

INTRODUCTION



FUND ADVISOR TOOLKIT

Northwest Minnesota Foundation

A Challenge and an Opportunity

*Wealth Transfer in the United States
and 12 Counties of Northwest Minnesota*

U.S. Wealth Transfer Analysis

A national study is projecting that by 2052 an estimated \$41 trillion will change hands as Americans pass their accumulated assets from one generation to the next.

Based on historical patterns of allocation this wealth transfer will mean:

- \$23 trillion will be transferred to family and other heirs
- \$ 7 trillion will be given to charitable organizations
- \$10 trillion will transfer to government in the form of estate taxes
- \$ 2 trillion will be spent on estate fees (debt, burial costs, and legal/probate fees)

Regional Wealth Transfer Analysis

A comparable study commissioned by Northwest Minnesota Foundation indicates that over the same time frame, **\$2.8 billion** of wealth in Northwest Minnesota will transfer from the current generation to the next generation.

Using the same national allocation patterns, this wealth transfer in Northwest Minnesota will mean:

- \$1.5 billion will be transferred to family and other heirs
- \$ 450 million will be given to charitable organizations
- \$ 700 million will transfer to government in the form of estate taxes
- \$ 150 million will be spent on estate fees (debt, burial costs, and legal/probate fees)

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We believe Northwest Minnesota offers boundless opportunities.



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Looking at these distributions, we should ask ourselves: What could be the impact on local nonprofit programs and community needs if we encourage effective and efficient tax-planning, and the establishment of permanent endowment funds, including community fund endowments?

For that matter, what if more current gifts are designated as endowment?

If you would like additional information on estate and planned giving options for donors to your component fund, please contact your assigned Philanthropy Officer at the Northwest Minnesota Foundation.

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