Center for Rural Entrepreneurship

energizing entrepreneurial communities

WEALTH IN THE PARADOX REGION OF COLORADO

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August 2012

COMMUNITY™ DEVELOPMENT PHILANTHROPY

Transfer of Wealth

Center for Rural Entrepreneurship

Table of contents

We encourage the readers of this report to review the following notes prior to engaging in the body of the report.

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Important notes in using this research

Electronic Library. Extensive research and analysis has been gathered and prepared in support of Wealth in the Paradox region of Colorado study. There is considerable information on each county and the wealth focus areas. This information has been electronically gathered and organized into a project electronic library that can be accessed at the following web link: http://www.energizingentrepreneurs.org/site/index.php?option=com_content&view=article&id=132&Itemid=37

Methodology. We have a detailed methodology paper that explains how the Center prepares transfer of wealth (TOW) scenarios. We have not included this methodology paper in this report to save space and paper. But this paper is available through the electronic library. We welcome your review and invite questions. Our methodology paper can be accessed at: http://www.energizingentrepreneurs.org/site/index.php?option=com_content&view=article&id=132&Itemid=37

Scenarios. There are two kinds of projections. The first type is predictions where a confidence of accuracy is provided. Prediction forecasts are typically short-term. The second type is scenarios. Scenarios are forecasts based on carefully researched assumptions and provide a visualization of a likely future. Scenarios are used to model longer time frames. Our current net worth (CNW) and TOW estimates are scenarios. We have worked hard to build conservative and reasonable assumptions. However, it is important to note that material changes in our assumptions can alter the end results of the TOW analysis.

Real Dollars. All the calculations in this study are made in real or inflation-adjusted dollars benchmarked to the real value of the dollar in 2010. Using real dollars reduces the distortion of inflation so a dollar of TOW in 2010 has the same purchasing power as a dollar in 2060.

Acknowledgements

The Wealth in the Paradox region of Colorado study was sponsored by the Telluride Foundation. This analysis could not have been completed without the assistance and council of numerous organizations and individuals.

We would like to recognize the leadership and active support of Paul Major, President & CEO and April Montgomery, Programs Director, Telluride Foundation. Their interest in bringing this research to the

Paradox region of Colorado and their commitment to encouraging homegrown philanthropy as a potential source of funding for economic renewal is a source of inspiration to many.

We owe special thanks to the members of the Technical Advisory Committee (TAC) who have helped us gain a deeper understanding of the Paradox region and to produce more meaningful research. Members of this Committee include:

1- Andrya Brantingham, Wright Stuff Community Foundation
2- George Glasier, Business Owner
3- Paul Grey, Region 10
4- Melanie Hall, Montrose Community Foundation
5- Andrew Karow, Alpine Bank
6- Juniper Katz, Montezuma Land Trust
7- Paul Koski, Business Owner
8- Jim Link, Attorney
9- Susan McIntosh, Black Canyon Land Trust
10- Doves Nest, Dove Creek
11- Karl Shaddock, VISTA Volunteer Telluride Foundation

Why this research?

A fair question to ask is: Why invest in TOW research? The following provides an answer based on how communities, regions and states all across America are using their TOW research to advance community philanthropy:

Opportunity Awareness. The primary way this analysis is being used is to raise leaders' and the publics' awareness of the TOW opportunity. Understanding the magnitude and community potential for legacy giveback creates motivation to move to action. Focusing on the 5% giveback goal from TOW opportunity creates a real goal that board members and community leaders can understand and consequently focus energy towards giveback strategies.

Wealth in Poor Places. Many communities see themselves as poor, and perceive that there are few opportunities for giveback. Understanding the TOW opportunity generally demonstrates that even in the poorest communities, there is opportunity for philanthropy and legacy giveback. This can move attitudes from the glass is half empty to the glass is half full.

Threat – Call to Action. Whether in a rural community, where depopulation is undermining community vitality, or a larger city, where retirees with wealth are migrating to warmer climates, this research can be used to create a sense of threat and a call to action. Oftentimes financial advisors can be asked to share stories that verify and illustrate the need to act on this opportunity now.

Donor Targeting. Finally and more recently, this research is now being used to identify specific legacy giveback pockets and refined donor targeting and development. Oftentimes this research is being used to reach new donor communities and create associated field of interest funds that will motivate new donors to gift to the community foundation.

Communities across America are caught in a squeeze play. On the one hand, they are facing important challenges and opportunities to invest in their communities including community economic development. On the other hand, communities are experiencing reduced funding assistance from federal and state governments, foundation sources, local businesses, and governments.

Communities are committed to their future so within this squeeze play they are searching for new sources of funding that is more robust, dependable and that can be locally controlled. This search is energizing community development philanthropy. TOW analysis helps communities better understand their unique potential and where wealth and donors might be rooted.

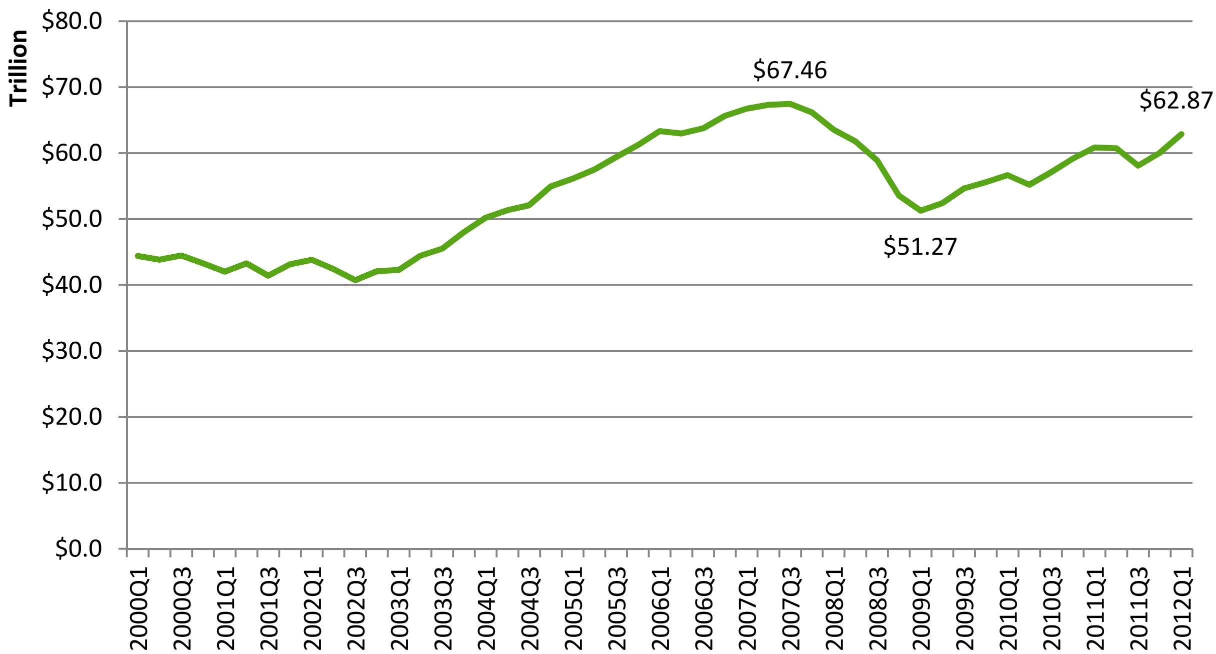
Donors get to decide where they transfer their life's work. Many, if not most, donors love their hometowns and with the right opportunity may be moved to giveback or giveback more. The starting point for growing community endowments that can support community betterment begins with understanding the genuine opportunity. Then the hard and rewarding work comes from putting the pieces together and energizing community philanthropy.

Wealth in America

America is experiencing its most challenging economic downturn since the Great Depression. Challenges with government debt are rocking our national confidence. The Great Recession hit many American households hard, and overall household related current net-worth declined from nearly $70 trillion prior to the crash to just over $51 trillion at the depth of the recession. Recovery has been slow but steady, and household wealth has grown by $11.6 trillion or 22.6%.

