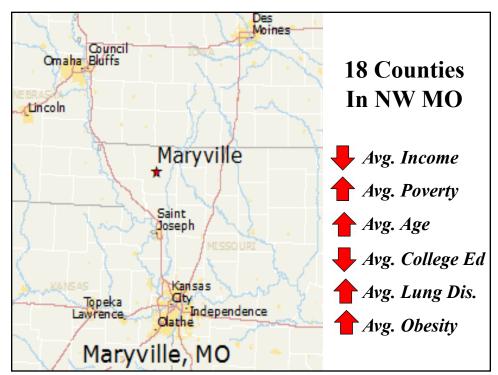


# Building the Capacity For Change









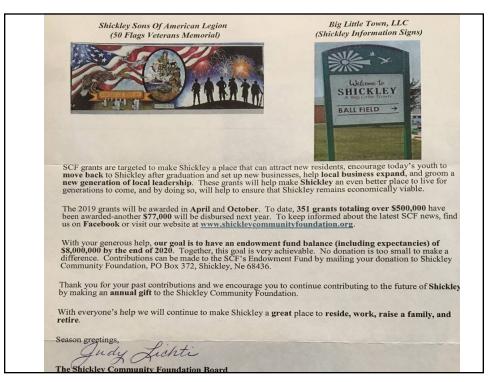
## **Agriculture & Rural Transfer of Wealth (TOW)**

		10-Year TOW			50-Year TOW		
Area	Current Value (Billions)	10-Year Value (Billions)	5% Capture Value (Millions)	5% Payout (Millions)	50-Year Value (Billions)	5% Capture Value (Millions)	5% Payout (Millions)
Missouri	\$517.70	\$134.97	\$6,748.58	\$337.43	\$1,510.53	\$75,526.30	\$3,776.31
Northwest MO	\$18.06	\$5.38	\$268.72	\$13.43	\$51.37	\$2,567.69	\$128.38
Andrew	\$1.66	\$0.40	\$20.09	\$1.00	\$4.13	\$206.55	\$10.33
Atchison	\$0.41	\$0.14	\$6.79	\$0.34	\$1.02	\$51.02	\$2.55
Buchanan	\$6.04	\$1.77	\$88.61	\$4.43	\$18.57	\$928.52	\$46.43
Caldwell	\$0.62	\$0.18	\$8.78	\$0.44	\$1.71	\$85.26	\$4.26
Clinton	\$1.85	\$0.43	\$21.52	\$1.08	\$4.44	\$221.89	\$11.09
Daviess	\$0.61	\$0.19	\$9.57	\$0.48	\$1.59	\$79.34	\$3.97
DeKalb	\$0.60	\$0.17	\$8.29	\$0.41	\$1.66	\$82.80	\$4.14
Gentry	\$0.45	\$0.16	\$7.94	\$0.40	\$1.13	\$56.51	\$2.83
Grundy	\$0.58	\$0.21	\$10.41	\$0.52	\$1.69	\$84.34	\$4.22
Harrison	\$0.56	\$0.20	\$9.91	\$0.50	\$1.60	\$79.85	\$3.99
Holt	\$0.34	\$0.12	\$6.21	\$0.31	\$1.16	\$57.99	\$2.90
Linn	\$0.83	\$0.26	\$13.08	\$0.65	\$1.99	\$99.45	\$4.97
Livingston	\$1.03	\$0.37	\$18.27	\$0.91	\$3.27	\$163.50	\$8.17
Mercer	\$0.27	\$0.09	\$4.26	\$0.21	\$0.73	\$36.42	\$1.82
Nodaway	\$1.35	\$0.44	\$21.99	\$1.10	\$4.91	\$245,39	\$12.27
Putnam	\$0.37	\$0.11	\$5.68	\$0.28	\$0.85	\$42.63	\$2.13
Sullivan	\$0.32	\$0.09	\$4.59	\$0.23	\$0.54	\$27.09	\$1.35
Worth	\$0.17	\$0.05	\$2.73	\$0.14	\$0.38	\$19.14	\$0.96

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Your community is much larger than the population sign. Work to communicate with everyone who has/had a connection to your town to greatly build your ability to accomplish bigger goals.



