

The image is a cover page for a report. It features a scenic photograph of a waterfront in Pierce County, Washington. In the foreground, a dark, pebbly beach is scattered with large pieces of weathered driftwood. Two people are walking along the shoreline. In the middle ground, a large white ferry is docked at a pier, with other buildings and structures nearby. The background shows a range of mountains under a soft, hazy sky, suggesting a sunset or sunrise. The top half of the image is overlaid with a teal-colored graphic consisting of several overlapping, semi-transparent circular shapes. The title text is centered within this teal area.

The Future of Philanthropy in Pierce County A Wealth of Opportunity

A REPORT BY GREATER TACOMA COMMUNITY FOUNDATION

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Ryan Jorgenson & Limoli, P.S.
Certified Public Accountants



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It only takes 15 minutes to change the world.

What do you want to be remembered for?

“I have one life and one chance to make it count for something.” - Jimmy Carter

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GREATER TACOMA COMMUNITY FOUNDATION (GTCF) works to build a thriving and vibrant Pierce County. We connect donors, business, nonprofit organizations, and members of the community to make this shared vision a reality. We make strategic investments so that everyone in our region can realize their full potential.

GTCF taps into the power of our community to create positive change and leverages our networks, knowledge, and funds to make this work possible. We professionally manage nearly 500 individual funds that reflect our donors' interests and passions, and invest in initiatives that hold great promise. Over the past 35 years, GTCF and our donors provided more than \$103 million in grants and scholarships to strengthen Pierce County.

Learn more at: www.gtcf.org.

INTRODUCTION



Imagine a community where everyone's basic needs are met. Where every student has the tools to succeed. Where the arts are thriving. Where families are uplifted out of poverty. Where environmental stewardship ensures our community's natural beauty is preserved for generations to come.

What would it take to make that happen?

You. And me. Each contributing in our own way.

One of the greatest resources of Pierce County is its remarkable people, who have helped make this a wonderful place to live, work, and play.

In the midst of so much abundance, those of us who care deeply for this community are also faced with a question: What can **we** do to preserve and enhance this place we love for future generations?

GTCF believes in the power of our community to collectively solve problems and we have the funding, networks and knowledge to make this possible. We aim to make substantive, measureable progress by leveraging our resources, convening the right networks, and boosting the capacities of individuals and groups whose work is making a difference. We give our donors exceptional insights into our region, and identify opportunities to make a significant impact. We are connected to all community stakeholders and uniquely positioned to catalyze positive social change.

The Pierce County community has an impressive philanthropic impact. But an even greater opportunity exists to deepen and expand this impact. We created this report

to help people **envision the very real possibilities that exist today** to invest in the health of our community.

In the coming years, we will embark upon the greatest transfer of wealth in our nation's history. According to conservative estimates of economic growth, a projected \$164 billion will transfer over the next 50 years from one generation to the next in Pierce County alone.

If a mere fraction of this—just 10 percent—were left in endowments to preserve the future quality of life in our neighborhoods, this would mean **\$821 million in investments each and every year**, forever.

One way to ensure the long-term betterment of our region is by supporting and sustaining the nonprofit community. What would this type of annual investment mean for local nonprofits working hard to enhance the arts? Housing? Healthcare? Economic development?

Together, we can make a lasting impact on the community we love. Together, we can all make a difference.

We would be honored to help you leave a lasting legacy.

WHY GIVING MATTERS

Communities across America are facing important challenges and opportunities for investing in their future. As government funding, private foundation grants, and other resources are being reduced, communities remain as committed as ever to finding sources that are more robust and sustainable.

Donors are a major part of the solution to the community's long-term vitality. They love their hometowns and see genuine opportunities to make a difference.

According to the National Center for Charitable Statistics, 72 percent of contributions to nonprofit organizations come from individuals. Although the Great Recession has impacted the peak levels of giving (in 2005), the numbers have been growing strong again since 2009.

Individual Giving

2013 **\$229 billion**

2014 **\$240 billion**



More than 65% of Americans give to charities annually



More than 43% of wealthy households have a will with a charitable provision



95% of high-net-worth households give to charities



Leave 10 Campaign, National Center for Charitable Statistics, National Philanthropic Trust

A healthy nonprofit sector is vital to the overall quality of life in Pierce County. Currently, one in three county residents give to charities. But with fewer than 10 percent of individuals giving a gift to charity in their estate plans, we have a tremendous opportunity to ensure our nonprofit sector continues to thrive.