Bottom line, America remains a nation with tremendous personal wealth. The potential for charitable giveback remains strong and is improving with each quarter. In 1999 Boston College, in their landmark report Millionaires in the Millennium, captivated the Nation with its estimates of $41 to $136 trillion in household wealth transfer (1998-2052). A decade has passed since this work was released and a lot has changed. Earlier this year the Rural Policy Research Institute (RUPRI) Center for Rural Entrepreneurship created a new set of transfer of wealth (TOW) opportunity scenarios based on the most recent demographic forecasts by the U.S. Census Bureau. These forecasts are rooted in likely population growth based on a range of assumptions about international migration.

Figure 1. Recent Trends in U.S. Household Current Net Worth



Source: Z.1 Flow of Funds Accounts of the United States, Board of Governors of the Federal Reserve System

Our new scenarios for TOW opportunity for the United States for the period of 2010 through 2060 range from a high of $91 trillion to a low of $43 trillion. Our most likely scenario estimates the TOW opportunity at $75 trillion. Assuming we set a giveback goal of just 5%, over the next five decades nearly $3.8 trillion in new community endowments could be built. These endowments could generate, once fully capitalized, nearly $200 billion annually in new grant making! In this new age of challenged government spending, this investment could prove critically important to the future of America's communities.

Executive Summary

Transfer of Wealth (TOW) is the process whereby one generation transfers their assets to the next generation. This typically occurs at the time of death and represents the moment when legacy community giveback is the greatest. TOW most likely represents the single largest under-developed financial resource available to communities to support their development.

The Center's TOW team analyzed historical trends and current data to develop likely scenarios of how many assets currently exist in households across the Paradox region of Colorado. Using conservative estimates of economic growth, the team estimated the value of assets over the next 10 and 50 years - the TOW opportunity. Taking an industry-wide standard of 5% TOW opportunity giveback, the Center estimated how many of the transferable assets could conceivably be given at death to support investments in the community – the TOW capture target. This TOW analysis is specific to the residents of the Paradox region of Colorado and does not include corporate, non-profit or governmental assets.

Based on this analysis, the Paradox region is likely to face a significant TOW opportunity beginning as early as 2020.

- Current Net Worth in 2010 of all of the Paradox region households is estimated to be $5.06 billion.
- Over the next 10 years (2011-2020), an estimated $1.13 billion will be available to transfer between generations in the Paradox region households – the TOW opportunity.
- If just 5% of the 10-year TOW opportunity were to be captured by local nonprofit organizations, such as community foundations, for the betterment of the Paradox region communities, those organizations would realize almost $56.7 million – the TOW capture target.
- Using a conservative 5% annual payout rate on the endowments this TOW capture might build, approximately $2.84 million in sustainable annual charitable resources would be generated over the next 10 years to support community economic development and other charitable investments.

Table 1 and 2 on the following page summarize the total and per household current net worth (CNW), 10-year and 50-year transfer of wealth (TOW) values generated for each of the counties in the Paradox region of Colorado.

Table 1. Summary Findings: Current Net Worth and 10-Year TOW Opportunity								
	2010 Current Net Worth		10-Year TOW		5% Capture of 10-Year TOW		5% Payout of 5% Capture	
	Value	PHH	Value	PHH	Value	PHH	Value	PHH
Place	*Millions*	*Thousands*	*Millions*	*Thousands*	*Millions*			
Dolores	$130.34	$145.0	$28.48	$31.7	$1.42	$1,584	$71,200	$79
Montezuma	$1,308.52	$124.1	$316.10	$30.0	$15.81	$1,499	$790,251	$75
Montrose	$2,072.63	$125.7	$558.21	$33.9	$27.91	$1,693	$1,395,516	$85
Ouray	$526.37	$260.3	$81.10	$40.1	$4.05	$2,005	$202,738	$100
San Miguel	$1,025.30	$296.8	$150.79	$43.7	$7.54	$2,183	$376,974	$109
Region	**$5,063.16**	**$151.6**	**$1,134.67**	**$34.0**	**$56.73**	**$1,699**	**$2,836,680**	**$85**

Table 2. Summary Findings: Current Net Worth and 50-Year TOW Opportunity								
	2010 Current Net Worth		50-Year TOW		5% Capture of 50-Year TOW		5% Payout of 5% Capture	
	Value	PHH	Value	PHH	Value	PHH	Value	PHH
Place	*Millions*	*Thousands*	*Millions*	*Thousands*	*Millions*	*Thousands*	*Millions*	
Dolores	$130.34	$145.0	$182.47	$203.0	$9.12	$10.1	$0.46	$507
Montezuma	$1,308.52	$124.1	$2,891.55	$274.3	$144.58	$13.7	$7.23	$686
Montrose	$2,072.63	$125.7	$5,611.81	$340.4	$280.59	$17.0	$14.03	$851
Ouray	$526.37	$260.3	$559.60	$276.8	$27.98	$13.8	$1.40	$692
San Miguel	$1,025.30	$296.8	$1,935.03	$560.2	$96.75	$28.0	$4.84	$1,401
Region	**$5,063.16**	**$151.6**	**$11,180.47**	**$334.7**	**$559.02**	**$16.7**	**$27.95**	**$837**

The five counties that comprise the Paradox region have lower average wealth when compared to the United States. Per household, current net worth (CNW) in 2010 is estimated at nearly $152,000 compared to $235,000 for the United States average. Regardless of the relative wealth between the U.S. average and the Paradox region, there is remarkable opportunity for philanthropic giving. Within this region there is significant diversity including household wealth. San Miguel and Ouray Counties have average household wealth holding above the U.S. averages. Like many landscapes there are pockets of higher net worth households. This is very true for this region. Our estimates of current net worth (CNW) and transfer of wealth (TOW) are conservative from two very important factual findings based on our research:

Part-Time Residents. This is a region with significant visitor, part-time resident and retirement home activity. Our CNW and TOW estimates are based on permanent residents. Given the high amenity nature of parts of this region, there are significant and large populations of part-time residents with potentially strong affinity for their “second” or “temporary” homes. Resort and retirement communities have this attribute. Conservatively, the TOW opportunity (based on better understanding of affinity strength and development efforts) could increase by one-third to one-half of our core estimate.

Energy & Minerals. The Paradox region has a long history of mining and energy development. There is current and on-going resource extraction activity. Based on available geological research and analysis (see the E Library for background research that was collected and reviewed) there is significant future wealth associated with mineral and energy production. However, there is a lack of evidence and consensus that this activity will increase significantly during the next 10 to 20 years. This statement could be proven wrong given major changes in price and resource availability to the United States. We elected to not make adjustments to our CNW and TOW scenarios based on expanded energy and mineral production. In the long term, wealth holding in the region would increase substantially if the production of these resources is expanded.

The potential TOW opportunity could be significantly greater than the scenarios contained within this report. It is important for the region and its communities to monitor key trends and use this information to adjust their TOW opportunity expectations.

Paradox Region's Transfer of Wealth Opportunity

The Geography & Sociology. Colorado's Paradox basin or region is located in extreme southwestern Colorado and is part of the larger Four Corners region that includes parts of Colorado, Utah, Arizona and New Mexico. This is a dramatic landscape that includes the Uncompahgre Plateau, Gunnison's Black Canyon, 14,000 foot mountains, such as Mt. Wilson, canyon lands, the San Miguel, Dolores and Uncompahgre Rivers and serves as a gateway to Monument Valley, Mesa Verde, Canyon Lands and Arches National Parks.

For purposes of this TOW Study, this region includes the following five Colorado counties:

- Dolores County
- Montezuma County (including the City of Cortez)
- Montrose County (including the City of Montrose)
- Ouray County (including the City of Ouray)
- San Miguel County (including the City of Telluride)

The Paradox region is diverse not only in landscape, but economy and culture. It is home to rural ranching, mining and energy production, the Telluride Ski Area and home to the Ute Mountain Nation and Ute Indian Reservation. Its communities include old time residents and an increasing number of new residents drawn to the region because of its unique quality of life offerings and economic growth.

