

Alliance of Missouri Community Foundations

Transfer of Wealth Opportunity in Missouri by County and Foundation Region

April, 2023

Introduction

- The **Alliance of Missouri Community Foundations** commissioned a Transfer of Wealth study in 2022 to better understand the potential impact of the intergenerational wealth transfer on Missouri communities.
- This study seeks to provide insight into the expected transfer of wealth, the beneficiaries of this transfer, and the potential impact on local philanthropy.

Importance

- Understanding the expected transfer of wealth is essential for community foundations to plan and maximize their impact.
- With the anticipated intergenerational transfer of wealth, the Alliance can create strategic plans to capture a portion of this transfer for the benefit of their respective communities.
- By identifying potential beneficiaries of the wealth transfer, the Alliance can target their outreach and fundraising efforts to capture a larger share of the transfer.
- Working together, the Alliance of Missouri Community Foundations can create a legacy of philanthropy that will benefit Missouri for generations to come.

Executive Summary

- Missouri's population is aging, with a larger proportion of the population reaching retirement age in the coming decades.
 - [Missourians Aging with Dignity Initiative](#) announced by Governor Parson, January 19, 2023 validates these findings.
- This aging population is expected to lead to an increase in the amount of wealth transferred between generations, as older adults pass on their assets to their heirs.
- At the same time, Missouri is not growing in population and has experienced population loss in recent years, with some areas of the state, particularly rural counties, seeing dramatic declines.
- This population loss can have an impact on the transfer of wealth, as fewer households means less potential for intergenerational wealth transfer.
- Additionally, Missouri's average household size has been decreasing over time, which can also affect the amount of wealth that is transferred between generations as smaller households may have fewer potential heirs and may therefore transfer less wealth than larger households.
- However, it's worth noting that smaller households may also be more likely to direct their wealth towards charitable giving and community foundations.

Key Findings

- This study estimates the current Transfer of Wealth Opportunity in Missouri is over \$114 Billion, with a ten-year projected value of \$153.38 Billion.
 - Baby Boomers and older generations are expected to transfer the largest share of wealth, with an estimated \$137.5 Billion over the next ten years.
- Capturing 5% of the total transfer (all generations) over the next ten years would lead to the Alliance of Missouri Community Foundations collecting \$7.67 Billion and investing over \$383 Million in Missouri communities.
- Over the next 50 years these figures grow to a value of \$500 Billion and capturing \$25 Billion, while paying out \$1.25 Billion.
- 165,748 Missourians reside in eight counties currently undesignated by the Alliance.
 - The current Transfer of Wealth Opportunity among the undesignated counties stands at \$2.9 Billion – ranging from \$47.2 Million in Schuyler County to \$896 Million in Lincoln County.
 - Over the next ten years, over \$3.87 Billion of wealth is expected to transfer among families in undesignated counties and capturing 5% of this transfer of wealth would amount to \$193.5 Million for the Alliance.

Wealth Transfer Model

The wealth transfer model is a statistical approach that estimates the amount of wealth that will be transferred between generations based on household size, life expectancy, and wealth distribution.

The wealth transfer model considers several key factors, including:

1. **Demographics:** The model considers the age distribution of the population and the timing of intergenerational transfers of wealth based on life expectancy and mortality rates.
2. **Household Size:** The model considers changes in household size over time and how this affects the amount of wealth that will be transferred between generations.
3. **Life Expectancy and Mortality:** The study used life expectancy and mortality rates to estimate the number of deaths and the timing of intergenerational transfers of wealth.
4. **Income and Wealth Distribution:** The model uses data on income and wealth distribution to estimate the expected amount of wealth that will be transferred between generations. For example, households with higher incomes and wealth are expected to transfer more wealth than households with lower incomes and wealth.
5. **Charitable Giving:** The model also considers the potential impact of charitable giving on the transfer of wealth. The Alliance advised a 5% wealth transfer to be directed towards charitable giving and community foundations.
6. **Projections:** Based on the data and analysis techniques used, the study generated projections of the expected transfer of wealth in Missouri over the next ten and fifty years.

Data Sources

Federal Reserve: The study utilized the Federal Reserve's **Survey of Consumer Finances** - a nationally representative survey that collects information on the distribution of wealth among households in the United States.

US Census Bureau: The US Census Bureau provided data on the demographic characteristics of the US population, including population growth, aging, and household size.

ESRI: ArcGIS Business Analyst is a demographic mapping software tool used to estimate future changes in population and household and was the primary source of wealth estimates.

Center for Disease Control: The life expectancy and mortality rates used in the wealth transfer model are based on data from the most recent twenty years of CDC reporting.

Limitations

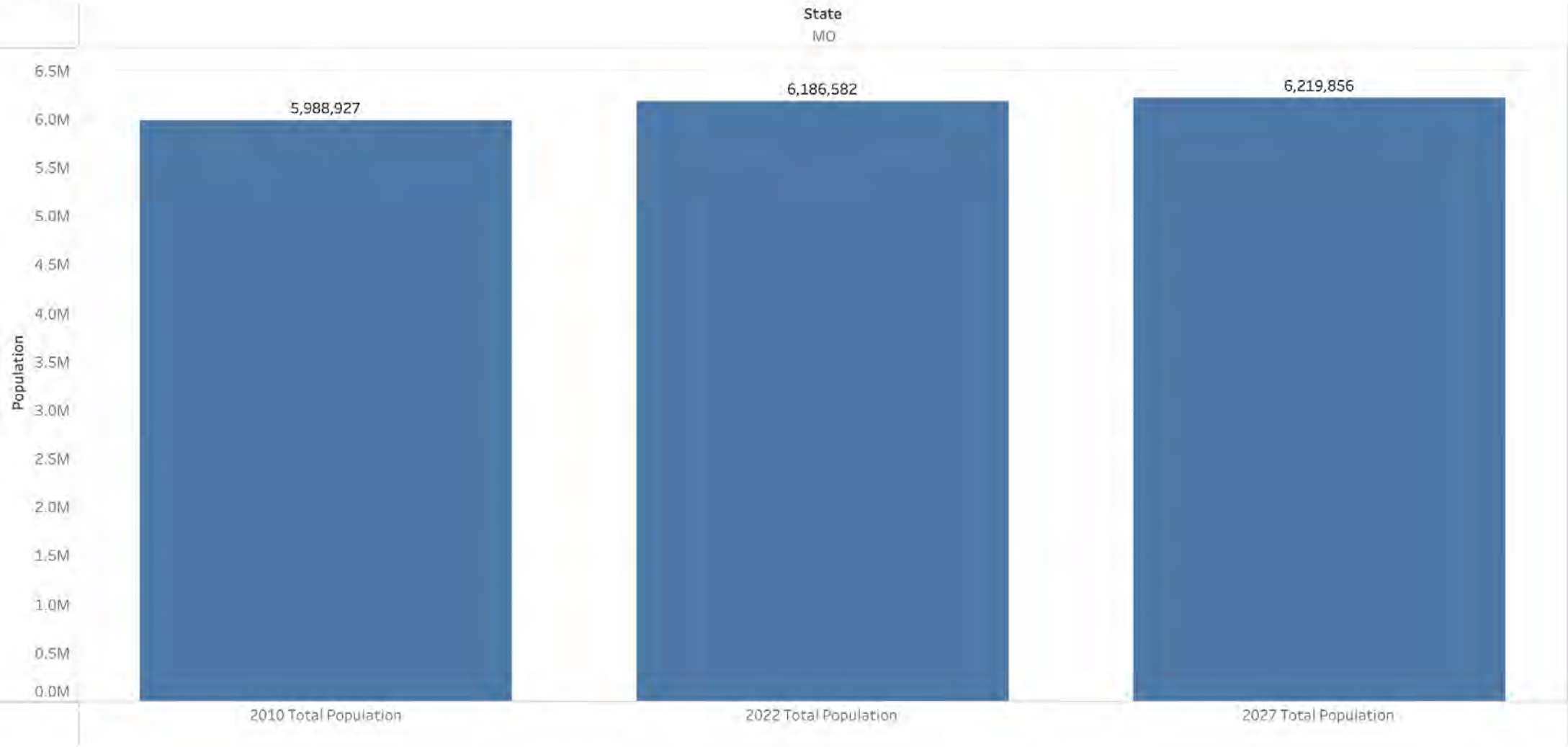
- It is important to note that this Transfer of Wealth study is based on assumptions and projections and may not reflect actual outcomes.
- The study relies on data sources and analysis techniques that may have limitations and biases.
- The study did not consider potential changes in public policy, economic conditions, or other factors that could impact the transfer of wealth in Missouri over time.

Missouri

Demographics and Net Worth

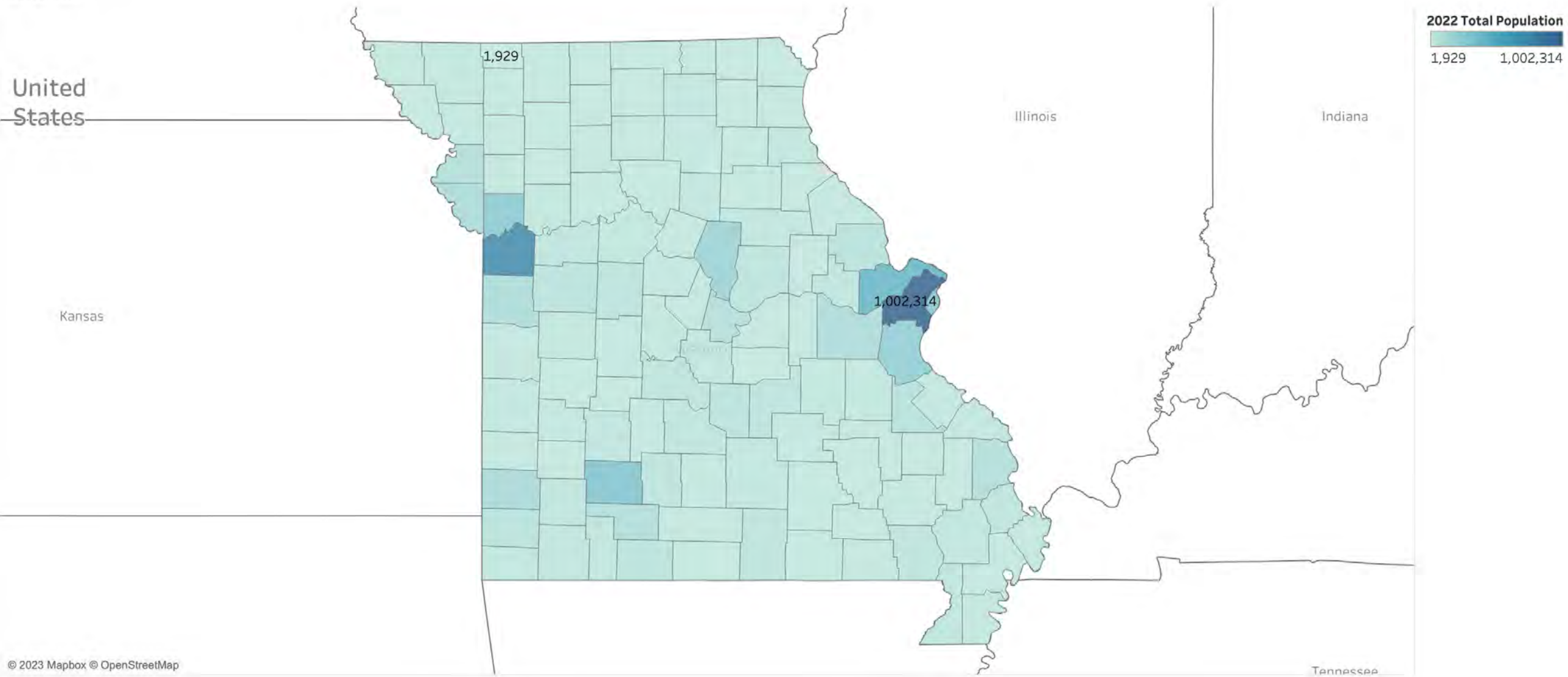
Missouri's population is not growing at the pace once projected. The State was expected to add around 712,000 people between 2010 and 2030. Since 2010, Missouri has grown by 197,655 with an additional 33,274 expected in the next five years – a total of 230,929 since 2010.

Source: ESRI



St. Louis County is the largest in Missouri with a population of just over a million residents. The smallest county is Worth in Northwestern Missouri, with a population of only 1,929.

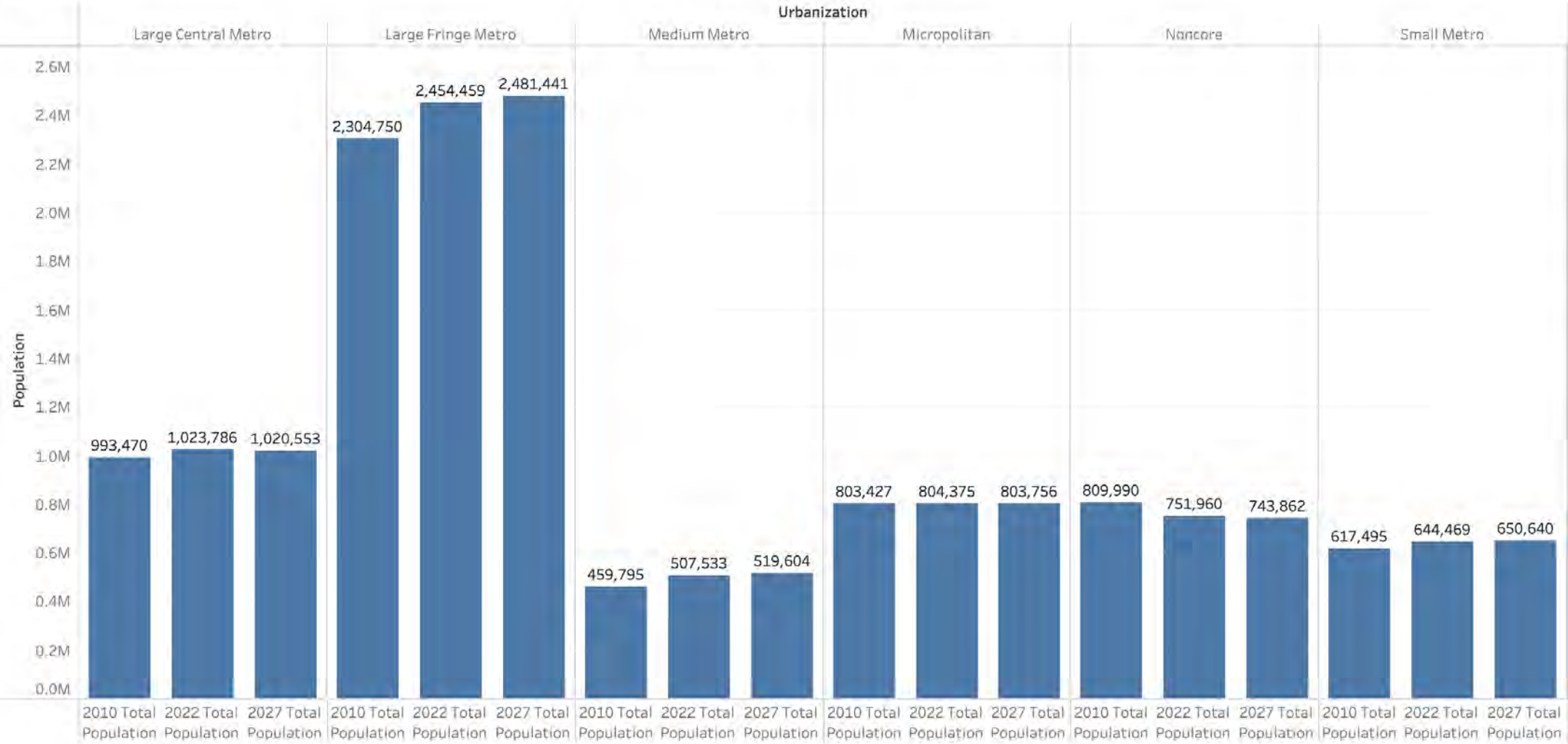
Source: ESRI



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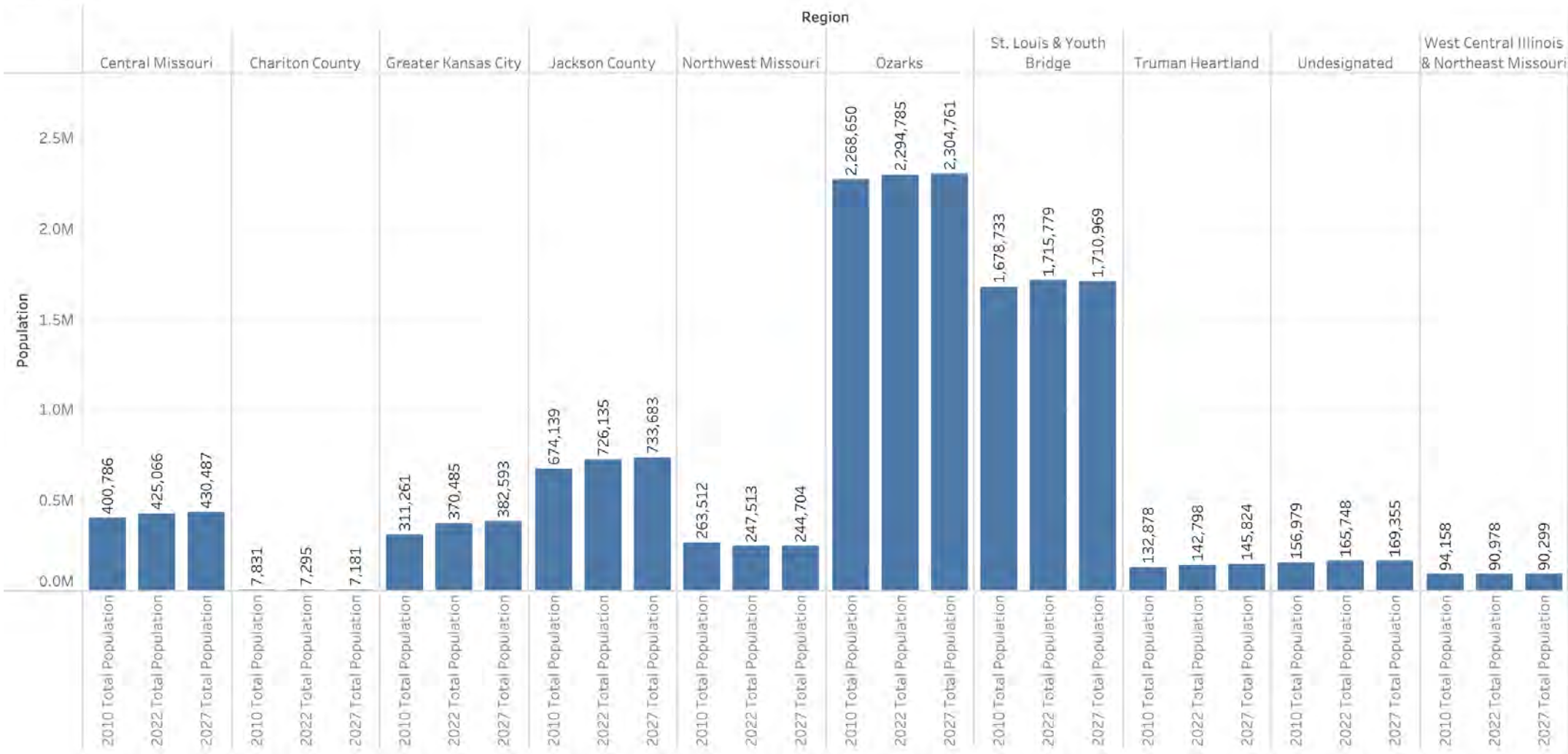
By levels of urbanization, Missouri counties have seen slight upticks in population – most significantly in counties defined as Large Fringe Metro. Rural counties, or those classified as noncore, are the only level of urbanization to experience population decline.

Source: ESRI



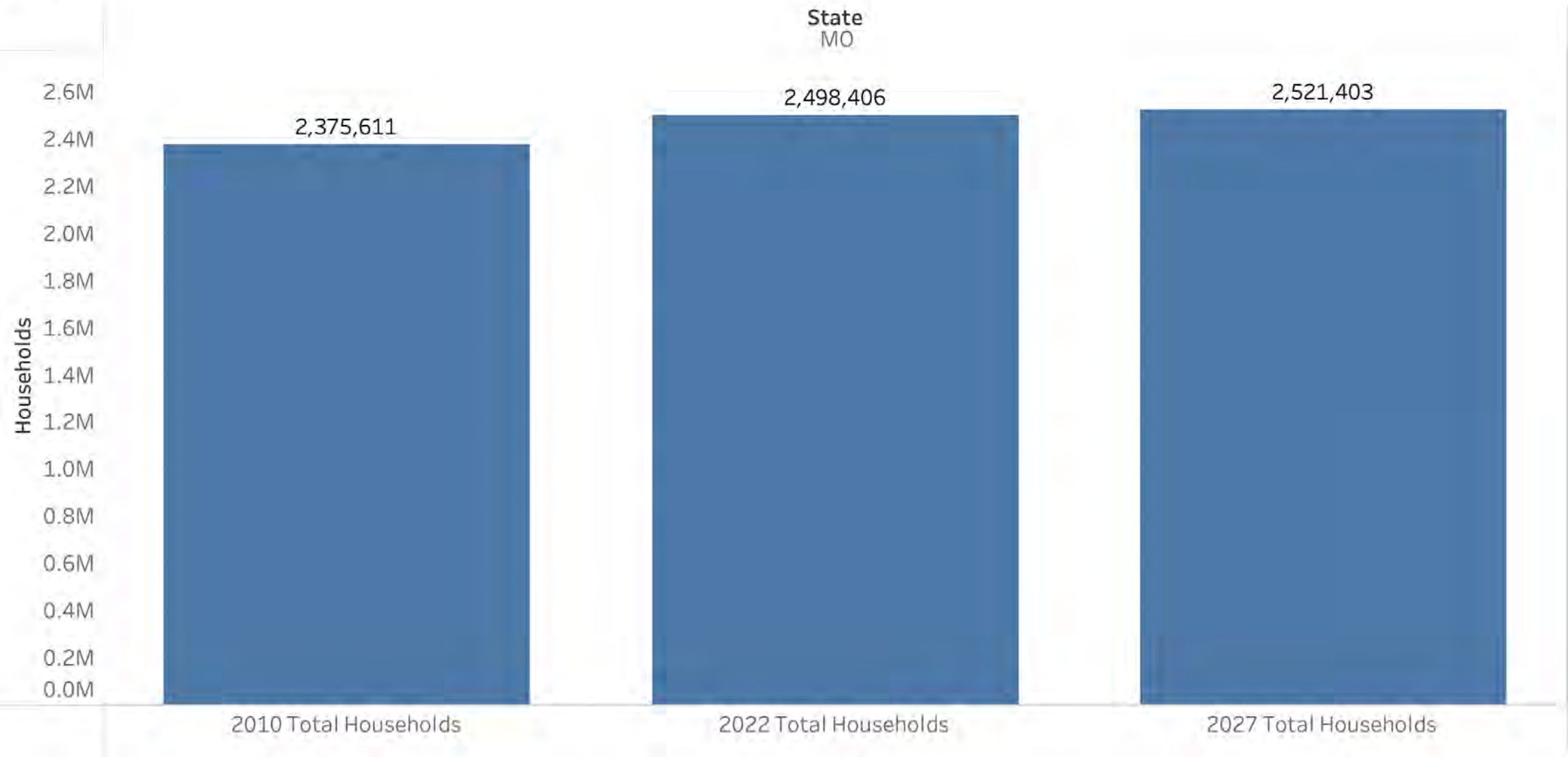
Most regions of the Alliance of Missouri Community Foundations have experienced and are projected to continue slight increases in population. The exceptions being Chariton County, Northwest and Northeast Missouri. St. Louis grew over the past decade but is projected to decline by roughly 5,000 residents in the next five years.

