a better.

"Other communities are figuring out what it takes to be vibrant, and what it takes to retain top-skilled workers who are going to forward their businesses and enhance their communities. And people gravitate toward that," said Jean Tehan, executive director of the Community Foundation of North Central Wisconsin.

Like the Ghost of Christmas Future in Charles Dickens' Christmas Carol, the study paints a bleak picture of our state and region. And granted 50 years is a long time, but that's why we need to begin the discussion now, Tehan said.

"We're trying to preserve our brightest and best, if we don't do something now, we're going to lose this window of opportunity." The bottom line, said Tehan, is that if people don't want to live here, how will businesses be able to attract the workers needed to sustain their operations?

"When you're recruiting people, you brag about your town," Tehan said. "If you have fewer and fewer things to brag about, you're not going to be able to attract the brightest and best. They're going to go somewhere else."

Tehan said one way to ensure that more of this transfer of wealth remains in the communities in which it was earned is to tie it aside in wills or estate plans.

Suppose an organization in your community needed \$15,000 to add public safety, child care, or entrepreneurship, Tehan said. If the average household wealth transfer is about \$300,000, then 20 contributors, setting aside 5 percent each, could fund that program -- forever.

Tehan admits the study may not be perfect, but she believes it's important to get the word out.

"Our goal is to educate people on the benefits of philanthropy, and let them know that this is happening," Tehan said. "We need to start the conversation."

For more information on the "Wealth in Wisconsin" study, go to www.WisconsinGives.org, or contact the Community Foundation of North Central Wisconsin at (715) 845-9555, www.cfcnecw.org.

THE BUSINESS NEWS

P.O. Box 1021, Wausau, WI 54402-1021
(715) 581-NEWS (6397)

Jerry Mader
Publisher
jmader@thebusinessnewsonline.com

Ed Wodalski
Managing Editor
ewodalski@thebusinessnewsonline.com

Larry Desch
Editor
ldesch-nc@thebusinessnewsonline.com

Contributors

Mike Beacom
mbeacom@thebusinessnewsonline.com

Roger Drayna
rdrayna@thebusinessnewsonline.com

Al Smith
asmith@thebusinessnewsonline.com

Nancy Barthel
nbarthel@thebusinessnewsonline.com

Amanda Lauer
alauer@thebusinessnewsonline.com

Libby Raymond
lraymond@thebusinessnewsonline.com