

Draft Final

**TRANSFER OF WEALTH
OPPORTUNITY IN
KENTUCKY**

*Measuring Kentucky's
Philanthropic Potential*

Prepared for:

The **Kentucky**
Philanthropy
Initiative

July 14, 2017

What is TOW?

America is in the midst of the greatest intergenerational transfer of wealth (TOW) in our history. Between 2017 and 2066, we estimate that \$72 trillion (in 2016 dollars) will transfer from one generation to another in the U.S. In the coming decade, 2017 through 2026, the TOW opportunity is over \$7.7 trillion.

TOW is an estimate of American household wealth from which charitable giving could be realized. Our analysis yields a conservative estimate of TOW, discounting wealth that is unlikely to be available for charitable giving.

Why TOW Matters?

America's communities are struggling to find the financial resources necessary to support community and economic development. Traditional sources such as government funding are stagnant or declining. In this environment, possibly the single largest underdeveloped resource is community-based philanthropy fueled by capturing some portion of the TOW opportunity. As we search for the dollars we desire for community betterment works, your community's TOW opportunity represents a significant potential answer.

The United States is in the midst of its greatest household intergenerational transfer of wealth (TOW) in our history. The Center has completed new TOW scenarios for the United States (May 2017) that predict between 2017 and 2066 \$72 trillion (in 2016 dollars) will transfer from the current generation to the next. In the coming decade (2016-2026) alone we estimate that \$7.7 trillion of intergenerational household wealth will transfer.

Considering only the 10-year TOW opportunity of \$7.7 trillion, if just an additional 5% of this potential was gifted to community and organizational endowments an additional \$384 billion could be capitalized. This represents creating across America the equivalent of four new Gates Foundations solely focused on community betterment. Endowments of this size, properly managed, could generate over \$19 billion in strategic grant making annually. Over a generation (25 years), nearly one-half billion in new charitable funding would be possible.

History with TOW

In 1999, Boston College released [Millionaires in the Millennium](#) (John Havens and Paul Schervish, October 1999). This study highlighted the remarkable intergenerational transfer of wealth opportunity in America and its implications for philanthropic giving. This report sparked a national discussion and introduced our Center into TOW analysis. Since our first TOW study in early 2000s for the Nebraska Community Foundation, we have completed over 70 studies covering nearly 65 percent of the communities in the continental United States. Our Center is the leader in Transfer of Wealth Opportunity analysis in America. For more information on the Center's TOW work, check out our [website](#). We produce scenarios of the likely TOW opportunity of a community or region typically for 10, 20 or 50 year periods into the future. For more information on how we estimate TOW opportunities, please refer to our [TOW Methodology Report](#).



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Special Thanks

Our **Transfer of Wealth Opportunity in Kentucky** project and report would not have been possible without the assistance of the following organizations and persons:

- [Kentucky Philanthropy Initiative](#) which spearheaded this study and their team:
 - Joe Clabes, President
 - Chris Clabes, Summit Director
- Technical Advisory Committee Members who committed their time and expertise to give us access and insight into data and trends in Kentucky which shaped our findings. The following individuals were member of the Technical Advisory Committee:
 - Mike Hammons, Children, Inc. – Chairperson of the Technical Advisory Committee
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- The Kentucky State Data Center at the University of Louisville provided population forecasts by county and age cohort that served as the basis for the wealth transfer scenarios. The availability of recent detailed projections contributed significantly to the timely completion of this project.

Executive Summary

The Center for Rural Entrepreneurship's **2017 Transfer of Wealth Opportunity Analysis** for Kentucky has produced the following findings:

2016 Household Current Net Worth	– \$728 Billion
10-Year (2017 through 2026) TOW Opportunity	– \$80 Billion
20-Year (2017 through 2036) TOW Opportunity	– \$193 Billion
50-Year (2017 through 2066) TOW Opportunity	– \$761 Billion

Our findings are based on scenarios specifically developed for the Kentucky Philanthropy Initiative and based on reasonable assumptions about the future. To illustrate the philanthropic potential associated with the state's 20-year and 50-year TOW opportunities, consider the following scenarios:

Over the Next Two Decades. Acting aggressively on the 20-year TOW opportunity and achieving a five percent giving goal, the State and its communities would realize the following:

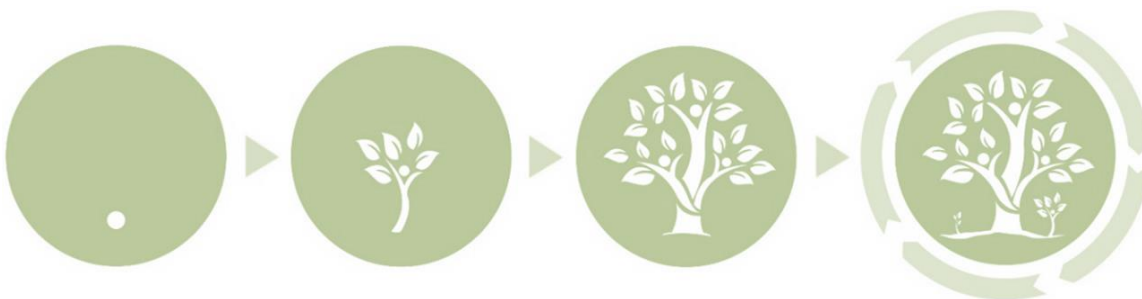
20-Year Opportunity	– \$193.2 Billion Transferring between 2017-2036
5% Giving Goal Realized	– \$9.7 Billion in New Community Endowments
5% Sustained Annual Payout	– \$483 Million a year in Perpetual Grant Making

Over Two Generations. Acting aggressively on the 50-year TOW opportunity and achieving a five percent giving goal, the State and its communities would realize the following:

50-Year Opportunity	– \$760.6 Billion Transferring between 2017-2066
5% Giving Goal Realized	– \$38.0 Billion in New Community Endowments
5% Sustained Annual Payout	– \$1.9 Billion a year in Perpetual Grant Making

This would be like creating a Gates Foundation focused solely on Kentucky.

The estimated assets of the Bill and Melinda Gates Foundation is \$41 billion at the end of 2013.



In order to more fully understand our Transfer of Wealth scenarios for Kentucky and its counties, we encourage the reader to review the following information.

Scenarios. Our Transfer of Wealth Opportunity estimates are scenarios of a “most likely future.” We cannot forecast TOW opportunities with precise confidence. This is particularly true with our 50-Year TOW estimates. However, based on our historical analysis, ground-truthing analysis and our reasonable assumptions of the future, we are able to generate plausible TOW opportunity scenarios.

Real or Inflation Adjusted Dollars. Our TOW scenarios are presented in “real” or “inflation-adjusted” dollars. All our dollar values are presented in “2016 dollars” meaning that a dollar in 2065 has the same purchasing power as a dollar in 2016. By using real dollars, we remove the effects of inflation from our findings.

Permanent Resident Household Values. Our analysis considers the current net worth and TOW opportunity for only permanent residents or households. By permanent residents, we are considering only those individuals or families (i.e., households) that claim Kentucky and a particular county as their permanent residence. We are not considering wealth held by corporations, governments or non-profit organizations. As noted later in this report, there are additional donor classes that could increase Kentucky’s Transfer of Wealth Opportunity including former residents and seasonal or temporary residents. **2016 Household Current Net Worth (CNW).** 2016 household current net worth (CNW) is estimated for Kentucky and each of its counties by [Esri](#). We employ these CNW values as our starting point for our TOW scenarios. For Kentucky and each of its counties, there is a summary *Esri Net Worth Profile* available through the Project’s Electronic Library.

10-Year Transfer of Wealth (TOW) Opportunity. Our 10-Year Transfer of Wealth Opportunity scenarios include the cumulative intergenerational wealth being transferred over the period of 2017 through 2026. Our **20-Year Transfer of Wealth Opportunity** scenarios include the cumulative intergenerational wealth being transferred over the period of 2017 through 2036. Our **50-Year Transfer of Wealth Opportunity** scenarios include the cumulative intergenerational wealth being transferred over the period of 2017 through 2066.

5% Capture. To illustrate the potential for growing additional permanent endowments, we employ a “5% capture” goal of the 10-, 20- or 50-Year TOW opportunity. The 5% goal is hypothetical. It was originally suggested as a reasonable goal by the [Nebraska Community Foundation](#) nearly 15 years ago. Since then, we have seen communities realizing the 5% goal based on their 10-Year TOW opportunity.

5% Payout. We employ a “5% payout” value based on the 5% capture goal. This payout rate is historically reasonable for the philanthropic environment in the United States. However, with the financial challenges of the Great Recession and Recovery period many foundations are now using a 4.5% or 4.0% payout rate. The 5% payout rate can be equated to grant-making capacity.

Per Household Values (PHH). To allow comparisons across geographies, we provide a “per household value” which is the value (either Net Worth or TOW value) divided by the number of households in the geography.

Detailed Findings

In addition to summary findings shared in Tables 1, 2, and 3, the detailed household current net worth and transfer of wealth opportunity findings are presented through maps following each table. The following pages contain:

- Maps of Kentucky's 2016 Current Net Worth, total and per household values, by county
- Maps of Kentucky's 10-Year TOW Opportunity, total and per household values, by county
- Maps of Kentucky's 20-Year TOW Opportunity, total and per household values, by county
- Maps of Kentucky's 50-Year TOW Opportunity, total and per household values, by county

Total Values. Values, as one might expect, are highest in more urbanized counties within Kentucky centered around major metropolitan areas like Louisville, Lexington and Cincinnati. Larger population areas coupled with pockets of significantly higher household estates drive up total values. More rural areas with lower populations overall and lower average household wealth create a clear urban to rural spatial pattern with total values. However, those rural areas with rich agricultural lands will have some higher values when compared to other rural counties with similar populations.

Per Household Values. Population or household differences provide one lens on Kentucky's philanthropic potential, but the "total value" lens tends to minimize potential in more rural or smaller population counties. By employing a "per household" approach (total value divided by 2016 households), we can gain a different insight on wealth holding and philanthropic potential across Kentucky. Comparing the two findings maps for current net worth, 10-Year TOW, 20-Year TOW or 50-Year TOW, you will notice the differences. On a per household basis, counties that are more rural begin to show greater potential. Wealth related to higher concentrations of agricultural lands, private forests, mineral and energy royalties and closely-held family businesses increases relative philanthropic opportunity in the state's more rural counties.

Every county and community has philanthropic potential. Some communities have more potential because they have more households and other counties have more potential because of wealth associated with agricultural lands or other assets. While there are significant potential differences, each community should focus on the philanthropic potential it has and pursue their own strategies for growing community benefiting endowments.

Understanding Kentucky's Philanthropic Potential. By design, the Center's Transfer of Wealth Opportunity estimates are very conservative in the following ways: we are only considering permanent resident household wealth (first generation former residents could add to this potential); we eliminate personal property assets like cars, boats, art, and jewelry from our estimates; we discount other forms of wealth based on our experience as to the share of assets likely to become available for philanthropic giving. The Kentucky Transfer of Wealth Opportunity analysis presents future scenarios. The first is the **10-Year TOW Scenario** covering the period of 2017 through 2026. The second is the **20-Year TOW Scenario** covering the period of 2017 through 2036. The third is the **50-Year TOW Scenario** covering five decades from 2017 through 2066. Much has changed over the

last 50 years, and it is challenging to capture how Kentucky's TOW opportunity will change over this extended period. However, it is helpful to look longer term and consider the full impact of two generations on the future TOW opportunity.