Source: ESRI



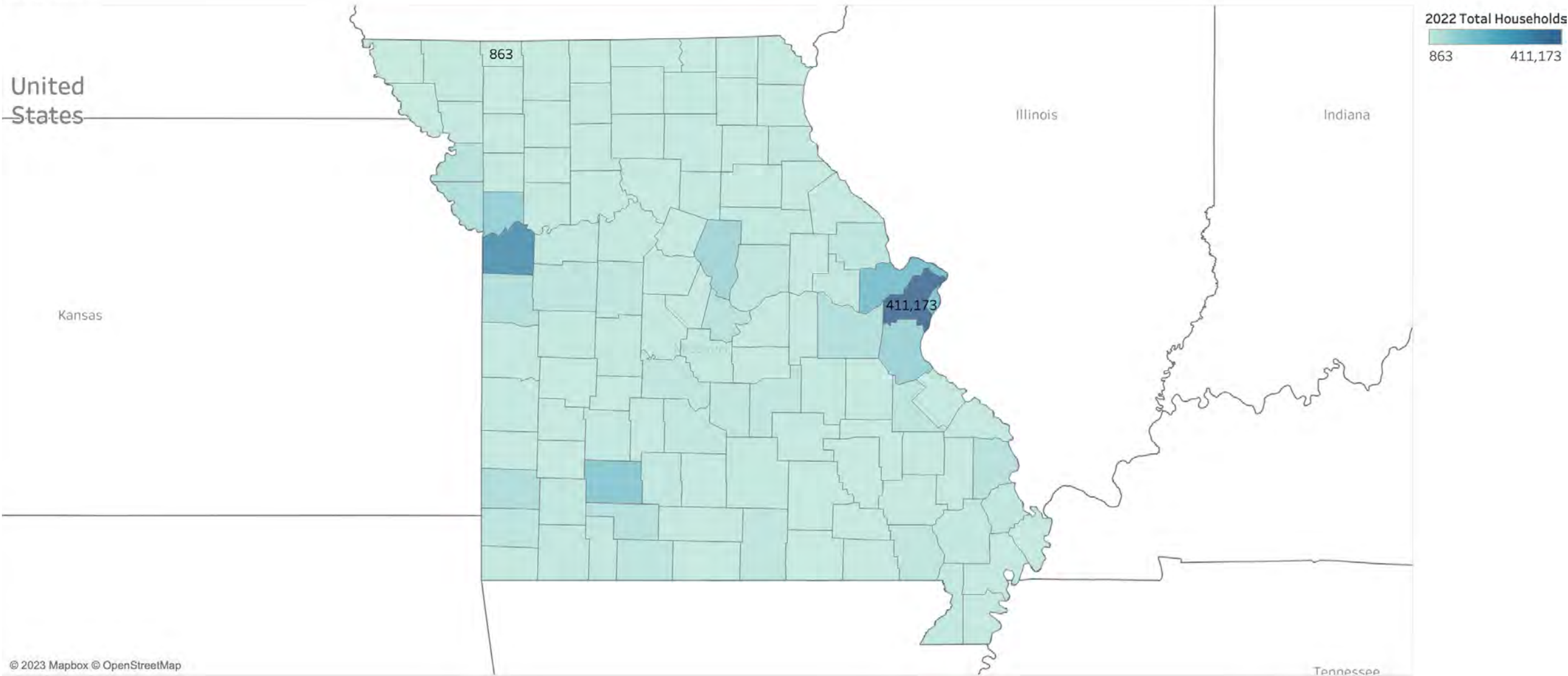
Total Missouri households grew by 122,795 since 2010 but is only expected to increase by 23,000 in the next five years.

Source: ESRI



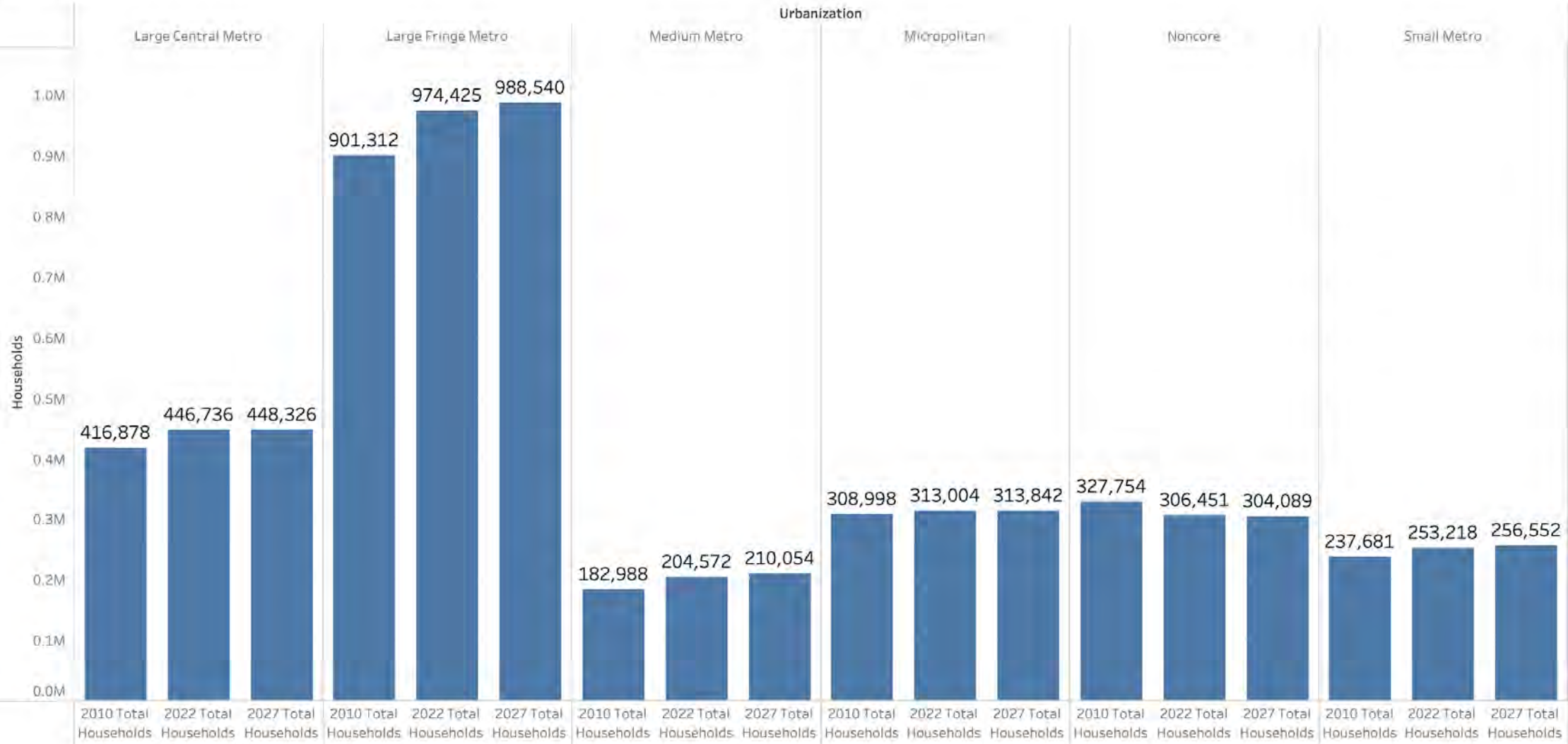
Like population, substantial household totals are in Missouri's Large Fringe Metro counties.

Source: ESRI



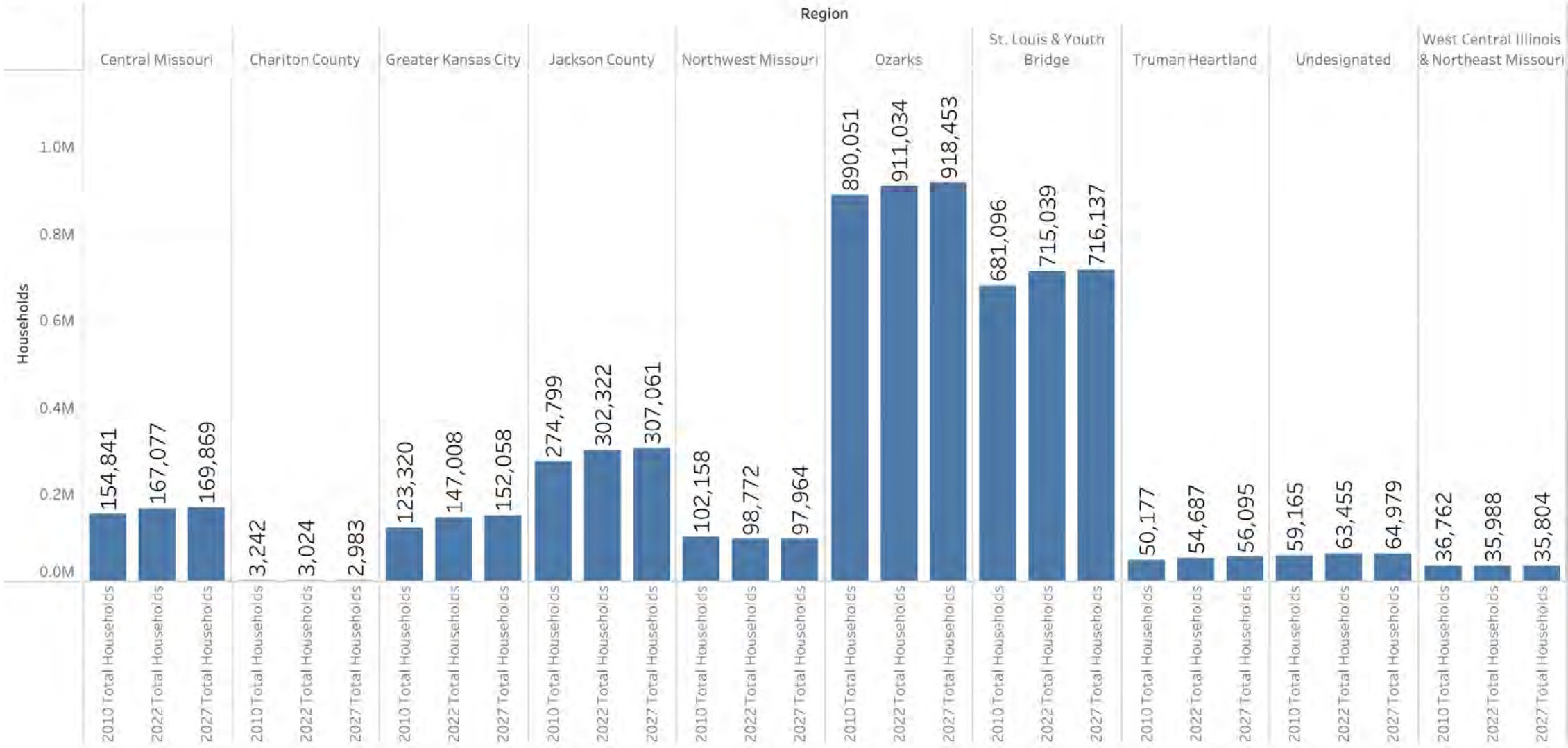
Again, like population, household totals are expected to grow only slightly with the exception being rural, or noncore, counties.

Source: ESRI



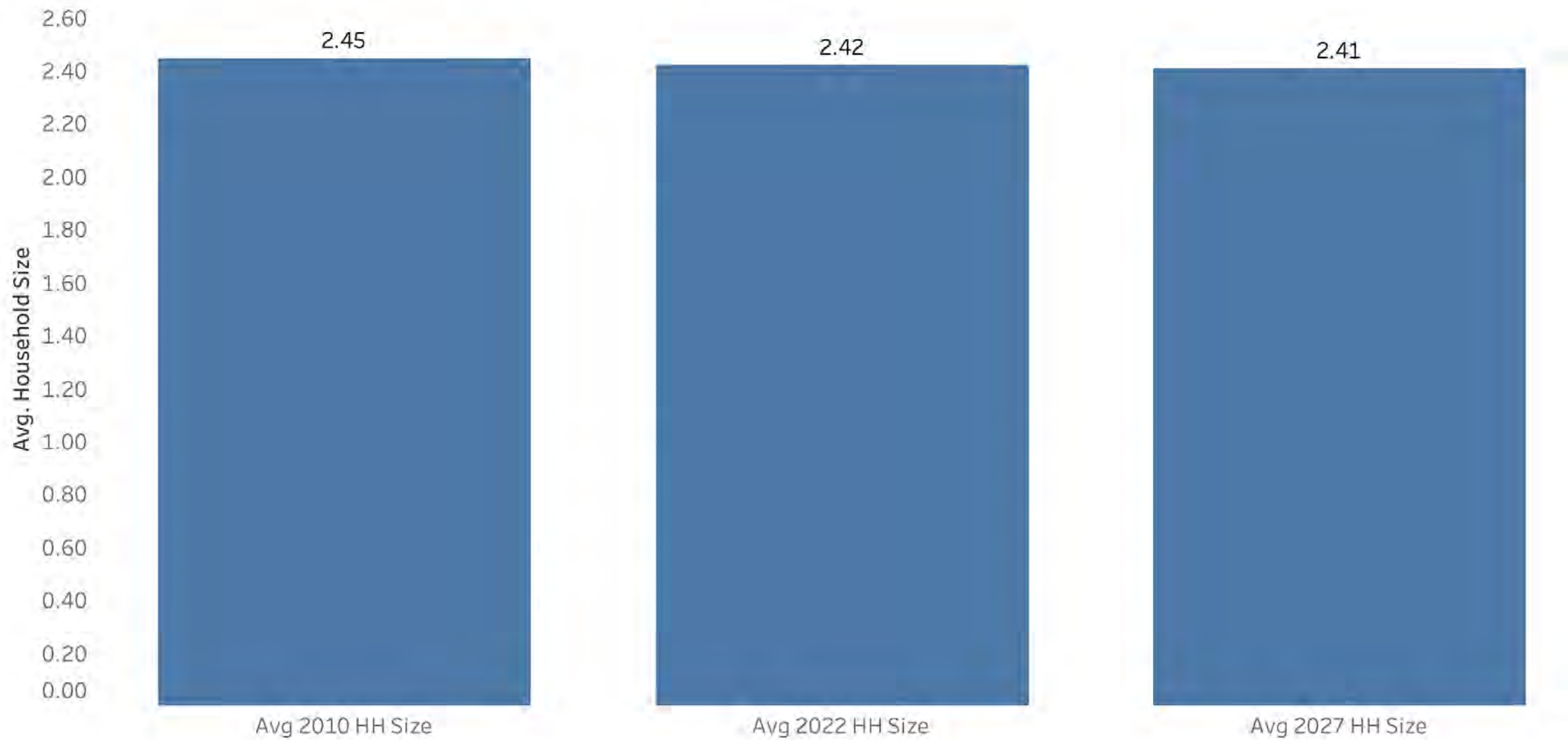
Most foundation regions anticipate some increase in household totals except for Chariton County, Northwest and Northeast Missouri – underscoring population decline in these regions.

Source: ESRI

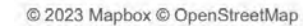


The average size of households in Missouri has remained relatively stagnant since 2010.

Source: ESRI

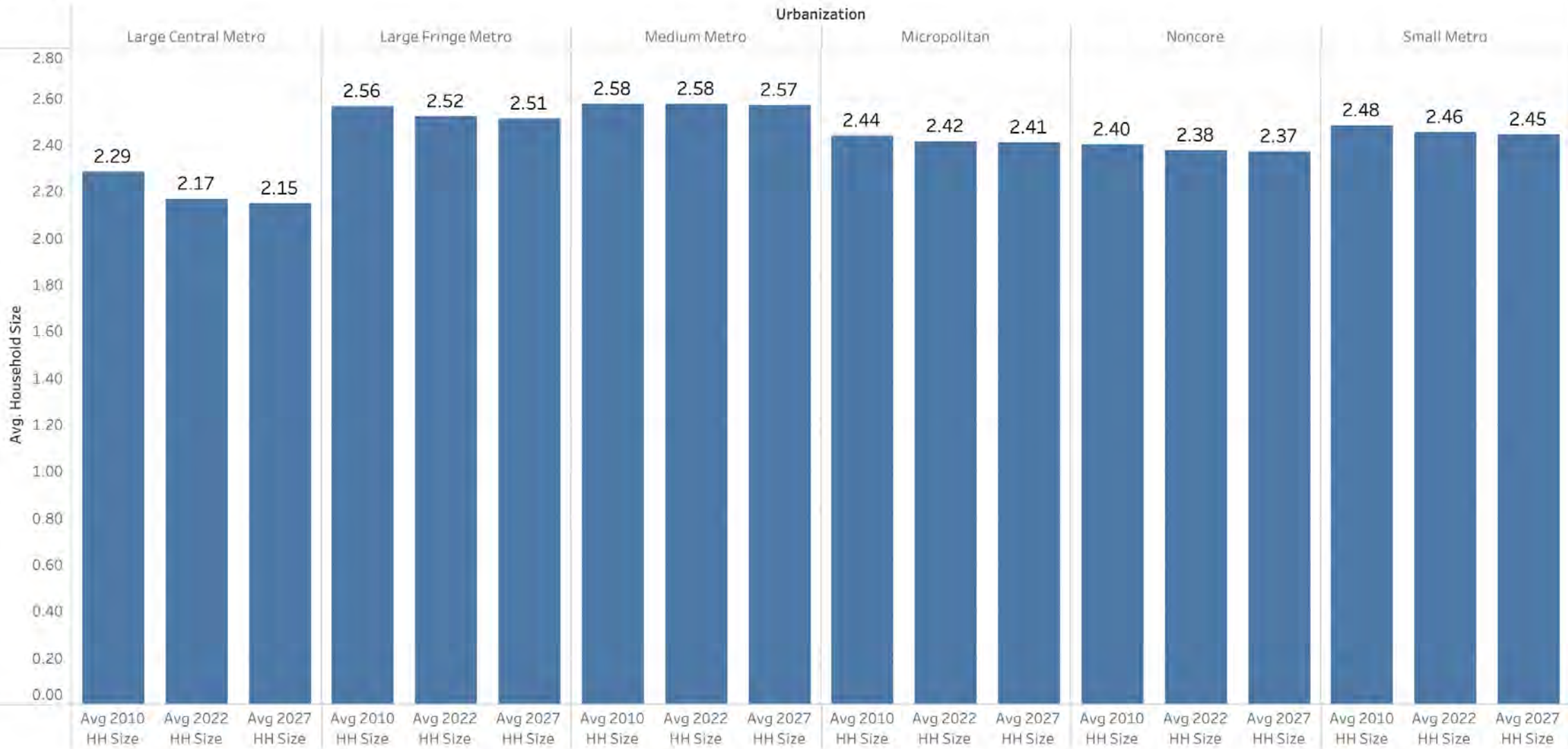


Source: ESRI



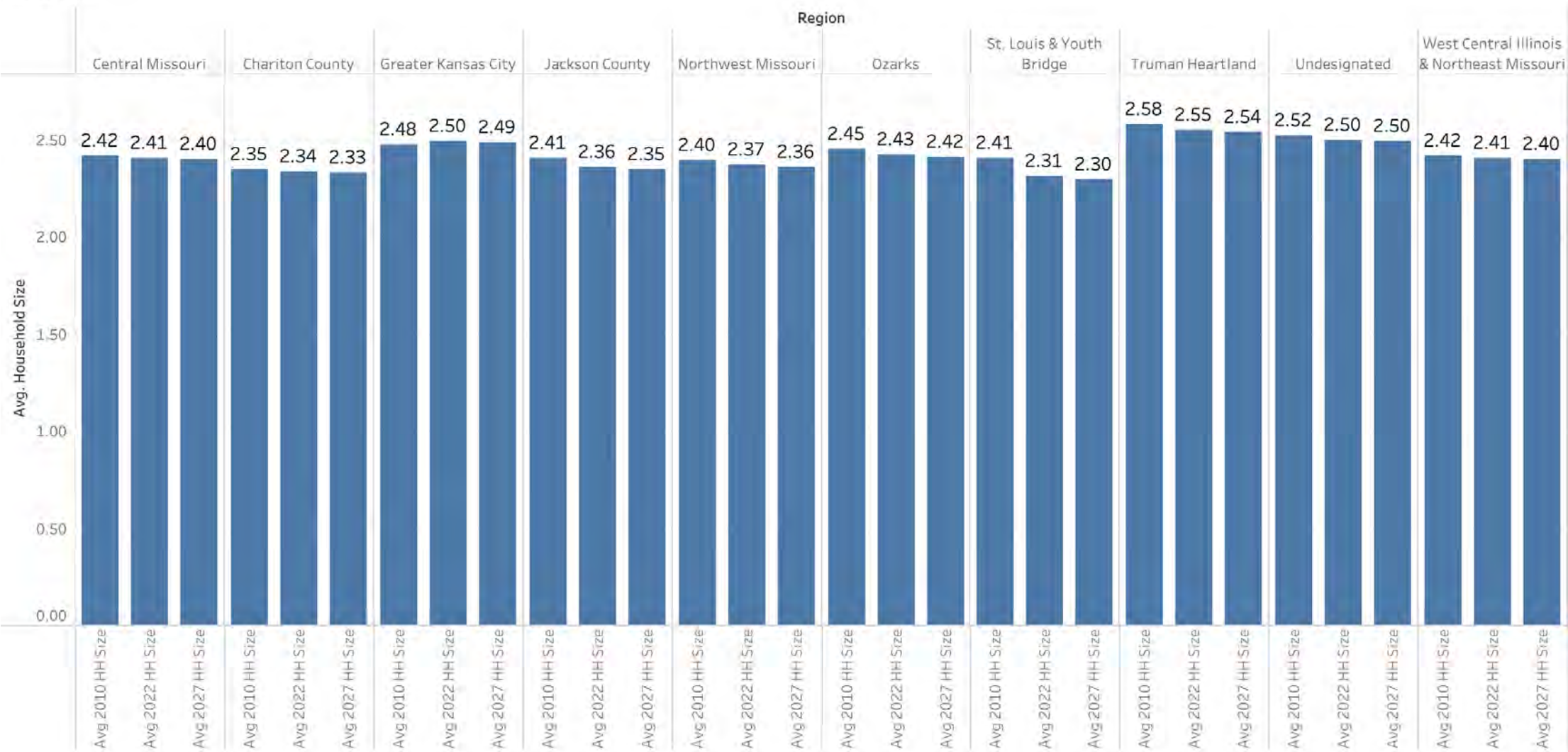
All levels of urbanization have and are expected to continue to experience slight declines in average household size, with Large Central Metros – Kansas City and the City of St. Louis – experiencing the steepest decline (-0.12 between 2010 and 2027).