The larger Four Corners region includes important cities such as Grand Junction and Durango in Colorado and Farmington in New Mexico. The Arizona and Utah portions of the Four Corners are more rural and lack major trade center communities. Within the larger Rocky Mountain West region major cities of influence to the Paradox region include Denver (and the Front Range Metroplex), Salt Lake City, Albuquerque, Santa Fe and Phoenix.

The Economy. In 2010, 56% of all personal income within the region was related to labor or active work and 44% was tied to non-labor income. Of non-labor income, a remarkably high 24% was related to dividends, interest and rent income (with 20% related to transfer payments). This suggests an economy and society that is very dependent upon retirees and an older population *(Headwaters Profile, pg. 5).* The primary driver of the contemporary economy within this region is new resident migration and tourism. Nearly 26% of all labor personal income in 2010 was related to tourism, construction and real estate. Government is important and accounts for another 25% of all labor personal income. Secondary (based on primary economic drivers) economic activities include health care and retail trade, each account for another 10% of labor personal income. Other primary economic drivers include mining, energy production and agriculture *(Headwaters Profile, pg. 12)*.

The Paradox region has seen remarkable growth over the past 40 years as illustrated in table 3.

<table>
<tr><th colspan="5">Table 3. Key Performance Indicators, Paradox Region, Colorado, 1970-2010</th></tr>
<tr><th>Year</th><th>Population</th><th>Employment</th><th>Personal Income</th><td rowspan="7">Over these past 40 years the share of personal income related to labor dropped from 72.6% to 55.6% and the share of non-labor income rose from 27.4% to 44.4%. Population has been growing faster than employment illustrating the aging population and growing dependence upon retirees and part-time residents and visitors.</td></tr>
<tr><td>1970</td><td>36,537</td><td>14,897</td><td>$596 mil.</td></tr>
<tr><td>1980</td><td>47,987</td><td>22,628</td><td>$1,025</td></tr>
<tr><td>1990</td><td>50,794</td><td>28,806</td><td>$1,275</td></tr>
<tr><td>2000</td><td>69,677</td><td>44,491</td><td>$2,215</td></tr>
<tr><td>2010</td><td>80,588</td><td>48,969</td><td>$2,806</td></tr>
<tr><td>2000-10
Change</td><td>10,911
15.70%</td><td>4,478
10.10%</td><td>+$591 mil.
26.70%</td></tr>
<tr><td colspan="5">Source: A Profile of Socioeconomic Measures, Headwaters Economics Inc.</td></tr>
</table>

The following are the annualized growth rates for population, employment and personal income for the region between 1970 and 2010. The value in the parenthesis is the annualized rate of growth for the United States.

- Population = 3.01% (1.29%)
- Employment = 5.72% (2.28%)
- Personal Income = 9.27% (4.10%)

Over the past four decades, the Paradox region experienced remarkable growth, far exceeding the U.S. benchmark rates. This was a transformational period for the region and is reflected in the region's household wealth formation rates. A key question going forward relates to likely future growth over the study period.

Like the rest of the country, this region was impacted by the Great Recession. Table 4 contains information on the unemployment rates for the region leading up to, during and following the Great Recession.

Table 4. Unemployment Rates, Paradox Region, Colorado, 2008-2012

Year	Unemployment Rate	Analysis
2008	4.70%	*The Region went from limited structural unemployment in 2008 to a near doubling by 2009 with peak unemployment hitting in January 2011. Unemployment is dropping but still significantly above pre-recession values. The values are for January of each year.*
2009	8.00%	
2010	10.80%	
2011	11.70%	
2012	9.60%	

Source: A Profile of Socioeconomic Measures, Headwaters Economics, Inc.

The Great Recession significantly reduced household wealth across the United States. This region was also impacted. Those most affected included home owners, those with business failures, retirees with equity investments, and those who encounter long-term unemployment or quality of job (higher paying vs. lower paying jobs) reductions. Table 5 explores the uniqueness of each of the counties within the region:

Table 5. Key County Indicators, Paradox Region, Colorado, 2010

Indicator	Dolores	Montezuma	Montrose	Ouray	San Miguel
Largest Place	Rural	Cortez	Montrose	Ouray	Telluride
2010 Population	2,063	25,530	41,184	4,451	7,360
Decade Pop. Change	210	1,579	7,411	580	874
Labor Earnings vs.	52%	57%	54%	48%	61
Non-Labor Earnings	48%	43%	46%	52%	39
In Commuting	$11.2 mil.	$120 mil.	$58 mil.	$33 mil.	$6 mil.
Out Commuting	$57.2 mil.	$873 mil.	$80 mil.	$207 mil.	$32 mil.
Net Adjustment	44.80%	22.30%	-2.80%	27.70%	-6.80%
Average Earnings per Job	$18,925	$31,136	$35,518	$27,291	$36,604
	35%	58%	67%	51%	69%
Peak Unemployment	20.20%	11.50%	13.10%	10.60%	13.20%
	11-Jan	10-Mar	11-Jan	Jan/Feb. 11	10-May

Notes: "In Commuting" are those who live in the County and commute outside of the county for work. "Out Commuting" are those who live outside the county and travel into the county for work. The percentage value related to "Average Earnings per Job" is the county value as a percent of the U.S. value. Source: A Profile of Socioeconomic Measures, Headwaters Economics, Inc.

Table 5 clearly illustrates insights into the diversity among the five counties within this region. This diversity reflects unique development histories, current realities and likely future trends that will impact each community's TOW opportunity. For example, Montrose and Telluride are employment hubs, drawing workers from across the region. Dolores, Montezuma (links to Durango) and Ouray have strong net outbound commuting into both Montrose and Telluride.

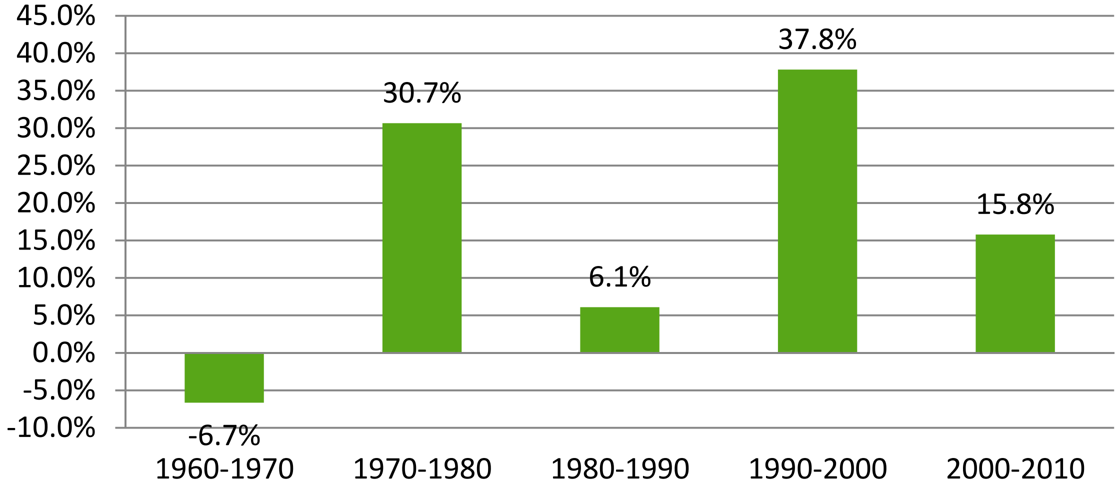
Table 6. Top Five Economic Sectors, Paradox Region, Colorado, 2010

Dolores	Montezuma	Montrose	Ouray	San Miguel
Government	Government	Government	Government	Government
35.60%	32.80%	23.40%	22.90%	16.20%
Farming	Health Care	Health Care	Construction	Real Estate
13.10%	12.20%	11.80%	17.20%	14.10%
Retail Trade	Retail Trade	Retail Trade	Tourism	Tourism
8.40%	10.20%	10.20%	11.70%	12.40%
Construction	Construction	Construction	Retail Trade	Construction
6.50%	8.70%	9.60%	10.60%	11.80%
Tourism	Other Services	Manufacturing	Professional	Entertainment
6.00%	5.40%	7.20%	9.20%	9.20%
Top 5 Share	Top 5 Share	Top 5 Share	Top 5 Share	Top 5 Share
69.60%	69.30%	62.20%	71.60%	63.70%

Notes: Health Care also includes Social Services, Professional includes Professional & Technical Services, Entertainment includes Arts, Entertainment, & Recreational Services. These ratios are based on 2010 personal income realized from each sector. Source: A Profile of Socioeconomic Measures, Headwaters Economics, Inc.