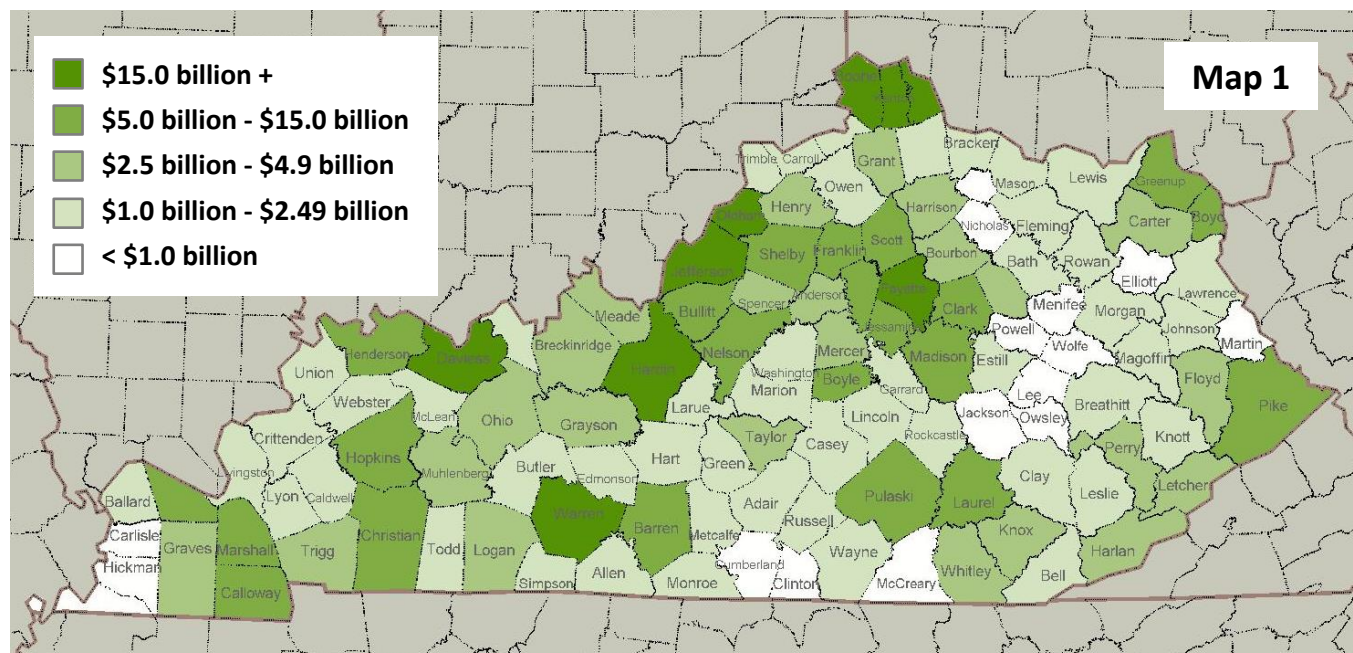
2010 Kentucky TOW Opportunity Study

Center for Rural Entrepreneurship completed *Transfer of Wealth Opportunity* analysis for Kentucky, its Area Development Districts and all of its counties in 2010. The Kentucky Philanthropy Initiative commissioned the [2010 TOW Study](#). This work was preceded by an [earlier TOW study](#) for Western Kentucky commissioned by Murray State University with support from the W.K. Kellogg Foundation.

2016 Current Net Worth

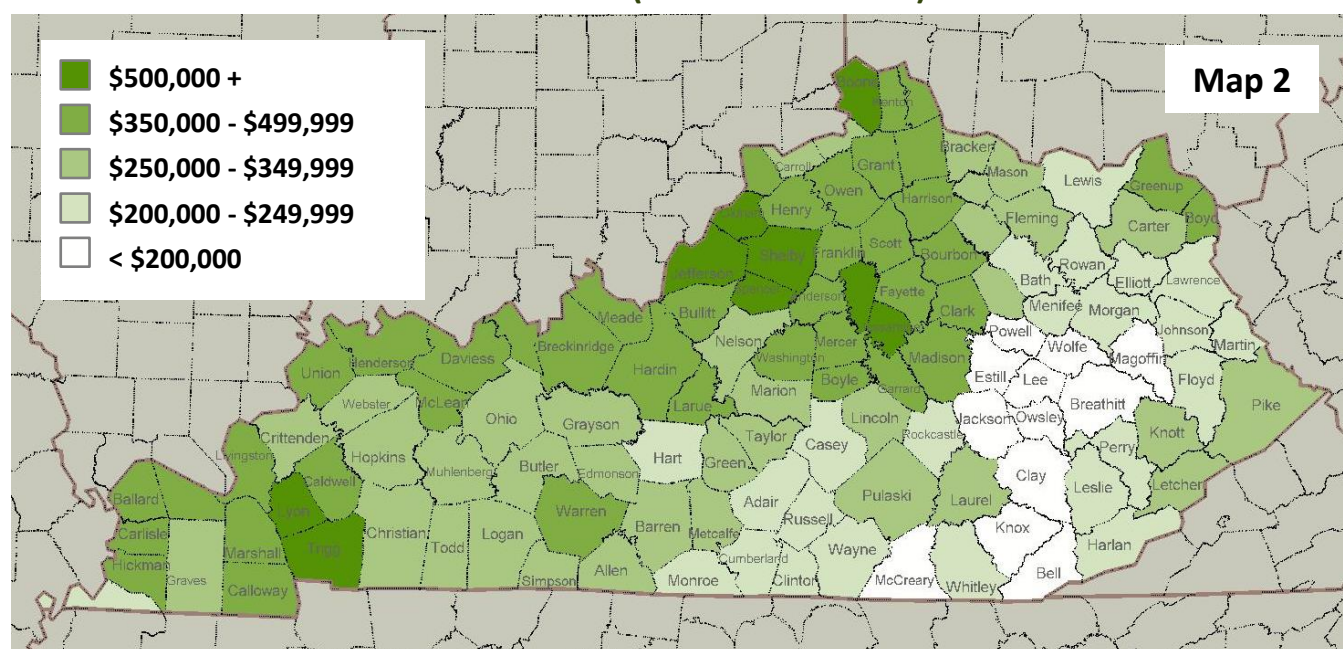
2016 current net worth (CNW) is shown on Map 1 below. Darker shades of green represent greater CNW and white illustrates the lowest CNW. Household wealth is greatest in population centers where we have the largest number of households. For generations, an entire set of factors have been shaping household current net worth holding or estate size in our base year of 2016. Base year household current net worth has a pronounced impact on both present and future TOW opportunity. 2016 household current net worth is the starting point for our TOW scenarios. Factors shaping 2016 current household net worth include historical wealth holding, population changes, economic structure and changes and cultural patterns of inter-generational wealth transfer. Each community has a unique household current net worth profile shaped by these factors historically. These same factors are considered in generating future wealth formation rates impacting our TOW findings.

Total 2016 Current Net Worth



Map 2 illustrates 2016 household CNW *per household*. These values eliminate the influence of population size and yield some different insights into wealth in Kentucky. The concentration of wealth changes when we account for population differences. Some urban counties display relatively lower wealth concentration and many more rural and smaller counties fall higher in our scale (darker green). These changes are due to rural counties where we have wealth concentrated in agricultural land, timber holders, royalties associated with mineral and energy production, and the presence of vacation homes. Despite smaller household numbers these more rural counties have significant relative philanthropic potential.

2016 Current Net Worth Per Household (PHH in the Tables)



In the 2010 TOW study, we employed a different methodology in estimating base year household current net worth (i.e., \$310 versus \$728 billion in total household current net worth). By comparing the 2010 and 2017 TOW studies, you will find the average household current net worth values vary greatly. There are three reasons for the differences in these base year household current net worth values. First, we are employing different base years and values have changed in some case between the base year for the 2010 TOW study and our 2016 base year employed in our 2017 TOW study. Over the past decade, a lot has happened in America, Kentucky and its counties (e.g., Great Recession, recovery, changes in coal and farming country, areas of growth and areas of decline). The second reason for variation is due to different data sources. With the earlier study, we employed Census median household current net worth values and adjusted them to average household net worth. With the current study, we have access to improved data provided by Esri. The final reason for difference in household current net worth related to where we discount wealth in our methodology. In 2010, we employed discounting with our base year household current net worth values (removing estate wealth unlikely to be in play for charitable giving). In our current study, this discounting occurs later in the process.

Table 1. 10-Year Transfer of Wealth Findings Summary						
Key:	2016 Net Worth		10-Year (2017-2026) TOW			
B = Billions of dollars M = Millions of dollars	Value (B)	PHH	Value (M)	PHH	5% Capture (M)	5% Payout (M)
U.S.	\$69,927.78	\$574,193	\$7,677,136.05	\$63,039	\$383,856.80	\$19,192.84
Kentucky	\$727.85	\$409,779	\$80,403.65	\$45,267	\$4,020.18	\$201.01
01 - Barren River	\$40.24	\$341,341	\$4,272.45	\$36,242	\$213.62	\$106.81
02 - Big Sandy	\$14.93	\$231,875	\$1,498.14	\$23,274	\$74.91	\$37.45
03 - Blue Grass	\$137.83	\$429,478	\$14,615.89	\$45,544	\$730.79	\$365.40
04 - Buffalo Trace	\$6.62	\$288,389	\$722.77	\$31,469	\$36.14	\$18.07
05 - Cumberland Valley	\$20.32	\$212,458	\$1,820.70	\$19,040	\$91.03	\$45.52
06 - FIVCO	\$20.36	\$371,774	\$2,300.04	\$42,008	\$115.00	\$57.50
07 - Gateway	\$8.21	\$255,018	\$734.61	\$22,810	\$36.73	\$18.37
08 - Green River	\$33.50	\$386,098	\$3,628.17	\$41,815	\$181.41	\$90.70
09 - Kentuckiana	\$224.24	\$562,440	\$26,649.31	\$66,843	\$1,332.47	\$666.23
10 - Kentucky River	\$10.93	\$234,501	\$1,141.87	\$24,488	\$57.09	\$28.55
11 - Lake Cumberland	\$22.08	\$259,601	\$2,292.00	\$26,942	\$114.60	\$57.30
12 - Lincoln Trail	\$38.31	\$358,705	\$4,006.99	\$37,521	\$200.35	\$100.17
13 - Northern Kentucky	\$86.12	\$496,411	\$9,085.87	\$52,373	\$454.29	\$227.15
14 - Pennyriple	\$29.77	\$344,990	\$3,283.02	\$38,045	\$164.15	\$82.08
15 - Purchase	\$34.40	\$410,683	\$4,351.82	\$51,961	\$217.59	\$108.80
Adair	\$1.80	\$238,409	\$134.82	\$17,855	\$6.74	\$0.34
Allen	\$2.30	\$283,112	\$226.80	\$27,917	\$11.34	\$0.57
Anderson	\$3.71	\$434,938	\$537.30	\$62,996	\$26.86	\$1.34
Ballard	\$1.42	\$406,124	\$118.80	\$34,070	\$5.94	\$0.30
Barren	\$5.37	\$304,159	\$601.31	\$34,072	\$30.07	\$1.50
Bath	\$1.14	\$228,487	\$103.79	\$20,762	\$5.19	\$0.26
Bell	\$2.35	\$194,305	\$230.28	\$19,064	\$11.51	\$0.58
Boone	\$29.02	\$630,160	\$2,731.48	\$59,317	\$136.57	\$6.83
Bourbon	\$2.92	\$361,821	\$278.74	\$34,575	\$13.94	\$0.70
Boyd	\$8.26	\$422,603	\$940.43	\$48,119	\$47.02	\$2.35
Boyle	\$5.05	\$439,842	\$517.66	\$45,085	\$25.88	\$1.29
Bracken	\$1.08	\$322,823	\$111.43	\$33,164	\$5.57	\$0.28
Breathitt	\$1.03	\$185,260	\$113.73	\$20,400	\$5.69	\$0.28
Breckinridge	\$2.92	\$357,132	\$315.69	\$38,564	\$15.78	\$0.79
Bullitt	\$14.66	\$495,228	\$1,429.41	\$48,271	\$71.47	\$3.57
Butler	\$1.45	\$273,320	\$143.29	\$27,092	\$7.16	\$0.36
Caldwell	\$1.97	\$362,959	\$227.83	\$41,903	\$11.39	\$0.57
Calloway	\$6.02	\$370,209	\$972.11	\$59,800	\$48.61	\$2.43
Campbell	\$17.97	\$487,761	\$1,994.08	\$54,113	\$99.70	\$4.99
Carlisle	\$0.88	\$411,707	\$125.63	\$58,731	\$6.28	\$0.31
Carroll	\$1.09	\$261,460	\$107.72	\$25,833	\$5.39	\$0.27
Carter	\$2.90	\$259,237	\$265.21	\$23,696	\$13.26	\$0.66
Casey	\$1.42	\$217,043	\$112.11	\$17,109	\$5.61	\$0.28
Christian	\$8.25	\$304,890	\$833.67	\$30,806	\$41.68	\$2.08
Clark	\$6.86	\$480,350	\$870.37	\$60,912	\$43.52	\$2.18