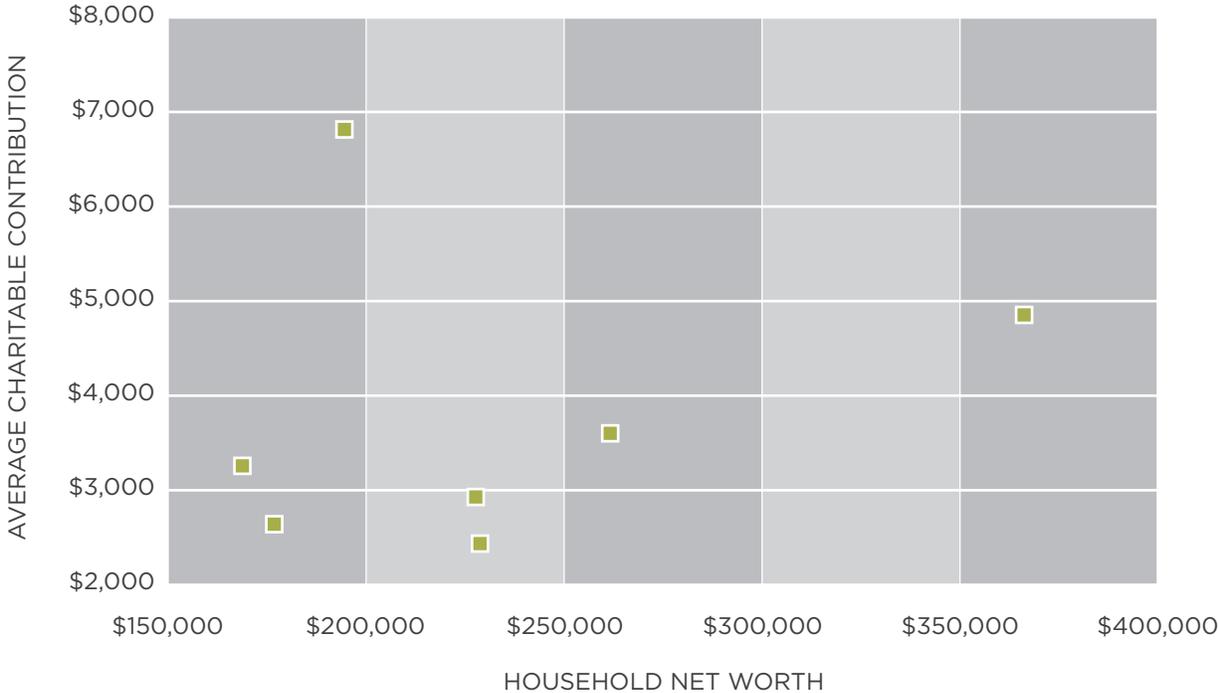
STATE OF GIVING TODAY

In our community today, there are more than 900 nonprofit organizations working to improve, enrich, and uplift the lives of residents. Statewide, individual giving ranks as the second largest source of revenue, after earned income, for nonprofit organizations.

Regardless of their location within the county, Pierce County residents are generous. Nearly 30 percent of county households made charitable donations in 2010. Together, they contributed \$364.53 million to nonprofits.

HOW WE COMPARE:	U.S.	Washington	Pierce Co.
Avg. contribution	\$3,605	\$3,198	\$3,452

AVERAGE CHARITABLE CONTRIBUTIONS AND PER HOUSEHOLD NET WORTH IN PIERCE COUNTY



Revitalizing Arts and Culture

Thanks to the support of many different off-stage actors, theater and the performing arts are alive and well in Tacoma's Theater District. In the 1990s, support from the private and public sectors provided a foundation for revitalizing the district—restoring the Rialto theater and building a new Theatre on the Square. First Night and festivals celebrating different cultures have also been launched to promote community engagement. In total, \$11.5 million was raised to help promote this revitalization—a somewhat unexpected achievement for a city with a reputation as a port town.

