Orientation TAC Meeting
Rural Maryland Transfer of Wealth Opportunity Project
March 28, 2017

Charlotte Davis
Welcome – Introductions – Project Rationale
College of Southern Maryland’s Role

Don Macke
Center Team Introductions – Session Overview
Orientation Flow

1. Welcome, etc.
2. Center Team & Session Review
3. America's TOW Opportunity
4. Methodology Review & Ground-Truthing
5. TAC & How We will Work
6. Preliminary Analysis
7. Critical Questions
8. Next Steps
9. Wrap Up & Thanks

Please refer to the agenda for greater detail.

Transfer of Wealth
Philanthropic Opportunity

TOW is the inter-generational transfer of household wealth or estates.

US Net Worth Trend

Annual Rate of Growth for US Household Current Net Worth

<table>
<thead>
<tr>
<th>Decade</th>
<th>Annual Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945-1950</td>
<td>3.47%</td>
</tr>
<tr>
<td>1950-1960</td>
<td>4.48%</td>
</tr>
<tr>
<td>1960-1970</td>
<td>4.09%</td>
</tr>
<tr>
<td>1970-1980</td>
<td>3.08%</td>
</tr>
<tr>
<td>1980-1990</td>
<td>3.47%</td>
</tr>
<tr>
<td>1990-2000</td>
<td>5.77%</td>
</tr>
<tr>
<td>2000-2010</td>
<td>0.12%</td>
</tr>
<tr>
<td>2010-2015</td>
<td>&lt;0.39%</td>
</tr>
</tbody>
</table>
Methodology

Background Paper
Historical Trends
Population Forecasts
Economic Scenarios
Personal Income Scenarios
Wealth Formation Scenarios
Giveback Potential
TOW Scenarios

Technical Advisory Committee (TAC) Members’ Role

Share Knowledge | Test & Verify Findings | Help with Education

• Demographic patterns
• Economic development and wealth formation trends
• Wealth holding patterns within the community
• Unique populations like immigrants, Amish, unionization, etc.
• Historic and projected personal income trends
• Household income status (e.g., sources, extent)
• Real estate holdings and market valuations
• Asset holdings (e.g., home ownership, vacation homes)

About the Project

• Estimate household net worth in 2016
• Estimate 10-year (2016-2025) and 50-year (2016-2065) transfer of wealth opportunity
• Produce transfer of wealth timing charts
• Produce estate transfer charts
• Illustrate source of wealth in 2016 by asset types like property, investments, etc.
Online resource

https://goo.gl/xFccDP

Dana Williams – dana@e2mail.org or 402.323.7336

Questions & Discussion

Preliminary Analysis
Maryland Urbanization Map

Regional Analysis

- Western MD
- Eastern Shore
- DC / Baltimore
- Southern MD
- Urban

2016 Household Current Net Worth

- ESRI Estimates for 2016
- Median CNW - $187,201
- Mean CNW - $812,500
- Gross CNW - $528.3 Billion
- Discounted CNW Estimates
- High Capacity – 27.8%
- 180,459 Households
- 65-74 Age Group ANW - $1.4 mil
### Mean & Median CNW

<table>
<thead>
<tr>
<th></th>
<th>Median</th>
<th>Mean</th>
<th>Ratio Mean/Median</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MD</strong></td>
<td>$867,881</td>
<td>$812,500</td>
<td>5.3</td>
</tr>
<tr>
<td><strong>Rural</strong></td>
<td>$164,151</td>
<td>$187,201</td>
<td>4.3</td>
</tr>
</tbody>
</table>

### Population Change

- **1970-2015**
  - **MD**: 1.2%
  - **Rural MD**: 0.0%
- **2000-2015**
  - **MD**: 2.3%
  - **Rural MD**: 0.5%
- **2015-2021**
  - **MD**: 1.1%
  - **Rural MD**: 1.0%

### Maryland Economic Drivers

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Retirees</td>
<td>$90,216,150</td>
<td>35.4%</td>
<td>1.19</td>
</tr>
<tr>
<td>Government</td>
<td>$56,004,846</td>
<td>41.2%</td>
<td>1.48</td>
</tr>
<tr>
<td>Professional and technical services</td>
<td>$32,050,040</td>
<td>39.3%</td>
<td>1.48</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>$25,411,658</td>
<td>48.9%</td>
<td>1.48</td>
</tr>
<tr>
<td>Construction</td>
<td>$14,685,781</td>
<td>6.4%</td>
<td>1.25</td>
</tr>
<tr>
<td>Hardship Related Transfer Payments</td>
<td>$14,947,229</td>
<td>113.3%</td>
<td>0.94</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>$12,544,759</td>
<td>16.9%</td>
<td>0.98</td>
</tr>
<tr>
<td>Retail trade</td>
<td>$12,019,347</td>
<td>-6.8%</td>
<td>0.89</td>
</tr>
<tr>
<td>Administrative and waste services</td>
<td>$9,397,254</td>
<td>35.8%</td>
<td>1.33</td>
</tr>
<tr>
<td>Hospitality</td>
<td>$9,140,269</td>
<td>29.1%</td>
<td>1.33</td>
</tr>
</tbody>
</table>

**Benchmarked to the US:**

- 0.75
- 1.00
- 1.25
- 1.50
- 1.75
### MD Rural Economic Drivers

<table>
<thead>
<tr>
<th>Industry</th>
<th>2015 Personal Income (Thousands)</th>
<th>Change 2001-2015</th>
<th>2015 Per Capita Values Benchmarked to the US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retiree</td>
<td>$23,803,212</td>
<td>52.4%</td>
<td>1.00</td>
</tr>
<tr>
<td>Government</td>
<td>$11,227,636</td>
<td>44.5%</td>
<td>0.79</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>$5,161,212</td>
<td>53.9%</td>
<td>0.79</td>
</tr>
<tr>
<td>Professional and technical services</td>
<td>$4,708,799</td>
<td>75.2%</td>
<td>0.68</td>
</tr>
<tr>
<td>Hardship Related Transfer Payments</td>
<td>$3,800,059</td>
<td>111.1%</td>
<td>0.85</td>
</tr>
<tr>
<td>Construction</td>
<td>$3,618,880</td>
<td>3.4%</td>
<td>1.04</td>
</tr>
<tr>
<td>Retail trade</td>
<td>$3,340,109</td>
<td>4.9%</td>
<td>0.96</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$3,064,418</td>
<td>-17.2%</td>
<td>0.86</td>
</tr>
<tr>
<td>Hospitality</td>
<td>$2,216,495</td>
<td>55.5%</td>
<td>0.63</td>
</tr>
<tr>
<td>Other services, except public administration</td>
<td>$1,904,130</td>
<td>25.8%</td>
<td>0.87</td>
</tr>
</tbody>
</table>

### Questions & Discussion

**Critical Questions**

- [Diagram](#)

- [Table](#)

- [Graph](#)
Critical Questions
1. Demographic Changes?
2. Economic Changes?
3. Personal Income Changes?
4. Estate Wealth Formation?
5. Key Trends?
6. Curves in the Road?
7. Resources?

Questions & Discussion

Next Steps – Don
Wrap Up & Thanks - Charlotte
Project Schedule

February – Project Start
March – Model Development
  March 28th – First TAC Meeting
April – Ground-Truthing
  Preliminary TOW Findings
May – Research & Refined Scenarios
  Second TAC Meeting
June – Final Findings
  Third TAC Webinar - Final Report
July – Project Closeout

Questions & Discussion

For More Information

Community Development Philanthropy
Transfer of Wealth

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