Key:	2016 Net Worth		10-Year (2017-2026) TOW			
B = Billions of dollars M = Millions of dollars	Value (B)	PHH	Value (M)	PHH	5% Capture (M)	5% Payout (M)
Clay	\$1.30	\$167,317	\$111.83	\$14,343	\$5.59	\$0.28
Clinton	\$0.88	\$202,920	\$99.02	\$22,878	\$4.95	\$0.25
Crittenden	\$1.22	\$320,138	\$137.00	\$35,996	\$6.85	\$0.34
Cumberland	\$0.62	\$206,250	\$57.30	\$19,029	\$2.86	\$0.14
Daviess	\$17.08	\$428,815	\$1,929.63	\$48,442	\$96.48	\$4.82
Edmonson	\$1.60	\$313,389	\$164.46	\$32,265	\$8.22	\$0.41
Elliott	\$0.64	\$224,554	\$61.38	\$21,493	\$3.07	\$0.15
Estill	\$1.20	\$196,222	\$124.88	\$20,499	\$6.24	\$0.31
Fayette	\$56.90	\$442,277	\$5,687.28	\$44,208	\$284.36	\$14.22
Fleming	\$1.55	\$262,090	\$135.00	\$22,898	\$6.75	\$0.34
Floyd	\$3.79	\$218,555	\$367.84	\$21,229	\$18.39	\$0.92
Franklin	\$10.02	\$471,134	\$1,215.50	\$57,144	\$60.78	\$3.04
Fulton	\$0.66	\$242,602	\$74.10	\$27,192	\$3.70	\$0.19
Gallatin	\$1.02	\$316,986	\$130.56	\$40,509	\$6.53	\$0.33
Garrard	\$2.40	\$354,067	\$310.59	\$45,857	\$15.53	\$0.78
Grant	\$3.04	\$350,998	\$349.95	\$40,434	\$17.50	\$0.87
Graves	\$4.96	\$327,713	\$527.79	\$34,872	\$26.39	\$1.32
Grayson	\$2.62	\$255,564	\$270.70	\$26,446	\$13.53	\$0.68
Green	\$1.29	\$273,171	\$92.84	\$19,721	\$4.64	\$0.23
Greenup	\$7.13	\$483,637	\$862.47	\$58,500	\$43.12	\$2.16
Hancock	\$1.37	\$394,377	\$112.61	\$32,463	\$5.63	\$0.28
Hardin	\$16.54	\$390,982	\$1,794.85	\$42,428	\$89.74	\$4.49
Harlan	\$2.58	\$209,846	\$284.09	\$23,123	\$14.20	\$0.71
Harrison	\$2.58	\$352,293	\$280.99	\$38,355	\$14.05	\$0.70
Hart	\$1.79	\$235,929	\$174.64	\$23,027	\$8.73	\$0.44
Henderson	\$7.06	\$369,060	\$674.13	\$35,258	\$33.71	\$1.69
Henry	\$2.55	\$421,301	\$272.51	\$45,080	\$13.63	\$0.68
Hickman	\$0.93	\$470,505	\$130.73	\$65,892	\$6.54	\$0.33
Hopkins	\$6.54	\$338,006	\$724.52	\$37,423	\$36.23	\$1.81
Jackson	\$0.99	\$171,442	\$57.75	\$10,034	\$2.89	\$0.14
Jefferson	\$169.69	\$536,996	\$20,928.86	\$66,230	\$1,046.44	\$52.32
Jessamine	\$10.56	\$567,963	\$1,122.35	\$60,377	\$56.12	\$2.81
Johnson	\$2.30	\$234,703	\$221.17	\$22,601	\$11.06	\$0.55
Kenton	\$30.27	\$467,592	\$3,356.14	\$51,839	\$167.81	\$8.39
Knott	\$1.77	\$273,226	\$173.68	\$26,819	\$8.68	\$0.43
Knox	\$2.51	\$187,602	\$195.87	\$14,665	\$9.79	\$0.49
Larue	\$2.22	\$381,555	\$276.01	\$47,425	\$13.80	\$0.69
Laurel	\$5.97	\$251,732	\$501.31	\$21,132	\$25.07	\$1.25
Lawrence	\$1.42	\$221,763	\$170.55	\$26,577	\$8.53	\$0.43
Lee	\$0.49	\$162,117	\$43.38	\$14,387	\$2.17	\$0.11
Leslie	\$1.12	\$245,284	\$138.54	\$30,468	\$6.93	\$0.35
Letcher	\$2.83	\$277,088	\$255.55	\$25,051	\$12.78	\$0.64
Lewis	\$1.28	\$227,379	\$128.50	\$22,752	\$6.43	\$0.32

Key:	2016 Net Worth		10-Year (2017-2026) TOW			
B = Billions of dollars M = Millions of dollars	Value (B)	PHH	Value (M)	PHH	5% Capture (M)	5% Payout (M)
Lincoln	\$2.47	\$250,846	\$270.52	\$27,420	\$13.53	\$0.68
Livingston	\$1.50	\$364,077	\$139.87	\$34,024	\$6.99	\$0.35
Logan	\$3.34	\$308,486	\$344.29	\$31,779	\$17.21	\$0.86
Lyon	\$1.83	\$529,847	\$242.57	\$70,168	\$12.13	\$0.61
McCracken	\$13.18	\$460,576	\$1,452.28	\$50,747	\$72.61	\$3.63
McCreary	\$1.00	\$148,704	\$93.17	\$13,889	\$4.66	\$0.23
McLean	\$1.53	\$388,084	\$180.89	\$45,794	\$9.04	\$0.45
Madison	\$12.10	\$356,482	\$1,264.21	\$37,231	\$63.21	\$3.16
Magoffin	\$1.07	\$197,990	\$108.08	\$19,993	\$5.40	\$0.27
Marion	\$1.98	\$261,772	\$195.66	\$25,933	\$9.78	\$0.49
Marshall	\$6.34	\$473,255	\$950.39	\$70,888	\$47.52	\$2.38
Martin	\$0.96	\$208,140	\$78.56	\$16,986	\$3.93	\$0.20
Mason	\$2.47	\$346,112	\$317.86	\$44,550	\$15.89	\$0.79
Meade	\$4.25	\$395,293	\$427.91	\$39,794	\$21.40	\$1.07
Menifee	\$0.56	\$221,407	\$45.73	\$17,942	\$2.29	\$0.11
Mercer	\$3.61	\$408,045	\$398.01	\$45,024	\$19.90	\$1.00
Metcalfe	\$1.03	\$250,556	\$105.06	\$25,568	\$5.25	\$0.26
Monroe	\$1.06	\$238,931	\$104.20	\$23,406	\$5.21	\$0.26
Montgomery	\$3.13	\$295,449	\$261.66	\$24,669	\$13.08	\$0.65
Morgan	\$1.08	\$223,040	\$89.01	\$18,371	\$4.45	\$0.22
Muhlenberg	\$3.78	\$309,534	\$483.09	\$39,526	\$24.15	\$1.21
Nelson	\$6.06	\$349,078	\$550.19	\$31,687	\$27.51	\$1.38
Nicholas	\$0.85	\$302,921	\$89.47	\$32,021	\$4.47	\$0.22
Ohio	\$2.58	\$273,630	\$246.42	\$26,162	\$12.32	\$0.62
Oldham	\$21.89	\$1,046,357	\$2,297.46	\$109,821	\$114.87	\$5.74
Owen	\$1.53	\$352,424	\$145.02	\$33,462	\$7.25	\$0.36
Owsley	\$0.31	\$163,668	\$24.47	\$13,087	\$1.22	\$0.06
Pendleton	\$2.18	\$398,689	\$270.91	\$49,600	\$13.55	\$0.68
Perry	\$2.92	\$249,229	\$348.78	\$29,811	\$17.44	\$0.87
Pike	\$6.81	\$250,094	\$722.49	\$26,536	\$36.12	\$1.81
Powell	\$0.97	\$195,437	\$100.85	\$20,255	\$5.04	\$0.25
Pulaski	\$8.32	\$319,045	\$901.15	\$34,541	\$45.06	\$2.25
Robertson	\$0.24	\$258,341	\$29.97	\$32,263	\$1.50	\$0.07
Rockcastle	\$1.55	\$226,653	\$150.71	\$22,046	\$7.54	\$0.38
Rowan	\$2.29	\$248,978	\$234.41	\$25,463	\$11.72	\$0.59
Russell	\$1.73	\$229,603	\$198.04	\$26,343	\$9.90	\$0.50
Scott	\$9.59	\$495,798	\$890.56	\$46,064	\$44.53	\$2.23
Shelby	\$10.24	\$633,509	\$1,210.87	\$74,911	\$60.54	\$3.03
Simpson	\$2.34	\$325,436	\$295.92	\$41,243	\$14.80	\$0.74
Spencer	\$3.91	\$597,871	\$375.04	\$57,381	\$18.75	\$0.94
Taylor	\$3.00	\$298,320	\$373.98	\$37,168	\$18.70	\$0.93
Todd	\$1.45	\$300,622	\$132.90	\$27,635	\$6.64	\$0.33
Trigg	\$3.23	\$535,149	\$361.58	\$59,974	\$18.08	\$0.90