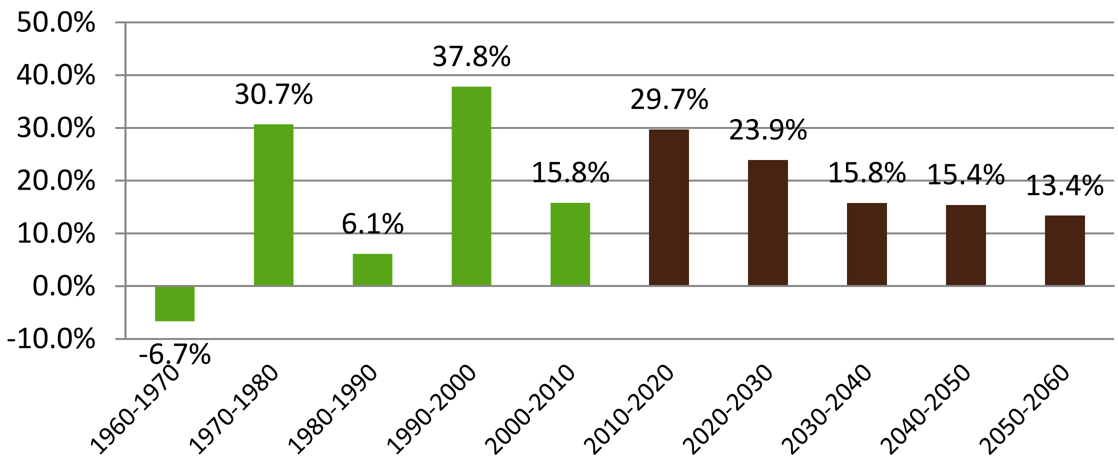
Table 6 provides a quick review of the economic structure within the five-county region. Both retirees and commuters are a big part of the economy within the Paradox region. The role of part-time and seasonal visitors is reflected in high dependence upon real estate and renting, construction, tourism, arts, entertainment and recreation. The following tables strongly suggest that some seasonal visitors and part-time residents have become permanent residents. There are two unique economic dependencies. In Ouray County the fourth largest sector is Professional and Technical Services. This is unusual and should be further probed. In Montrose County, manufacturing services is the fourth largest source of (labor related) personal income.

Figure 2. Historical Population Growth Rates for Paradox Region of Colorado by Decade



Source: Decennial Census, U.S. Census Bureau

Figure 3. Projected Population Growth Rates for Paradox Region of Colorado by Decade



Source: Decennial Census, U.S. Census Bureau, Department of Local Affairs, State of Colorado & authors' own projected growth rates

Household Wealth. The following tables summarize key wealth indicators for 2010 using ESRI research. These values reflect gross current net worth, and our later CNW and TOW findings employ adjusted values based on the potential for charitable giveback. Nevertheless, these indicators are helpful on a comparative basis to better understand the diversity of wealth holding and TOW opportunities across the counties within this region.

Table 7. Wealth Indicators, U.S., Colorado & the Region, 2010			
Indicator	**United States**	**Colorado**	**Paradox Region**
Median Net Worth	$93,084	$109,162	$63,698
Mean Net Worth	$418,865	$467,421	$305,403
Median to Mean Ratio	4.50x	4.28x	4.79x
Peak Net Worth	$737,941	$854,473	$551,084
Peak Age Group	55-64	55-64	55-64
% Millionaires	7.50%	8.20%	5.20%
Average Stocks	$37,771	$40,004	$30,476
Source: Net Worth Profile, ESRI			

Table 7 provides various indicators of current wealth holding by households for the U.S., Colorado and the Paradox region. Furthermore, table 8 provides the same values for each of the counties within the region.

- **Median Net Worth** – the mid-point value for all households within the geography.
- **Mean Net Worth** – the average value for all households within the geography.
- **The Median to Mean Ratio** – illustrates the concentration of wealth within a geography. Higher values indicate greater wealth concentration.
- **Peak Net Worth** – considering all age groups within a county, this identified the peak average net worth by age cohort.
- **Peak Age Group** – this value indicates the actual age cohort with the peak net worth.
- **% Millionaires** – this value indicates the percentage of households that have current net worth estates of $1 million or greater in 2010.
- **Average Stocks** – this value indicates the average household holding of stocks, bonds and mutual funds.

Table 8. Wealth Indicators, Paradox Region Counties, 2010					
Indicator	**Dolores**	**Montezuma**	**Montrose**	**Ouray**	**San Miguel**
Median NW	$52,090	$58,457	$63,872	$105,865	$64,537
Mean NW	$306,455	$245,829	$240,712	$541,857	$638,819
Ratio	5.88x	4.24x	3.77x	5.11x	9.83x
Peak NW	$405,885	$393,801	$514.12	$821,457	$1,245,691
Age Group	55-64	65-74	55-64	55-64	65-74
% Millionaires	5.40%	3.60%	3.30%	10.80%	14.80%
Average Stocks	$24,460	$27,798	$28,803	$41,515	$41,266
Source: Net Worth Profile, ESRI					

All the counties within the Paradox region have TOW opportunities. There is considerable diversity both in the potential for community giveback and the composition of likely donors within this group of five counties. Within each county there is additional diversity among the various communities. This reality needs to be kept in mind as donor development and giveback strategies are evolved. There is clearly very high (above national average) higher net worth households in both Ouray and San Miguel related to Telluride and the resort amenities. This is a tip of the "iceberg" when non-permanent resident households are considered. This is a large number of part-time or seasonal visitors who likely have a deep affinity for these communities and could represent potential non-resident donors.

Socio-Economic Profile

In support of our TOW Study for the Paradox region we procured a detailed socio-economic profile of each of the counties in the Paradox region of Colorado generated by Headwater's Economics of Bozeman, Montana. This profile plus other background research employed in our study can be found in the Project Electronic Library. Source documentation for all our analysis contained in this Report can be found in the E-Library. We have also included a number of ESRI reports that provide critical background on the Paradox region counties, its society, economy and wealth status. Population forecasts have not been included, but we are prepared to share which forecasts we employed and how this research was used in our TOW scenarios.

Dolores County. Dolores County is the most rural and isolated of the five counties. It has a very small population base of just over 2,000 residents in 2010. While it is projected by the Colorado State Demographer to grow at 2.13% per year through 2040, its population will remain relatively small, and the character of the county will remain rural. Mirroring the small population and rural character of the county, it has a relatively small business community comprised of energy, mineral farming and some non-agricultural businesses (e.g., real estate, retail trade, services, etc.).

The county is aging and has a relatively large retiree population, with about 19% of all residents being 65 years of age or older (CO value is 11%). Tied to the older population, the county is very dependent upon transfer payment related income (e.g., Social Security, Medicare & other retirement income). Income from DIR or "dividends, interest and rent" is also very high with 22% of all personal income derived from this source. Following DIR income are assets like rental properties, interest being investments, stocks, bonds and other like assets. These all represent giveback capacity. The primary economy is tied to natural resource assets including energy, minerals, timber, agricultural lands (ranching) and land for recreational and housing development. Nearly one house in three (30% vs. 5% for Colorado) in the county is classified by the Census Bureau as a "vacation" home.