ENVISIONING THE POSSIBILITIES

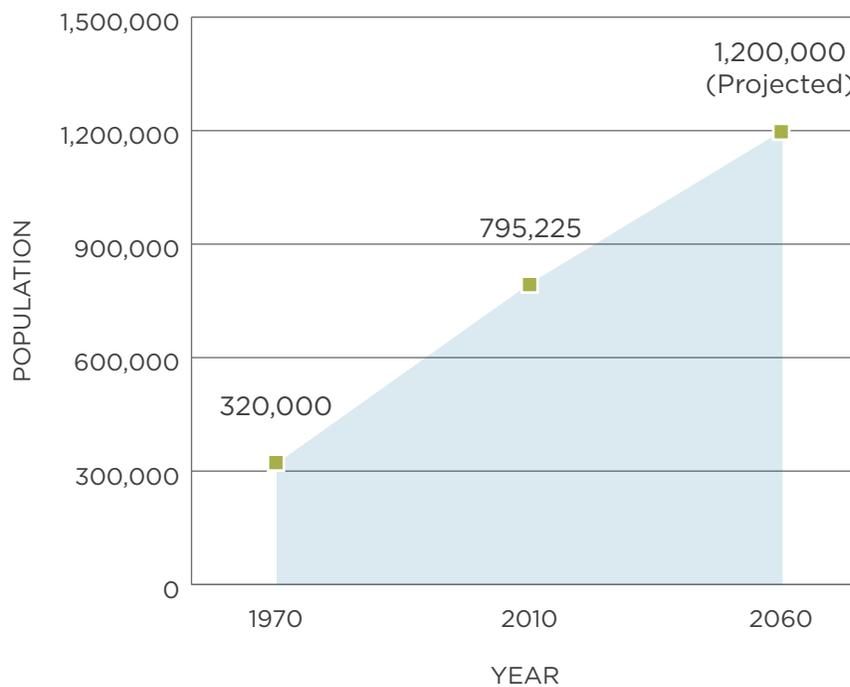
Compared to the United States, Pierce County has a more dynamic and growing economy. Between 2000 and 2010, Pierce County's population, employment, and income outpaced the national average. The county's population and personal income growth also outpaced the state's.

Between 1970 and 2010, population, personal income, and employment in Pierce County grew faster than nationwide. The rate of new wealth creation in our community is stronger than the national average and is estimated to

grow even stronger over time because of the area's projected socio-economic and population growth.

Pierce County is part of the rapidly changing and expanding Pacific Rim global community and economy. A strong history of innovation led by the area's creative-class talent and entrepreneurs will create new markets and significant wealth. The community also has a strong military legacy, with the growing number of retirees making a significant impact on the economy.

PIERCE COUNTY POPULATION



“Act as if what you do makes a difference. It does.” - William James

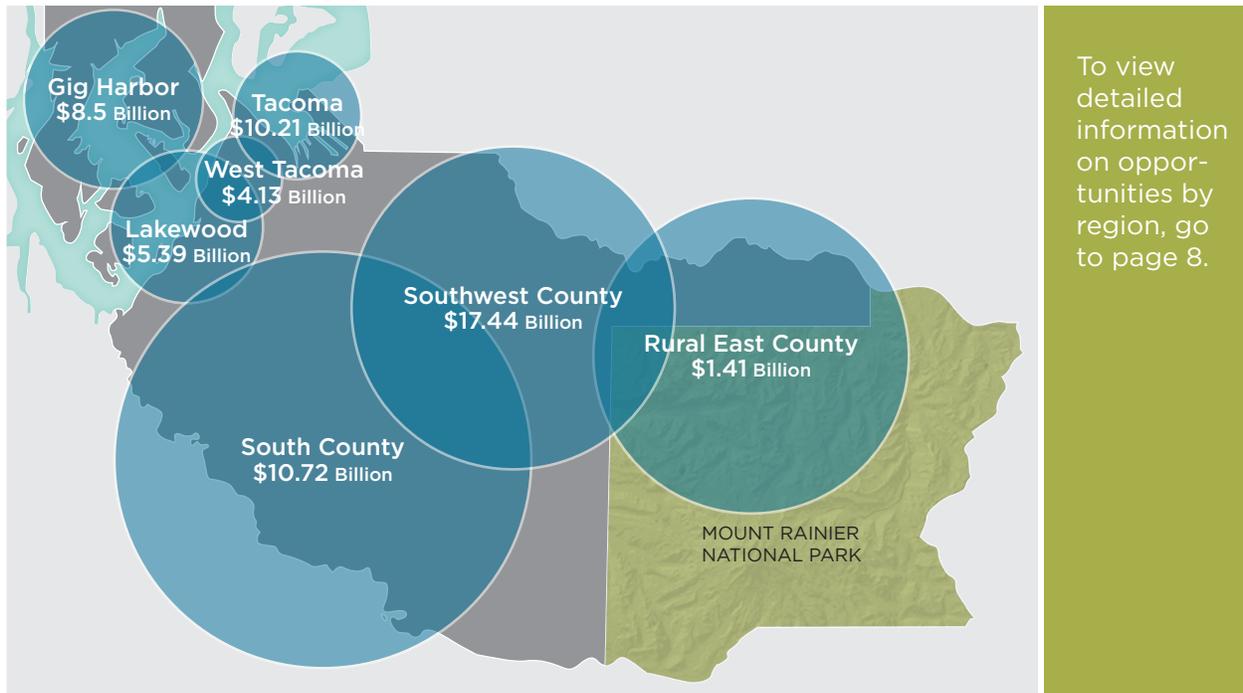
2000-2010 GROWTH	U.S.	Washington	Pierce County
Population	9.6%	14.1%	13%
Employment	5.1%	7.7%	14.1%
Personal Income	14%	18.4%	28.3%
Average Earnings Per Job	2.3%	1.7%	19.4%
Per Capita Income	4%	3.8%	13.6%