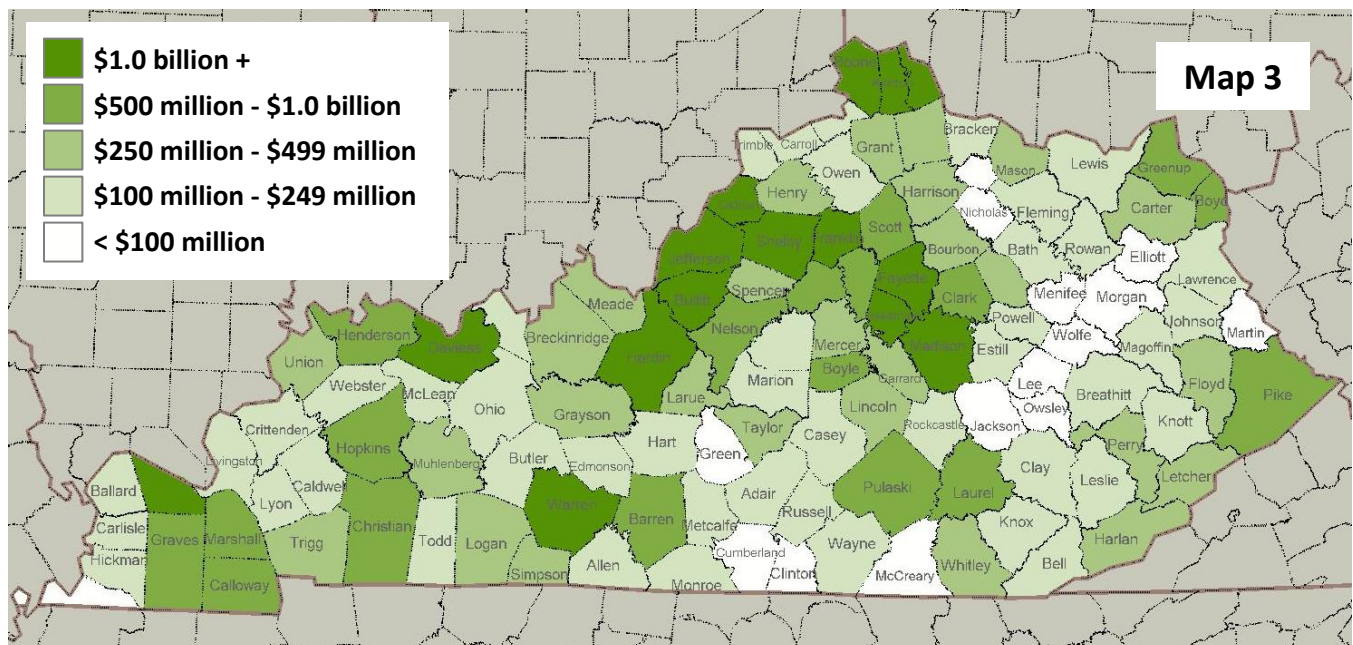
Key:	2016 Net Worth		10-Year (2016-2026) TOW			
B = Billions of dollars M = Millions of dollars	Value (B)	PHH	Value (M)	PHH	5% Capture (M)	5% Payout (M)
Trimble	\$1.30	\$380,358	\$135.16	\$39,693	\$6.76	\$0.34
Union	\$2.13	\$379,881	\$265.99	\$47,346	\$13.30	\$0.66
Warren	\$19.97	\$419,743	\$2,112.50	\$44,404	\$105.62	\$5.28
Washington	\$1.72	\$375,120	\$175.98	\$38,356	\$8.80	\$0.44
Wayne	\$2.03	\$237,358	\$229.56	\$26,868	\$11.48	\$0.57
Webster	\$1.75	\$326,711	\$218.49	\$40,786	\$10.92	\$0.55
Whitley	\$3.07	\$222,802	\$288.85	\$20,942	\$14.44	\$0.72
Wolfe	\$0.48	\$147,821	\$43.74	\$13,474	\$2.19	\$0.11
Woodford	\$6.04	\$599,071	\$656.62	\$65,102	\$32.83	\$1.64

Source: Esri 2016 Current Net Worth estimates & Center for Rural Entrepreneurship TOW analysis estimates

10-Year Transfer of Wealth Opportunity

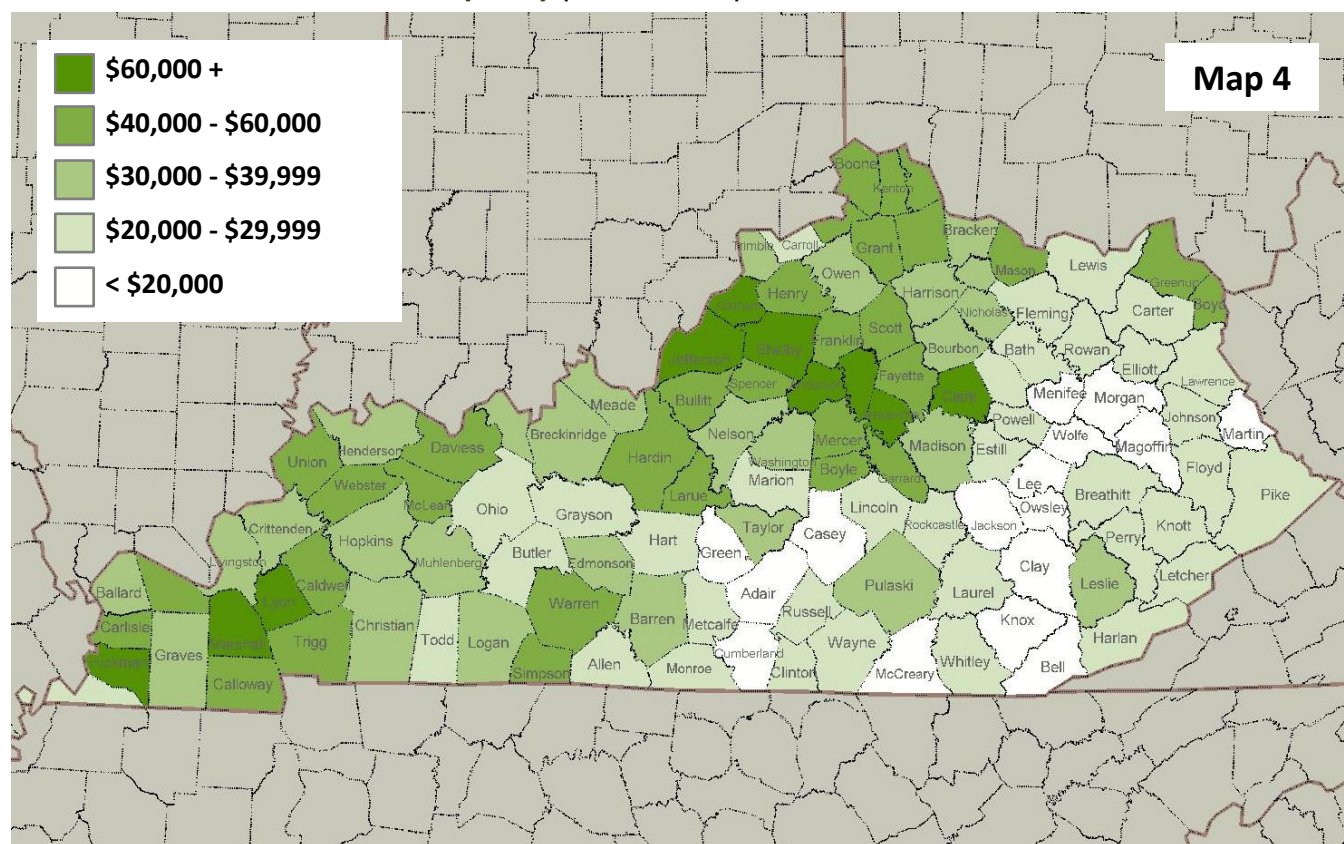
It is easier to consider changes that might occur over the next decade and, as a result, most communities use the 10-Year TOW Scenario for planning and goal setting purposes. Map 3 illustrates the 10-Year TOW Scenario showing total wealth that is likely to transfer over the next decade and be available for charitable giving. Darker shades of green indicated a higher TOW opportunity value. However, lighter shaded counties still have significant opportunity.

10-Year TOW Value (2017-2026)



Map 4 illustrates the 10-Year TOW Opportunity on a per household basis. To a large extent, population shapes the TOW opportunity across counties. As with household current net worth, there are differences between “total” and “per household” values. The rate at which a county’s population is aging can also impact these values, with higher levels of estate transfers during the coming 10-year period. While the magnitude of the TOW opportunity varies across the state, charitable giving potential is found in every county and community in Kentucky.

10-Year TOW Per Household (PHH) (2017-2026)



In our 2017 TOW study, we estimate the 10-Year TOW at \$80 billion compared with a 2010 study estimate of \$72 billion. On average, there is \$8 billion or 11% more TOW opportunity today when compared to our 2010 study. There are two things to keep in mind. First, the greater TOW opportunity is true for the entire state of Kentucky but there is variability based on Area Development District and specific counties. Some areas have lost TOW opportunity when compared to the 2010 study. Second, we are employing inflation-adjusted dollars so these values are comparable on a current worth basis.

Table 2. 20-Year Transfer of Wealth Findings Summary						
Key:	2016 Net Worth		20-Year (2017-2036) TOW			
B = Billions of dollars M = Millions of dollars	Value (B)	PHH	Value (B)	PHH	5% Capture (M)	5% Payout (M)
U.S.	\$69,927.78	\$574,193	\$18,248.80	\$149,845	\$912,440.01	\$45,622.00
Kentucky	\$727.85	\$409,779	\$193.18	\$108,757	\$9,658.76	\$482.94
01 - Barren River	\$40.24	\$341,341	\$10.46	\$88,752	\$523.13	\$26.16
02 - Big Sandy	\$14.93	\$231,875	\$3.42	\$53,123	\$170.98	\$8.55
03 - Blue Grass	\$137.83	\$429,478	\$35.85	\$111,713	\$1,792.52	\$89.63
04 - Buffalo Trace	\$6.62	\$288,389	\$1.67	\$72,893	\$83.71	\$4.19
05 - Cumberland Valley	\$20.32	\$212,458	\$4.21	\$43,987	\$210.32	\$10.52
06 - FIVCO	\$20.36	\$371,774	\$5.20	\$94,901	\$259.80	\$12.99
07 - Gateway	\$8.21	\$255,018	\$1.77	\$54,825	\$88.29	\$4.41
08 - Green River	\$33.50	\$386,098	\$8.40	\$96,788	\$419.90	\$21.00
09 - Kentuckiana	\$224.24	\$562,440	\$64.52	\$161,836	\$3,226.08	\$161.30
10 - Kentucky River	\$10.93	\$234,501	\$2.64	\$56,521	\$131.78	\$6.59
11 - Lake Cumberland	\$22.08	\$259,601	\$5.42	\$63,764	\$271.23	\$13.56
12 - Lincoln Trail	\$38.31	\$358,705	\$9.54	\$89,302	\$476.84	\$23.84
13 - Northern Kentucky	\$86.12	\$496,411	\$22.73	\$131,016	\$1,136.47	\$56.82
14 - Pennyriple	\$29.77	\$344,990	\$7.35	\$85,128	\$367.30	\$18.36
15 - Purchase	\$34.40	\$410,683	\$10.01	\$119,502	\$500.42	\$25.02
Adair	\$1.80	\$238,409	\$0.31	\$41,525	\$15.68	\$0.78
Allen	\$2.30	\$283,112	\$0.55	\$67,797	\$27.54	\$1.38
Anderson	\$3.71	\$434,938	\$1.32	\$154,508	\$65.89	\$3.29
Ballard	\$1.42	\$406,124	\$0.26	\$74,924	\$13.06	\$0.65
Barren	\$5.37	\$304,159	\$1.45	\$82,092	\$72.44	\$3.62
Bath	\$1.14	\$228,487	\$0.24	\$48,842	\$12.21	\$0.61
Bell	\$2.35	\$194,305	\$0.52	\$42,878	\$25.90	\$1.29
Boone	\$29.02	\$630,160	\$7.21	\$156,669	\$360.72	\$18.04
Bourbon	\$2.92	\$361,821	\$0.63	\$78,731	\$31.74	\$1.59
Boyd	\$8.26	\$422,603	\$2.04	\$104,459	\$102.08	\$5.10
Boyle	\$5.05	\$439,842	\$1.20	\$104,642	\$60.07	\$3.00
Bracken	\$1.08	\$322,823	\$0.26	\$77,449	\$13.01	\$0.65
Breathitt	\$1.03	\$185,260	\$0.27	\$48,276	\$13.46	\$0.67
Breckinridge	\$2.92	\$357,132	\$0.75	\$91,533	\$37.46	\$1.87
Bullitt	\$14.66	\$495,228	\$3.65	\$123,139	\$182.32	\$9.12
Butler	\$1.45	\$273,320	\$0.34	\$65,073	\$17.21	\$0.86
Caldwell	\$1.97	\$362,959	\$0.50	\$91,241	\$24.80	\$1.24
Calloway	\$6.02	\$370,209	\$2.29	\$140,955	\$114.57	\$5.73
Campbell	\$17.97	\$487,761	\$4.81	\$130,649	\$240.72	\$12.04
Carlisle	\$0.88	\$411,707	\$0.28	\$132,394	\$14.16	\$0.71
Carroll	\$1.09	\$261,460	\$0.24	\$58,330	\$12.16	\$0.61
Carter	\$2.90	\$259,237	\$0.61	\$54,080	\$30.26	\$1.51
Casey	\$1.42	\$217,043	\$0.26	\$40,024	\$13.11	\$0.66
Christian	\$8.25	\$304,890	\$1.87	\$69,193	\$93.63	\$4.68
Clark	\$6.86	\$480,350	\$2.02	\$141,327	\$100.97	\$5.05