Table 9. Donor Opportunity Indicators

Indicator	U.S.	Dolores	Colorado
Annual population growth (2010-2040)	0.93%	2.13%	1.89%
Average wage of professionals (2010)	$58,237	$59,683	$61,026
Average wage (all industries)	*$48,218*	*$27,573*	*$49,378*
Share of resident establishments (2009)	90.2%	87.6%	91.2%
Average Market Value/Farm	$791,138	$657,975	$892,170
Oil production (Bbl)	636,500	29,986	507,451
Gas production (Mcf)	7,127,630	41,380,584	29,015,719
Share of 65+ population (2010)	13.0%	18.8%	10.9%
Share of DIR income in total (2010)	16.8%	22.0%	18.0%
Mean net worth of households w/ 65-74 age	$682,188	$348,429	$759,722
Share of timber land in use (2007)	8.1%	7.9%	4.4%
Share of vacation homes (2010)	3.5%	29.6%	4.6%
Share of household w/ above $1M in net worth	7.6%	5.4%	8.3%

Source: Department of Local Affairs, State of Colorado, Bureau of Economic Analysis, Edwards Lowe Foundation, Census of Agriculture, USDA, Colorado Oil & Gas Conservation Commission, ESRI, U.S. Census Bureau

Montezuma County. Montezuma County is located in extreme southwest Colorado. It is home to a remarkable collection of landscapes including the Mesa Verde National Park. Cortez is the county's largest urban center. The county is part of the Durango development footprint. In part, the future of the county is tied to Durango's development. The county is largely rural in character and has nearly 26,000 residents in 2010. According to the Colorado State Demographer, the county is projected to grow at 2.35% per year and could reach nearly 44,000 residents by 2040. It has a large and relatively diverse business community with about 2,500 business establishments. Tourism, agriculture, mining and energy constitute the core economy. The county has an aging population and a growing retiree sector.

About 17% of all residents are 65 and older compared to a state average of 11%. Income from DIR or "dividends, interest and rent" is 20% of all personal income (compared to 18% for the state). DIR income is associated with key wealth assets including real estate properties, stocks, bonds and other investments. Like many counties in Colorado, Montezuma has some Census Bureau defined "vacation" homes. About 6.1% of all housing in the county is classified as vacation homes compared with 4.6% for the state. Montezuma County has nearly three-quarters of a billion in agricultural real estate, some timber resources and some current energy and mineral activity.

Table 10. Donor Opportunity Indicators

Indicator	U.S.	Montezuma	Colorado
Annual population growth (2010-2040)	0.93%	2.35%	1.89%
Average wage of professionals (2010)	$58,237	$32,722	$61,026
Average wage (all industries)	*$48,218*	*$31,326*	*$49,378*
Share of resident establishments (2009)	90.2%	90.1%	91.2%
Average Market Value/Farm	$791,138	$577,679	$892,170
Oil production (Bbl)	636,500	146,489	507,451
Gas production (Mcf)	7,127,630	212,466,529	29,015,719
Share of 65+ population (2010)	13.0%	16.7%	10.9%
Share of DIR income in total (2010)	16.8%	20.4%	18.0%
Mean net worth of households w/ 65-74 age	$682,188	$393,801	$759,722
Share of timber land in use (2007)	8.1%	4.3%	4.4%
Share of vacation homes (2010)	3.5%	6.1%	4.6%
Share of household w/ above $1M in net worth	7.6%	3.6%	8.3%

Source: Department of Local Affairs, State of Colorado, Bureau of Economic Analysis, Edwards Lowe Foundation, Census of Agriculture, USDA, Colorado Oil & Gas Conservation Commission, ESRI, U.S. Census Bureau

Montrose County. Montrose County has the largest population in the region. It is the most urban and least isolated and rural of the five counties. However, most of this urban development is concentrated in the City of Montrose, the U.S. Highway 550 corridor and the Colorado Highway 145 (141 & 90) corridors. There is considerable isolated and rural land within the county. The county has a 2010 population in excess of 41,000 residents and is projected by the Colorado State Demographer to grow by a remarkable 3.15% per year through 2040. This growth rate would push the county's population above 80,000 by 2040. Montrose County has one of the most diversified economies with over 4,600 business establishments. The City of Montrose serves as a retail and service center for the larger region.

This county has been a destination for middle-wealth retirees and others seeking access to the region's high amenity assets, but who cannot afford the real estate in communities like Telluride or Durango. The retiree population within the county is 18% of all residents compared with 11% for the State of Colorado. DIR related income accounts for 22% of all personal income in the county (DIR income in CO = 18%). DIR stands for "dividend, interest and rent" income and is often associated with investments held by households and particularly older households (e.g., stocks, bonds, rental property, etc.). Montrose County has nearly $800 million in agricultural land real estate, some timber resources, but limited current mineral or energy activity.

Table 11. Donor Opportunity Indicators

Indicator	U.S.	Montrose	Colorado
Annual population growth (2010-2040)	0.93%	3.15%	1.89%
Average wage of professionals (2010)	$58,237	$36,378	$61,026
Average wage (all industries)	*$48,218*	*$34,741*	*$49,378*
Share of resident establishments (2009)	90.2%	92.7%	91.2%
Average Market Value/Farm	$791,138	$732,730	$892,170
Oil production (Bbl)	636,500	N/A	507,451
Gas production (Mcf)	7,127,630	N/A	29,015,719
Share of 65+ population (2010)	13.0%	17.8%	10.9%
Share of DIR income in total (2010)	16.8%	21.9%	18.0%
Mean net worth of households w/ 65-74 age	$682,188	$439,506	$759,722
Share of timber land in use (2007)	8.1%	8.0%	4.4%
Share of vacation homes (2010)	3.5%	2.7%	4.6%
Share of household w/ above $1M in net worth	7.6%	3.3%	8.3%

Source: Department of Local Affairs, State of Colorado, Bureau of Economic Analysis, Edwards Lowe Foundation, Census of Agriculture, USDA, Colorado Oil & Gas Conservation Commission, ESRI, U.S. Census Bureau

Ouray County. Ouray County has unique diversity as it relates to wealth and TOW opportunity. On the one hand it is relatively rural, isolated and supports a small population with less than 5,000 residents in 2010. It is not projected to grow as rapidly by the Colorado State Demographer when compared to the other four counties within the region (1.44% per year through 2040 or 6,300 residents with the growth rate). A rural, isolated and small population mountain county would typically display a weaker wealth profile and TOW opportunity (about 700 business establishments). But Ouray County has a strong association with Telluride and the resort community. It has attracted both permanent residents and non-permanent regular visitors. Many of these are higher net worth households.

About 18% of its population is 65 and older compared with 11% for Colorado. But income derived from DIR (dividends, interest & rent income) is 38% of all personal income for the county. This is extremely high and reflects a concentration of high net worth permanent residents. Like the tip of an iceberg, this indicator of higher net worth households suggests an even larger community of regular part-time visitors with permanent residence somewhere else. About one in four homes (24% of all housing) is classified as “vacation homes”. This is a very high value illustrating the size of the seasonal residents that are part of Ouray County.

Table 12. Donor Opportunity Indicators

Indicator	U.S.	Ouray	Colorado
Annual population growth (2010-2040)	0.93%	1.44%	1.89%
Average wage of professionals (2010)	$58,237	$41,327	$61,026
Average wage (all industries)	*$48,218*	*$30,790*	*$49,378*
Share of resident establishments (2009)	90.2%	91.8%	91.2%
Average Market Value/Farm	$791,138	$1,289,511	$892,170
Oil production (Bbl)	636,500		507,451
Gas production (Mcf)	7,127,630		29,015,719
Share of 65+ population (2010)	13.0%	17.5%	10.9%
Share of DIR income in total (2010)	16.8%	38.2%	18.0%
Mean net worth of households w/ 65-74 age	$682,188	$583,295	$759,722
Share of timber land in use (2007)	8.1%	28.9%	4.4%
Share of vacation homes (2010)	3.5%	24.1%	4.6%
Share of household w/ above $1M in net worth	7.6%	10.8%	8.3%

Source: Department of Local Affairs, State of Colorado, Bureau of Economic Analysis, Edwards Lowe Foundation, Census of Agriculture, USDA, Colorado Oil & Gas Conservation Commission, ESRI, U.S. Census Bureau

San Miguel County. San Miguel County has two distinct landscapes. The first landscape is mountainous and associated with Telluride and the larger resort community. The second landscape is more rural and isolated included in the western parts of the county. In 2010, the Census Bureau estimated the county's permanent resident population at just 7,400 people. According to Harvard University Research provided by the Telluride Foundation there is limited land available in the Telluride area for development. However, the Colorado State Demographer is calling for 4.15% annualized population growth through 2040 that would boost the overall county population to nearly 17,000.

