

South Central Community Foundation

Summer 2008

Assuring a
bright future for
south central Kansas



GIVE TODAY FOR TOMORROW

www.southcentralcommunityfoundation.com

Listening Tours Coming to Your Area

SCCF is planning on visiting with people in our seven county service area. We will be listening to community concerns to help us to create new and innovative grant initiatives.

The following dates have been selected.

Sept. 3rd Barber Co.
Sept. 9th Kiowa Co.
Sept. 16th Comanche Co.
Sept. 17th Pratt Co.
Sept. 18th Kingman Co.
Sept. 24th Stafford Co.
Sept. 30th Rice Co.

Check your local paper for exact times and places.

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THE BIGGER PICTURE

How Transfer of Wealth Affects You and Your Community



Joe and Betty Smith farm near Pleasanton, Kansas. The 70-year-old Joe still lives in the house where his great-grandparents established a tree claim back when Kansas was in its first years of statehood. Betty was his childhood sweetheart, and they married right after earning their diplomas at the state university. While working the same land Joe's grandparents and parents had tilled before them, the Smiths also continued the tradition of faith and made sure they spent Sundays in the family pew at the church they both grew up attending. Joe served on the school board, and Betty was a community leader in the local 4-H club and helped their three girls and their friends with 4-H projects.

All three of their girls went to the couple's alma mater for their college educations. There they met young men, married and moved away. One is still in the state, but the others are on opposite coasts. None are involved in the family business.

Joe and Betty are responsible people. They know they should protect themselves and their family by having a will in place to go into effect upon their deaths. Their girls and their grandchildren will inherit the property and wealth they've accumulated through their years of tending to the cycle of life on the farm.

When Joe & Betty die, despite their best intentions, the community where they spent their entire lives and built their livelihood and family will no longer be supported through their tithes and offerings,

their donations to school projects or their support of the county fair. Their daughters are good people, too, but they don't live in Pleasanton any longer, and once probate is settled, the girls will go back to their lives, taking their inheritance with them.

Joe and Betty are fictional characters. But their story is the story of many families in Kansas in 2008. During the next 12 years, more than \$66 billion will transfer from one generation to the next in Kansas, according to the Kansas Association of Community Foundations. When considering a 50-year time frame, this wealth transfer is estimated at \$598 billion. Most of this wealth will be transferred to heirs or taxes, but Kansas community foundations are leading an effort to ensure that a portion is preserved and invested in communities across the state.

"We all need to remember our communities in our estate plans," said Denise Unruh, executive director of South Central Community Foundation. "One way to look at it is to consider your community as one of your heirs and provide for its future just like you will for your kids and grandkids. Estate planning is the key. That way, all of us can have a part in assuring a bright future for Kansas."



In SCCF's seven-county area, more than \$1 billion will transfer in 12 years. By 2060, that figure stretches to \$5 billion.

"The impact on the rural areas is greater because our population is aging, and the heirs do not live in the area," Unruh said.

(continued on page 4)

Intergenerational Transfer of Wealth Estimate by County

Barber County

- \$239 million will transfer by 2020.
- Goal: 5% Retention for Endowed Funds, \$11.9million.
- If 5% Retained, Annual Grants to Community, \$599,413.

Comanche County

- \$51 million will transfer by 2020.
- Goal: 5% Retention for Endowed Funds, \$2.5 million.
- If 5% Retained, Annual Grants to Community, \$129,467.

Kingman County

- \$199 million will transfer by 2020.
- Goal: 5% Retention for Endowed Funds, \$9.9 million.
- If 5% Retained, Annual Grants to Community, \$499,761.

Kiowa County

- \$58 million will transfer by 2020.
- Goal: 5% Retention for Endowed Funds, \$2.9 million.
- If 5% Retained, Annual Grants to Community, \$146,215.

Pratt County

- \$234 million will transfer by 2020.
- Goal: 5% Retention for Endowed Funds, \$11.7 million.
- If 5% Retained, Annual Grants to Community, \$585,542.

Rice County

- \$222 million will transfer by 2020.
- Goal: 5% Retention for Endowed Funds, \$11.1 million.
- If 5% Retained, Annual Grants to Community, \$556,443.