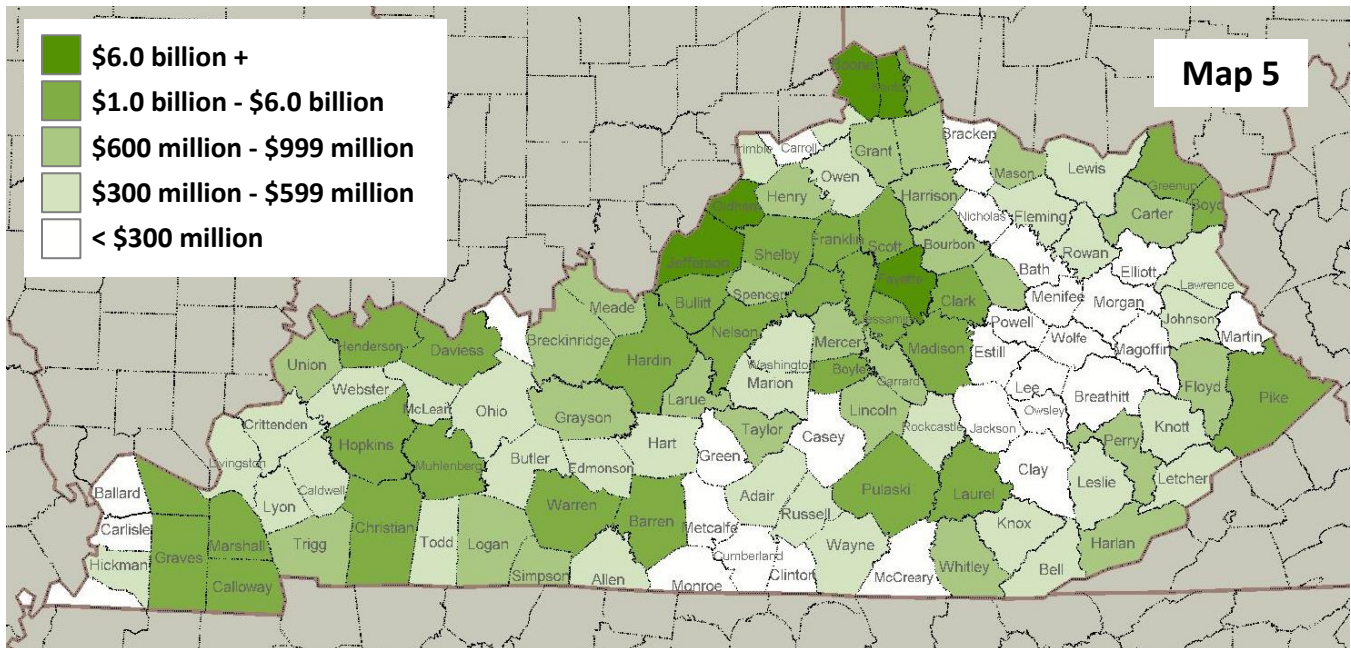
Key:	2016 Net Worth		20-Year (2017-2036) TOW			
B = Billions of dollars M = Millions of dollars	Value (B)	PHH	Value (B)	PHH	5% Capture (M)	5% Payout (M)
Clay	\$1.30	\$167,317	\$0.26	\$33,105	\$12.91	\$0.65
Clinton	\$0.88	\$202,920	\$0.24	\$54,980	\$11.90	\$0.59
Crittenden	\$1.22	\$320,138	\$0.31	\$81,543	\$15.52	\$0.78
Cumberland	\$0.62	\$206,250	\$0.13	\$44,263	\$6.66	\$0.33
Daviess	\$17.08	\$428,815	\$4.53	\$113,744	\$226.54	\$11.33
Edmonson	\$1.60	\$313,389	\$0.39	\$76,154	\$19.41	\$0.97
Elliott	\$0.64	\$224,554	\$0.16	\$54,890	\$7.84	\$0.39
Estill	\$1.20	\$196,222	\$0.29	\$47,302	\$14.41	\$0.72
Fayette	\$56.90	\$442,277	\$14.10	\$109,630	\$705.18	\$35.26
Fleming	\$1.55	\$262,090	\$0.32	\$53,488	\$15.77	\$0.79
Floyd	\$3.79	\$218,555	\$0.84	\$48,435	\$41.96	\$2.10
Franklin	\$10.02	\$471,134	\$2.83	\$133,075	\$141.53	\$7.08
Fulton	\$0.66	\$242,602	\$0.16	\$57,437	\$7.83	\$0.39
Gallatin	\$1.02	\$316,986	\$0.31	\$96,299	\$15.52	\$0.78
Garrard	\$2.40	\$354,067	\$0.76	\$111,606	\$37.80	\$1.89
Grant	\$3.04	\$350,998	\$0.81	\$93,927	\$40.65	\$2.03
Graves	\$4.96	\$327,713	\$1.21	\$79,919	\$60.48	\$3.02
Grayson	\$2.62	\$255,564	\$0.63	\$61,438	\$31.44	\$1.57
Green	\$1.29	\$273,171	\$0.21	\$45,319	\$10.67	\$0.53
Greenup	\$7.13	\$483,637	\$1.99	\$134,816	\$99.38	\$4.97
Hancock	\$1.37	\$394,377	\$0.24	\$70,380	\$12.21	\$0.61
Hardin	\$16.54	\$390,982	\$4.23	\$99,958	\$211.43	\$10.57
Harlan	\$2.58	\$209,846	\$0.61	\$50,032	\$30.73	\$1.54
Harrison	\$2.58	\$352,293	\$0.65	\$89,314	\$32.72	\$1.64
Hart	\$1.79	\$235,929	\$0.42	\$55,130	\$20.91	\$1.05
Henderson	\$7.06	\$369,060	\$1.55	\$81,193	\$77.62	\$3.88
Henry	\$2.55	\$421,301	\$0.62	\$103,084	\$31.16	\$1.56
Hickman	\$0.93	\$470,505	\$0.31	\$155,962	\$15.47	\$0.77
Hopkins	\$6.54	\$338,006	\$1.59	\$82,212	\$79.58	\$3.98
Jackson	\$0.99	\$171,442	\$0.14	\$23,942	\$6.89	\$0.34
Jefferson	\$169.69	\$536,996	\$49.81	\$157,623	\$2,490.47	\$124.52
Jessamine	\$10.56	\$567,963	\$2.87	\$154,589	\$143.68	\$7.18
Johnson	\$2.30	\$234,703	\$0.50	\$50,868	\$24.89	\$1.24
Kenton	\$30.27	\$467,592	\$8.35	\$128,898	\$417.25	\$20.86
Knott	\$1.77	\$273,226	\$0.42	\$64,955	\$21.03	\$1.05
Knox	\$2.51	\$187,602	\$0.45	\$33,791	\$22.57	\$1.13
Larue	\$2.22	\$381,555	\$0.63	\$107,556	\$31.30	\$1.56
Laurel	\$5.97	\$251,732	\$1.22	\$51,460	\$61.04	\$3.05
Lawrence	\$1.42	\$221,763	\$0.40	\$63,089	\$20.24	\$1.01
Lee	\$0.49	\$162,117	\$0.10	\$34,144	\$5.15	\$0.26
Leslie	\$1.12	\$245,284	\$0.33	\$71,922	\$16.35	\$0.82
Letcher	\$2.83	\$277,088	\$0.57	\$55,418	\$28.27	\$1.41
Lewis	\$1.28	\$227,379	\$0.30	\$53,499	\$15.11	\$0.76