Reflecting the resort's need for workers, there are 4,444 employees in the county. Clearly, Telluride and the resort community is an employment hub drawing workers from outside of the county. San Miguel does not have a large retiree population with just 7% of people 65 and older compared to a Colorado average of 11%. But a remarkable 33% of all personal income is tied to DIR income (dividend, interest & rent income). This indicator suggests a large cohort of higher net worth households. There is also a very significant community of regular part-time visitors (permanent residence outside of the county). Reflecting the resort character of the community, 35% of all housing units are classified by the Census Bureau as "vacation" housing. Much of this housing is tied to seasonal visitors, but some is associated with those having a longer-term history with and deeper affinity for the community.

Table 13. Donor Opportunity Indicators

Indicator	**U.S.**	**San Miguel**	**Colorado**
Annual population growth (2010-2040)	0.93%	4.15%	1.89%
Average wage of professionals (2010)	$58,237	$47,254	$61,026
Average wage (all industries)	*$48,218*	*$36,600*	*$49,378*
Share of resident establishments (2009)	90.2%	90.4%	91.2%
Average Market Value/Farm	$791,138	$1,764,631	$892,170
Oil production (Bbl)	636,500	7,191	507,451
Gas production (Mcf)	7,127,630	6,817,098	29,015,719
Share of 65+ population (2010)	13.0%	7.0%	10.9%
Share of DIR income in total (2010)	16.8%	33.2%	18.0%
Mean net worth of households w/ 65-74 age	$682,188	$1,245,691	$759,722
Share of timber land in use (2007)	8.1%	9.9%	4.4%
Share of vacation homes (2010)	3.5%	34.7%	4.6%
Share of household w/ above $1M in net worth	7.6%	14.8%	8.3%

Source: Department of Local Affairs, State of Colorado, Bureau of Economic Analysis, Edwards Lowe Foundation, Census of Agriculture, USDA, Colorado Oil & Gas Conservation Commission, ESRI, U.S. Census Bureau

Public Lands & Household Wealth

The Paradox Region and all five counties that comprise this region have significant public lands including Forest Service, Bureau of Land Management (BLM), National Park and Tribal lands. Public lands have a unique set of implications for household wealth holding and formation, creating somewhat counter trends.

Decreasing Wealth. Communities and regions with significant public lands have less private land ownership. Less private land ownership tends to decrease overall wealth holding by households. Wealth can also be impacted where private land availability is constrained, limiting development but generally increasing the value of the private land available for development.

Increasing Wealth. Over time, landscapes where there are significant public lands have become destinations for certain kinds of development and new residents. This is particularly true when public lands contain high amenity assets like lakes, seashores, mountains, vistas and the like. These assets create a kind of economy and society which creates wealth because of public access to public land amenities.

Both of these forces are at work in the Paradox region. Clearly, the public land amenities in this region have enabled development of the Telluride resort, growth in both Cortez and Montrose and the attraction of a wide range of new residents, including higher net worth permanent and regular part-time residents.

Overall, public land assets have contributed to the overall wealth of the Paradox region and its communities.

TOW Opportunity Timing

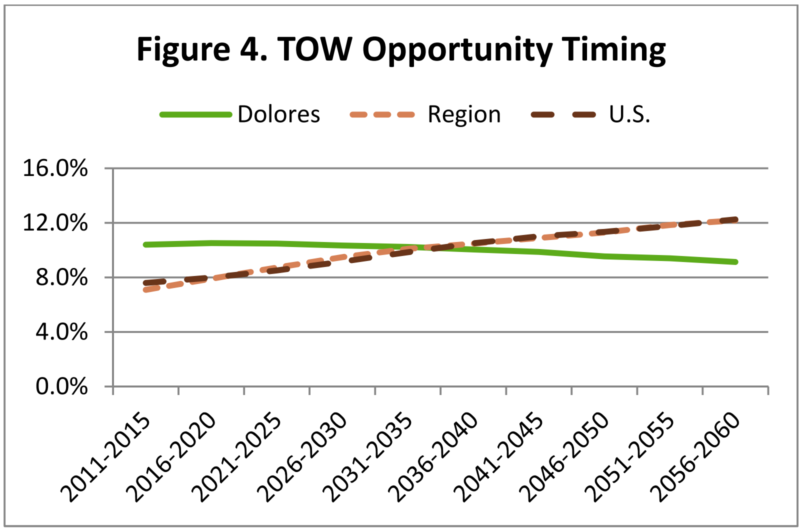
Every community, region and state has a unique TOW opportunity timing based on its population age structure, demographic growth, economic growth and other factors. The following graphics provide the TOW opportunity timing charts for each of the counties that comprise the Paradox region.

What is TOW Opportunity Timing?

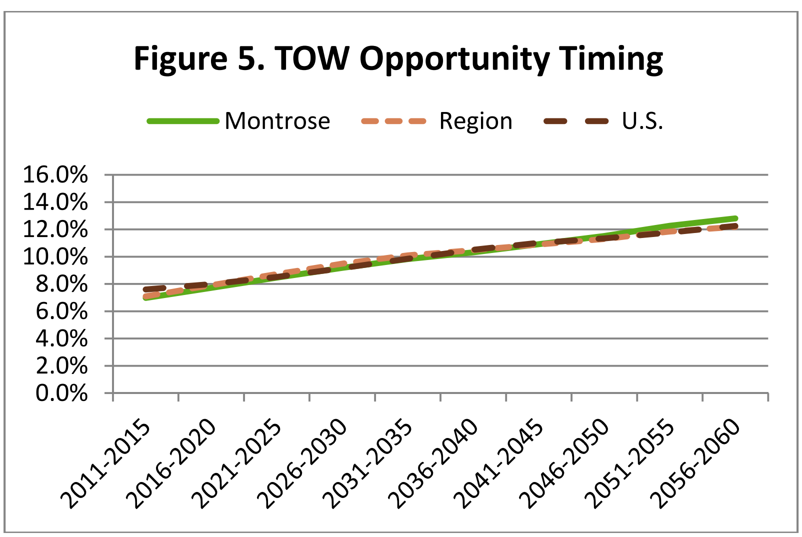
TOW opportunity timing charts are based on the number of estates coming into giveback play each year. This is important as it better illustrates the urgency for action in those counties experiencing net outmigration and depopulation. In these counties, the number of "estate events" diminishes over time as the population base narrows and more and more heirs live outside of the county.

A review of these charts illustrates the unique characteristics of each county and diversity embedded within the region. Overall, the Paradox Region will experience increasing TOW opportunity based on our current net worth (CNW) and TOW scenarios. The region has a similar TOW opportunity timing trend when compared to the United States trend line. The opportunity accelerates during the first half of the 50 year time frame and then the rate of growth continues but slows as population growth moderates.

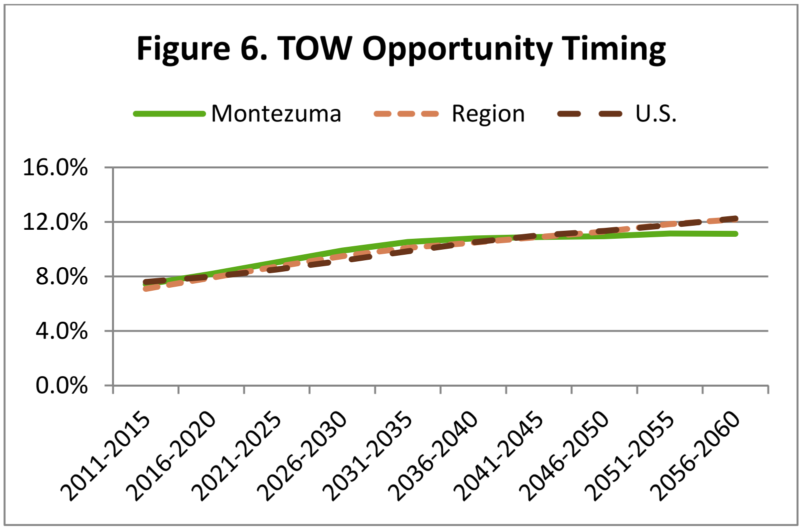
Dolores County. Figure 4 provides the TOW Opportunity Timing chart for Dolores County in comparison to the Paradox region and the United States. Dolores County is the most rural county within the region and is projected to have the least demographic and economic growth. It has an aging population and its TOW opportunity will peak within the coming 15 years and then begin to decline. There is urgency for active donor development as the TOW opportunity will reduce with each passing year.



