



WYOMING
COMMUNITY
FOUNDATION

Wealth In Wyoming

Executive Summary

Initial estimates of the inter-generational wealth transfer occurring in Wyoming between 2000 and 2050.

Commissioned by the Wyoming Community Foundation

What is Inter-generational Wealth Transfer?

This term refers primarily to household estate wealth that is transferring from the current generation to the next. Typically a death is the trigger that puts into motion this transfer.

According to Boston College in their landmark study - Millionaires and the Millennium - the United States is in the midst of the largest inter-generational wealth transfer in American history. The Boston College researchers conservatively estimate that during the first half of the 21st Century \$41 trillion of wealth will pass from the current generation to the next.

On average, per capita wealth to be transferred in the United States is \$145,000 (in current dollars). Because the United States is growing demographically and is likely to continue creating new wealth faster than old wealth is transferred, the trend line for U.S. wealth transfer is projected to expand over time. (2000 through 2050)

Wyoming Estimates

Wyoming is part of this trend. It is estimated that during the next 50 years Wyoming will experience nearly \$60 billion in inter-generational wealth transfer. This is a remarkable legacy and reflects on the hard work, prudence and enterprise of the current generation over their lifetime.

On average, each year during this five decade long period, Wyoming will see \$1.2 billion transferring from the current generation to the next. The actual inter-generational transfer levels will vary by year driven by the timing of current wealth holders transferring their estates.

What does \$60 billion over 50 years or \$1.2 billion per year mean for Wyoming and its citizens? It is hard to anticipate what Wyoming will look like in 2050. So if we focus on the next ten years what does this trend mean for Wyoming? It is estimated that in the coming decade \$11.9 billion will be transferred. This trend represents a significant opportunity for Wyoming and its ability to build a brighter future for itself.

Transferred to Whom?

Generations come and go - it is a fact of nature. Wealth created in Wyoming over the current generation and stored in the estates of families will transition over the next 50 years.

The question is where will this wealth transition? Typically the wealth is gifted to heirs, churches and other causes close to the hearts of the people who earned this wealth. Because of low financial planning rates - too much of this wealth may be unnecessarily lost to taxes.

Communities in Wyoming have the opportunity to ask donors to give back to the communities that have supported them.

Opportunities for Wyoming Communities

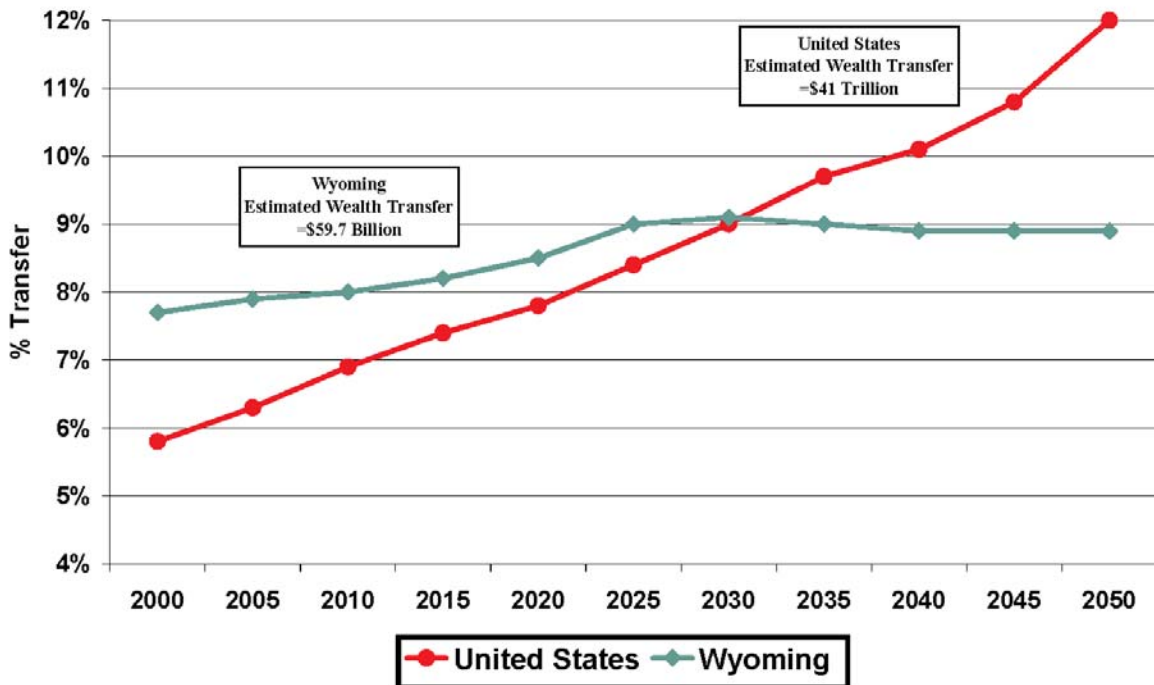
If just five percent of the wealth being transferred over the next 10 years were pledged to community-based endowments, a cumulative endowment of \$597 million could be created. These endowments could mean new resources essential to building stronger communities throughout the Cowboy State.