ENVISIONING THE POSSIBILITIES, CONTINUED

PIERCE COUNTY'S CURRENT NET WORTH (CNW)

In 2010, Pierce County's CNW was estimated to have a value of approximately \$62 billion.

PIERCE COUNTY CNW: \$62.3 BILLION



Quality Healthcare for All

In 1969, local physicians and concerned citizens recognized the problems low-income and uninsured residents had with accessing quality healthcare. Determined to help fill the void, they launched two volunteer clinics in East Tacoma and the Hilltop area of downtown, each operated one or two nights a week by volunteer physicians. Because of their vision and determination, these clinics eventually became Community Health Care, a nonprofit organization that now operates six medical and two dental clinics serving low-income and uninsured Pierce County residents.

SUMMARY FINDINGS OF CNW

Absolute Values in Real Dollars & Comparative per Household Values

	2010 Net-Worth (Billions)	Per Household (Thousands)
Pierce County	\$62.3	\$207.6
Tacoma	\$10.21	\$168.7
West Tacoma	\$4.13	\$261.6
Lakewood	\$5.39	\$194.5
Gig Harbor	\$8.50	\$366.2
South County	\$10.72	\$176.8
Southwest County	\$17.44	\$227.7
Rural East County	\$1.41	\$228.8

ENVISIONING THE POSSIBILITIES, CONTINUED

IN THE NEXT 10 YEARS IN PIERCE COUNTY:



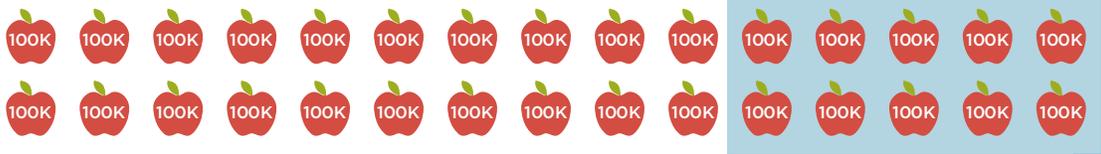
will be transferred from one generation to the next



If people gave **10 percent** of estates to nonprofits, this equals **\$68.5 million in grants**

If a local foodbank received just **1 percent** of those grants (**\$685,000**) annually:

- This equals nearly 3 million additional nutritional meals



- More than 1.1 million of those meals would feed children



- It would also mean mobile foodbanks for underserved areas and food delivery for homebound seniors and disabled individuals, including veterans.



Making a Better Place for Future Generations

Buckley resident MaryDale Brooks has a special knack for making her dollars stretch. Wanting her giving to help meet the broad needs of the hill towns surrounding her Buckley home, MaryDale spent time talking to her neighbors to determine what people needed, often contributing out-of-pocket funds to leverage change. She purchased vouchers for those unable to see a doctor because they lacked funds to get to the clinic, and she bought hygiene kits for the foodbank. She also wanted to ensure that helping her neighbors carried far into the future.