Key:	2016 Net Worth		20-Year (2017-2036) TOW			
B = Billions of dollars M = Millions of dollars	Value (B)	PHH	Value (B)	PHH	5% Capture (M)	5% Payout (M)
Lincoln	\$2.47	\$250,846	\$0.63	\$64,095	\$31.62	\$1.58
Livingston	\$1.50	\$364,077	\$0.31	\$76,554	\$15.74	\$0.79
Logan	\$3.34	\$308,486	\$0.79	\$72,878	\$39.48	\$1.97
Lyon	\$1.83	\$529,847	\$0.56	\$163,196	\$28.21	\$1.41
McCracken	\$13.18	\$460,576	\$3.34	\$116,623	\$166.88	\$8.34
McCreary	\$1.00	\$148,704	\$0.22	\$33,360	\$11.19	\$0.56
McLean	\$1.53	\$388,084	\$0.41	\$104,841	\$20.71	\$1.04
Madison	\$12.10	\$356,482	\$3.13	\$92,209	\$156.55	\$7.83
Magoffin	\$1.07	\$197,990	\$0.27	\$50,447	\$13.64	\$0.68
Marion	\$1.98	\$261,772	\$0.49	\$64,730	\$24.42	\$1.22
Marshall	\$6.34	\$473,255	\$2.16	\$161,079	\$107.98	\$5.40
Martin	\$0.96	\$208,140	\$0.18	\$39,597	\$9.16	\$0.46
Mason	\$2.47	\$346,112	\$0.73	\$102,061	\$36.41	\$1.82
Meade	\$4.25	\$395,293	\$1.00	\$92,782	\$49.88	\$2.49
Menifee	\$0.56	\$221,407	\$0.11	\$42,374	\$5.40	\$0.27
Mercer	\$3.61	\$408,045	\$0.92	\$103,694	\$45.83	\$2.29
Metcalfe	\$1.03	\$250,556	\$0.25	\$59,827	\$12.29	\$0.61
Monroe	\$1.06	\$238,931	\$0.24	\$54,471	\$12.13	\$0.61
Montgomery	\$3.13	\$295,449	\$0.63	\$59,783	\$31.71	\$1.59
Morgan	\$1.08	\$223,040	\$0.21	\$42,915	\$10.40	\$0.52
Muhlenberg	\$3.78	\$309,534	\$1.06	\$86,655	\$52.95	\$2.65
Nelson	\$6.06	\$349,078	\$1.38	\$79,681	\$69.17	\$3.46
Nicholas	\$0.85	\$302,921	\$0.20	\$72,520	\$10.13	\$0.51
Ohio	\$2.58	\$273,630	\$0.56	\$59,941	\$28.23	\$1.41
Oldham	\$21.89	\$1,046,357	\$6.10	\$291,388	\$304.79	\$15.24
Owen	\$1.53	\$352,424	\$0.34	\$79,279	\$17.18	\$0.86
Owsley	\$0.31	\$163,668	\$0.06	\$30,588	\$2.86	\$0.14
Pendleton	\$2.18	\$398,689	\$0.65	\$118,137	\$32.26	\$1.61
Perry	\$2.92	\$249,229	\$0.79	\$67,310	\$39.38	\$1.97
Pike	\$6.81	\$250,094	\$1.63	\$59,747	\$81.34	\$4.07
Powell	\$0.97	\$195,437	\$0.23	\$45,221	\$11.26	\$0.56
Pulaski	\$8.32	\$319,045	\$2.16	\$82,701	\$107.88	\$5.39
Robertson	\$0.24	\$258,341	\$0.07	\$73,467	\$3.41	\$0.17
Rockcastle	\$1.55	\$226,653	\$0.36	\$53,146	\$18.17	\$0.91
Rowan	\$2.29	\$248,978	\$0.57	\$62,078	\$28.57	\$1.43
Russell	\$1.73	\$229,603	\$0.47	\$62,363	\$23.44	\$1.17
Scott	\$9.59	\$495,798	\$2.48	\$128,089	\$123.82	\$6.19
Shelby	\$10.24	\$633,509	\$3.02	\$187,064	\$151.19	\$7.56
Simpson	\$2.34	\$325,436	\$0.70	\$97,951	\$35.14	\$1.76
Spencer	\$3.91	\$597,871	\$1.00	\$152,490	\$49.83	\$2.49
Taylor	\$3.00	\$298,320	\$0.86	\$85,163	\$42.85	\$2.14
Todd	\$1.45	\$300,622	\$0.31	\$64,754	\$15.57	\$0.78
Trigg	\$3.23	\$535,149	\$0.83	\$137,009	\$41.30	\$2.07

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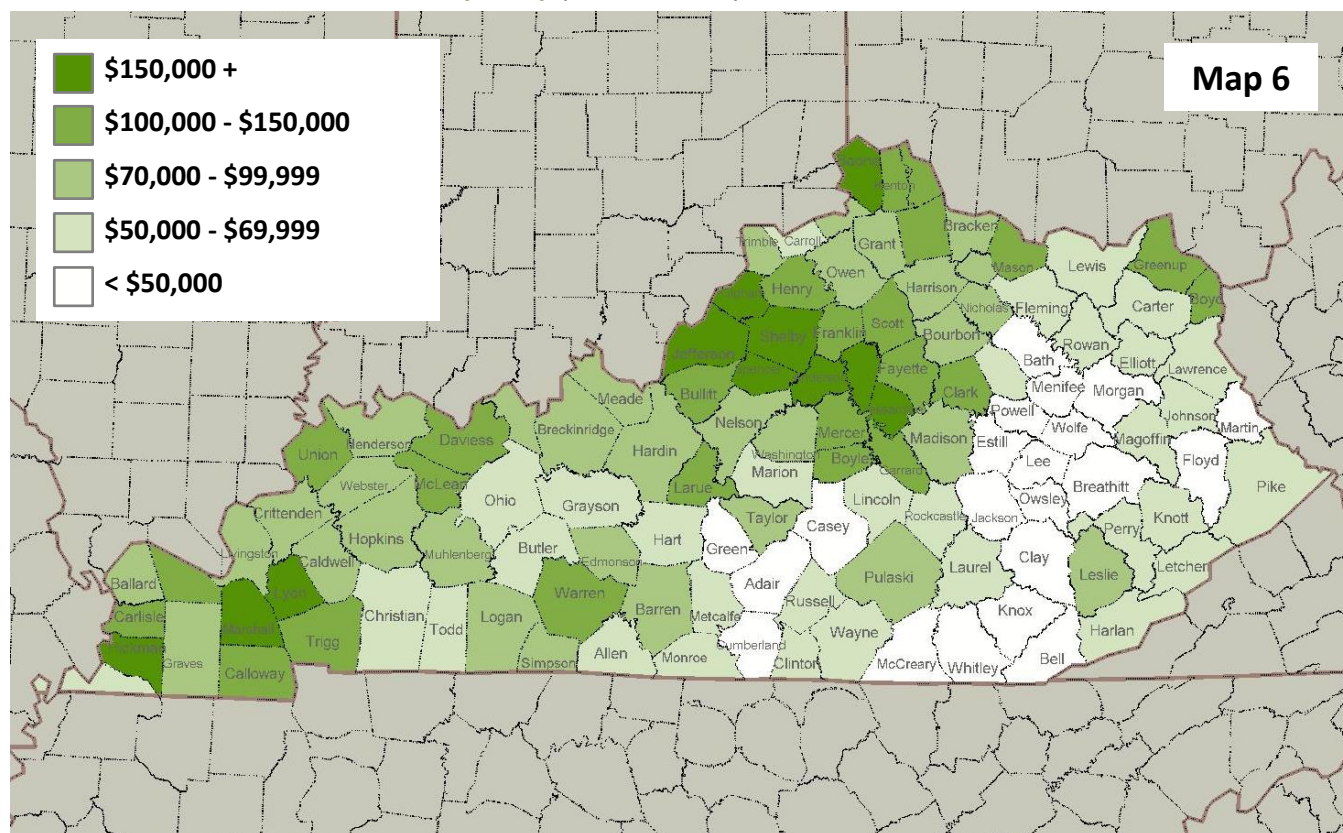
Map 5 illustrates the 20-Year TOW Scenario showing total wealth that is likely to transfer over the next generation and be available for charitable giving. Again, darker shades of green indicate a higher absolute TOW opportunity value.

20-Year TOW Value (2017-2036)



Map 6 illustrates the 20-Year TOW Opportunity on a per household basis. When adjusted for population differences, we can see where higher wealth holding households are settling within the state. While the magnitude of the TOW opportunity varies across the State, charitable giving potential is found in every county and community in Kentucky.

20-Year TOW Per Household (PHH) (2017-2036)



Our current study estimates the 20-Year TOW opportunity at \$193 billion compared with the 2010 estimate of \$173 billion. Overall and on average, there is \$20 billion more TOW opportunity statewide (11.6% higher). Again, there is variability from region to region and county to county when comparing the two studies. All values are in inflation-adjusted dollars allowing for head-to-head comparisons.

Table 3. 50-Year Transfer of Wealth Findings Summary						
Key:	2016 Net Worth		50-Year (2017-2066) TOW			
M = Millions of dollars	Value (B)	PHH	Value (B)	PHH	5% Capture (M)	5% Payout (M)
U.S.	\$69,927.78	\$574,193	\$72,390.25	\$594,413	\$3,619,512.69	\$180,975.63
Kentucky	\$727.85	\$409,779	\$760.59	\$428,210	\$38,029.40	\$1,901.47
01 - Barren River	\$40.24	\$341,341	\$46.12	\$391,191	\$2,305.82	\$115.29
02 - Big Sandy	\$14.93	\$231,875	\$11.75	\$182,556	\$587.57	\$29.38
03 - Blue Grass	\$137.83	\$429,478	\$133.84	\$417,062	\$6,692.08	\$334.60
04 - Buffalo Trace	\$6.62	\$288,389	\$5.67	\$246,966	\$283.62	\$14.18
05 - Cumberland Valley	\$20.32	\$212,458	\$15.48	\$161,844	\$773.83	\$38.69
06 - FIVCO	\$20.36	\$371,774	\$17.50	\$319,707	\$875.23	\$43.76
07 - Gateway	\$8.21	\$255,018	\$7.38	\$229,036	\$368.82	\$18.44
08 - Green River	\$33.50	\$386,098	\$30.04	\$346,241	\$1,502.11	\$75.11
09 - Kentuckiana	\$224.24	\$562,440	\$264.11	\$662,463	\$13,205.71	\$660.29
10 - Kentucky River	\$10.93	\$234,501	\$9.38	\$201,092	\$468.85	\$23.44
11 - Lake Cumberland	\$22.08	\$259,601	\$21.19	\$249,140	\$1,059.74	\$52.99
12 - Lincoln Trail	\$38.31	\$358,705	\$36.07	\$337,759	\$1,803.53	\$90.18
13 - Northern Kentucky	\$86.12	\$496,411	\$101.95	\$587,681	\$5,097.69	\$254.88
14 - Pennyriple	\$29.77	\$344,990	\$24.07	\$278,921	\$1,203.45	\$60.17
15 - Purchase	\$34.40	\$410,683	\$36.03	\$430,169	\$1,801.35	\$90.07
Adair	\$1.80	\$238,409	\$1.13	\$149,061	\$56.28	\$2.81
Allen	\$2.30	\$283,112	\$2.29	\$281,363	\$114.29	\$5.71
Anderson	\$3.71	\$434,938	\$5.32	\$623,915	\$266.07	\$13.30
Ballard	\$1.42	\$406,124	\$0.82	\$236,036	\$41.15	\$2.06
Barren	\$5.37	\$304,159	\$5.80	\$328,630	\$289.98	\$14.50
Bath	\$1.14	\$228,487	\$0.92	\$184,591	\$46.14	\$2.31
Bell	\$2.35	\$194,305	\$1.71	\$141,878	\$85.69	\$4.28
Boone	\$29.02	\$630,160	\$38.99	\$846,623	\$1,949.31	\$97.47
Bourbon	\$2.92	\$361,821	\$2.08	\$257,785	\$103.91	\$5.20
Boyd	\$8.26	\$422,603	\$6.09	\$311,820	\$304.71	\$15.24
Boyle	\$5.05	\$439,842	\$4.37	\$380,671	\$218.54	\$10.93
Bracken	\$1.08	\$322,823	\$0.94	\$279,072	\$46.88	\$2.34
Breathitt	\$1.03	\$185,260	\$1.02	\$182,263	\$50.81	\$2.54
Breckinridge	\$2.92	\$357,132	\$2.69	\$328,365	\$134.40	\$6.72
Bullitt	\$14.66	\$495,228	\$17.85	\$602,717	\$892.38	\$44.62
Butler	\$1.45	\$273,320	\$1.37	\$259,808	\$68.71	\$3.44
Caldwell	\$1.97	\$362,959	\$1.55	\$284,318	\$77.29	\$3.86
Calloway	\$6.02	\$370,209	\$9.31	\$572,604	\$465.41	\$23.27
Campbell	\$17.97	\$487,761	\$18.61	\$505,141	\$930.72	\$46.54
Carlisle	\$0.88	\$411,707	\$1.00	\$466,824	\$49.93	\$2.50
Carroll	\$1.09	\$261,460	\$0.90	\$216,091	\$45.05	\$2.25
Carter	\$2.90	\$259,237	\$2.12	\$189,716	\$106.16	\$5.31
Casey	\$1.42	\$217,043	\$1.00	\$152,202	\$49.87	\$2.49
Christian	\$8.25	\$304,890	\$6.31	\$233,327	\$315.72	\$15.79
Clark	\$6.86	\$480,350	\$7.17	\$501,560	\$358.34	\$17.92

