

OPINION

It may be time to share the wealth

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

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

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

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

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

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

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

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

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

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

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transfer of wealth remains in the communities in which it was earned is to it aside in wills or estate plans.

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

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

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

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

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