



# WESTERN NORTH DAKOTA'S TRANSFER OF WEALTH OPPORTUNITY

## Dollars for Community Betterment

### Background & Introduction

What if the communities of Western North Dakota had \$8 million additional dollars each year to support community betterment activities? What kind of difference could \$80 million of new community investment over a decade make in the quality of life in Western North Dakota? We are in the midst of the largest inter-generational transfer of wealth in American history. Each year household wealth is being passed on from one generation to the next. If only a small part of this wealth were directed to community giveback and the creation of permanent endowments (savings accounts where only earnings are used), a massive new financial resource could be made available throughout this Region.

#### Transfer of Wealth for Western North Dakota

Place	<u>CNW</u>		<u>25-Year TOW</u>		<u>5% Capture</u>	<u>5% Payout</u>
	Value (\$ Millions)	PHH	Value (\$ Millions)	PHH	Value (\$ Millions)	Value (\$ Millions)
Adams County	\$263.02	\$267,000	\$97.79	\$99,000	\$4.89	\$0.24
Billings County	\$114.04	\$352,000	\$35.83	\$111,000	\$1.79	\$0.09
Bowman County	\$428.22	\$357,000	\$156.28	\$130,000	\$7.81	\$0.39
Dunn County	\$285.92	\$230,000	\$86.49	\$70,000	\$4.32	\$0.22
Golden Valley County	\$132.87	\$213,000	\$56.94	\$91,000	\$2.85	\$0.14
Grant County	\$259.57	\$251,000	\$97.68	\$94,000	\$4.88	\$0.24
Hettinger County	\$334.33	\$326,000	\$136.80	\$133,000	\$6.84	\$0.34
McKenzie County	\$493.93	\$244,000	\$153.82	\$76,000	\$7.69	\$0.38
Mercer County	\$655.60	\$213,000	\$201.90	\$66,000	\$10.10	\$0.50
Morton County	\$1,608.58	\$167,000	\$544.83	\$57,000	\$27.24	\$1.36
Mountrail County	\$441.67	\$185,000	\$135.65	\$57,000	\$6.78	\$0.34
Oliver County	\$192.37	\$283,000	\$65.73	\$97,000	\$3.29	\$0.16
Sioux County	\$42.86	\$40,000	\$15.03	\$14,000	\$0.75	\$0.04
Slope County	\$96.90	\$348,000	\$29.10	\$104,000	\$1.46	\$0.07
Stark County	\$2,021.15	\$244,000	\$741.38	\$89,000	\$37.07	\$1.85
Williams County	\$1,668.15	\$221,000	\$559.59	\$74,000	\$27.98	\$1.40
<b>Region</b>	<b>\$9,039.19</b>	<b>\$218,000</b>	<b>\$3,114.84</b>	<b>\$75,000</b>	<b>\$155.74</b>	<b>\$7.79</b>

*Notes - CNW = Current Net Worth - TOW = Transfer of Wealth - PHH - Per Household  
All values are in real dollars where a dollar in 2030 has the same purchasing power as a dollar in 2005.  
Estimates are for 2005 through 2030.  
Source: RUPRI Center for Rural Entrepreneurship, May 2009*

## ***Western North Dakota's TOW Opportunity***

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The RURPI Center has completed 38 TOW studies covering roughly one-third of the United States. At the request of the Strom Center and Dickinson State University, our RUPRI Team has prepared TOW opportunity estimates for the 16 western most counties in North Dakota. Based on this analysis we have the following findings:

- *Current Net Worth (CNW) for resident households within this region in 2005 exceeds \$9 billion. This estimate does not include temporary residents or former residents.*
- *The TOW opportunity over the next 25 years (2005 through 2030) is estimated at over \$3.1 billion. This estimate is very conservative and does not fully value the likely household wealth gains associated with energy development.*
- *If just 5% of this \$3.1 billion TOW opportunity were captured into community endowments over the next 25 years, nearly \$156 million in new endowments could be established. This amount would create one of the largest endowments in North Dakota.*
- *Assuming a conservative 5% annual payout from the \$156 million in endowments, nearly \$8 million would be available annually over time for community betterment support! At this rate of payout the endowments would be inflation protected and grow over time.*
- *Including the potential giveback from former residents and energy development could conservatively increase the annual payout to \$15 to \$20 million.*

Across rural America communities are setting and realizing 5% giveback goals. New funds are being established to support economic development focused on entrepreneurs, youth engagement, people attraction, community branding and promotion, main street revitalization, non-traditional scholarships and support for non-profit service agencies. In Valley County, Nebraska (population 4,500) nearly \$10 million has been given into community endowments. Each year earnings off these endowments are supporting a wide range of community projects making Valley County stronger. The potential for achieving 5% capture in North Dakota is real and could make a significant difference in resources locally available for community betterment throughout the 21<sup>st</sup> Century.

### **Questions & Additional Information**

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DWM:TOW:DSU:Resources-TOW Handout

### ***America's Transfer of Wealth***

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