Stafford County

- \$89 million will transfer by 2020.
- Goal: 5% Retention for Endowed Funds, \$4.4 million.
- If 5% Retained, Annual Grants to Community, \$224,119.



From Denise's Desk

Denise Unruh

According to Webster's Dictionary, the word, "endow", means to furnish with an income or to provide for the continuing support or maintenance of an organization. "Endow" has the same Latin root as the words, "dowry" and "dower". Those words refer to assets given at marriage or at the death of the husband to the wife for her ongoing support.

Donors who endow gifts at the community foundation are providing ongoing support to the causes and organizations they care about. Endowment funds are a permanent source of community capital, helping do good work today and in the future.

How does an endowment fund work? Your gift is invested and earnings from your gift are used to make grants addressing community issues or the needs specific to organizations that you recommend receiving the grants from the community foundation.

Just four years ago, an endowment fund of \$82,000 was established in memory of Miriam Eads for the benefit of youth in Pratt County. Four short years later, the fund has grown to more than \$99,000 and has generated \$18,200 in grants to the Pratt County 4-H Fair program. Over time, the grants generated by this fund will far outweigh the original gift. Although Miriam has passed away, the fund in her name will provide a perpetual income stream for the youth of Pratt County, leaving a lasting legacy in her name.

A gift to an endowment fund
is a gift that lasts forever!

Thank You, Dennis



Dennis Lesh 1943-2008

The community lost a valued philanthropist with the death of Dennis Lesh in June 2008. Dennis, a Pratt automobile dealer from 1965 – 2000, understood the meaning of philanthropy and gave generously of his time, talent and treasure. One of his most outstanding accomplishments over the years was hosting 46 foreign exchange students who attended Pratt Community College while residing in Pratt.

Another deeply beneficial act of this businessman was the creation of a Charitable Remainder Trust (CRT). When Dennis retired from the automobile

business, he placed his shares of the dealership in the CRT and named South Central Community Foundation as the beneficiary to receive the remaining dollars from the trust at his death. South Central Community Foundation, as beneficiary, then placed the remainder in the Dennis Lesh Endowment Fund to provide ongoing financial support for the organizations that Dennis supported during his lifetime.

"I was only two weeks into my job as Executive Director of SCCF when Dennis came like a whirlwind into my office to tell me that he was donating the car dealership to a Charitable Remainder Trust and when he died the community foundation would get what was left over and we would start an endowment fund to benefit several charities," explains Denise Unruh. "At the time, he knew much more about philanthropy than I did," Unruh continues. "I learned a lot from him, and it was an honor to work with him," said

(continued on page 3)

Grants Provide Funds for Defibrillators



Lois Wortman of The Greater Barber County Historical Action Association and Cindy Christian from Cintas Corp. are pictured with the new AED Defibrillator.

By **Lindsey Lykins**
Skyline

Using money from events being held in the community room in Barber County doesn't leave any extra cash for other equipment. It is used to pay utilities, insurance, general maintenance items and essential projects. That is why the Greater Barber County Historical Action Association asked for \$1,988, which was granted by the South Central Community Foundation (SCCF). The amount was used to purchase one Automated External

Defibrillator (AED), a storage cabinet and a first aid supply kit. These supplies are all necessary for the basic care needed by the people experiencing injury or cardiac arrest. Injured people needing assistance will be helped with appropriate, sanitary materials from the first aid kit. The AED will help the person until emergency assistance arrives. Rescuers using the AED receive step-by-step, automatic verbal cues on how to operate the life-saving device.

The Barber County North Unified School District 254's also requested three AED's to get timely assistance to a person in cardiac arrest until an ambulance arrives. This device is designed to improve survival out-comes whenever sudden cardiac arrest occurs and supports the rescuer until relief shows up. Just like the Historical Action Association, USD 254 will have people help install the storage cabinets in locations visible and accessible to staff and the public. The request of \$5,814

was partially met at a total of \$3,800 by the SCCF.