Source: ESRI



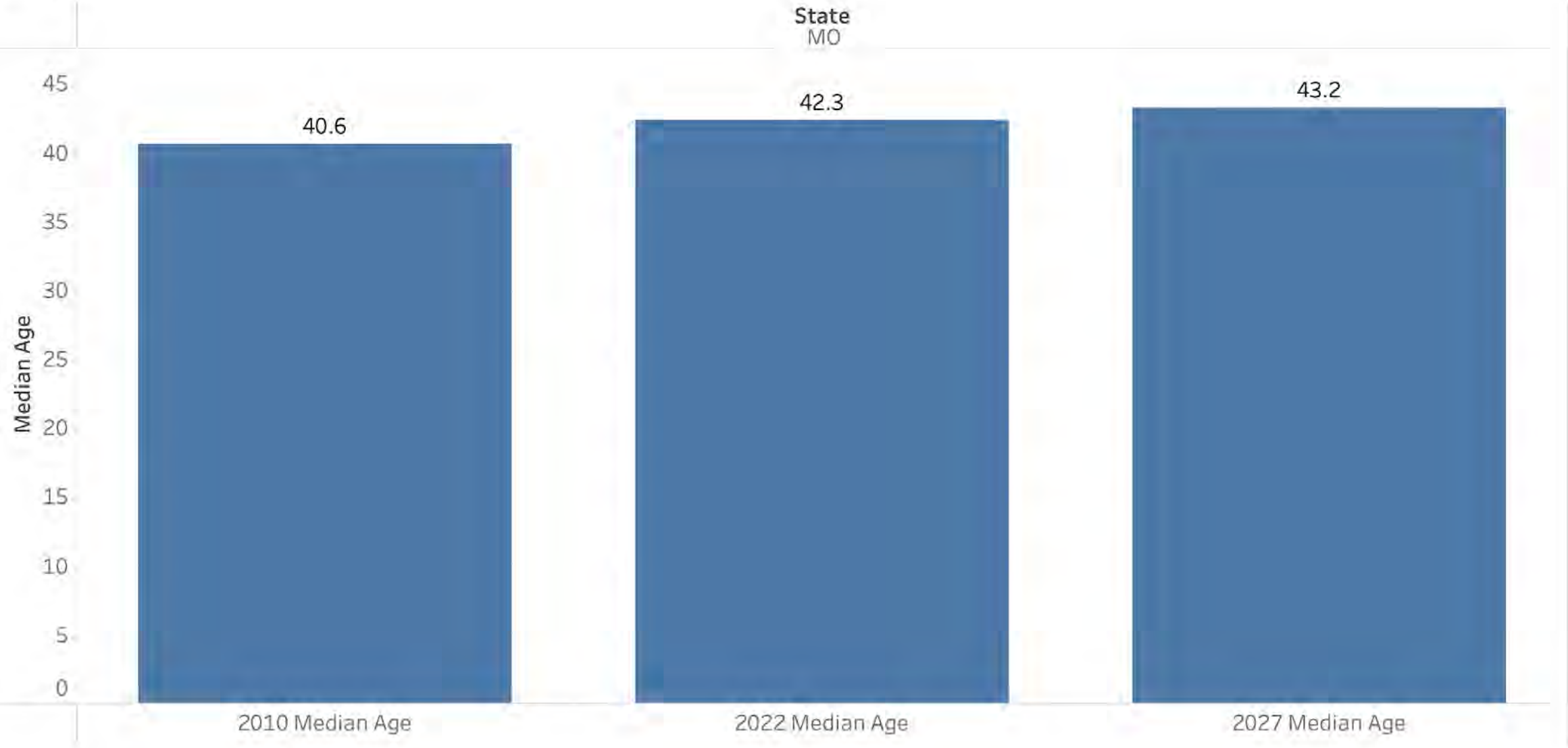
Similarly, by foundation region, each anticipate slight decreases in average household size with St. Louis experiencing the most significant decrease (-0.11 between 2010 and 2027).

Source: ESRI



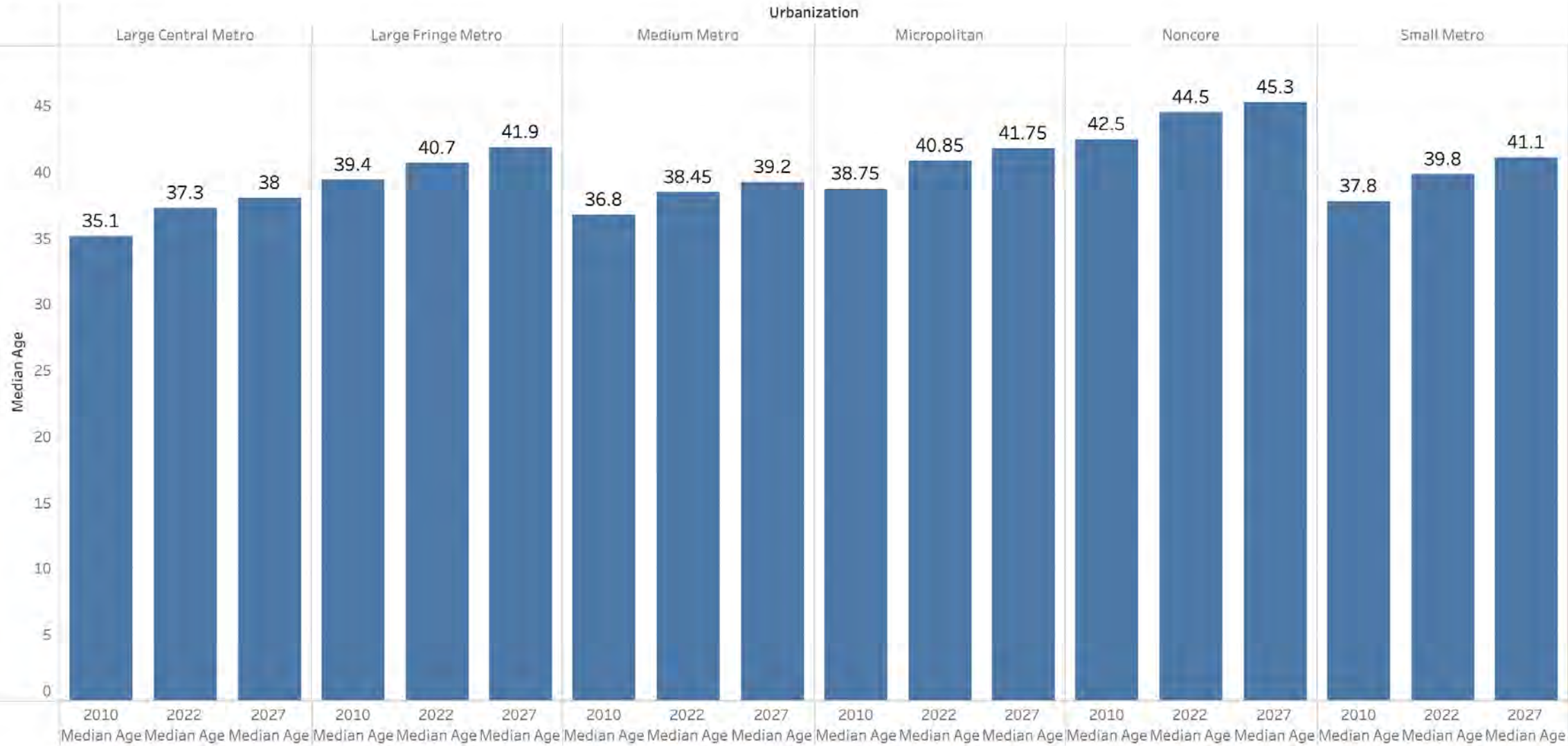
Missouri overall is getting slightly older, with the median age expected to increase by 2.6 years (8%) between 2010 and 2027.

Source: ESRI

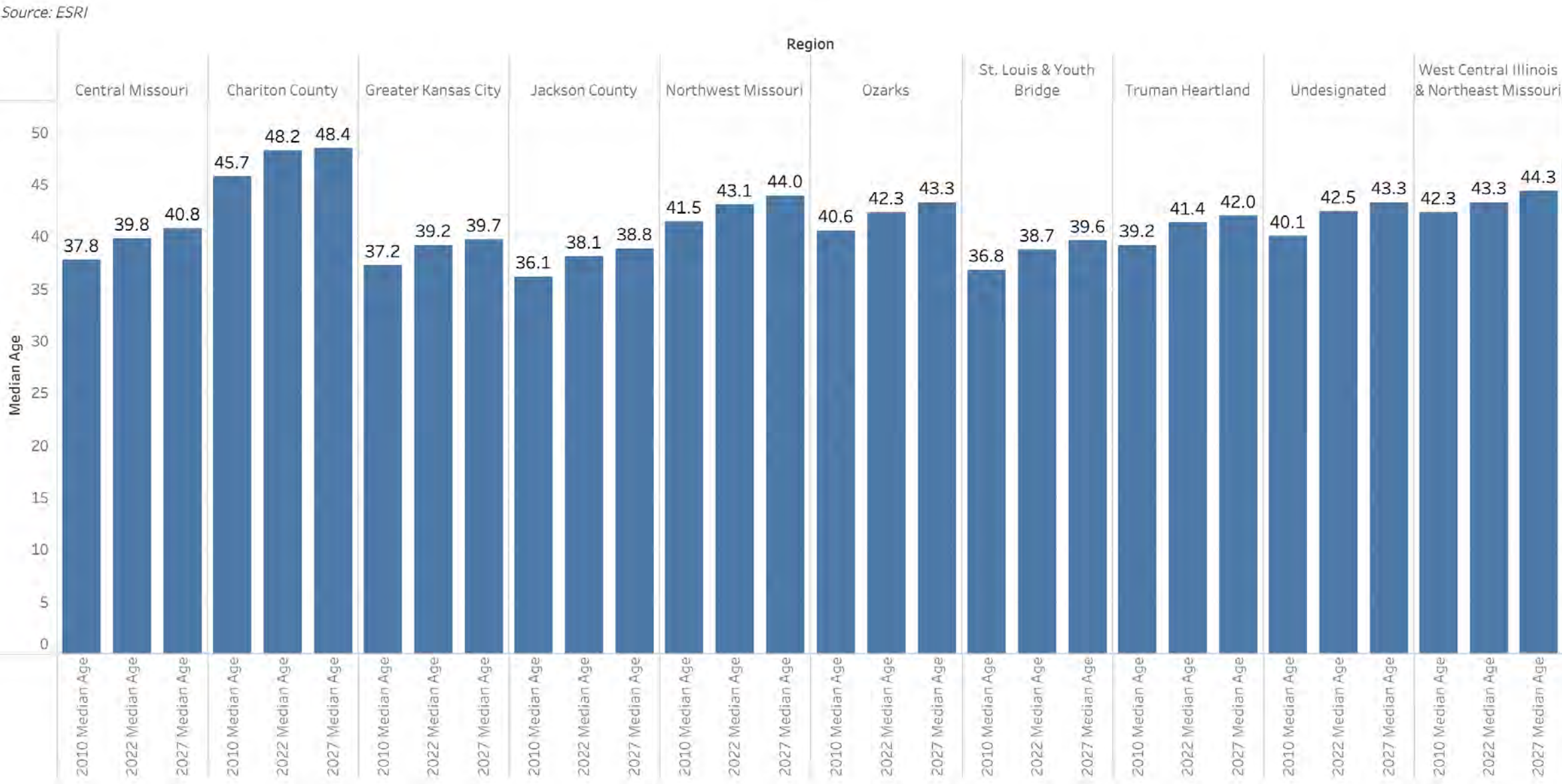


Every urbanization level has experienced and is projected to continue to experience an increase in median age, with Missouri's rural communities expected to have a Median Age over 45 years old by 2027 – over seven years older than its urban communities.

Source: ESRI



All foundation regions anticipate an increased median age.



Executive Order 23-01

WHEREAS, the State of Missouri is committed to ensuring that all citizens can age with dignity, safety, and independence;

WHEREAS, the State of Missouri intends to support all citizens as they age to ensure older adults and individuals with disabilities live as safely and independently as possible in the environment of their choice while fully participating in their community;

WHEREAS, there are **more than 1.1 million Missouri citizens over age 60**;

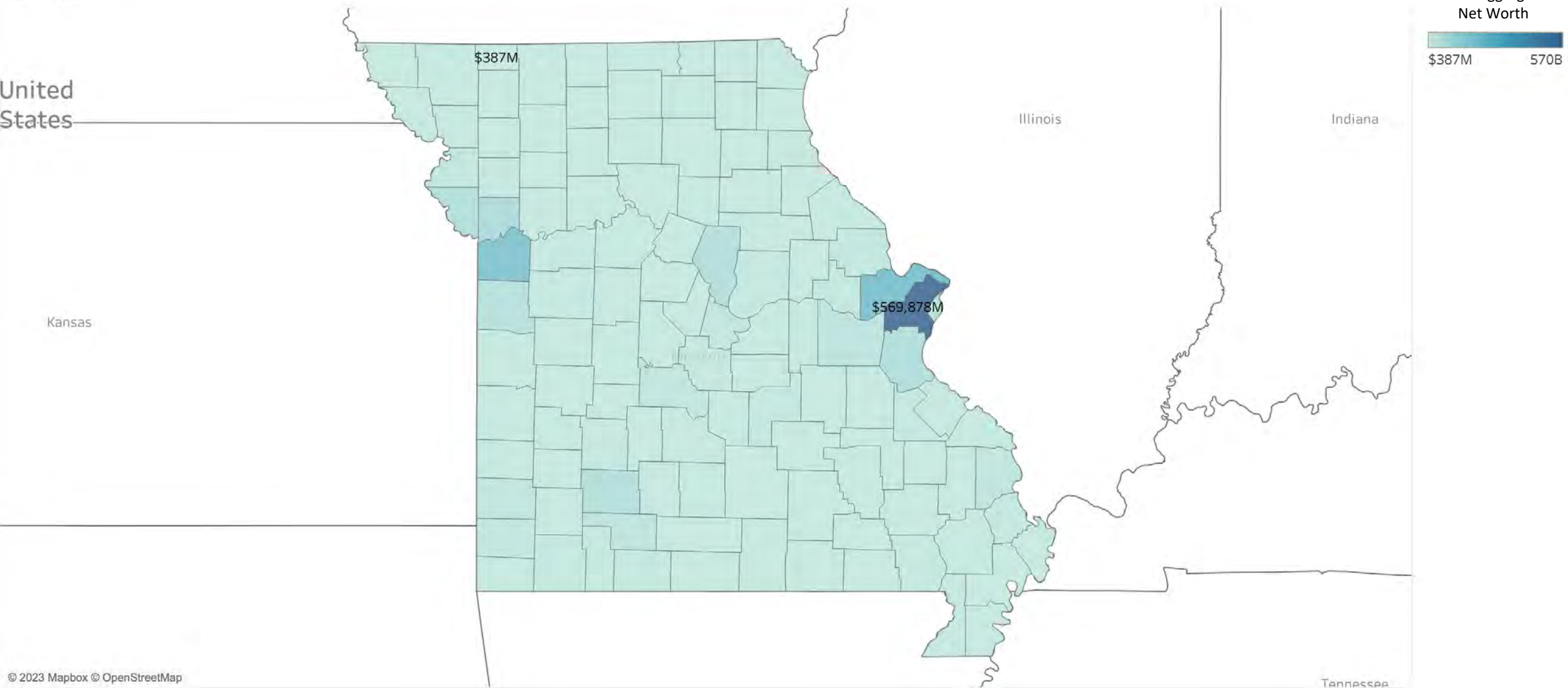
WHEREAS, the older adult population represents an increasingly diverse and rapidly growing group due to increased longevity;

WHEREAS, estimates suggest that **older adults will outnumber minors for the first time by 2030, and older adults will greatly outnumber minors by 2060...**

[Missourians Aging with Dignity Initiative](#) announced by Governor Parson, January 19, 2023

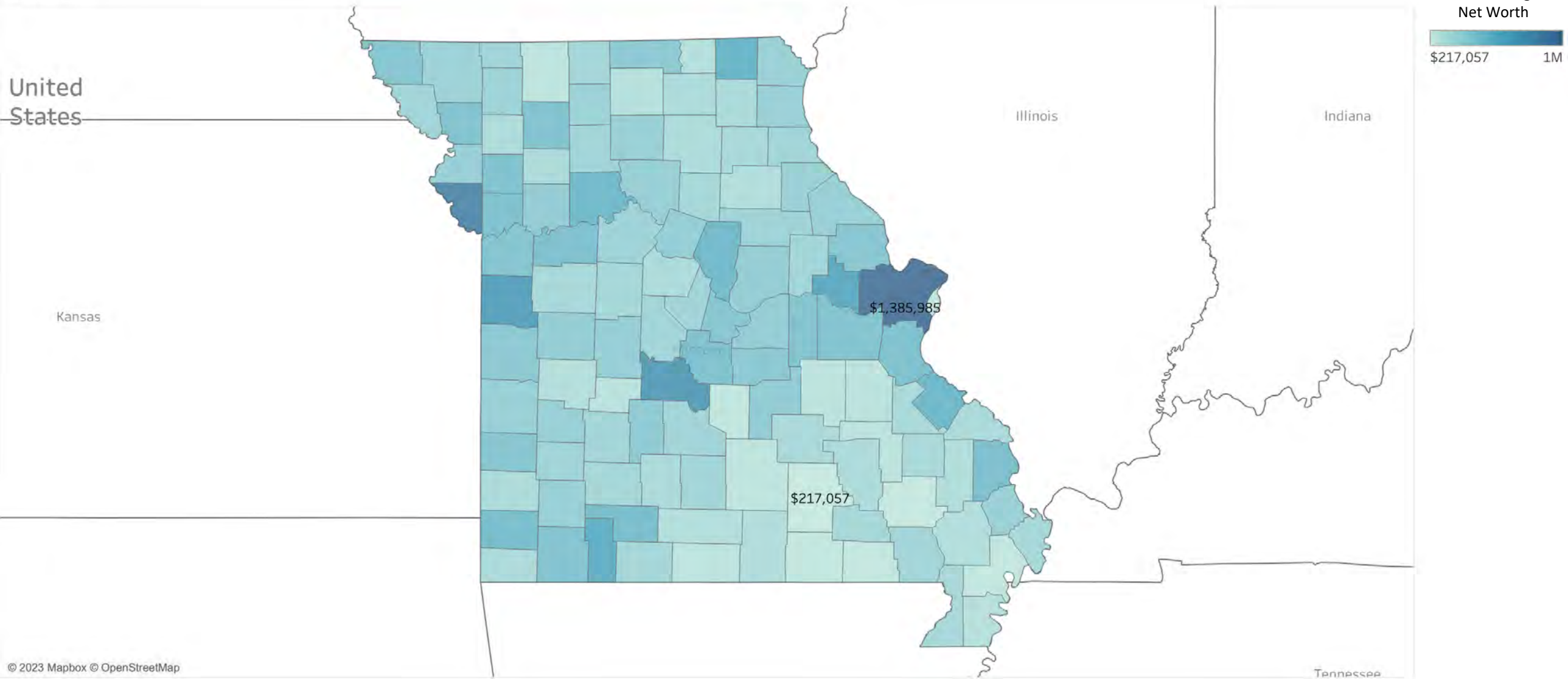
Total net worth by county ranges from \$386.6 Million (Worth) to nearly \$570 Billion (St. Louis County).