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## **Endowment Key Points**

- Community projects never start at "0"
- Inspires local citizens to begin community projects
  - Helps you "find" additional dollars
  - · It's Scholarship to Your Community





Batting Cages for School & Community Team Use Total Cost \$25,000 Endowment Funded \$2000



Disc Golf Course for Community Use Total Cost \$3,500 Endowment Funded \$1750



New, all-weather stage at the Tri-County Museum in King City Total Cost \$14,000 Endowment Funded \$3000



Playground Upgrades for Local Daycare (only daycare in town) Total Cost \$10,000 Endowment Funded \$1500

Our local endowment grants often return 3x the money and fund projects that would have never begun without us



# **Rethinking Scholarships**



...and the potential opportunities





# Two Questions

- Are We Fostering Prudent Financial Growth of the Funds?
- Do We Have a Long-Term Plan for Funding Graduates' Needs?

Many people don't consider these questions and simply leave scholarships on "auto-pilot." This unintentionally harms the community by not realizing the opportunity to better help graduates AND use a resource to build the school and community over the long-term.



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# **Existing Scholarship Funds**

- Will you add to the balance over time?
  - Will this fund last in perpetuity?
- Are you getting a good return on the investment?
- Should guidelines be reconsidered (if possible)?





#### Are We Fostering Prudent Financial Growth of the Funds?

#### Consider a school with \$500,000 of scholarship money...

1.5 % earnings on \$500,000 over ten years creates a balance of \$580,270 (if no money was paid out) 5% earnings on \$500,000 over ten years creates a balance of \$814,447 (if no money was paid out) 7.5% earnings on \$500,000 over ten years creates a balance of \$1,030,516 (if no money was paid out)

#### Difference of 1.5% vs. 7.5% is \$450,246 over ten years Difference of 1.5% vs 7.5% is \$1,450,498 over twenty years

\*\*The average annualized total return for the S&P 500 index over the past 90 years is 9.8 percent.



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#### What Might a Scholarship Plan Look Like?

Some communities have begun "Promise" programs that award specific amounts of scholarships to all graduates seeking further education. These programs could pay for all or part of a student's post-secondary school needs. Some common misconceptions of these programs are...

- We need a huge donor to support them
- They take lots of money to become a reality
  - They take intensive management





### Let's do some math...

\$1 million scholarship balance 5% interest equals \$50,000/year 50 students get further ed. every 4 years

\$1000/year for EVERY student EVERY year to further their education



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### Let's do some "Math and Match"

Aka "The Power of Matching Gifts"

10 donors, \$1000, 5 years = \$50,000

25 donors, \$1000, 5 years = \$125,000

50 donors, \$500, 5 years = \$125,000

25 donors, \$5000, 2 years = \$250,000

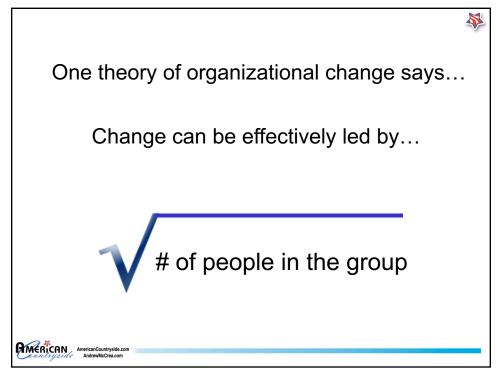
 $50 \ donors, \$2500, 2 \ years = \$250,000$ 

*50 donors,* \$*5000, 2 years* = \$*500,000* 

\* Double these figures for your "match" Donors only contribute what is matched.









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