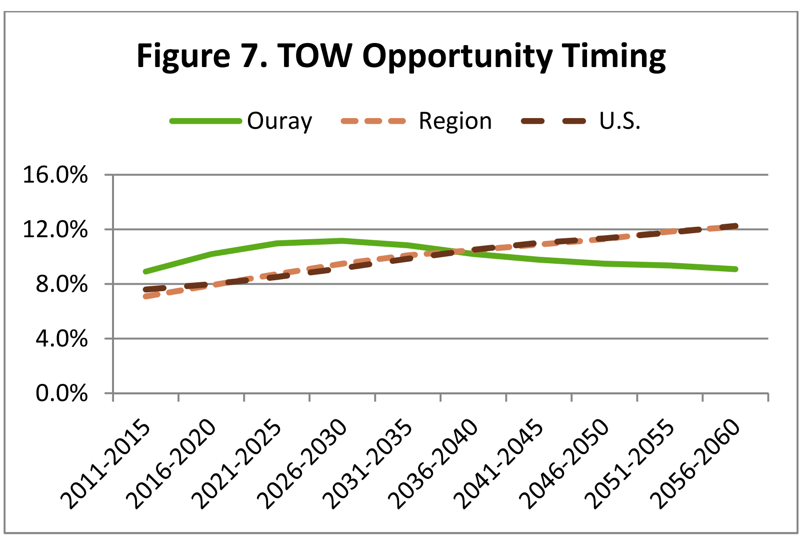
Montrose County. Figure 5 provides the TOW Opportunity Timing chart for Montrose County in comparison to the Paradox region and the United States. Montrose County has a TOW Opportunity Timing chart that is very comparable to the region and the U.S. This county will actually see some acceleration in opportunity in the out years compared to the U.S. and region. Despite this projected growing opportunity, there is value in acting now, as each year a growing number of estates are coming into play for philanthropic giveback. Montrose County could benefit from an aggressive community philanthropy initiative that actively cultivates both resident and part-time resident donors.



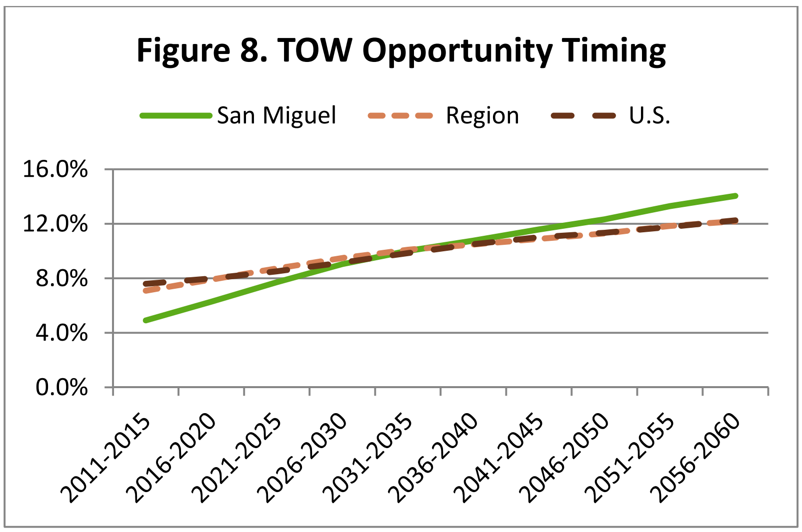
Montezuma County. Figure 6 provides the TOW Opportunity Timing chart for Montezuma County in comparison to the Paradox region and the United States. Montezuma County will see accelerating TOW opportunity through 2030 and then flatten out as likely new wealth creation will moderate. This graph suggests the need for an early and aggressive giveback game plan that optimizes TOW potential over the coming two decades.



Ouray County. Figure 7 provides the TOW Opportunity Timing chart for Ouray County in comparison to the Paradox Region and the United States. Ouray County has a TOW Opportunity Timing trend line characteristic of a rapidly aging population and overall slow or negative demographic growth. Like Dolores County, there is an urgency to act sooner as opposed to later. Peak opportunity will build during the current decade and occur during the 2020-2030 decade. While significant giveback potential will remain in the out years, the overall potential will decrease reflecting overall wealth creation and transfer trends.



San Miguel. Figure 8 provides the TOW Opportunity Timing chart for San Miguel County in comparison to the Paradox region and the United States. San Miguel County is projected to have the strongest TOW Opportunity Timing trend line among the five counties. This is due to two driving forces. First, San Miguel County is the center for wealth growth, due in large part to the Telluride resort and the increasing concentration of higher net worth households. Additionally, while private land for development is constrained, this condition will actually concentrate in higher net worth households closer to the Telluride environs due to the rising cost of real estate. This pattern is already well established and will likely deepen in the coming decades. But this graphic should not be interpreted that San Miguel County can wait to act on its TOW opportunity as there is a growing number of estates coming into play each year.



Scenario Changers

We live and work in a very dynamic and uncertain world. Shorter-term projections are challenging and longer-term projections can be foolish. Nevertheless, in order to fully appreciate this region's TOW opportunity, we push our projects out roughly two generations or 50 years. We employ scenario projects that are based on conservative and reasonable (based on what is known today) assumptions. Users of this research and analysis need to keep in mind there are a number of potential scenario changers that could dramatically increase or decrease our TOW projections. Keeping these factors in mind can enable adjustments as reality reveals itself over time. For the Paradox region, we have identified the following three high potential deal changers:

- Recession – Recovery
- Energy & Mineral Development
- Part-Time Residents

Recession – Recovery. There is a growing agreement among economists and policy analysts that the Great Recession (2007-2009) is the most severe world economic downturn since the Great Depression. Absent the post Great Depression reforms and safety-net, the Great Recession is more akin to a "depression" like economic event based on its depth and duration of impact. The weak and uncertain economic recovery contributes to the "impact" footprint of the Great Recession. The Great Recession impacted nearly every corner of the United States to greater or lesser degrees. The communities within this region were clearly impacted and are continuing to see impacts.

Our most likely TOW scenario assumes a slow and gradual recovery out of the Great Recession. We assume that the entire 2010 through 2020 period will be impacted with slowing wealth creation within this region. Within our scenario we assume that more robust wealth creation will occur and extend out through the entire scenario period to 2060. Within this extended period, we assume normal business cycles and periods of weak and moderate economic recessions and recoveries. This factor can be a deal changer in two primary ways:

Uncertainty

We are completing these TOW scenarios during a period of very high uncertainty both domestically and internationally. There is an active debate and a wide range of informed opinions regarding the direction of the economy. Given this uncertainty it is important for the reader to consider our assumptions about the future and how these assumptions shape our findings.

1. **Recovery Rate.** Any material "speed-up" or "slow-down" in the rate of recovery will impact our CNW and TOW scenarios. Such events will mostly impact our shorter-term projections covering the current and next decade periods (2010 through 2030). But such changes are unlikely to impact the longer-term TOW projects out through 2060.

2. **Return to Deep Recession.** The business analysts call it the "double dip" or a return to deep and longer lasting recession. This kind of event occurred during the Great Depression. If there is a return to deep and longer lasting recession, our CNW and TOW scenarios will prove too optimistic and should be adjusted downward.

Energy & Mineral Development. Portions of the Paradox region have a long history associated with mineral and energy development and production. This is part of this region's character and tradition. There are modest levels of activity present within the region today. Based on available geological research there are sizeable mineral and energy deposits located in parts of all five counties within the region.