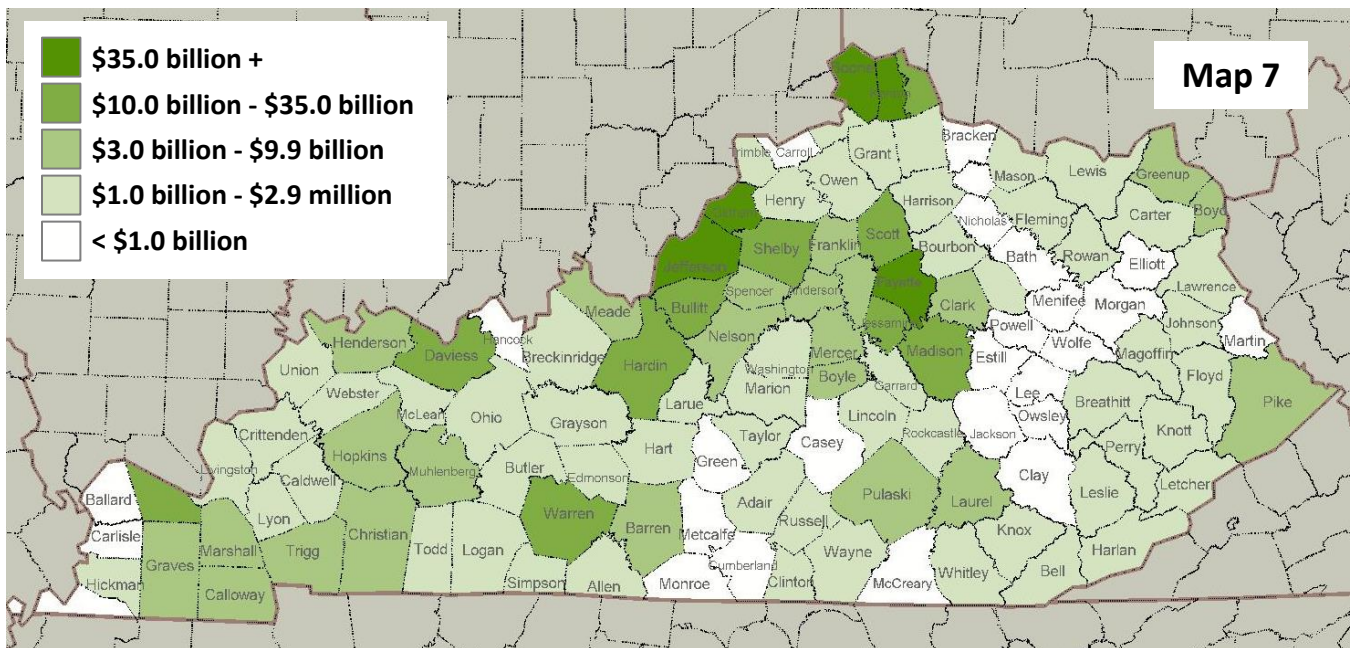
Key:	2016 Net Worth		50-Year (2017-2066) TOW			
B = Billions of dollars M = Millions of dollars	Value (B)	PHH	Value (B)	PHH	5% Capture (M)	5% Payout (M)
Clay	\$1.30	\$167,317	\$0.93	\$118,648	\$46.25	\$2.31
Clinton	\$0.88	\$202,920	\$1.01	\$233,121	\$50.45	\$2.52
Crittenden	\$1.22	\$320,138	\$1.10	\$290,213	\$55.23	\$2.76
Cumberland	\$0.62	\$206,250	\$0.46	\$153,929	\$23.17	\$1.16
Daviess	\$17.08	\$428,815	\$17.10	\$429,163	\$854.76	\$42.74
Edmonson	\$1.60	\$313,389	\$1.52	\$298,390	\$76.04	\$3.80
Elliott	\$0.64	\$224,554	\$0.65	\$227,345	\$32.46	\$1.62
Estill	\$1.20	\$196,222	\$0.98	\$160,906	\$49.01	\$2.45
Fayette	\$56.90	\$442,277	\$41.76	\$324,584	\$2,087.85	\$104.39
Fleming	\$1.55	\$262,090	\$1.11	\$188,248	\$55.50	\$2.77
Floyd	\$3.79	\$218,555	\$2.79	\$161,148	\$139.61	\$6.98
Franklin	\$10.02	\$471,134	\$9.72	\$456,872	\$485.91	\$24.30
Fulton	\$0.66	\$242,602	\$0.41	\$150,267	\$20.47	\$1.02
Gallatin	\$1.02	\$316,986	\$1.06	\$329,433	\$53.09	\$2.65
Garrard	\$2.40	\$354,067	\$2.84	\$419,223	\$141.97	\$7.10
Grant	\$3.04	\$350,998	\$2.82	\$325,288	\$140.77	\$7.04
Graves	\$4.96	\$327,713	\$4.39	\$289,885	\$219.37	\$10.97
Grayson	\$2.62	\$255,564	\$2.26	\$220,756	\$112.98	\$5.65
Green	\$1.29	\$273,171	\$0.73	\$155,093	\$36.51	\$1.83
Greenup	\$7.13	\$483,637	\$7.07	\$479,424	\$353.41	\$17.67
Hancock	\$1.37	\$394,377	\$0.82	\$237,759	\$41.24	\$2.06
Hardin	\$16.54	\$390,982	\$15.76	\$372,567	\$788.03	\$39.40
Harlan	\$2.58	\$209,846	\$1.77	\$143,732	\$88.29	\$4.41
Harrison	\$2.58	\$352,293	\$2.21	\$302,283	\$110.73	\$5.54
Hart	\$1.79	\$235,929	\$1.59	\$210,142	\$79.69	\$3.98
Henderson	\$7.06	\$369,060	\$5.26	\$274,931	\$262.83	\$13.14
Henry	\$2.55	\$421,301	\$2.01	\$331,967	\$100.34	\$5.02
Hickman	\$0.93	\$470,505	\$1.24	\$626,583	\$62.16	\$3.11
Hopkins	\$6.54	\$338,006	\$4.53	\$234,153	\$226.66	\$11.33
Jackson	\$0.99	\$171,442	\$0.52	\$90,990	\$26.19	\$1.31
Jefferson	\$169.69	\$536,996	\$187.46	\$593,210	\$9,372.81	\$468.64
Jessamine	\$10.56	\$567,963	\$13.95	\$750,300	\$697.37	\$34.87
Johnson	\$2.30	\$234,703	\$1.68	\$171,740	\$84.03	\$4.20
Kenton	\$30.27	\$467,592	\$36.15	\$558,368	\$1,807.49	\$90.37
Knott	\$1.77	\$273,226	\$1.73	\$267,268	\$86.54	\$4.33
Knox	\$2.51	\$187,602	\$1.69	\$126,284	\$84.34	\$4.22
Larue	\$2.22	\$381,555	\$2.00	\$343,653	\$100.00	\$5.00
Laurel	\$5.97	\$251,732	\$5.22	\$220,198	\$261.19	\$13.06
Lawrence	\$1.42	\$221,763	\$1.57	\$244,605	\$78.48	\$3.92
Lee	\$0.49	\$162,117	\$0.36	\$118,919	\$17.93	\$0.90
Leslie	\$1.12	\$245,284	\$1.36	\$299,739	\$68.15	\$3.41
Letcher	\$2.83	\$277,088	\$1.75	\$171,584	\$87.52	\$4.38
Lewis	\$1.28	\$227,379	\$1.06	\$187,734	\$53.02	\$2.65

Key:	2016 Net Worth		50-Year (2017-2066) TOW			
B = Billions of dollars M = Millions of dollars	Value (B)	PHH	Value (B)	PHH	5% Capture (M)	5% Payout (M)
Lincoln	\$2.47	\$250,846	\$2.23	\$226,065	\$111.52	\$5.58
Livingston	\$1.50	\$364,077	\$1.03	\$250,362	\$51.46	\$2.57
Logan	\$3.34	\$308,486	\$2.71	\$249,870	\$135.35	\$6.77
Lyon	\$1.83	\$529,847	\$2.06	\$595,439	\$102.92	\$5.15
McCracken	\$13.18	\$460,576	\$11.52	\$402,539	\$575.99	\$28.80
McCreary	\$1.00	\$148,704	\$0.93	\$139,369	\$46.74	\$2.34
McLean	\$1.53	\$388,084	\$1.47	\$371,348	\$73.34	\$3.67
Madison	\$12.10	\$356,482	\$13.59	\$400,288	\$679.61	\$33.98
Magoffin	\$1.07	\$197,990	\$1.21	\$224,050	\$60.56	\$3.03
Marion	\$1.98	\$261,772	\$2.08	\$276,190	\$104.19	\$5.21
Marshall	\$6.34	\$473,255	\$7.34	\$547,278	\$366.87	\$18.34
Martin	\$0.96	\$208,140	\$0.67	\$144,047	\$33.31	\$1.67
Mason	\$2.47	\$346,112	\$2.35	\$329,912	\$117.70	\$5.88
Meade	\$4.25	\$395,293	\$3.16	\$293,990	\$158.06	\$7.90
Menifee	\$0.56	\$221,407	\$0.40	\$155,441	\$19.81	\$0.99
Mercer	\$3.61	\$408,045	\$3.10	\$350,691	\$155.01	\$7.75
Metcalfe	\$1.03	\$250,556	\$0.90	\$218,675	\$44.93	\$2.25
Monroe	\$1.06	\$238,931	\$0.86	\$192,169	\$42.78	\$2.14
Montgomery	\$3.13	\$295,449	\$2.69	\$253,692	\$134.55	\$6.73
Morgan	\$1.08	\$223,040	\$0.73	\$151,532	\$36.71	\$1.84
Muhlenberg	\$3.78	\$309,534	\$3.17	\$259,664	\$158.68	\$7.93
Nelson	\$6.06	\$349,078	\$6.20	\$357,288	\$310.18	\$15.51
Nicholas	\$0.85	\$302,921	\$0.68	\$243,300	\$33.99	\$1.70
Ohio	\$2.58	\$273,630	\$2.01	\$212,913	\$100.27	\$5.01
Oldham	\$21.89	\$1,046,357	\$36.08	\$1,724,892	\$1,804.24	\$90.21
Owen	\$1.53	\$352,424	\$1.21	\$279,750	\$60.62	\$3.03
Owsley	\$0.31	\$163,668	\$0.22	\$115,934	\$10.84	\$0.54
Pendleton	\$2.18	\$398,689	\$2.21	\$405,105	\$110.63	\$5.53
Perry	\$2.92	\$249,229	\$2.53	\$216,389	\$126.59	\$6.33
Pike	\$6.81	\$250,094	\$5.40	\$198,371	\$270.05	\$13.50
Powell	\$0.97	\$195,437	\$0.72	\$144,583	\$35.99	\$1.80
Pulaski	\$8.32	\$319,045	\$8.92	\$342,066	\$446.21	\$22.31
Robertson	\$0.24	\$258,341	\$0.21	\$226,577	\$10.52	\$0.53
Rockcastle	\$1.55	\$226,653	\$1.47	\$214,754	\$73.40	\$3.67
Rowan	\$2.29	\$248,978	\$2.63	\$285,929	\$131.61	\$6.58
Russell	\$1.73	\$229,603	\$1.80	\$238,828	\$89.78	\$4.49
Scott	\$9.59	\$495,798	\$16.95	\$876,659	\$847.42	\$42.37
Shelby	\$10.24	\$633,509	\$14.31	\$885,296	\$715.50	\$35.77
Simpson	\$2.34	\$325,436	\$2.60	\$361,880	\$129.82	\$6.49
Spencer	\$3.91	\$597,871	\$5.20	\$795,484	\$259.96	\$13.00
Taylor	\$3.00	\$298,320	\$2.99	\$297,087	\$149.46	\$7.47
Todd	\$1.45	\$300,622	\$1.26	\$262,108	\$63.02	\$3.15
Trigg	\$3.23	\$535,149	\$3.05	\$505,773	\$152.47	\$7.62

[illegible]

Map 7 shows the 50-Year TOW Scenario. As we progress from white to dark green, the concentration of TOW opportunity increases. These are absolute TOW opportunity estimates. The variability of TOW opportunity is based on relative population size, household current net worth, population and economic growth and the presence of unique assets like agricultural lands and closely-held family businesses.