Source: ESRI



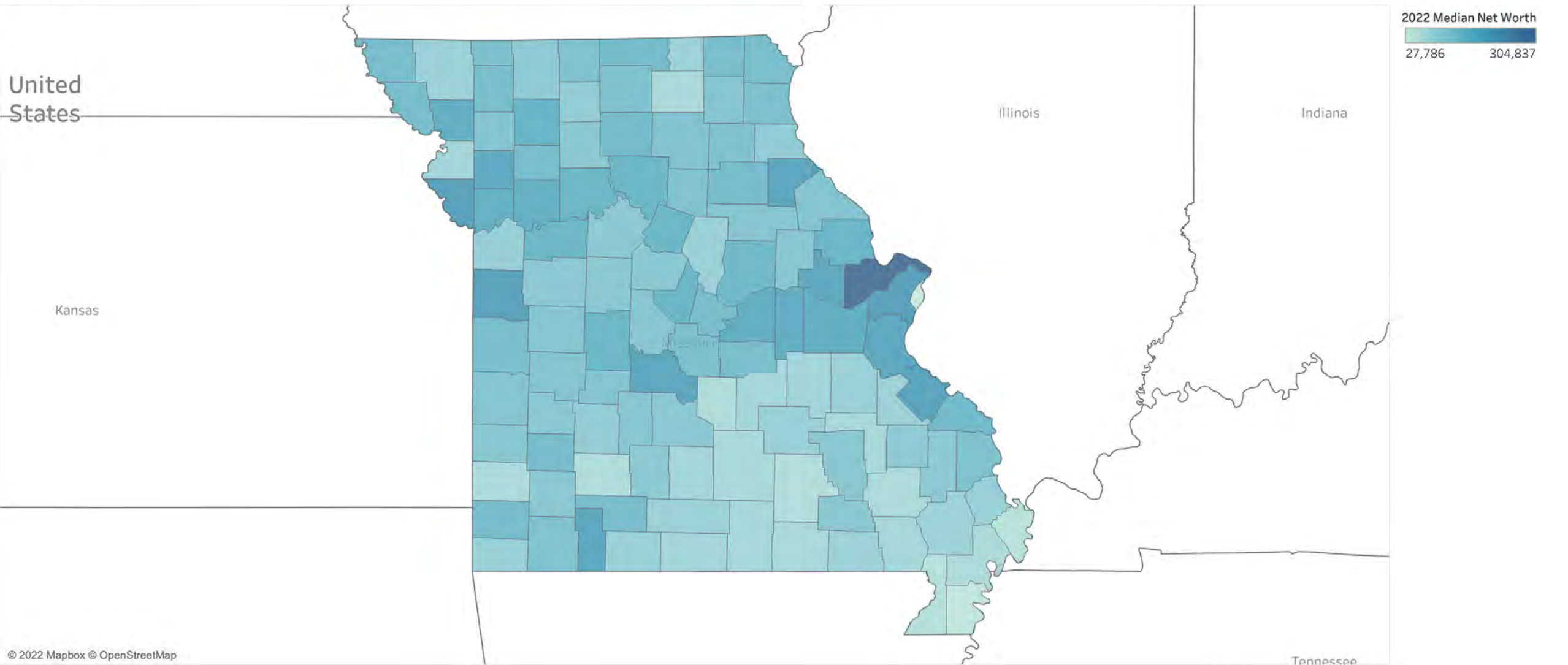
Average net worth by county is much more nuanced, ranging from \$217,057 (Shannon County) to \$1.4M (St. Louis County).

Source: ESRI



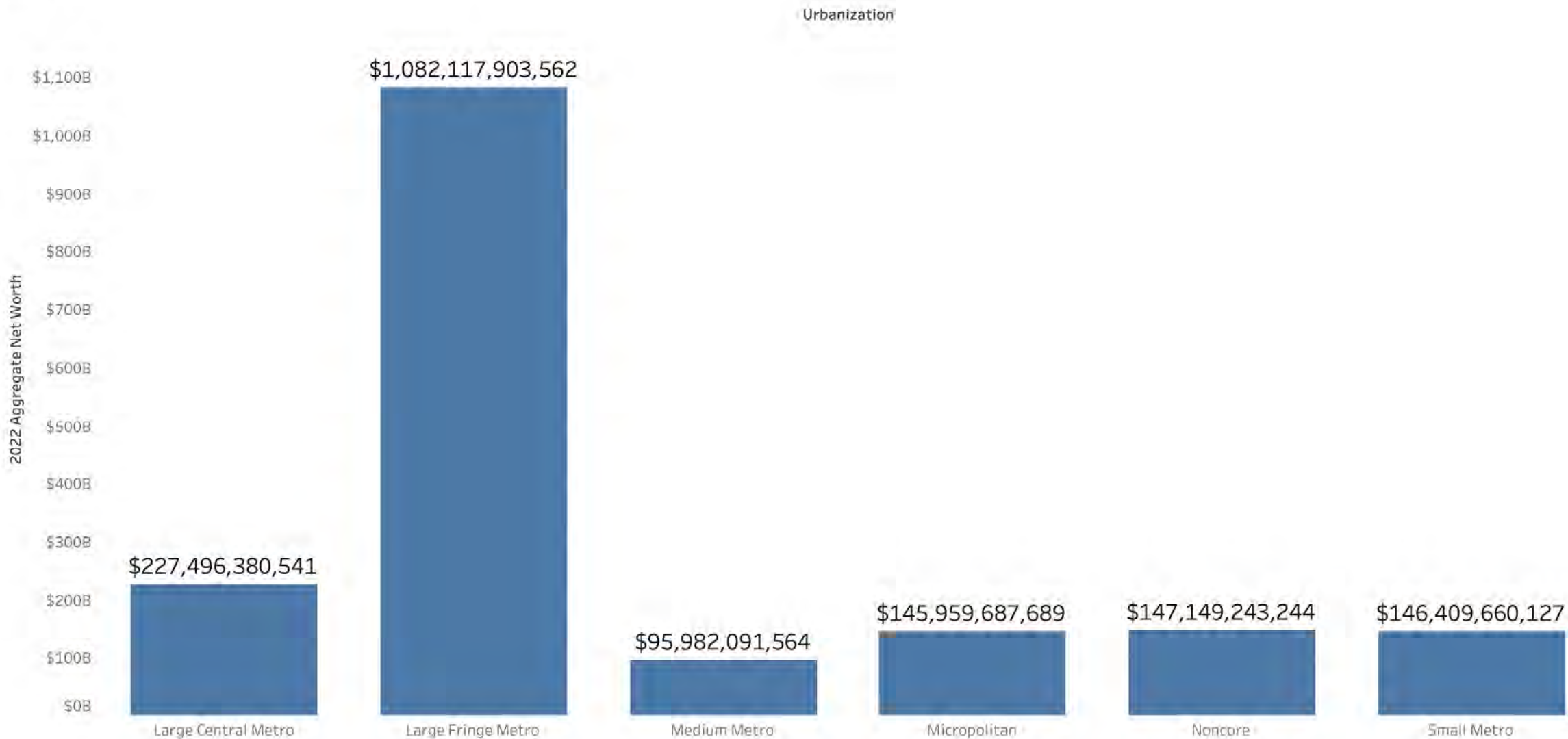
Median net worth is much lower than the average, ranging from \$27,786 in the City of St. Louis to over \$300,000 in St. Charles County, both in the St. Louis Community Foundation region.

Source: ESRI



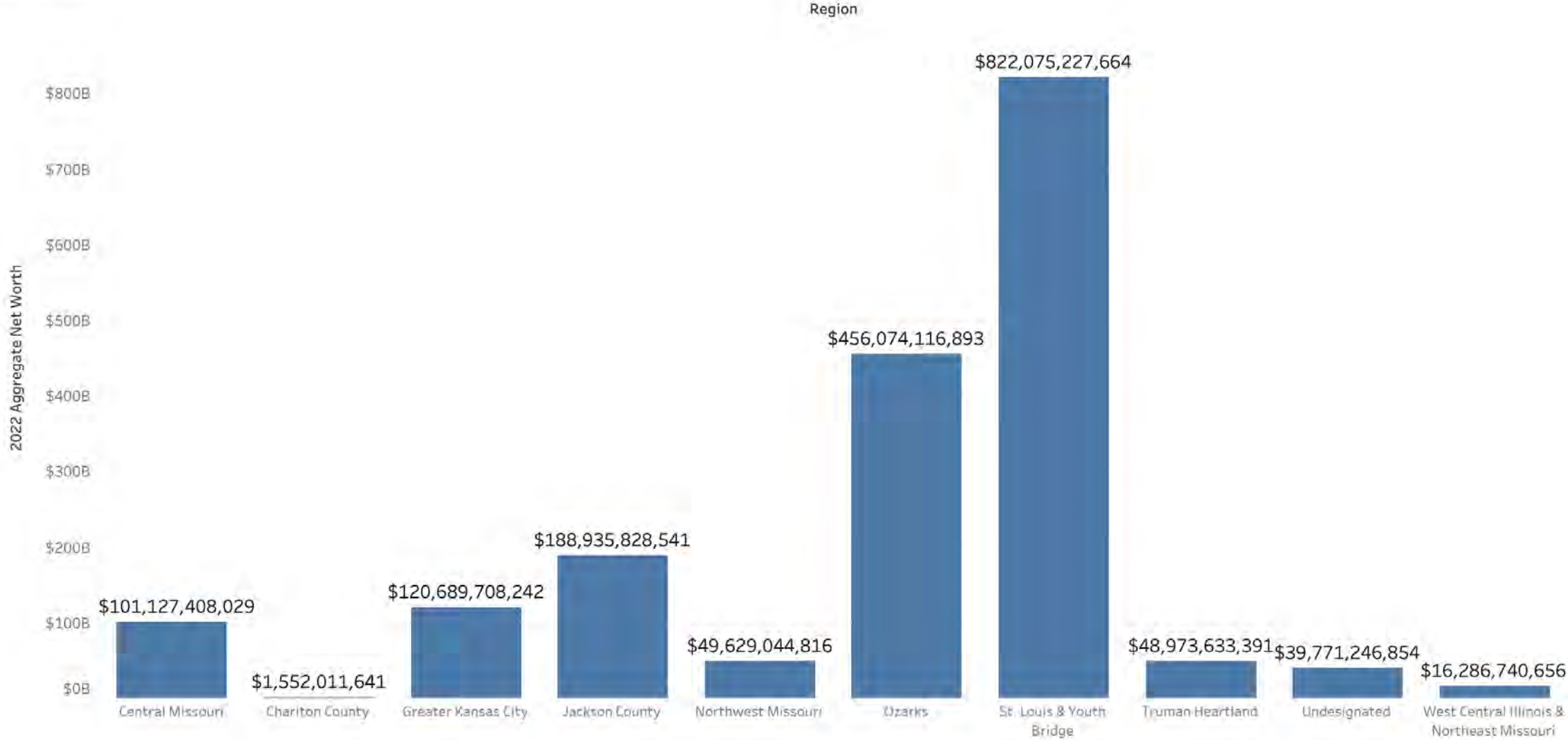
Aggregated urbanization levels show a huge disparity in total net worth between Large Fringe Metro counties and all others.

Source: ESRI



The St. Louis region is by far the largest aggregate net worth with just over \$822 Billion, while Chariton County is just over \$1.5B.

Source: ESRI



Summary of population, households and net worth by Alliance of Missouri Community Foundation regions:

Source: ESRI

Region	2022 Total Population	2022 Total Households	2022 Aggregate Net Worth	2022 Average Net Worth	2022 Median Net Worth
Central Missouri	425,066	167,077	\$101,127,408,029	\$4,471,045	\$1,178,056
Chariton County	7,295	3,024	\$1,552,011,641	\$513,231	\$161,137
Greater Kansas City	370,485	147,008	\$120,689,708,242	\$1,855,016	\$383,685
Jackson County	726,135	302,322	\$188,935,828,541	\$624,982	\$99,465
Northwest Missouri	247,513	98,772	\$49,629,044,816	\$8,684,516	\$2,454,782
Ozarks	2,294,785	911,034	\$456,074,116,893	\$28,689,905	\$7,091,168
St. Louis & Youth Bridge	1,715,779	715,039	\$822,075,227,664	\$2,992,866	\$544,284
Truman Heartland	142,798	54,687	\$48,973,633,391	\$1,632,181	\$366,941
Undesignated	165,748	63,455	\$39,771,246,854	\$4,691,519	\$1,161,916
West Central Illinois & Northeast Missouri	90,978	35,988	\$16,286,740,656	\$3,550,960	\$1,120,495

Missouri

Transfer of Wealth

The current Transfer of Wealth Opportunity in Missouri is over \$114 Billion, with a ten-year projected value of \$153.38 Billion.

Capturing 5% of this transfer over the next ten years would lead to the Alliance of Missouri Community Foundations collecting \$7.67 Billion and investing over \$383 Million in Missouri communities.

Over the next 50 years these figures grow to a value of \$500 Billion and capturing \$25 Billion, while paying out \$1.25 Billion.

State	ToW Current Value	10-Year Value	10yr 5% Capture	10yr 5% Payout	50-Year Value	50yr 5% Capture	50yr 5% Payout
Missouri	\$114.13B	\$153.38B	\$7.67B	\$383.44M	\$500.32B	\$25.02B	\$1.25B

Region	ToW Current Value	10-Year Value	10yr 5% Capture Value	10yr 5% Payout	50-Year Value	50yr 5% Capture Value	50yr 5% Payout
Central Missouri	\$6.17B	\$8.29B	\$414.68M	\$20.73M	\$27.05B	\$1.35B	\$67.64M
Chariton County	\$0.14B	\$0.19B	\$9.72M	\$0.49M	\$0.63B	\$0.03B	\$1.59M
Greater Kansas City	\$5.72B	\$7.69B	\$384.69M	\$19.23M	\$25.10B	\$1.25B	\$62.74M
Jackson County (TH & GKC)	\$11.41B	\$15.33B	\$766.64M	\$38.33M	\$50.02B	\$2.50B	\$125.04M
Northwest Missouri	\$4.32B	\$5.81B	\$290.49M	\$14.52M	\$18.95B	\$0.95B	\$47.38M
Ozarks	\$34.60B	\$46.50B	\$2,324.81M	\$116.24M	\$151.67B	\$7.58B	\$379.18M
St. Louis & Youth Bridge	\$44.25B	\$59.46B	\$2,973.18M	\$148.66M	\$193.97B	\$9.70B	\$484.93M
Truman Heartland	\$3.24B	\$4.36B	\$218.03M	\$10.90M	\$14.22B	\$0.71B	\$35.56M
West Central Illinois & Northeast Missouri	\$1.39B	\$1.86B	\$93.11M	\$4.66M	\$6.07B	\$0.30B	\$15.19M
Undesignated	\$2.88B	\$3.87B	\$193.48M	\$9.67M	\$12.62B	\$0.63B	\$31.56M

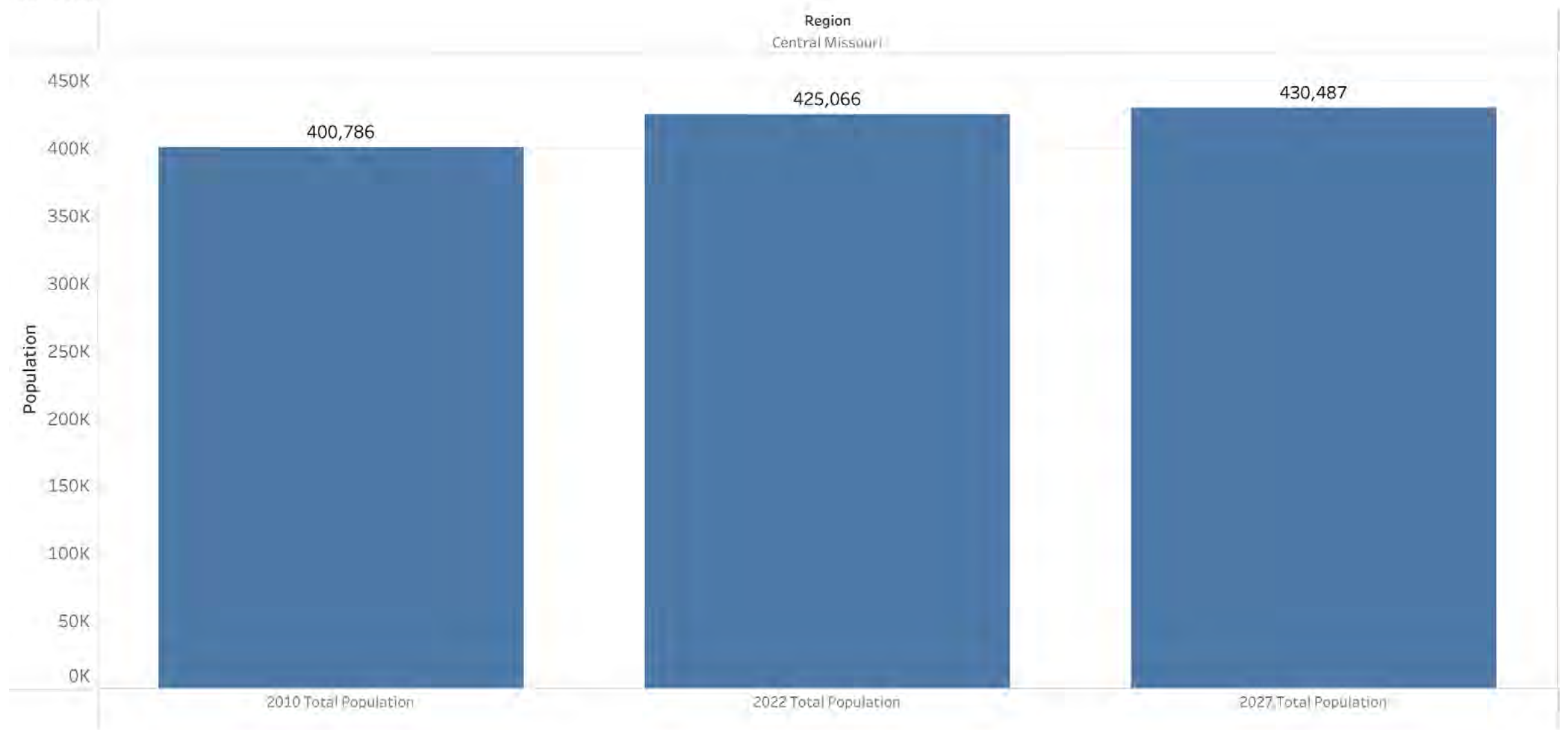
Urbanization	ToW Current Value	10-Year Value	10yr 5% Capture Value	10yr 5% Payout	50-Year Value	50yr 5% Capture Value	50yr 5% Payout
Large Central Metro	\$13.78B	\$18.52B	\$0.93B	\$46.31M	\$60.42B	\$3.02B	\$151.06M
Large Fringe Metro	\$59.86B	\$80.44B	\$4.02B	\$201.10M	\$262.40B	\$13.12B	\$656.00M
Medium Metro	\$6.35B	\$8.54B	\$0.43B	\$21.35M	\$27.86B	\$1.39B	\$69.65M
Micropolitan	\$12.11B	\$16.27B	\$0.81B	\$40.68M	\$53.08B	\$2.65B	\$132.69M
Noncore	\$12.56B	\$16.87B	\$0.84B	\$42.19M	\$55.05B	\$2.75B	\$137.62M
Small Metro	\$9.47B	\$12.73B	\$0.64B	\$31.82M	\$41.51B	\$2.08B	\$103.78M

Central Missouri

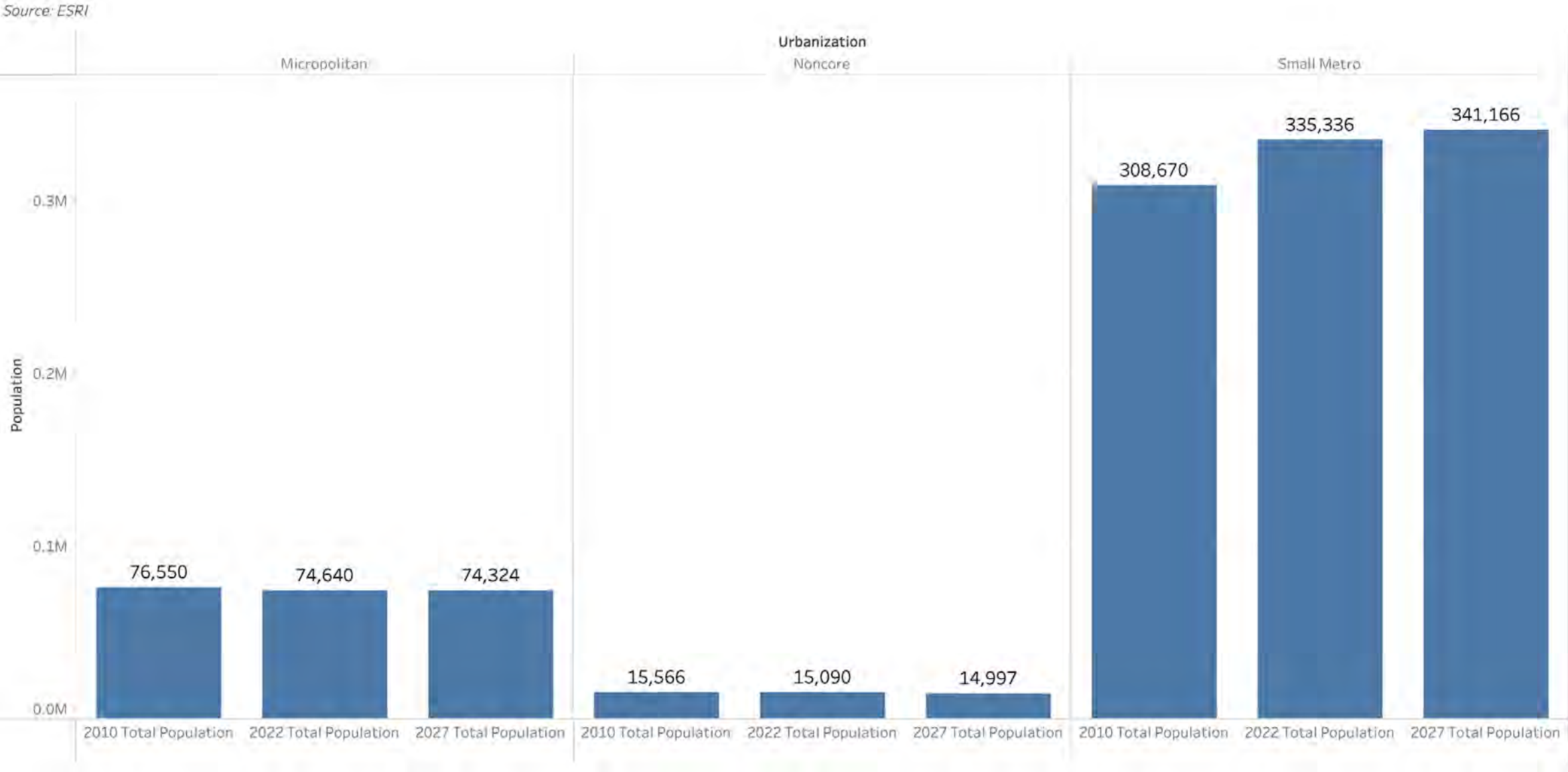
Demographics and Net Worth

The nine counties forming the Central Missouri foundation region anticipate a population of 430,487 by 2027.