Through her careful savings, MaryDale was able to establish a \$350,000 fund at the Community Foundation, the White River Home Towns Fund, to honor her mother and help make her home an even better place for future generations.

A WEALTH OF OPPORTUNITY

WHAT IS TRANSFER OF WEALTH?

Transfer of wealth is simply the process of transferring assets from one generation to the next. Typically, this occurs through a will or estate plan and represents the moment when legacy giveback is the greatest. Transfer of wealth often represents the single largest underdeveloped resource that communities have available for supporting their development.

TRANSFER OF WEALTH IN PIERCE COUNTY

Pierce County has an estimated net worth of \$62.3 billion. By 2020, \$13.7 billion will transfer from one generation to the next, climbing to an estimated \$164 billion by 2060.

If people gave just 10 percent of their estates to nonprofit organizations like the Community Foundation, **over the next 10 years this could result in \$1.4 billion in donations.** If these donations were endowed, this could mean **\$68.5 million in grants into the community—every year—forever.**

	2010 Net-Worth (Billions)	10-Year Transfer of Wealth (Billions)	10% Capture of 10-Year TOW (Millions)	5% Payout of 10% Capture (Millions)	50-Year TOW (Billions)	10% Capture of 50-Year TOW (Billions)	5% Payout of 10% Capture (Millions)
Pierce County	\$62.3	\$13.7	\$1,370	\$68.5	\$164.29	\$16.43	\$821.44
Tacoma	\$10.21	\$2.29	\$299	\$11.5	\$21.41	\$2.14	\$107.06
West Tacoma	\$4.13	\$1.01	\$101	\$5.10	\$9.54	\$0.95	\$47.70
Lakewood	\$5.39	\$1.21	\$121	\$6.0	\$10.46	\$1.05	\$52.30
Gig Harbor	\$8.50	\$2.39	\$239	\$11.9	\$33.28	\$3.33	\$166.40
South County	\$10.72	\$2.10	\$210	\$10.5	\$28.50	\$2.85	\$142.49
Southwest County	\$17.44	\$3.80	\$380	\$19.0	\$52.40	\$5.24	\$262.00
Rural East County	\$1.41	\$0.31	\$31	\$1.6	\$3.97	\$0.40	\$19.86

“The greatest thing a generation can do is to lay stepping stones for the next generation.” -Charles Kettering

WAYS TO GIVE

HOW YOU CAN MAKE A DIFFERENCE

You can begin investing into the future now by thinking about what makes your community special and committing to investing in it. Consider how your family and life would have been different without the help of organizations that have contributed to your wellbeing and success.

Have any of these organizations influenced you?

- Schools, from preschool to college
- Hospitals
- Social-service organizations
- Arts organizations
- Environmental organizations

The best way to ensure that Pierce County continues to offer a high quality of life and economic opportunities for future generations is by supporting the wide variety of nonprofits that contribute to the success of all residents.

Talk to your family about your legacy and how you want to be remembered—today and in the future. Call Greater Tacoma Community Foundation or your favorite nonprofit to learn about leaving a legacy for your community's future.

DID YOU KNOW?

The Community Foundation manages 300 individually endowed funds established by donors to support a wide variety of causes. Through the Community Foundation's diligent and relentless stewardship, grants from these funds go toward nonprofit organizations that honor the donor's charitable intent, meet the highest standards of performance, and are the best and most-effective charities serving our community.

Each grant does the good the donor intended it to do, generation after generation.

“Through my scholarship fund, I want people to know that someone cares for them. As long as people know that there's someone there to help them, then they have hope.” - *Lea Armstrong*

MAKING A DIFFERENCE THROUGH 'LEAVE 10' CAMPAIGN

The Leave 10 movement aims to build better communities and transform as many people as possible into philanthropists by educating, inspiring, and encouraging individuals to aspire to leave at least 10 percent of their estate to charity. Through research, training, advocacy, and a communitywide effort, the Leave 10 campaign strives to double charitable estate giving in the Puget Sound and positively impact the community for generations.

Join other community leaders who are supporting the campaign and have shared their intent to leave 10 percent of their estates to charitable organizations.