Macksville's Public Schools asked for \$2,388 in grant monies. The money will be used to help fulfill the need to update and assist safety education along with technology through training and equipment purchases. This includes purchasing an AED, which ensures that the students, staff, and community patrons will have equipment needed in case an emergency occurs on the school grounds. The elementary, middle and high school buildings are connected so that the placing of this equipment would be in the central location of where they meet and anyone would be able to use the defibrillator.

Three organizations with the need to save lives from cardiac arrest were able to satisfy their need by purchasing and placing Automated External Defibrillators in public buildings through grants awarded by South Central Community Foundation.

Lesh

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Unruh.

A CRT is designed to provide an income stream during the donor's lifetime and benefit charity when the trust matures. The donor can take a charitable income tax deduction during their lifetime, reduce the size of a taxable estate, receive a lifetime income, and benefit charity all at the same time. When the remainder assets are placed in an endowment fund, it creates a permanent funding stream for charity.

Unruh commented, "Dennis was far ahead of his time as he could see the affect the transfer of wealth was going to have on the rural area, and he planned his estate accordingly by remembering the community in his estate plan. By establishing an endowment fund with a portion of his estate, he facilitated retaining assets permanently in the community."

Thanks, Dennis.

NASCAR's Jeff Gordon Visits Greensburg



NASCAR's Jeff Gordon speaks at Habitat for Humanity ground breaking.

If you are a NASCAR fan, Jeff Gordon is a familiar face. My esteem, in the eyes of my grandson, rose several points on June 12, 2008 when I attended the Habitat for Humanity groundbreaking in

Greensburg where Jeff, as spokesperson for DuPont, dedicated the first two Habitat Homes that will be built in Greensburg through a partnership with Pratt/Kiowa County Habitat for Humanity and Wichita Habitat for Humanity.

South Central Community Foundation granted \$7,500 for tools and a tool trailer to the local chapter of Habitat for Humanity. In addition, SCCF is sponsoring, with a grant of \$65,000, another Habitat home that will soon be constructed in Greensburg. Please watch for the announcement of the date when construction will begin on the SCCF Habitat Home. We will need able hands to volunteer with hammers, saws and paintbrushes. Call us if you can spend some time with us volunteering in Greensburg.

Denise

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Following the Great Depression and World War II, the United States entered a golden age of business growth and personal prosperity. Americans have created, invested and multiplied unprecedented wealth. Over the next 50 years, this capital – a conservative estimate of \$41 trillion nationwide – will change hands.

SCCF is joining efforts with other community foundations to educate citizens about this transfer of wealth. The goal is to capture 5 percent of the transfer to be retained permanently in endowment funds. In SCCF's seven-county area, the results would be \$54.8 million in endowment funds, Unruh said.

"This would allow annual grants that would total more than \$2.7 million going to nonprofit organizations in our seven-county area," Unruh said.

"For generations, people lived their entire lives close to their birthplace and as wealth passed from one generation to the next, most stayed in the same county. This is no longer

true," said Becky Goss, KACF chair. "Once the wealth leaves our community, it may never return, so we hope to encourage residents to designate a portion of their estates, 401(k) and IRA accounts, life insurance policies or land to community foundation endowments. Community foundations are prepared to do their part to strengthen communities across Kansas."

By definition, community foundations are tax exempt, public charities created by and for the people of a local area. Community foundations have a long history as experts in identifying and supporting a full range of community needs. Community foundations also act as trusted knowledge leaders in the area of philanthropy, assisting individuals, families and businesses with their charitable giving decisions.

SCCF currently manages \$9 million in charitable dollars and grants in excess of \$250,000 annually to non-profit organizations in Barber, Comanche, Kingman, Kiowa, Pratt, Rice and Stafford Counties.

"Community foundations like South Central Community Foundation

aren't asking people to leave their heirs without an inheritance," Unruh said. "We are just asking people to also remember their communities in their estate plans. One option might be to establish an endowment fund. Contributions from donors are invested and only the earnings are granted annually. This provides an ongoing funding stream for the charities of the donor's choice. Many times these funds are established with a gift that comes from a person's estate. This is a way for donors to continue to benefit and impact their communities long after their deaths."

For county by county Transfer of Wealth data, see page 2.

Audit and financial statements, members of Board of Directors and investment committee members, IRS 990 report, and fees charged are available at the South Central Community Foundation office upon request.



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