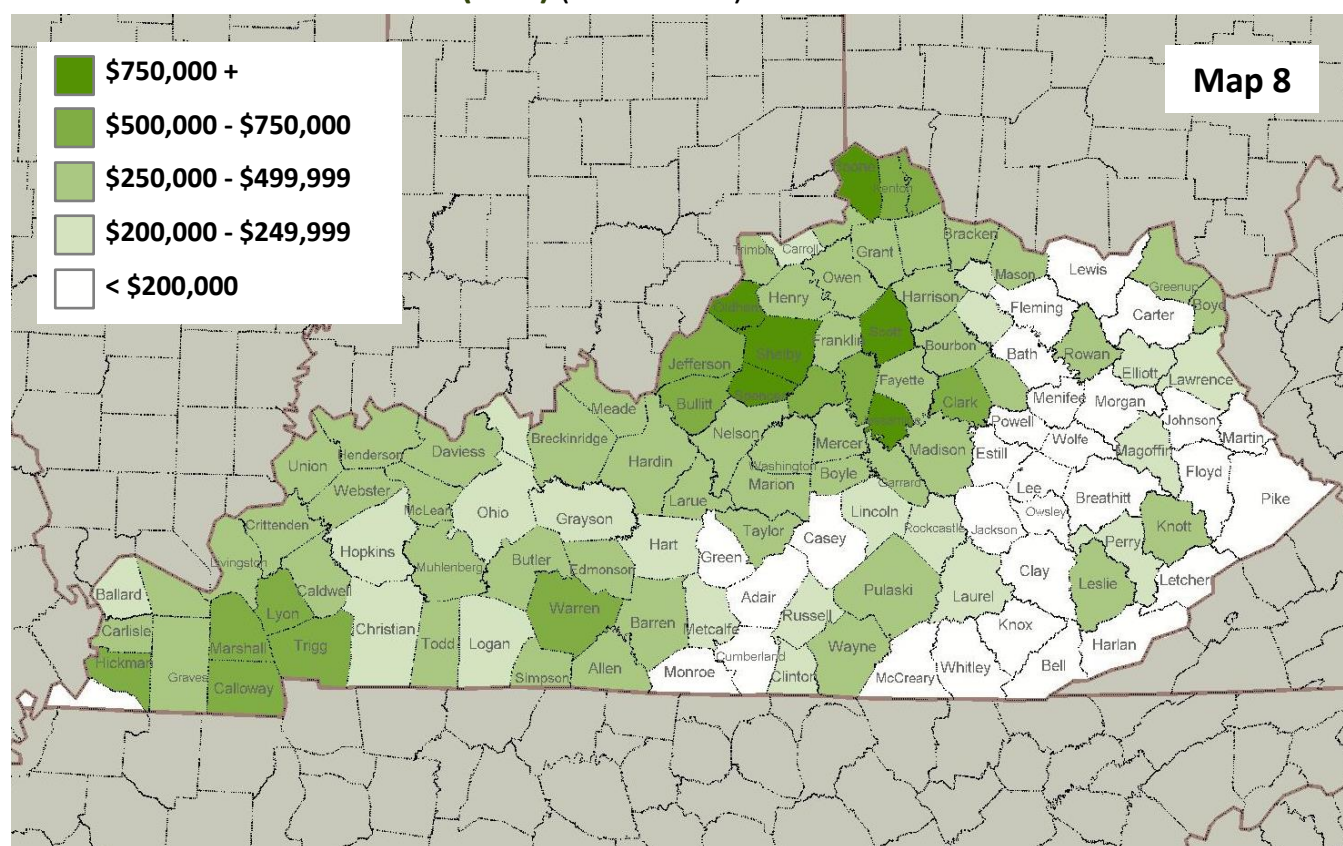
50-Year TOW Value (2017-2066)



Per household (PHH) TOW values adjust for relative population differences in 2016. Map 8 on the next page illustrates relative 50-Year philanthropic potential on a per household basis. Interplay of population change, different rates of aging population (concentration of estate transfers) and the release of natural resource related wealth like agricultural lands impact our per household findings.

Two Considerations. A 50-year projection is rather heroic when we reflect on all the dramatic changes that have occurred over the previous 50 years. However, these longer-term TOW projections allow us to better understand Kentucky's philanthropic opportunity over two generations of time. All our monetary values are in "real" or "inflation adjusted" dollars meaning that a dollar in 2066 has the same likely purchasing power as a dollar in 2016 (our base year for this analysis).

50-Year TOW Per Household (PHH) (2017-2066)



Our current or 2017 TOW study estimates the two-generation or 50-Year TOW opportunity for Kentucky is \$761 billion. This current and updated scenario compares to a 2010 study 50-Year TOW estimate of \$707 billion. This represents a \$53 billion increase in TOW opportunity or 7.5% greater charitable potential. On a county-by-county findings basis, there is greater variability due to factors listed on the bottom of page 18 and significant changes by the Kentucky State Demographer in their new demographic forecasts versus the previous forecasts employed in the 2010 study.

Electronic Library Resources

<https://goo.gl/xNbW9K>

Significant research and analysis is undertaken in the preparation of Transfer of Wealth Opportunity Studies. While the past is not a predictor of the future, it is an important baseline consideration. As part of our study preparation, we look at nearly 50 years of historical data related to demography, economy and wealth formation trends. All of this historical information is located in your TOW Electronic Library. Next, we spend significant time focusing on demographic, economic and wealth data for our base year or 2016 in the case of this study. Finally, we develop projection scenarios of a likely future between 2016 through 2066 covering two generations or 50 years. We have collected this background research in the project's electronic library.

The following background research is included in your TOW project's electronic library for the state and each county in Kentucky including aggregated data for Kentucky's Area Development Districts:

- 1970-2015 Socioeconomic Profiles by Headwaters Economics
- 2016 Household Current Net Worth Profiles by Esri
- 2016 Household Financial Assets Profiles by Esri
- 2016 Esri Household Type Profiles
- Population Forecasts by Age Cohort
- The Center's ***Scenario Adjustment Factors*** Paper
- Summary TOW Findings Information Sheet
- Other assorted analysis and background information used in this project.
- The Following Findings Graphs for the State and Each County is available upon request:
 - Population
 - Household Current Net Worth
 - Transfer of Wealth Opportunity
 - Estates Transitioning

Any of these resources may be used by the public with proper attribution to the Center for Rural Entrepreneurship and with recognition of the Kentucky Philanthropy Initiative (sponsor for this work). Questions regarding use of this information can be directed to:

Don Macke – Center for Rural Entrepreneurship

4023.323.7336 or don@e2mail.org

www.energizingentrepreneurs.org

Other Considerations

Our book, [*Transfer of Wealth in Rural America – Understanding the Potential, Realizing the Opportunity and Creating Wealth for the Future*](#), addresses household wealth formation over decades (Chapter 2) of American history in detail. One of the remarkable historical realities of the American experience is our ability to grow economies that create wealth for residents. In order to more fully understand Kentucky's philanthropic opportunity, it is important to appreciate those **special considerations** that impact wealth formation and transfer now and over time. We organize these influencers of wealth formation and philanthropic opportunity into basic and special considerations.

Basic Considerations

Basic considerations are those wealth formation and philanthropic influencers that are fairly universal from one community to the next all across America. These basic considerations include:

- Historic wealth formation rates
- Current household current net worth
- Current cultural patterns of philanthropic giving

Our previously mentioned book provides more detailed analysis, explanation and illustration of these basic considerations. For every transfer of wealth opportunity study, these basic considerations form the foundation of our TOW scenarios. Special considerations can and do impact our TOW opportunity analysis in subtle and significant ways. Next, we will explore those special considerations we have found to be significant for Kentucky and its counties.

Special Considerations

We have created a supplementary Scenario Adjustment Factors paper to address unique issues, trends or factors that potentially can impact our scenarios not generally picked up in our standard analysis. In the Scenario Adjustment Factors paper, we several special considerations and how they impact our assumptions shaping our TOW scenarios. More detailed research and analysis can be found in the **Kentucky TOW Study [Electronic Library](#)**.

About the Kentucky Philanthropy Initiative

The Kentucky Philanthropy Initiative, Inc (KPI) was founded by retired corporate foundation executive Judith G. Clabes in 2008 as a 501 (c) 3 organization. Funds for its operations and programming are provided by private donors.

The Kentucky Philanthropy Initiative mission is:

- to promote and support philanthropy in Kentucky; and
- to promote strategic grant making and private-public partnerships as a solution to the Commonwealth's enduring challenges, starting with a focus on Early Childhood Education and Child Health/Welfare.

KPI continues to implement initiatives related to early childhood, grow a strong vigorous philanthropic network, and support community change through the promotion of community funds.

305 Ann Street, Suite 201
Frankfort, KY 40601
502-352-2987
www.kyphilanthropy.com

About the Center for Rural Entrepreneurship

The Center's mission is to help community leaders build a prosperous future by supporting and empowering business, social and civic entrepreneurs. With our roots and hearts in rural America, we help communities of all sizes and interests by bringing empowering research together with effective community engagement to advance community-driven strategies for prosperity.

Our **Solution Area Teams** empower community leaders to find their own answers to the economic development challenges and opportunities they face:

- *Community Development Philanthropy* provides effective strategies to build local philanthropic capacity and generate development resources.
- *New Generation Partnerships* provides a framework for engaging young people now and attracting them in the future.
- *Entrepreneurial Communities* provides a roadmap for designing and delivering entrepreneurship strategies that work.

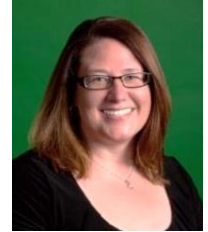
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About Our Team

Don Macke is Co-Founder and Director of the Entrepreneurial Communities solution area. Through this work, Don helps communities and regions throughout North America grow entrepreneur-focused economic development strategies.



Cathy Kottwitz is a Senior Research Associate with the Center. Cathy serves as the scenario modeler in our Transfer of Wealth™ projects.



Deb Markley is Co-Founder and Managing Director of the Center for Rural Entrepreneurship. She collaborates with colleagues across the Center to capture and communicate the impact of the Center's work.



Dana Williams is Project Associate with the Center. Dana provides management assistance and operational support across the Center and has been actively engaged in product development, supporting the creation of a number of online toolkits and resources.



Questions & More Information

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The **Kentucky**
Philanthropy
Initiative

Center for Rural
Entrepreneurship
energizing entrepreneurial communities

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