Our assumptions contained within our most likely CNW and TOW scenarios embrace that there will be modest wealth creation associated with present to slightly increased development and production activities in both energy and mineral sectors. Currently, the level of development is not sizeable enough to warrant separate analysis. Total employment based on the most recent U.S. Census Bureau County Business Pattern's research is just over 300 workers out of a total regional employment base of over 24,000 (2009 data). The value of oil and natural gas production from within the region for 2011 is just under $20 million. At these levels of activity, we would not adjust our scenarios of CNW and TOW potential.

The 1% Idea…

Energy and mineral development is increasing dramatically in the United States. There are boomtown landscapes in places like Western North Dakota, the Gulf and Pennsylvania. The 1% idea that is beginning to circulate in policy circles in many states is simple. Most states have severance or extraction taxes assessed on the gross value of the resource being "severed" or "extracted" from the ground. Since these resources are largely non-renewable, a portion of the value is captured for broader public purpose. There are not comprehensive estimates of the total likely recoverable energy and mineral resources for the five counties of the Paradox Region, but a review of current geological research would suggest that recoverable gross value could range between $25 and $50 billion. A 1% capture into a regional prosperity or trust fund could create a permanent endowment of $250 to $500 million capable of $12.5 to $25 million annually (at 5% payout) for the communities of the region.

But there is considerably more proven and likely unproven mineral and energy wealth contained within this region. Rising real prices for energy and mineral resources and/or changes in world supply (including U.S. access to foreign sources) could become a deal changer resulting in real increases in our estimates. Such trends and development should be watched closely. Consideration should be given to adopting development and policy strategies that could result in wealth creation from energy and mineral development flowing into regional and/or local trust funds or endowments.

Part-Time Residents. In the most fundamental way there are two factors that determine household philanthropic potential in any community or region:

- Giveback Capacity &
- Giveback Motivation

Let us explore both attributes in some detail as this framework is important in clarifying and descripting the philanthropic potential of part-time residents.

Part-Time Residents

Part-time residents can run from tourists who visit the region and never come back to those who for a generation or longer have been regularly visiting the region. Part-time residents who spend part of the year in the region and have acquired a second, vacation or retirement home begin to assume some of the attributes of permanent residents. They often take interest in issues important to the community and want the community to not only meet their needs but be strong and healthy. Their permanent residence is somewhere else, they often become engaged in community life and development affinity for their second home.

1. **Giveback Capacity.** Capacity is the ability to make charitable contributions particular legacy or endowed gifts. Capacity directly correlates the range of households within a place and their uncommitted wealth assets. The average household in San Miguel County, for example, has more giveback capacity (average 2010 CNW of $639,000) versus the average Colorado household (average 2010 CNW of $467,000). The same would be true when age of household is considered. For example, the average 55 to 64 year old household in Montrose County has $514,000 in CNW compared to the average 25 to 34 year old household with just $39,000 in CNW. The older household in the same county has 13 times more giveback capacity.

But giveback capacity is only one factor within our basic formula for philanthropic potential. The other factor is giveback motivation.

2. **Giveback Motivation.** Wealth capacity can impact and shape giveback motivation. But motivation is important in and of itself. The segment with the highest share of income that is donated in the United States is lower-income households in the South. Donating to church is part of this culture, and the ethic of tithing is powerful, creating motivation for giveback beyond normal capacity. A key factor impacting motivation is "affinity." Potential donors with strong affinity for church; a

charity or community will tend to optimize their capacity for giving. Being a long-time permanent resident of a community creates the potential for strong affinity. But not being a permanent resident of a community does not exclude strong affinity and therefore giveback motivation.

Our CNW and TOW scenarios estimate potential based on permanent residents. But in regions like this where there is a large number of part-time or non-permanent residents, there is typically additional giveback capacity and the potential for community affinity and giveback motivation. Higher net worth households with a long relationship to a community represent significant donor potential. Where this donor pool becomes a deal changer totally relates to donor development and philanthropic giveback strategy. A key to creating giveback motivation via deeper community affinity (whether permanent or part-time resident) is engagement. A philanthropic strategy that encourages community engagement on the part of all residents (including part-time residents) can grow affinity and giveback motivation.

We cannot quantify the TOW opportunity or giveback capacity of part-time residents in the communities within the Paradox Region. But based on our research, the review of research of others (see the Project Electronic Library) and indicators like vacation homes, we know that this is significant and a growing donor pool in the region. The ability of the region and its communities to create engagement and deeper community affinity will determine how much of this wealth is given back in the form of legacy endowments. Because of the size of this potential donor pool, (both numbers and wealth) this can be a deal changer impacting the overall TOW opportunity for the Paradox Region.

Evolution of High Amenity Areas

High amenity areas like parts of the Paradox region can be subject to boom and bust economic and demographic cycles just like energy and mining districts. Sustaining development and the value of a place can be very important at it relates to wealth formation and holding. Communities with radical patterns of boom and bust typically create less rooted wealth over time. How this region manages its attractiveness as a high amenity location will likely contribute to its wealth formation and holding over time.

Donor Opportunity Areas

We have identified 25 distinct donor opportunity areas or groups based on our national TOW research and analysis. We have found that there are six donor opportunity areas within the Paradox region:

Transplants. This Region has seen dramatic in-migration over the past 40 years. There is considerable diversity as to the type of persons and their wealth profile among these in-migrants. However, a significant subset includes higher net worth households who have established their permanent residences as indicated by the high percentage of millionaires in both San Miguel and Ouray Counties (the Telluride connection).

Closely-Held Businesses. The dramatic demographic and economic growth within the region has increased the overall number of closely-held businesses ranging from construction companies, businesses geared to serving the tourists and farmers and ranchers in Dolores and Montrose Counties and highly specialized professionals such as doctors. These locally owned businesses represent potential donors and giveback.

Part-Time Residents. For every regular visitor to the region that has set up permanent residency, there are multiple households that are maintaining their residency elsewhere. Even though these regular visitors are part-time, they likely have affinity for their temporary hometown. They constitute a large potential donor pool.

Real Estate Developers. Amenity based resort communities are driven by land conversion, real estate development and management, and construction. Those local and external real estate developments represent a small but potentially significant donor group.

Thrifty Retirees. Every community has thrifty retirees. There are residents, often of modest incomes, who work hard, save more than they spend, and often invest well. While their estates are generally not huge, they have both capacity and motivation to give back in meaningful amounts.

Royalties. The Paradox Region is home to both mineral and energy production - royalty payments. There is the potential to create both local and regional trust funds where a portion of the severance taxes collected by the State of Colorado are rebated to capitalize these funds. There is potential to create philanthropic endowments through this strategy. Ultimately these trust funds can be grown with severance tax rebates and voluntary gifts from both producers and lease holders via royalty payments.

The Center for Rural Entrepreneurship's vision for rural America is one of vibrant communities and regions that embrace entrepreneurship, that find new sources of competitive advantage in their inherent assets, and that invest in a new more sustainable future for both present and future generations. The Center's mission is to help our local, regional and state partners achieve this future by connecting economic development practitioners and policy makers to the resources needed to energize entrepreneurs and implement entrepreneurship as a core economic development strategy.

These development efforts require financial resources. Most traditional sources of funding are challenged as governments, businesses and foundations struggle to meet rising community needs. A core program area for the Center is Community Development Philanthropy, where our team helps your community, region or state build a community wealth road map. Our Transfer of Wealth (TOW) research offers insight into possibly the greatest opportunity to tap new, significant and sustainable funding streams in support of growing better and stronger communities. For many communities and regions, TOW research can help jump start important conversations leading to greater community giveback.

The Center has conducted TOW studies for clients around the nation for more than 10 years, and has published a book titled, *Transfer of Wealth in Rural America: Understanding the Potential, Realizing the Opportunity, Creating Wealth for the Future.* More product offerings are planned under our Community Development Philanthropy area.

To learn more about the Center's history and program areas, go to www.energizingentrepreneurs.org.

The Rural Policy Research Institute (RUPRI) provided founding support to create the Center for Rural Entrepreneurship in 2001. RUPRI's mission is to provide independent analysis and information on the challenges, needs, and opportunities facing rural people and places. The work of the Center for Rural Entrepreneurship, along with other centers and collaborations, helps RUPRI achieve this mission. To learn more about RUPRI, visit www.rupri.org.