SIMPLE WAYS TO GIVE

- Transfer assets—such as life insurance, retirement accounts, joint bank accounts, annuity contracts—outside of your will by changing your **beneficiary designation** to a nonprofit.*
- Set up a charitable gift arrangement—such as a life-income plan—that has tax savings and financial benefits.
- Deed your home to a nonprofit while living there for the rest of your life.
- Make a charity a beneficiary of a bank or brokerage account through a POD (Payable-on-Death) or TOD (Transfer-on-Death) arrangement.

**Washington state is one of nine states that require spousal approval on the beneficiary form if he/she is not the sole beneficiary. Always check with your tax professional in matters of taxable planning and deductions.*

CREATING PERMANENT GOOD THROUGH AN ENDOWED GIFT

Why an endowment? An endowment ensures your generosity and vision will have an impact that extends far beyond your lifetime. It creates a permanent legacy that will never stop giving.

How it works: An endowment operates much like any savings and investment portfolio. The principal gets invested and grows over time, and each year, a small portion is given out in charitable distributions to support causes and organizations you care about.

What assets to leave: You can leave a specific cash amount, a percentage of your estate or assets, financial investments, something you own (such as art, jewelry, or real estate), or make the Community Foundation the beneficiary of a life insurance policy or retirement plan.

It's easy. So go ahead and support the arts, create a scholarship, protect the environment, feed hungry families—it's your choice.

IDEAS FOR:

INDIVIDUAL DONORS

- Talk to your professional advisor about including your community in your estate plans.
- Consider leaving at least 10 percent of your estate for the good of Pierce County.
- Make an additional 10 percent of your total charitable gifts from last year to an endowment of your favorite nonprofit or a Community Foundation fund that supports the cause you care about.
- Establish a donor-advised fund as an alternative to a private foundation, and incorporate the fund into your estate plans.

NONPROFIT ORGANIZATIONS

- Think beyond fundraising efforts that secure immediate gifts and consider a planned giving strategy.
- Reach out to your annual donors and establish their interest in creating an endowment fund by leaving at least 10 percent of their residual estate to your organization.
- Create a program that builds strong relationships with your donors and educates them about the importance—and impact—of giving locally.
- Discuss your needs with one of the Community Foundation's experts. We offer diligent stewardship of individual endowed funds established by individual donors for the benefit of nonprofits they support.

PROFESSIONAL ADVISORS

- Build deeper relationships with your clients by taking an active approach to philanthropy. Clients appreciate the value-added service of charitable-giving advice.
- Guide the conversation with your clients on how they can benefit from including their community in their wills. Opportunities include conversations about year-end tax planning, sale of a business, retirement, disposition of highly appreciate stock, and much more.
- Tap into the numerous resources and expertise offered by the Community Foundation that can help you and your clients understand their philanthropic options and plan their legacy. The Community Foundation's experts can provide neutral technical guidance and match your client's interests with their planning needs.

BUSINESS LEADERS

- Encourage your employees' philanthropy by creating a matching-gifts program.
- Set up corporate scholarship programs that support students interested in your field.
- Formalize your company's philanthropy—this is easy to do through a fund at the Community Foundation.

METHODOLOGY

Research for this study was conducted by the staff of the RUPRI Center for Rural Entrepreneurship. Created in 2001, the RUPRI Center works with economic development practitioners and researchers and conducts practice-driven research and evaluation that serves as the basis for developing insights into model practices and other learning.

The TOW scenarios shared in this report are created using a method the RUPRI Center research team has developed and refined specifically for the purpose of producing scenarios based on projects of likely futures, not predictions or forecasts of actual future outcomes. These scenarios are not designed to dictate policy but rather provoke strategic discussions driven by a simple question: what if the community was able to capture just 10 percent of the wealth that will transfer between generations over the next 10, 20, or even 50 years and be used for the good of Pierce County?

The TOW analysis uses a data series produced by the U.S. Federal Reserve, Survey of Consumer Finance Report, to match demographic characteristics for Pierce County with key national indicators. 2010 was selected as the base year of the study. The analysis is conducted in “inflation adjusted dollars.” In other words, these are real dollars—a dollar in 2030 is worth the same as a dollar in 2010.

“Why give back?
I believe Winston
Churchill said it
best: You make a
living by what you
get; you make a life
by what you give.”

— Col. Willie Stewart

TECHNICAL ADVISORY COMMITTEE

This report was also made possible by a volunteer Technical Advisory Committee, whose members shared their expertise and knowledge of Pierce County.

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