Source: ESRI

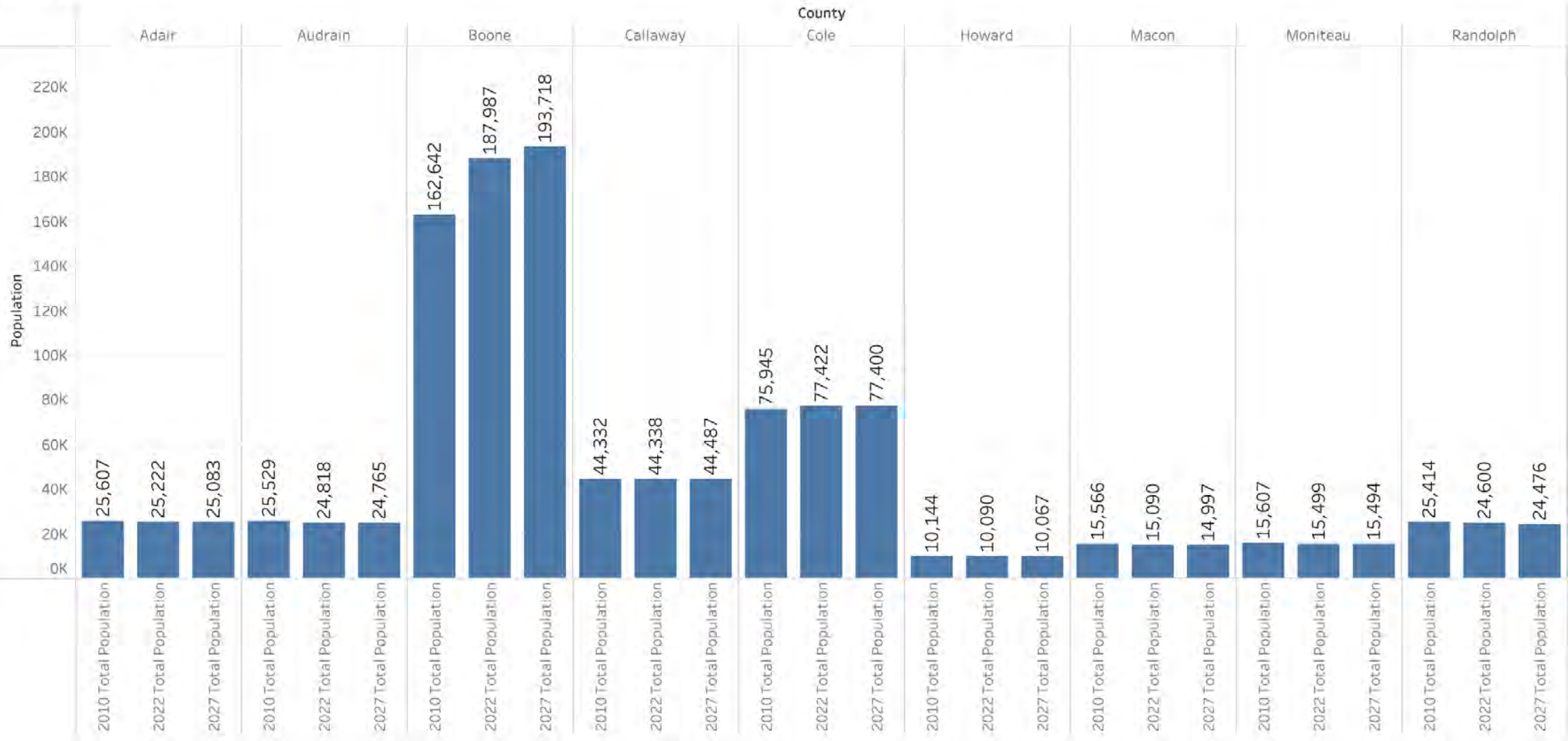


The entirety of the population increase is expected to take place in Boone County – a Small Metro by level of urbanization.



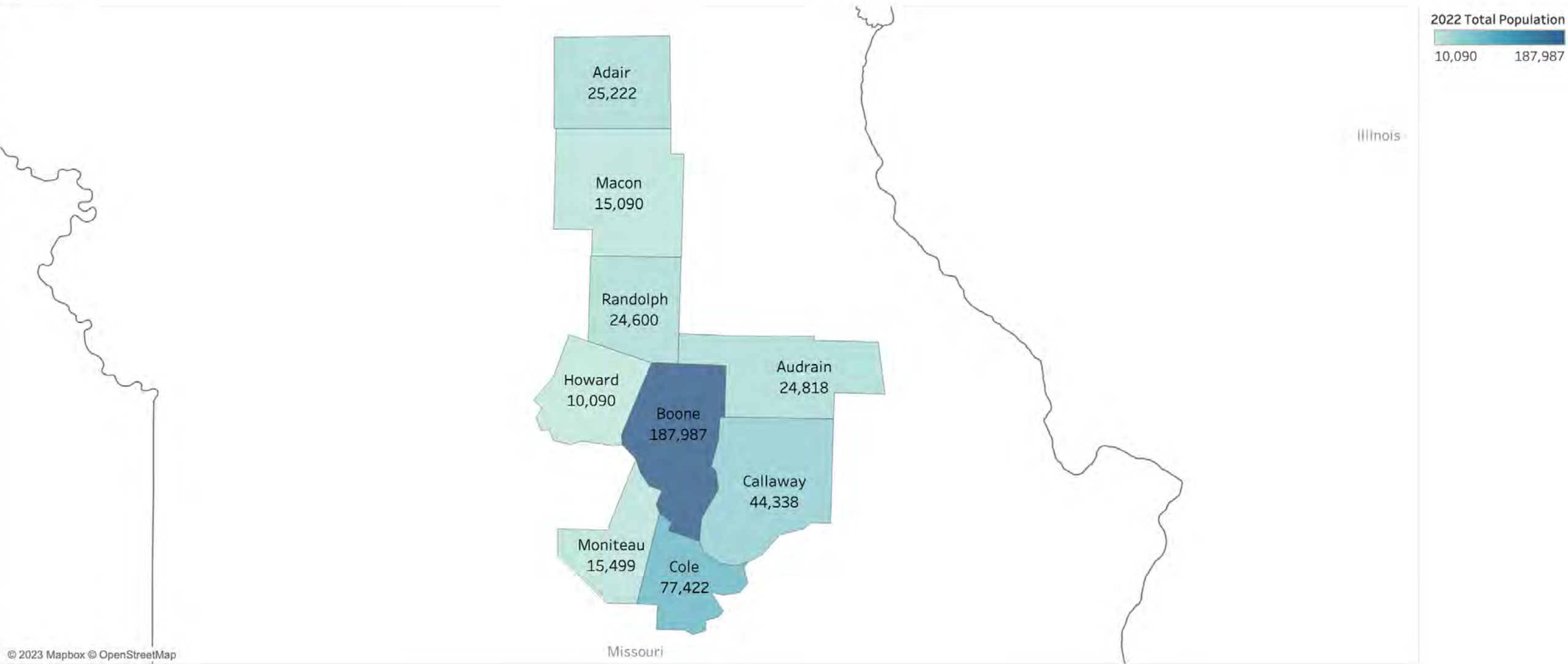
Other than Boone, Callaway and Cole counties anticipate an increase of about 1,500 residents, but all other counties in Central Missouri are likely to see population declines.

Source: ESRI



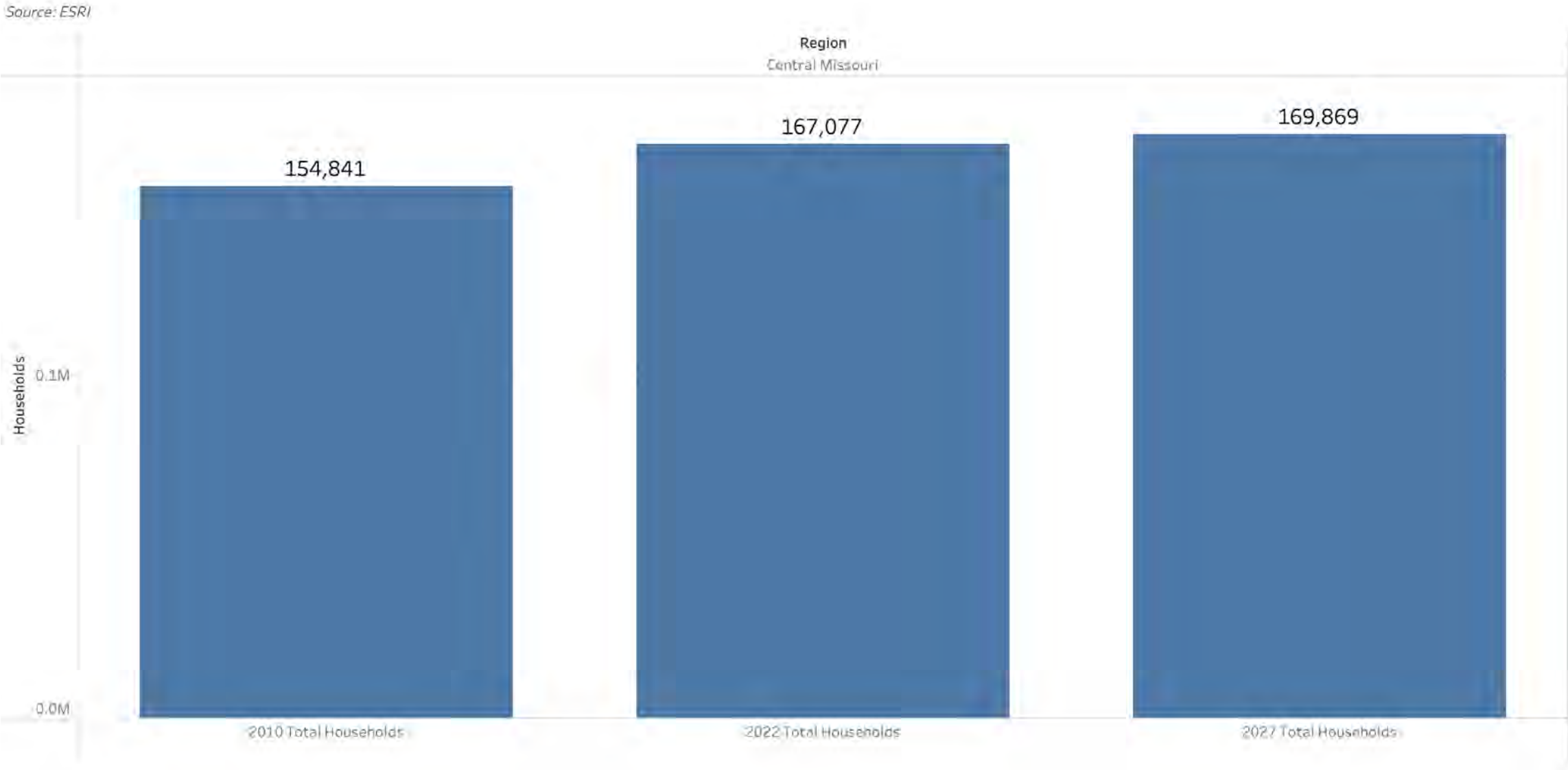
Boone County - home to the University of Missouri's flagship campus - is by far the largest of the region with nearly 188,000 residents.

Source: ESRI

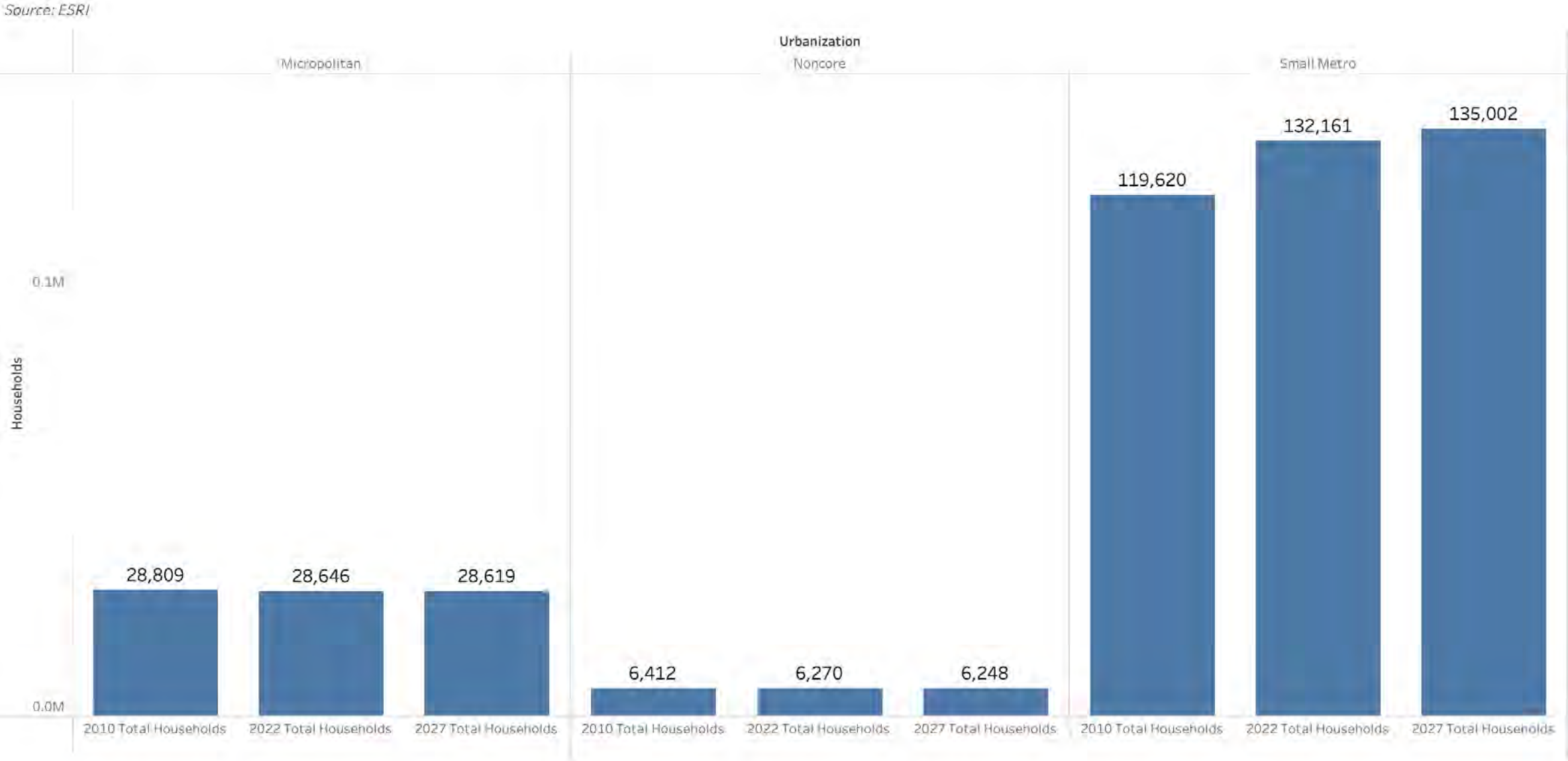


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The growth in number of households is beginning to slow in Central Missouri, with only about 2,700 new households expected in the next five years.

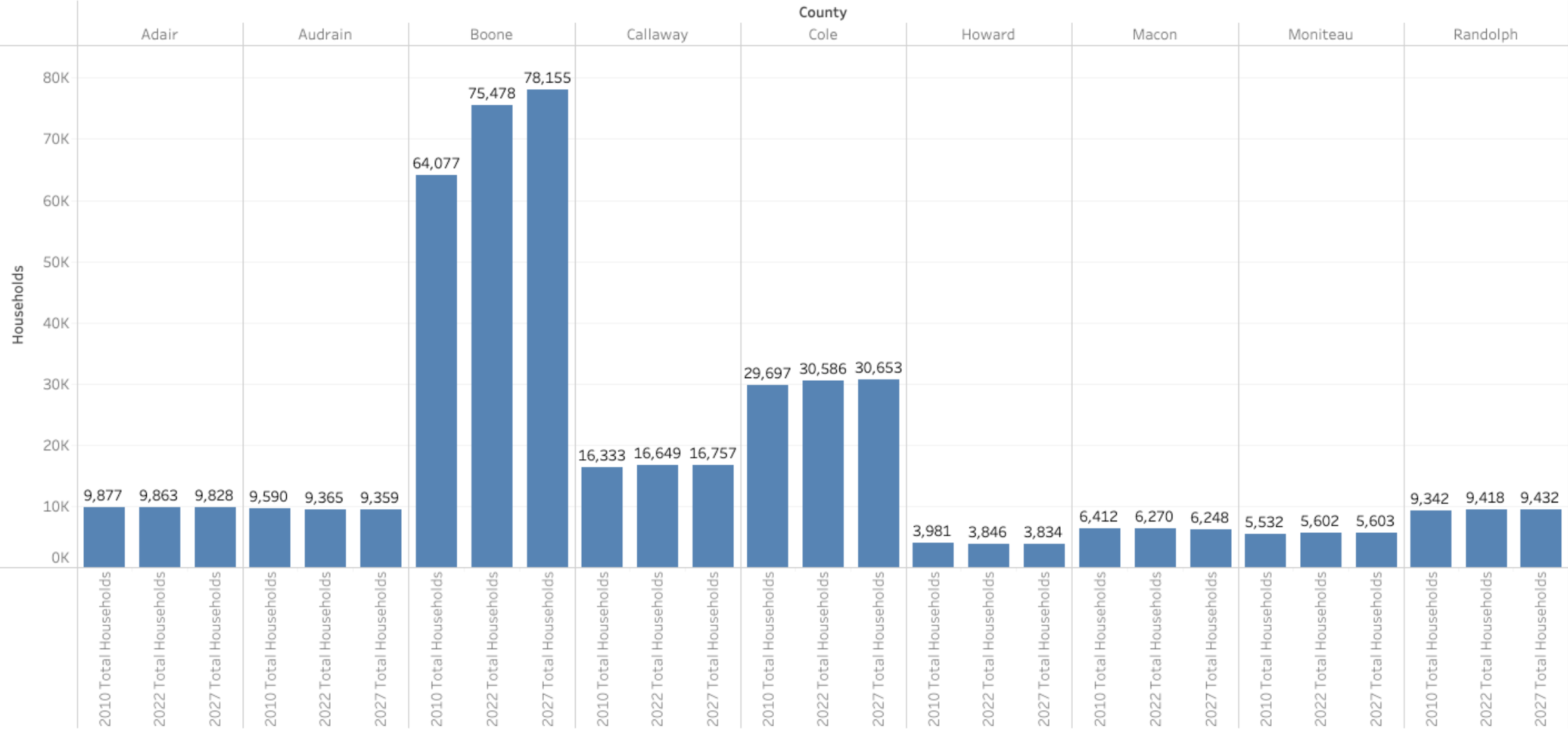


Like population, total households are only increasing in the Small Metro level of urbanization, predominantly Boone County.



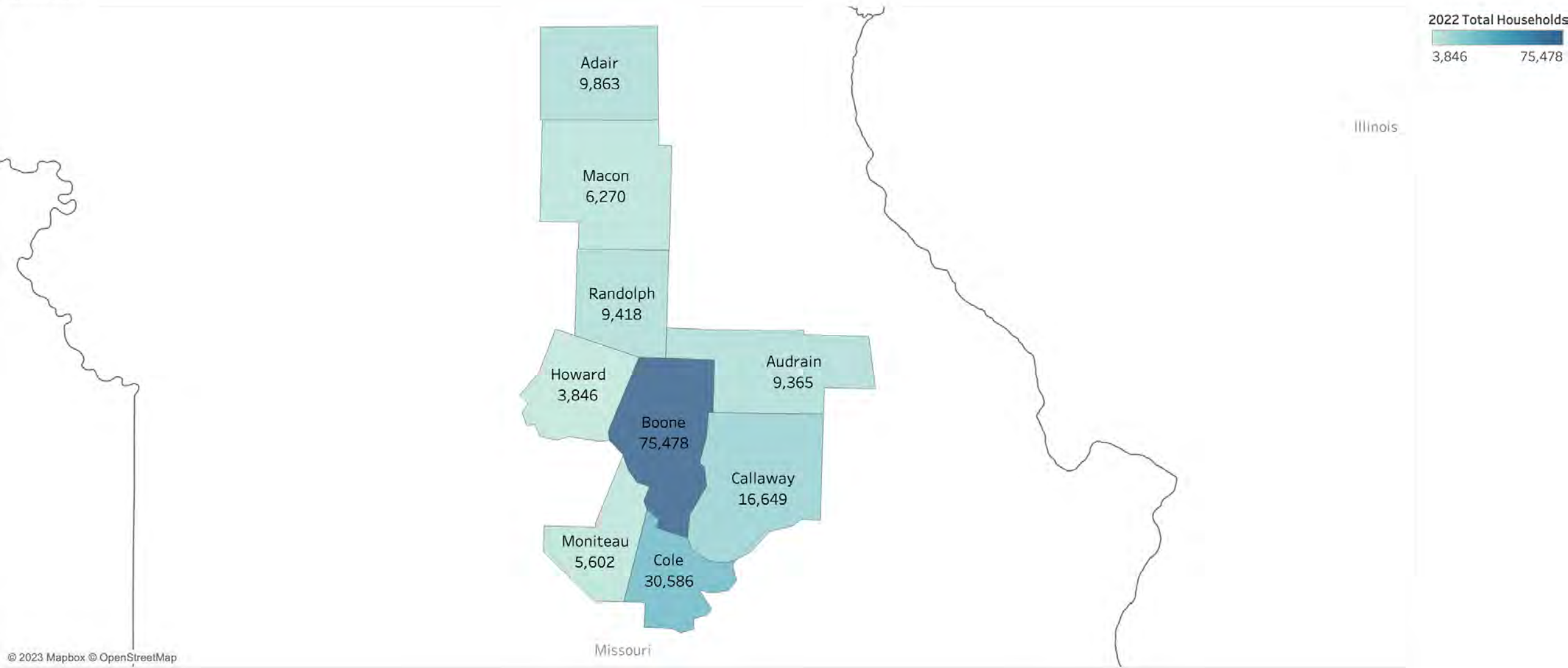
Boone County is expected to have over 78,000 households by 2027, with all other counties either stagnant or declining.

Source: ESRI



Current total households range from 3,846 in Howard County to 75,478 households in Boone County.