Typically a conservative payout rate is five percent of the endowment value. At this rate, the endowment will continue to grow and remain inflation proof. Under such a scenario the endowments built in Wyoming would be able to support community betterment throughout time. At this rate, Wyoming's communities would have nearly \$30 million annually for betterment projects. This is a remarkable opportunity for strengthening communities, economies and families in Wyoming year in and year out.

\$30 Million Per Year Forever!

Think of what \$30 million per year of new resources could mean for Wyoming's communities. Within a decade it could mean hundreds of new libraries, athletic fields, programs to help entrepreneurs, upgraded swimming pools, needed health care facilities and so much more.

**Figure 1 - Wyoming's Wealth Transfer
A Likely Scenario**



The level of inter-generational wealth transfer in Wyoming is projected to be somewhat lower when compared to the U.S. averages. For example, the per capita Wyoming wealth transfer average is \$120,000 compared with the U.S. average at \$145,000 (83% of the U.S. level). This is due to many factors including; lower historical income levels, lower asset holdings and external ownership of key assets (such as public lands, mineral and energy holdings by outside concerns).

Given the demographics of Wyoming (e.g., migration, age, growth & death rates) compared to the U.S., we can expect that the transfer of wealth will occur sooner in Wyoming with some counties seeking peak wealth transfer occurring in this decade.

County Analysis

Many factors may affect the actual wealth transfer rates and opportunities on a county-by-county basis. Factors such as the presence of natural resources, public lands, amenities, second home development, Native American communities, new immigrant communities and mining/energy jobs will assert variation in county levels and rates. This analysis has attempted to reflect these influences.

Figure 2 -Wealth Indicators by County in Wyoming

B = Billions & M = Millions of Dollars

County	50 Year Transfer	Average Annual Transfer	Average Ten Year Transfer	5% Endowment Capture*	5% Giveback Rate**
Wyoming	\$59.70B	\$1.19B	\$11.94B	\$597.03M	\$29.85M
Albany	\$3.34B	\$66.88M	\$668.79M	\$33.44M	\$1.67M
Big Horn	\$993.98M	\$19.88M	\$198.80M	\$9.94M	\$496,988
Campbell	\$3.98B	\$79.52M	\$795.23M	\$39.76M	\$1.99M
Carbon	\$1.56B	\$31.19M	\$311.86M	\$15.59M	\$779,650
Converse	\$1.20B	\$23.97M	\$239.66M	\$11.98M	\$599,148
Crook	\$624.87M	\$12.497M	\$124.97M	\$6.25M	\$312,435
Fremont	\$3.23B	\$64.52M	\$645.25M	\$32.26M	\$1.61M
Goshen	\$1.18B	\$23.60M	\$235.98M	\$11.80M	\$589,944
Hot Springs	\$467.04M	\$9.34M	\$93.41M	\$4.67M	\$233,520
Johnson	\$732.12M	\$14.64M	\$146.42M	\$7.32M	\$366,062
Laramie	\$10.79B	\$215.71M	\$2.16B	\$107.86M	\$5.39M
Lincoln	\$1.43B	\$28.69M	\$286.87M	\$14.34M	\$717,174
Natrona	\$8.65B	\$173.03M	\$1.73B	\$86.52M	\$4.33M
Niobrara	\$224.66M	\$4.49M	\$44.93M	\$2.25M	\$112,330
Park	\$3.15B	\$62.98M	\$629.81M	\$31.49M	\$1.57M
Platte	\$910.73M	\$18.21M	\$182.15M	\$9.11M	\$455,364
Sheridan	\$3.57B	\$71.31M	\$713.09M	\$35.65M	\$1.78M
Sublette	\$773.76M	\$15.48M	\$154.75M	\$7.74M	\$386,880
Sweetwater	\$4.76B	\$95.21M	\$952.09M	\$47.60M	\$2.38M
Teton	\$4.77B	\$95.45M	\$954.46M	\$47.72M	\$2.39M
Uinta	\$1.81B	\$36.26M	\$162.59M	\$18.13M	\$906,476
Washakie	\$875.88M	\$17.52M	\$175.18M	\$8.76M	\$437,939
Weston	\$684.13M	\$13.68M	\$136.83M	\$6.84M	\$342,063

* At the end of 10 years.

** Giveback rate is based on the endowment level after 10 years.

Wealth transfer levels and rates will vary from one corner of the Cowboy State to the next. Simply put, some Wyoming landscapes have more wealth than others. Additionally, some landscapes will see the transfer trend come sooner and others later (with respect to peak transfer times).

Teton County, as one might expect, has nearly twice the estimated inter-generational wealth when compared to the U.S. average and nearly three times the wealth of Wyoming's lowest wealth county. Laramie County for example - home to Cheyenne and the state's greatest population - has a wealth level moderately higher than the state average.

Sampling of overall per capita wealth levels:

Teton County	\$260,000
U.S. Average	\$145,000
Sheridan County	\$134,000
Laramie County	\$132,000
State Average	\$120,000
Carbon County	\$100,000
Big Horn County	\$ 87,000

Caution...

This analysis generates estimates we believe are factually based and reasonable. However, they are still just estimates. Only further community level work can more precisely document the actual wealth transfer opportunity. Additionally, 50 years is a long time and great change is likely to occur during this period. Changing conditions in Wyoming will likely alter the accuracy of these estimates over time.

Our estimates do not attempt to identify who controls Wyoming's wealth. We have made adjustments to exclude wealth that is unlikely to be available for community gifting (such as public lands or externally owned energy reserves). In many cases, wealth will be controlled by local families with deep roots in area communities. In other cases, the wealth may be externally owned with a range of community attachment.

For the complete report, including Interpretation Considerations, Methodology and Individual County Analysis, visit the Wyoming Community Foundation website at www.wycf.org.

For additional information contact:
George H. Gault, President
Wyoming Community Foundation
(307) 721-8300 or 1-866-708-7878
e-mail: george@wycf.org

Special Thanks...

This work would not be possible without the groundbreaking research of two efforts. First, there is the work of Boston College and their landmark study Millionaires and the Millennium. Second, there is the work of the Nebraska Community Foundation that underwrote the development of the methodology which enables the wealth in Wyoming analysis.

*The Wyoming Community Foundation commissioned the
Center for Rural Entrepreneurship in Lincoln, Nebraska to conduct this study.*



WYOMING
COMMUNITY
FOUNDATION

221 Iverson Ave., Suite 202
Laramie, WY 82070
(307) 721-8300 or 1-866-708-7878
www.wycf.org