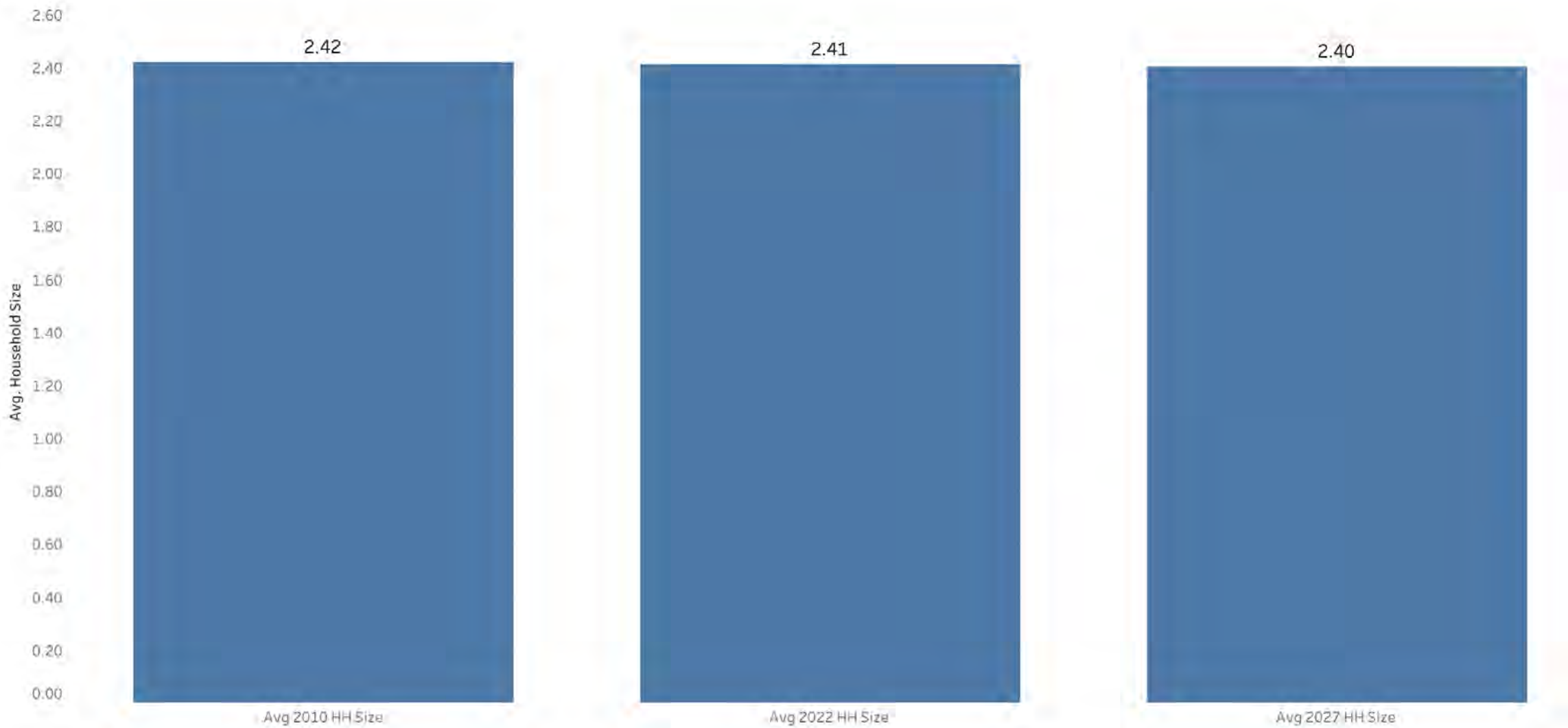
Source: ESRI



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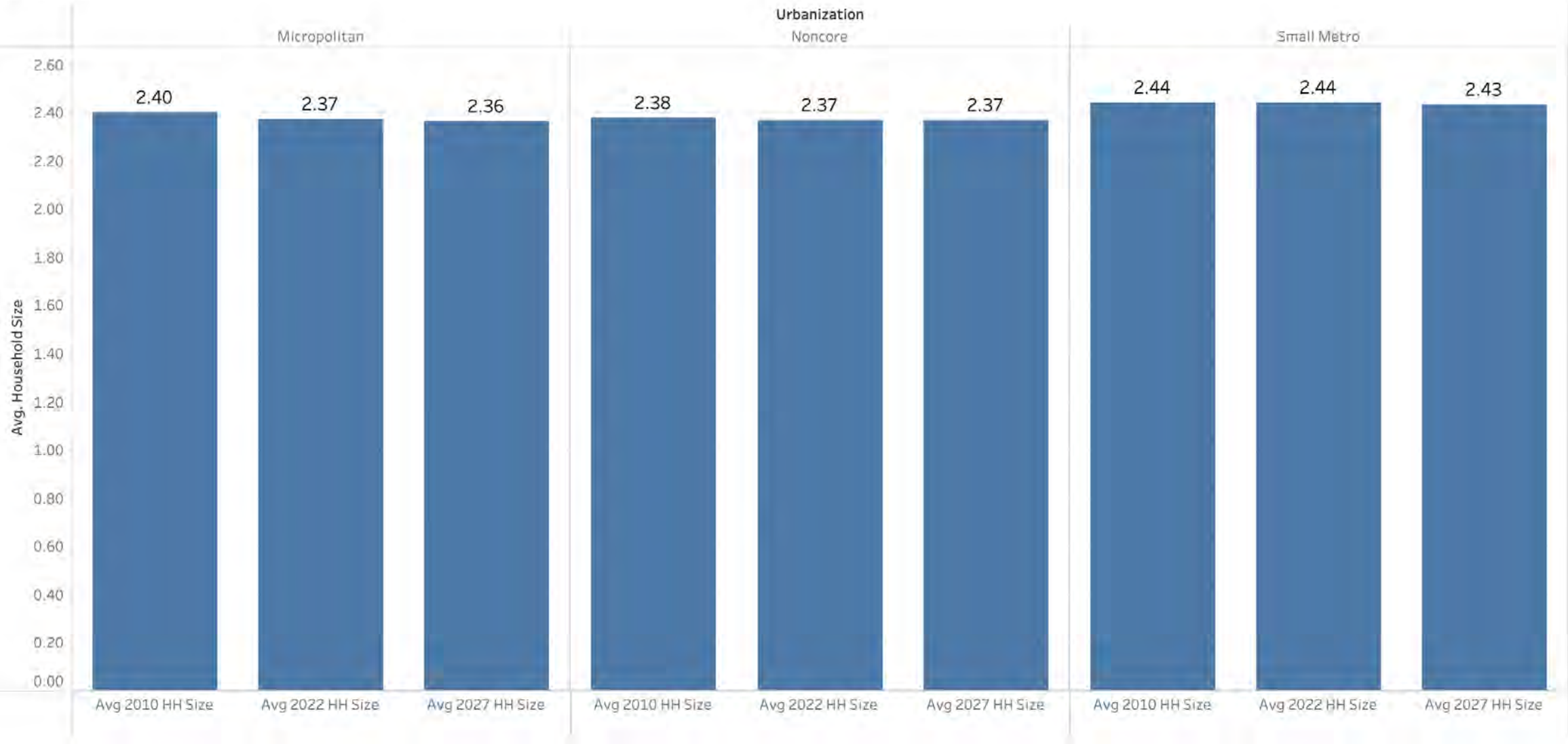
Average household size is remaining stagnate, with a current 2.41 persons per household on average in Central Missouri.

Source: ESRI



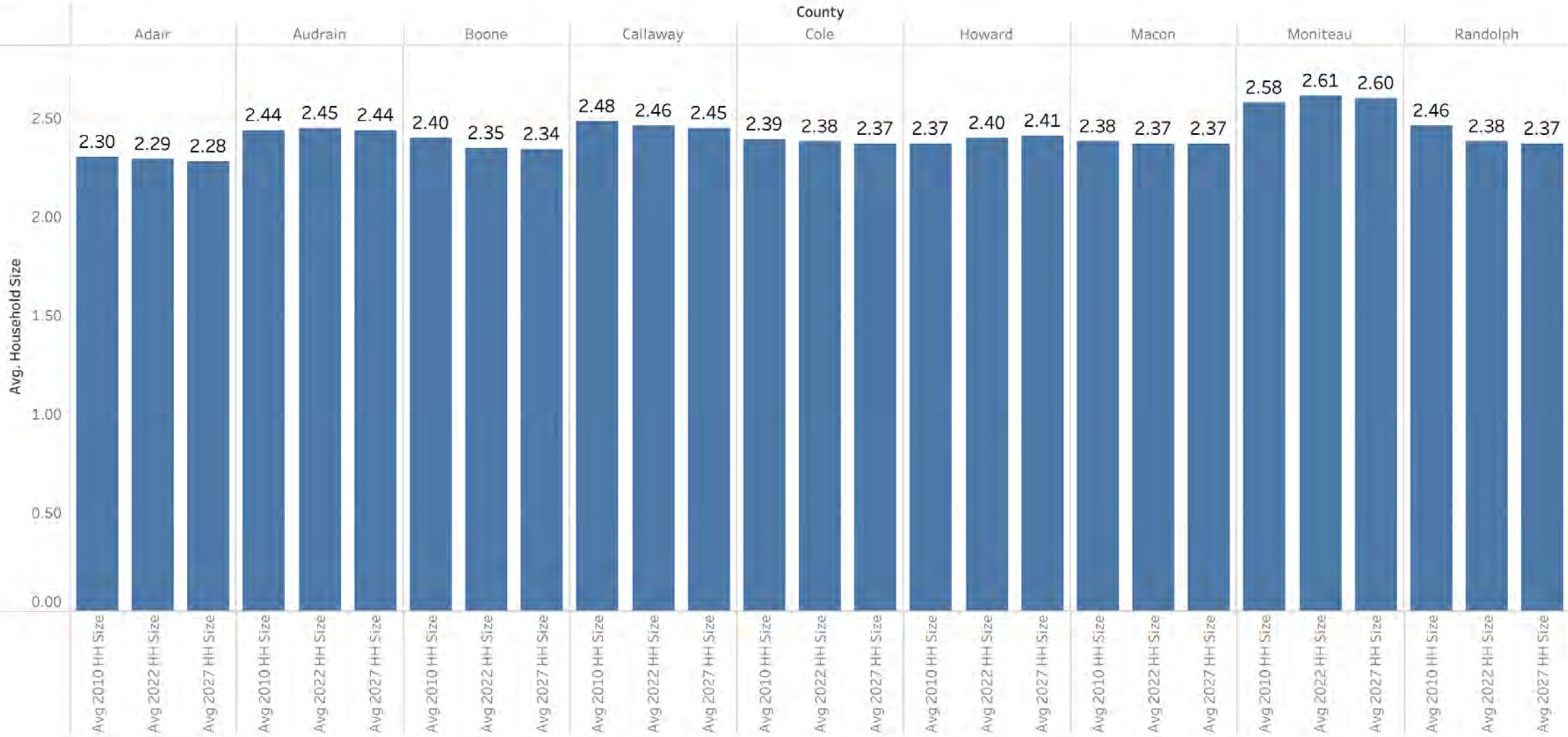
Each level of urbanization in Central Missouri is experiencing and is likely continue to experience declines in average household size.

Source: ESRI



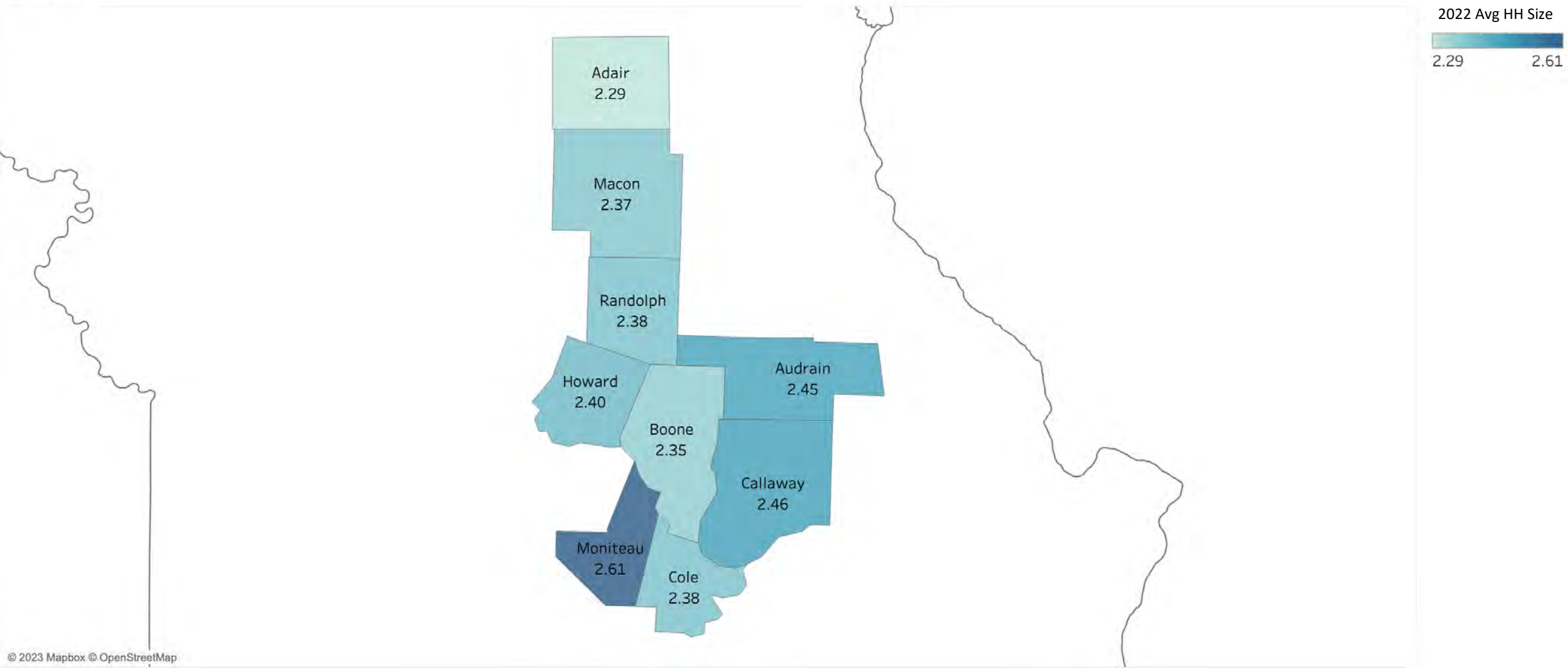
By county in Central Missouri, average household size have remained steady of the past decade and won't change much in the next five years.

Source: ESRI



In terms of average household size, Moniteau (2.61) currently is the largest in Central Missouri; and the lowest is Adair (2.29).

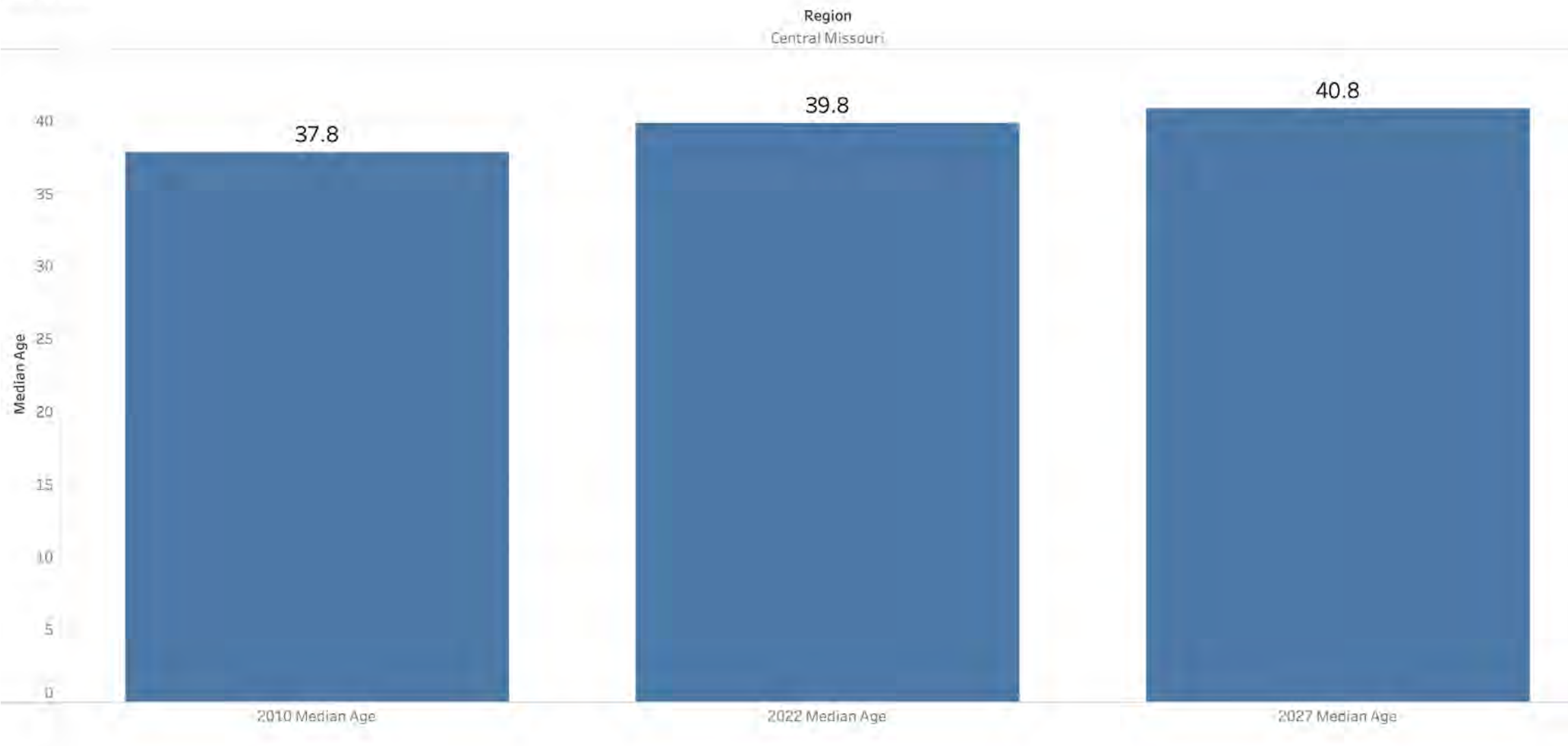
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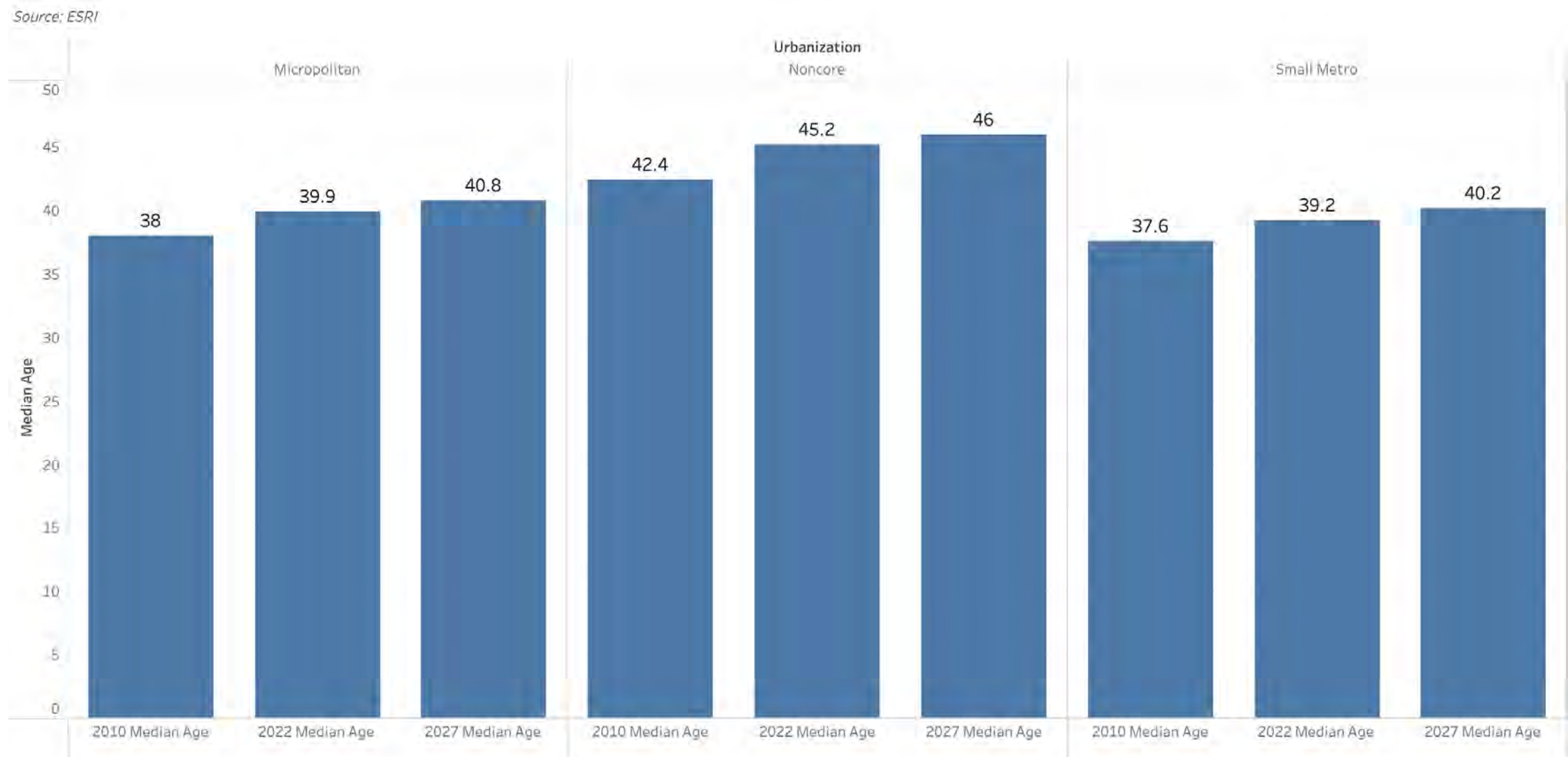
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Median Age in Central Missouri has increased two years since 2010, and expected to increase another year by 2027.

Source: ESRI

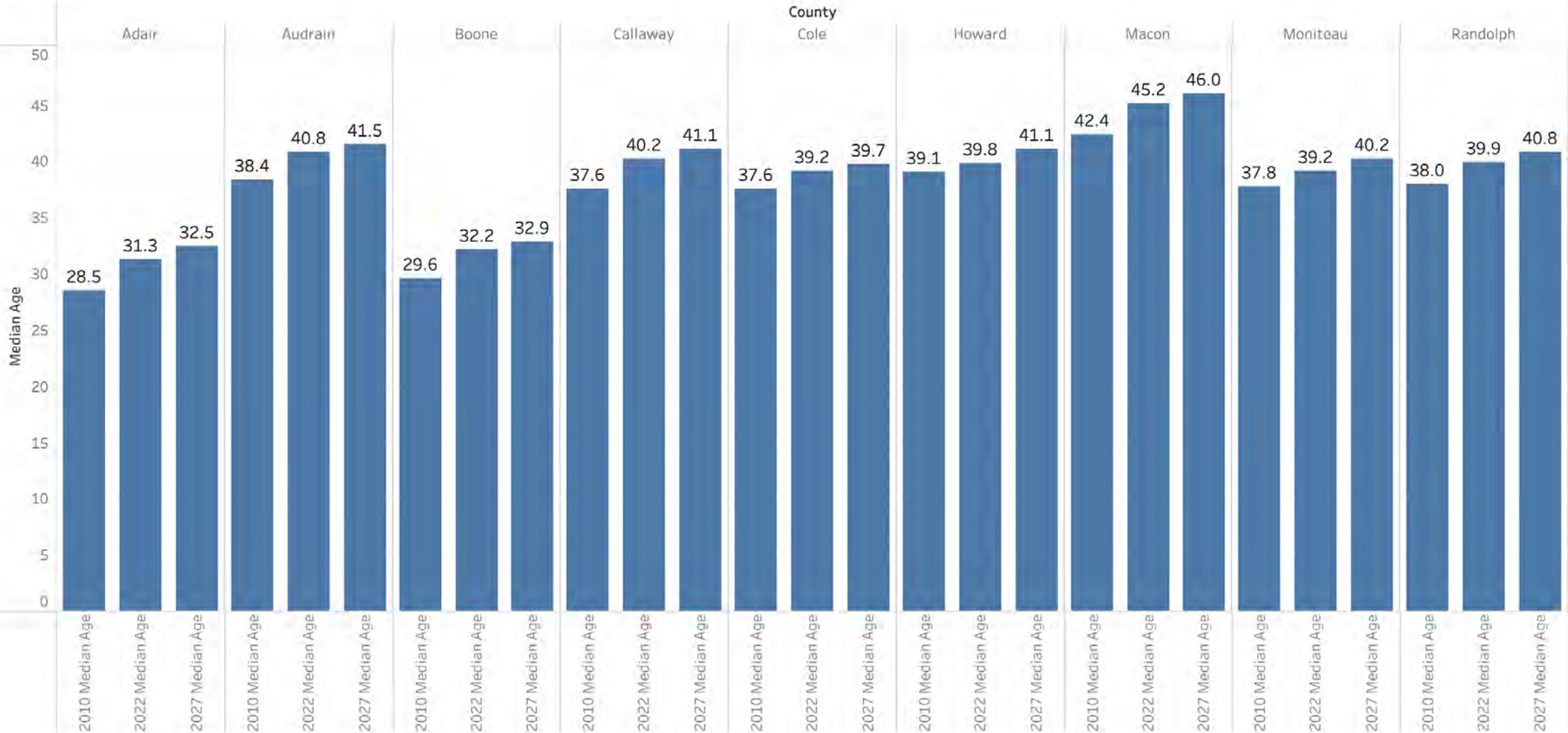


All levels of urbanization are experiencing an increase in Median Age, with Noncore (or rural) counties climbing to 46 years by 2027.



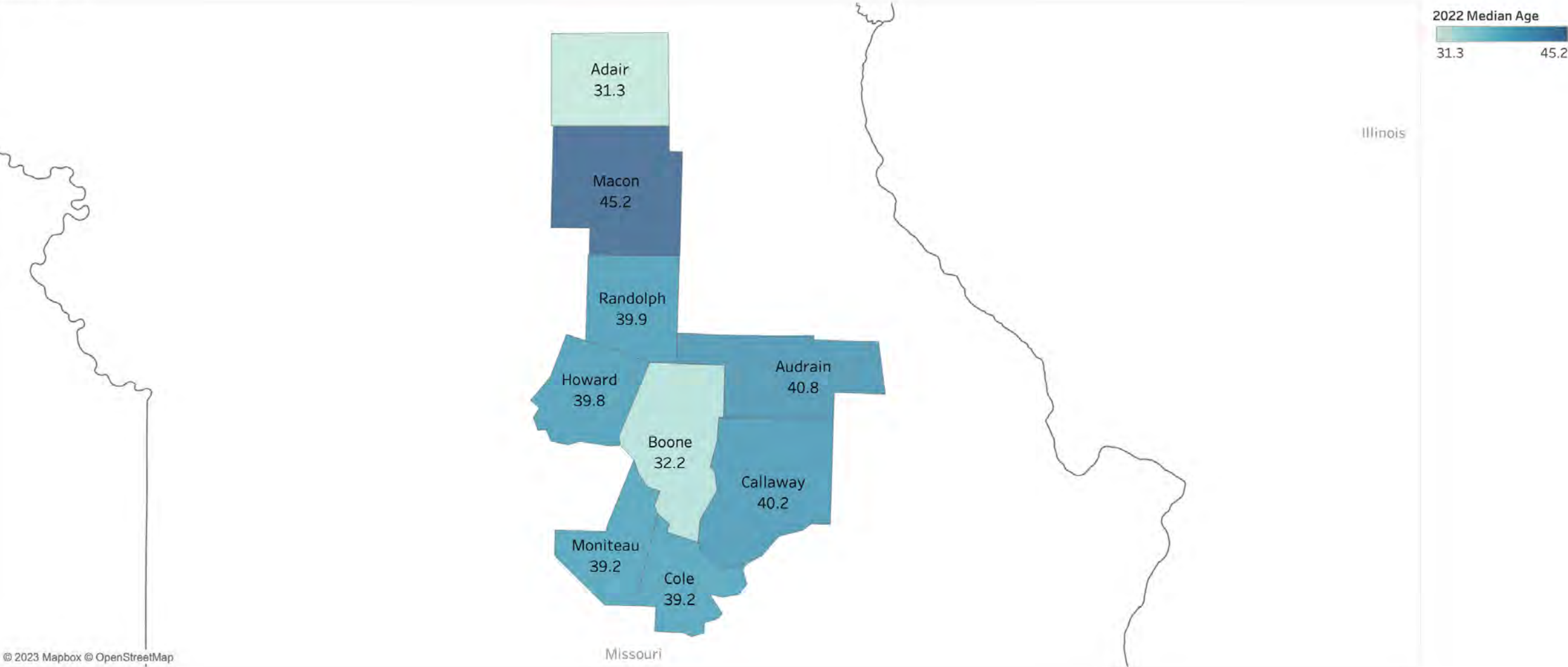
Nearly every county in Central Missouri is experiencing an approximate 10% increase in Median Age.

Source: ESRI



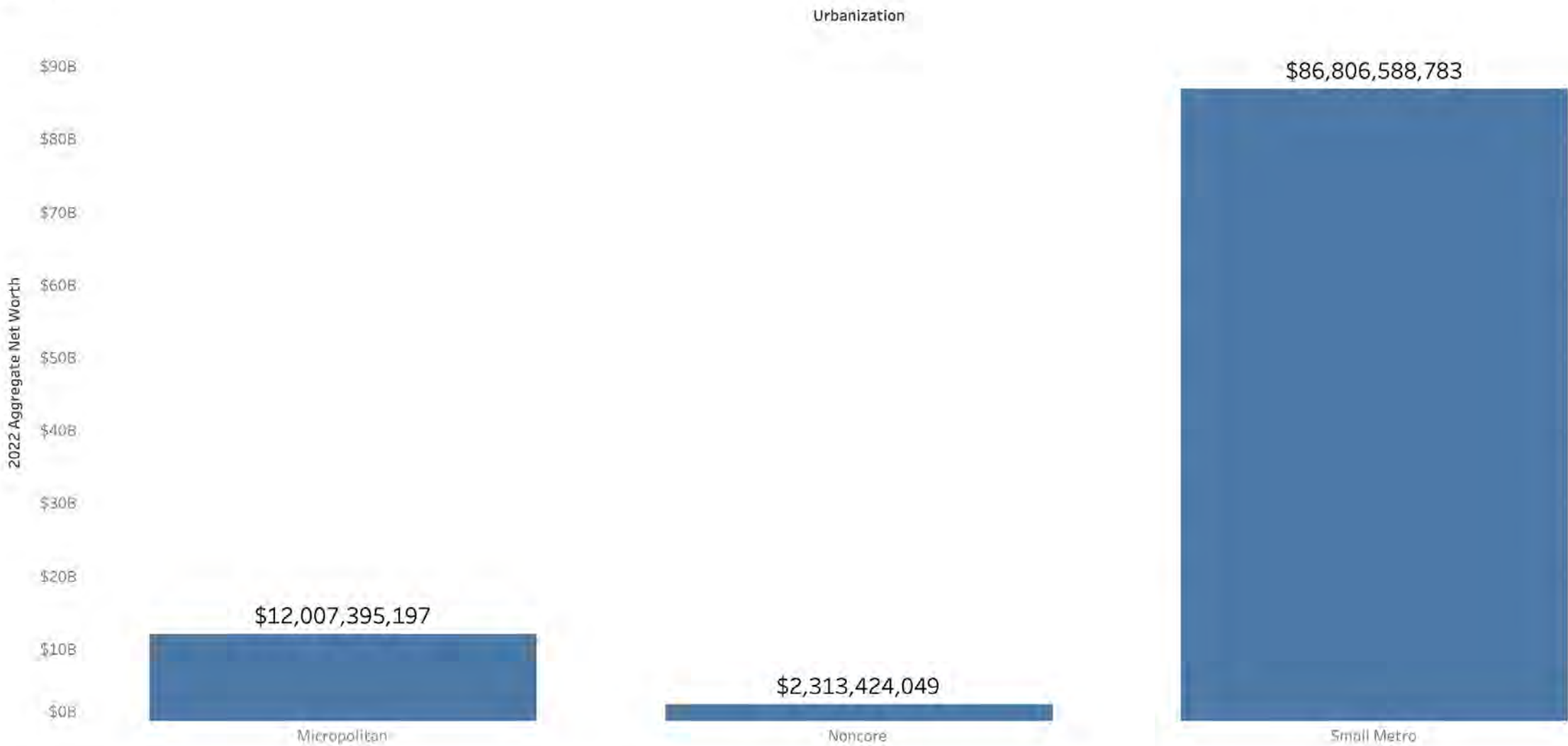
Adair and Boone counties have the lowest Median Ages within the region due to their respective university student populations.

Source: ESRI



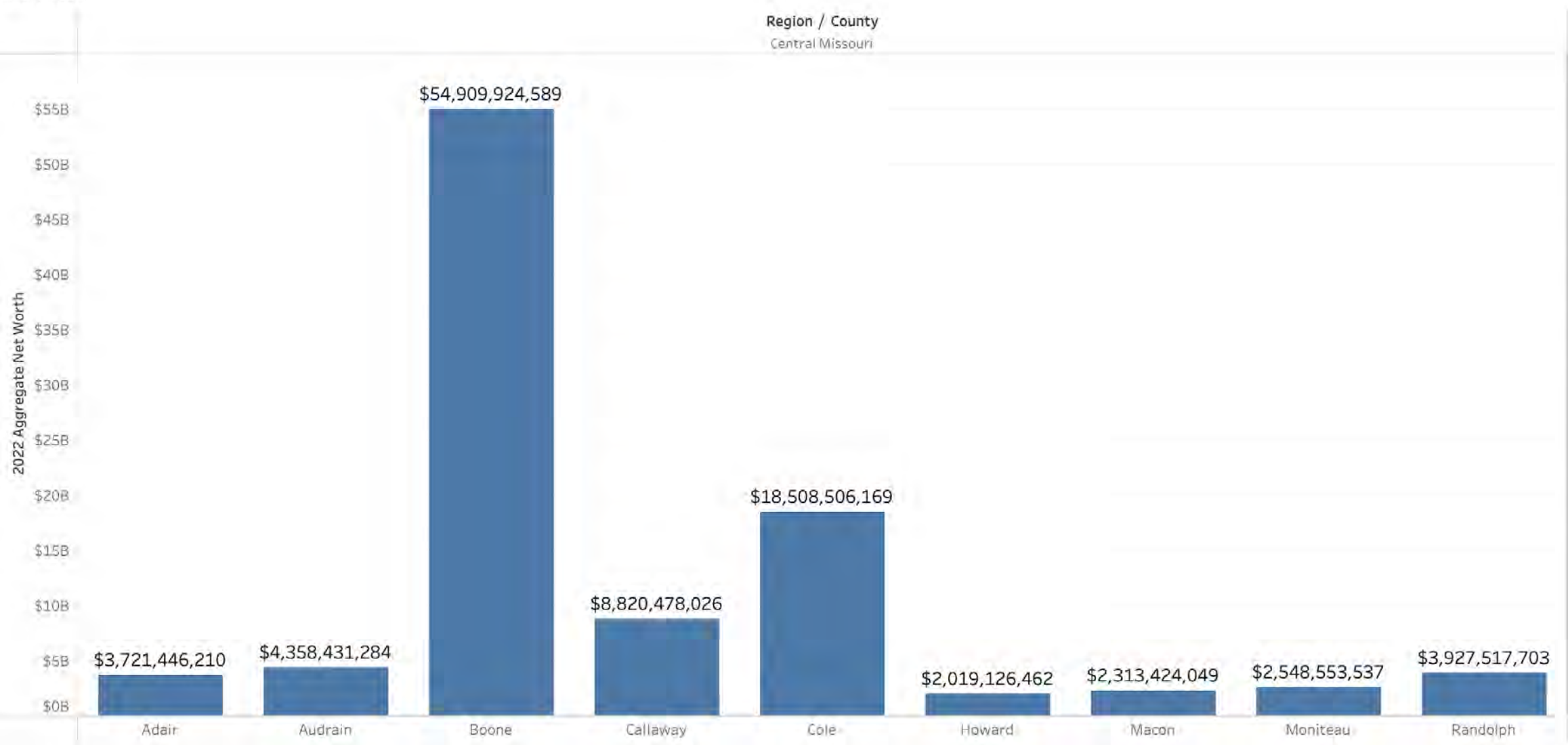
Aggregate Net Worth by urbanization level of Central Missouri is dominated by the Small Metro counties of Boone and Cole.

Source: ESR/



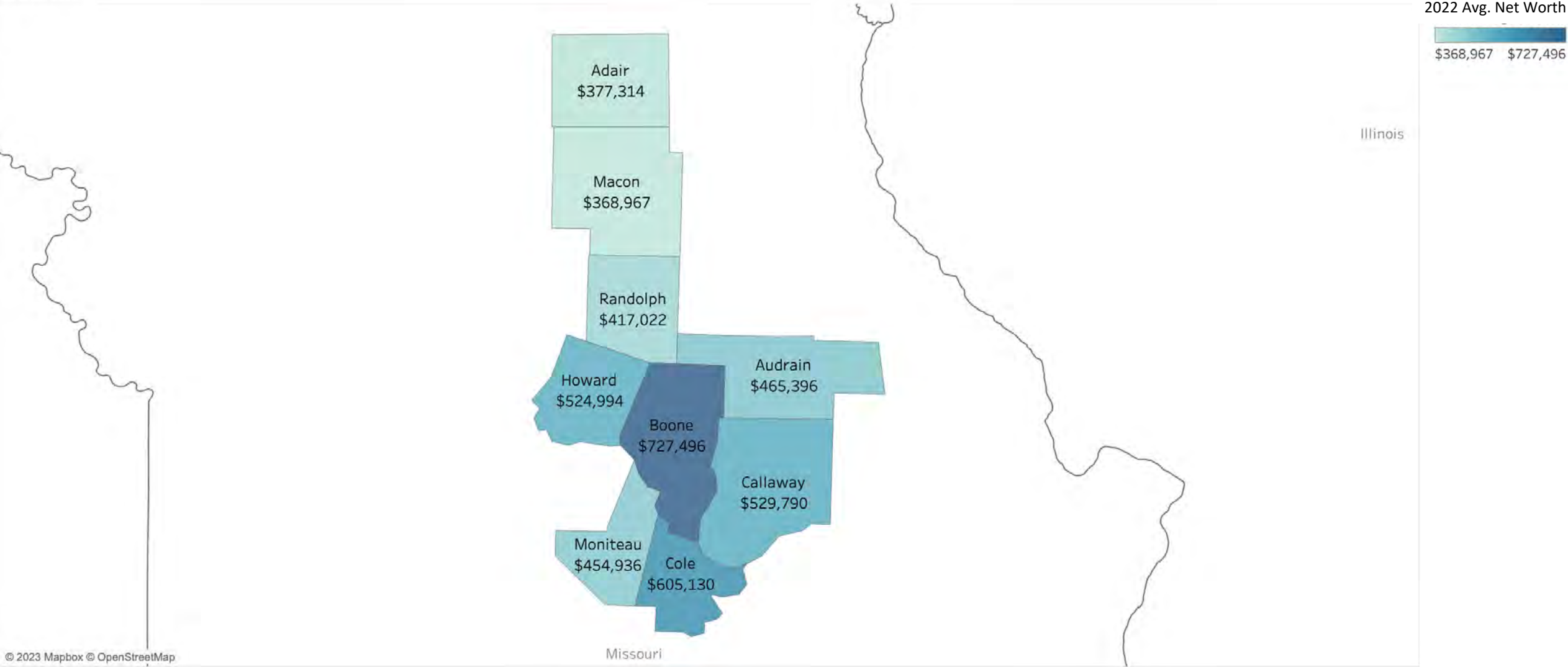
Boone County currently has an Aggregate Net Worth of nearly \$55B – by far the highest in Central Missouri.

Source: ESRI



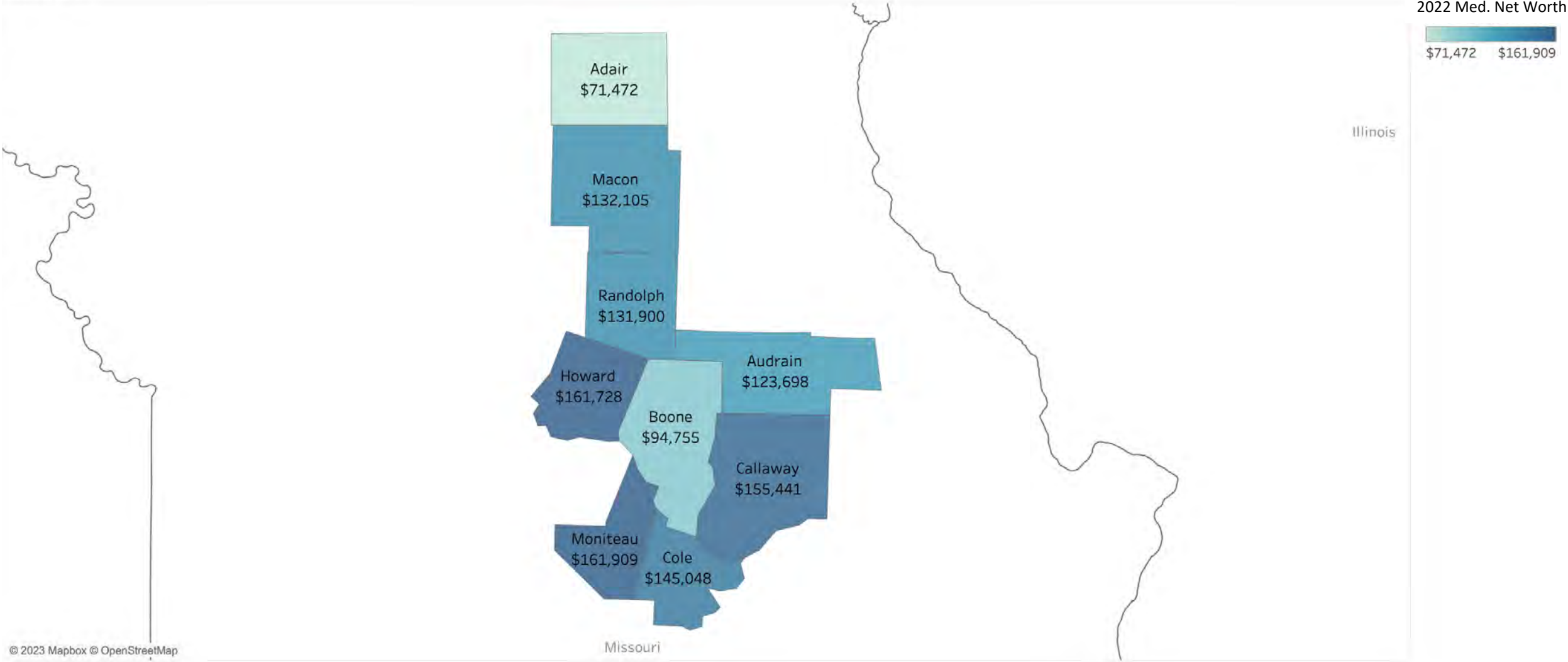
Average Net Worth in Central Missouri ranges from \$368k (Macon) to over \$727k (Boone).

Source: ESRI



Median Net Worth of the Central Missouri foundation region ranges from \$71,472 (Adair) to \$161,909 (Moniteau).

Source: ESRI



Summary of population, households, and net worth in the Central Missouri region.

Source: ESRI

Region	County	2022 Total Population	2022 Total Households	2022 Aggregate Net Worth	2022 Average Net Worth	2022 Median Net Worth
Central Missouri	Adair	25,222	9,863	\$3,721,446,210	\$377,314	\$71,472
	Audrain	24,818	9,365	\$4,358,431,284	\$465,396	\$123,698
	Boone	187,987	75,478	\$54,909,924,589	\$727,496	\$94,755
	Callaway	44,338	16,649	\$8,820,478,026	\$529,790	\$155,441
	Cole	77,422	30,586	\$18,508,506,169	\$605,130	\$145,048
	Howard	10,090	3,846	\$2,019,126,462	\$524,994	\$161,728
	Macon	15,090	6,270	\$2,313,424,049	\$368,967	\$132,105
	Moniteau	15,499	5,602	\$2,548,553,537	\$454,936	\$161,909
	Randolph	24,600	9,418	\$3,927,517,703	\$417,022	\$131,900

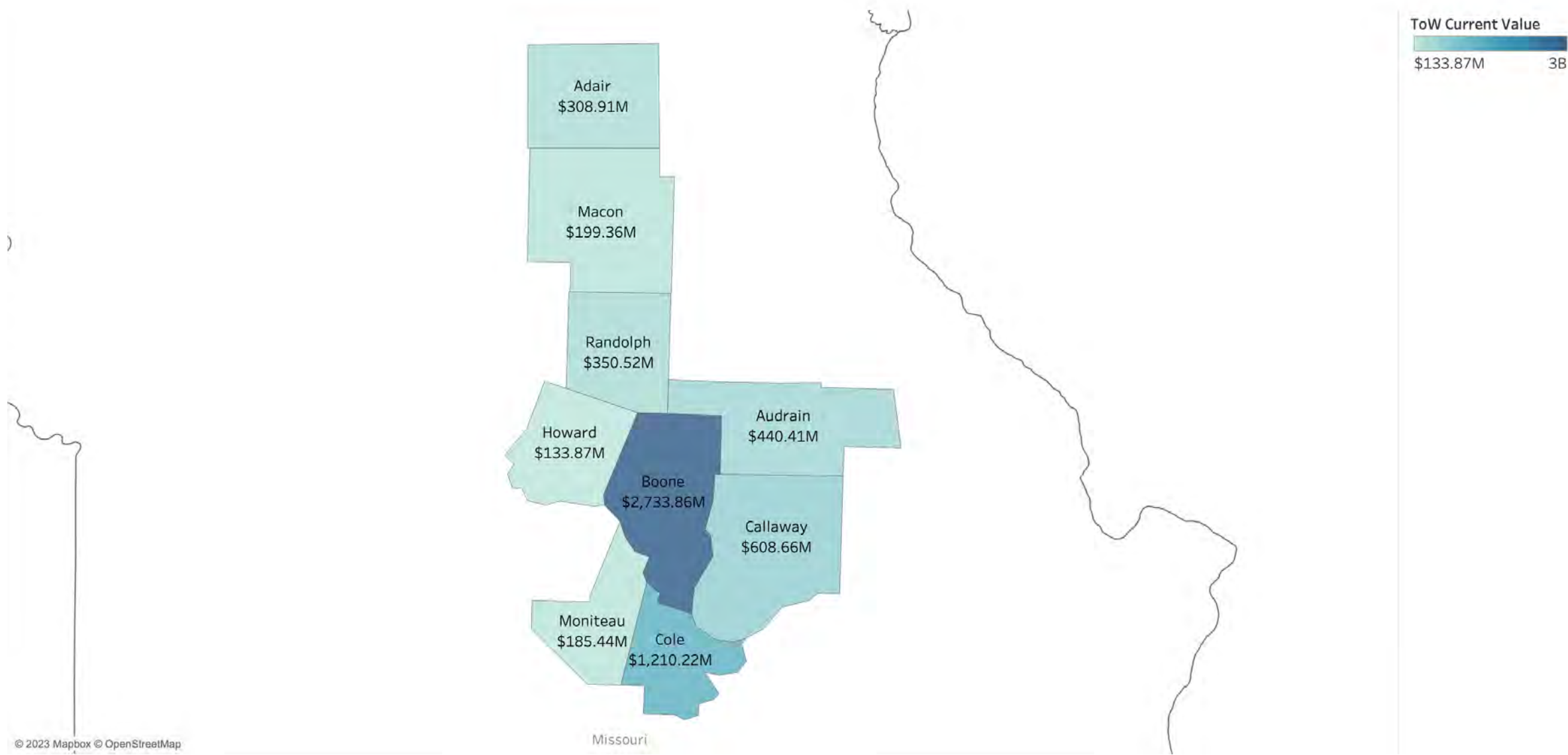
Central Missouri

Transfer of Wealth

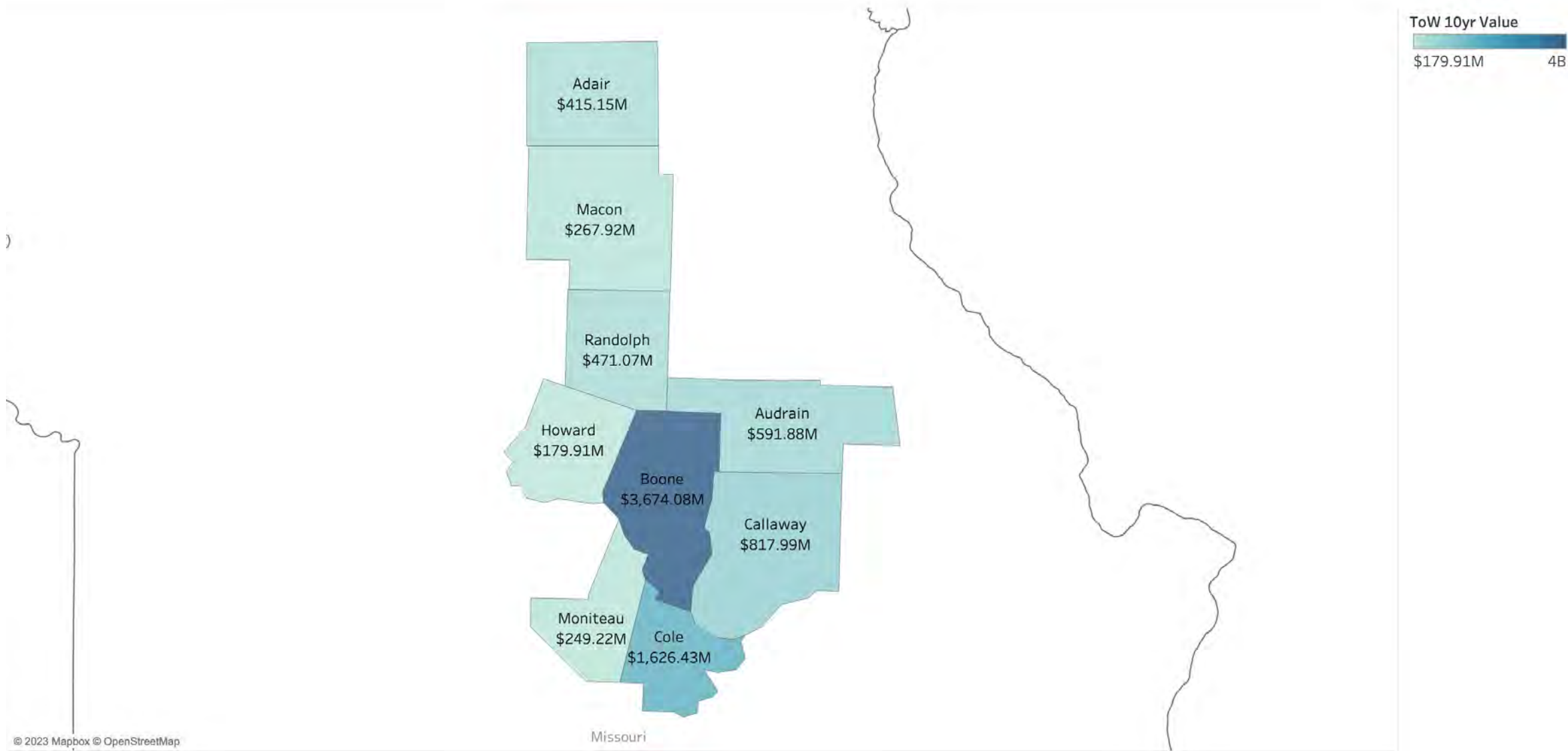


AN INITIATIVE OF THE ST. LOUIS COMMUNITY FOUNDATION

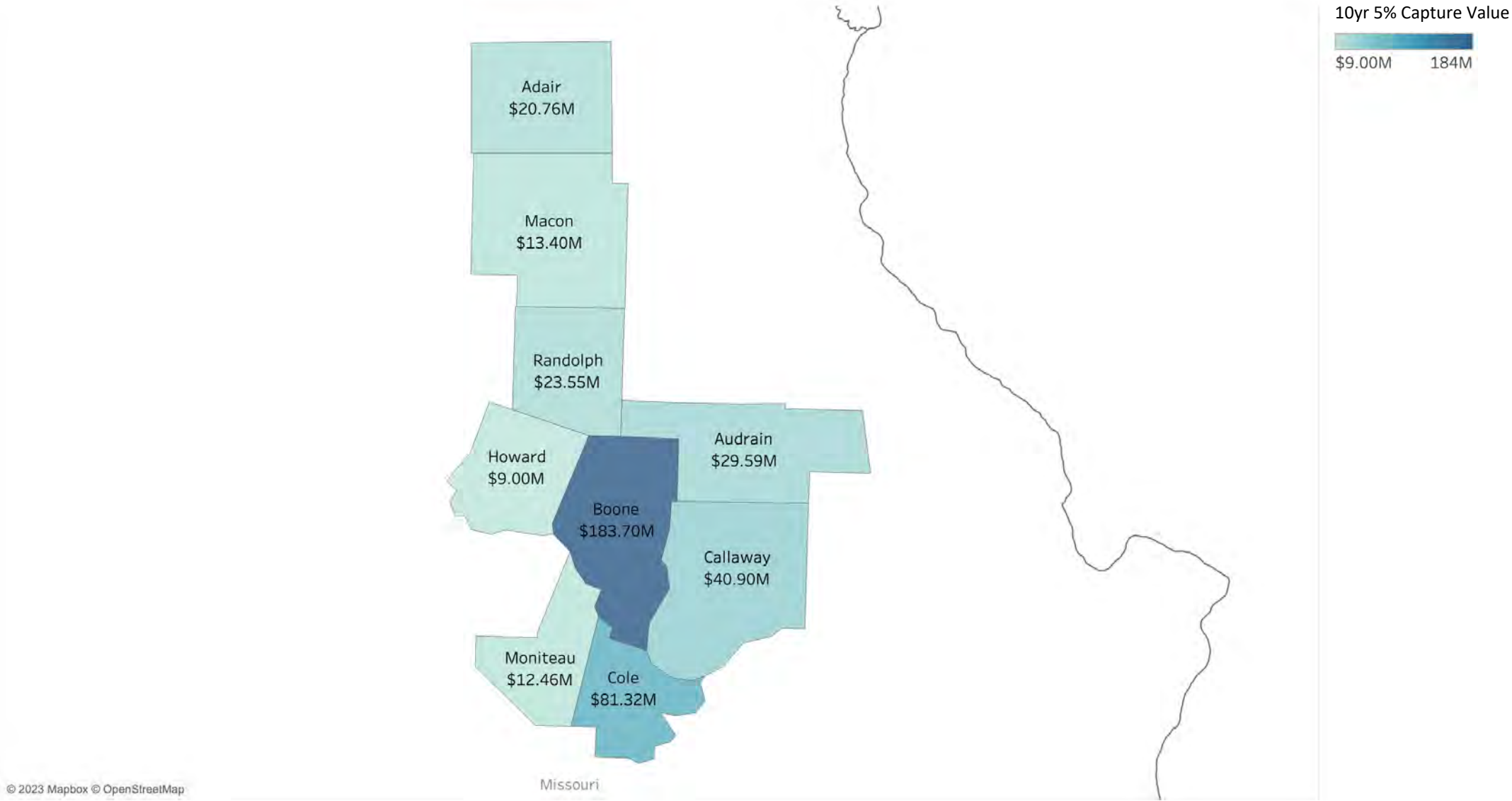
The Current Value of the Transfer of Wealth opportunity in Central Missouri is \$6.17 Billion.



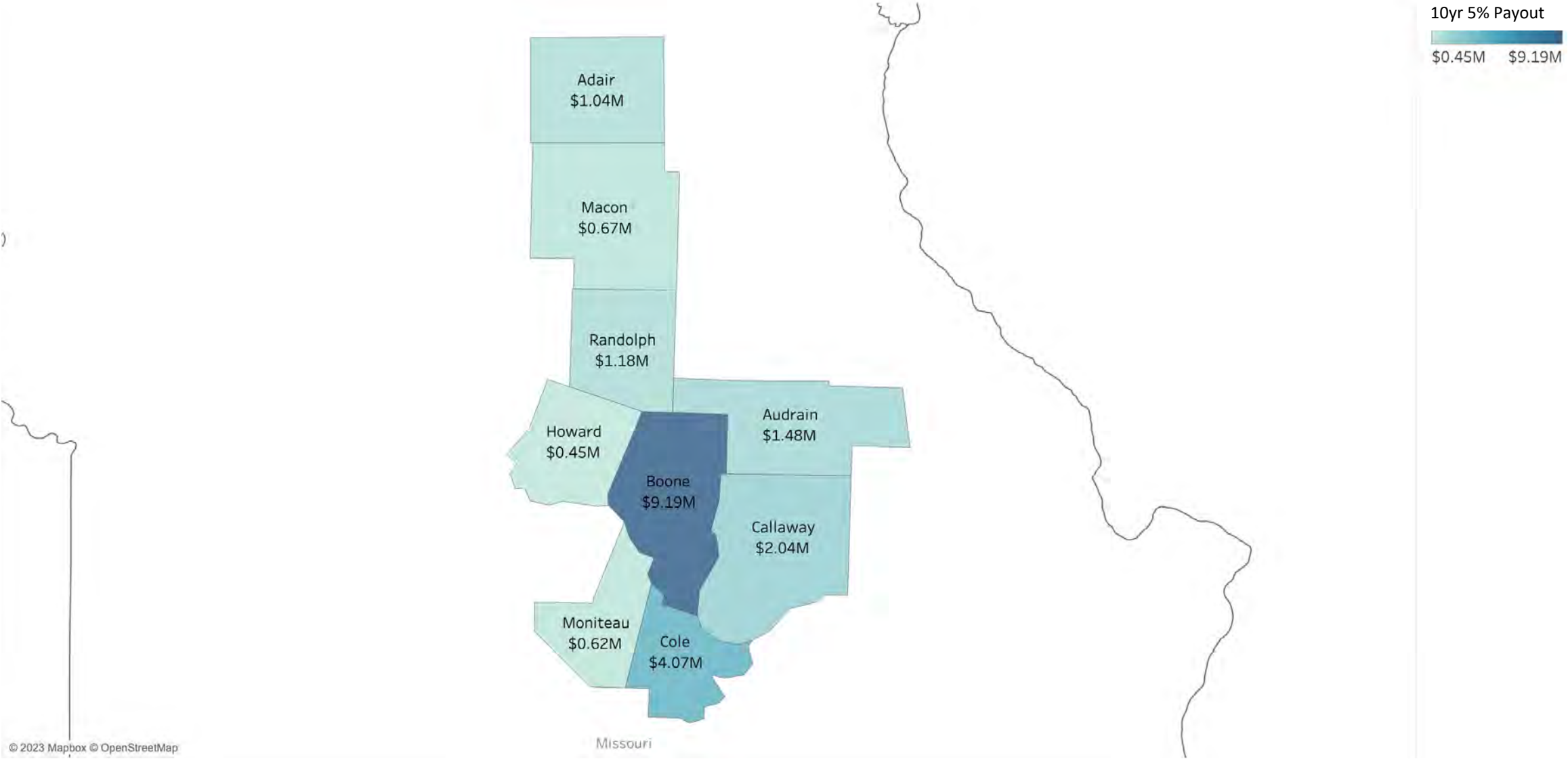
By 2032, estimates show \$8.29 Billion will have transferred in Central Missouri.



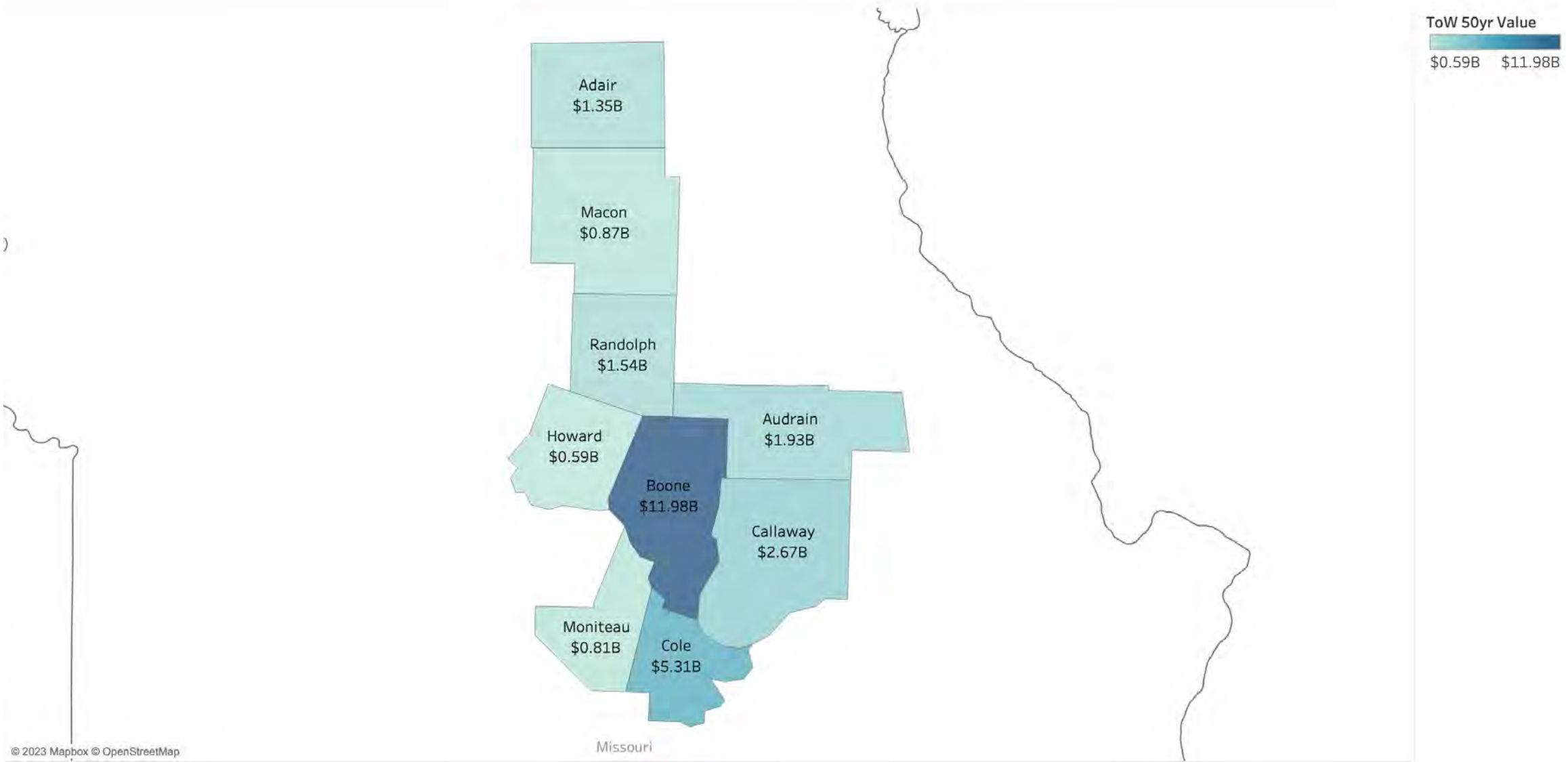
If the community foundation within Central Missouri region were to capture 5% of the transfer of wealth over the next ten years, that would amount to \$414.68 Million in captured funds, with Boone County accounting for \$183.7 Million.



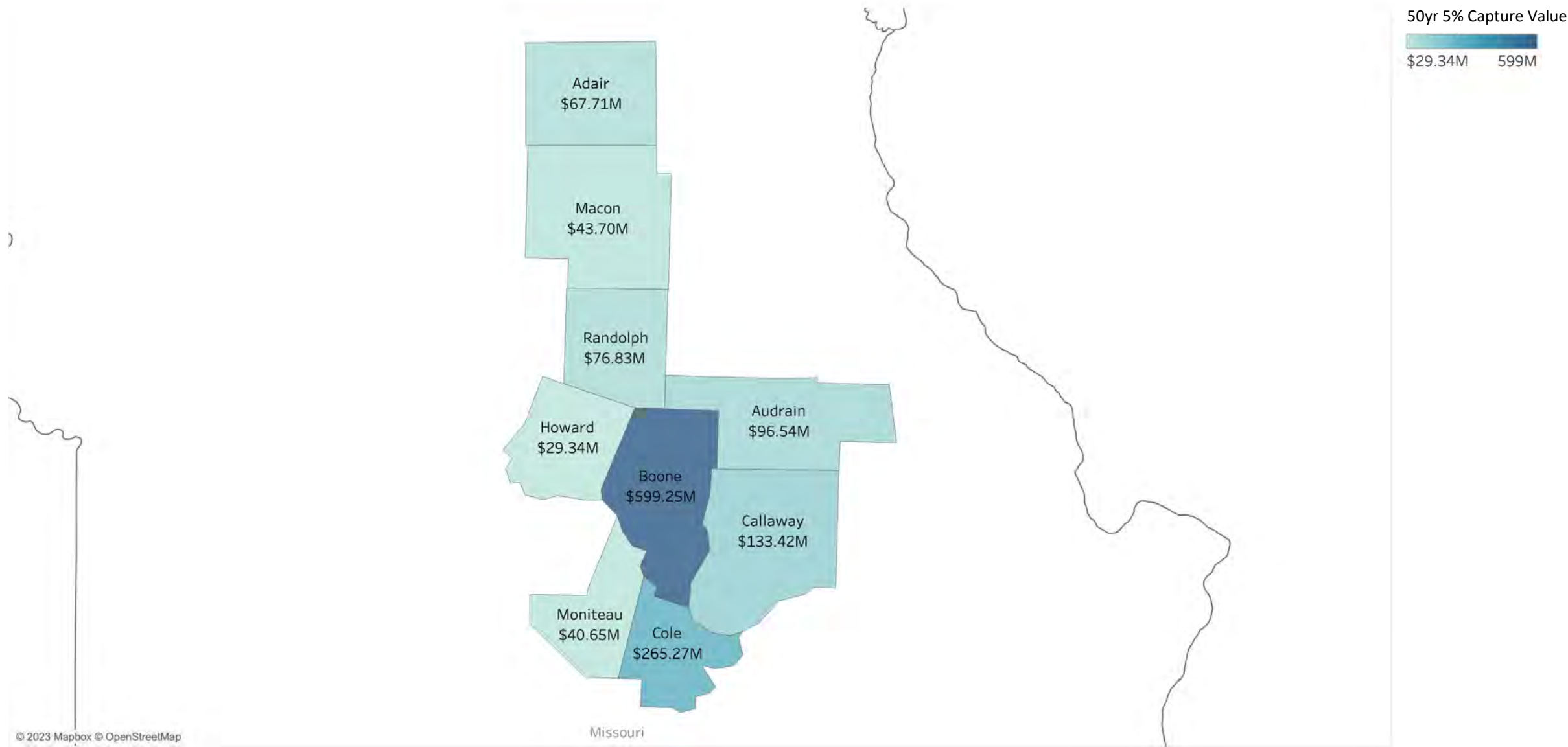
A 5% payout of the captured total would amount to over \$20.7 Million distributed throughout Central Missouri – ranging from \$450k in Howard County to over \$9 Million in Boone County over the next ten years.



Over the next 50 years, Central Missouri's foundation region anticipates over \$27 Billion in wealth to transfer.



A 5% capture in Central Missouri over the next 50 years would amount to \$1.35 Billion collected by the community foundation.



In terms of payout, \$67.64 Million would account for 5% of the captured total being distributed throughout Central Missouri over the next 50 years – ranging from \$1.47 Million in Howard County to nearly \$30 Million in Boone County.

