DATA IN COMMUNITY DEVELOPMENT

Bob Sutton – Avera Health

Data…Everyone's Doing It!

- Albert Einstein:

"Not everything that counts can be counted and not everything that can be counted counts."

Data…What is it?

- **da·ta**
  - /ˈdeɪtə, ˈdætə, ˈdɑtə/ Show Spelled [**dey-tuh, dat-uh**]
  - a plural of <u>datum</u>.
  - individual facts, statistics, or items of information
  - **Does that clear it up for you?**

BIG Data

- Big Data usually includes data sets with sizes beyond the ability of commonly used software tools to capture, curate, manage, and process the data within a tolerable elapsed time.
- IF this is what you were looking for, you MIGHT be in the wrong session…
- US Healthcare – harness big data, use it to increase quality and efficiency = $300 billion per year!

Community Development

- Many types – generally focused on economic development, job growth, population, etc.

- Philanthropy a part of community development

- South Dakota Community Foundation

- 2003-2012

Data in Community Development

- Hired in 2003 - $29.7 million in assets

- Goal - $50 million by 2010

- 2005 – Goal Met!

- 2005 – Goal Revised (of course it was!)

- Needed data

Data in Community Development

- Transfer of Wealth (TOW) Analysis

- RUPRI Center for Rural Entrepreneurship

- Modeled after Boston College 1999 Study

- BC found that $41Trillion would transfer over 50 year period (1998 dollars)

Data in Community Development

United States Transfer of Wealth

❑Researchers estimate a $75 trillion transfer of wealth (TOW) in the US between 2010 and 2060

❑This translates into a transfer of $653,000 per household

❑The trend line for U.S. wealth transfer is projected to expand over time

South Dakota Transfer of Wealth

❑Researchers estimate a $101-$112 billion transfer of wealth (TOW) in SD between 2010 and 2060

❑This translates into a transfer of $315,165 per household

❑Each year, for the next 50 years, $2.02 billion will transfer from one generation to the next

What does this mean?

Lower Transfer Levels

Projected levels are lower than national numbers due to slower population and growth rates as well as lower household income.

...Still Great Potential

A $1 billion total endowment could be created if just 5 percent of the wealth transferred was pledged to a community based endowment over the next 10 years.

At a 4 percent payout rate of the endowment, South Dakota communities would have approximately $40 million annually for community betterment projects.

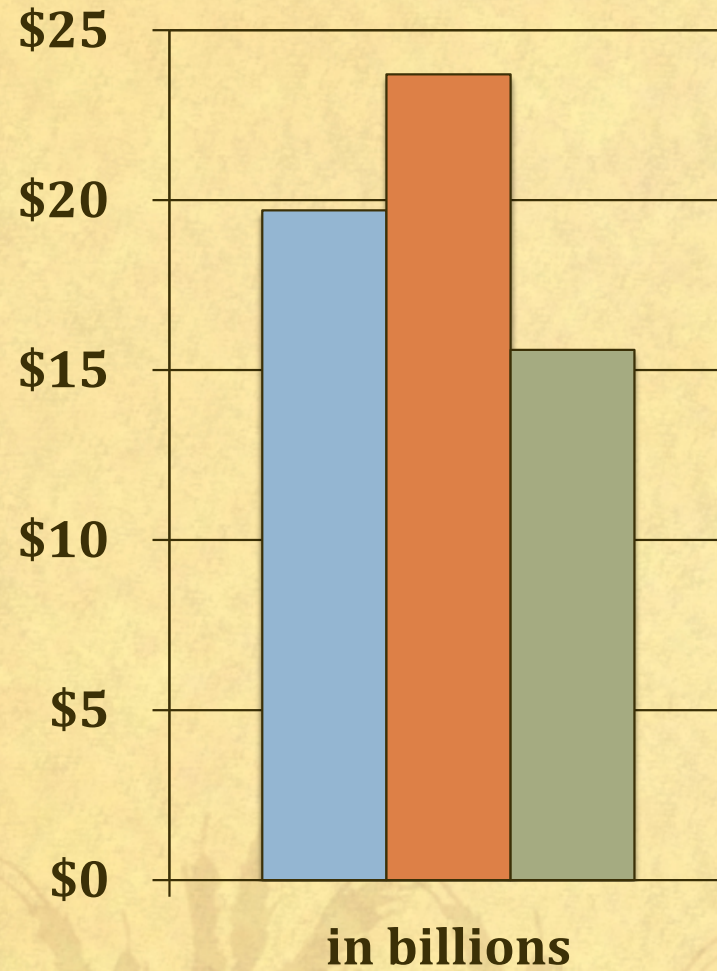| Total: $101 billion | 20% transfer every 10 years: $20 billion | 5%: $1 billion endowment | 4% payout rate: $40 million | Community betterment projects |

Wealth in South Dakota

Forms of wealth cited
- **Property** (see graph)
- **Investments**
- **Insurance**

SD Property Types:
- ☐ **Agriculture**
- ☐ **Residential**
- ☐ **Other**

in billions

South Dakota Wealth

Wealth Classification	Households	Share	Wealth Range
Low Wealth	155,120	47.8%	$0 to $75,000
Middle Wealth	89,215	27.5%	$75K to $250K
High Wealth	66,144	20.4%	$250K to $1Mil.
$1 Million+	13,485	4.3%	$1 Million+

Source: ESRI, Chicago – 2010 Data – 2012

Wealth by Age Cohort

Age Cohort	Mean	Median	Under $50,000	Over $500,000
<25	$22,116	$9,382	92%	0.2%
25-34	$78,702	$20,316	63%	1.5%
35-44	$168,778	$62,117	46%	4.9%
45-54	$343,310	$128,784	31%	12.1%
55-64	$569,682	$175,929	27%	20.6%
65-74	$569,546	$155,479	23%	19.9%
75+	$358,523	$122,337	31%	14.1%

Source: ESRI, Chicago – 2010 Data – 2012

Property Valuations

Top 5 Counties		Bottom 5 Counties	
Minnehaha	$10.7 billion	Shannon	$25 million
Pennington	$7.1 billion	Buffalo	$91 million
Lincoln	$3.8 billion	Todd	$103 million
Brown	$2.5 billion	Ziebach	$120 million
Lawrence	$1.9 billion	Dewey	$137 million
TOTAL	$26.1 billion 44% of state total	TOTAL	$479 million .8% of state total

Current Net Worth

Top 5 Counties		Bottom 5 Counties	
Minnehaha	$14.1 billion	Buffalo	$24 million
Pennington	$7.4 billion	Ziebach	$56 million
Lincoln	$4.3 billion	Jones	$72 million
Brown	$2.3 billion	Harding	$72 million
Brookings	$1.7 billion	Mellette	$73 million
TOTAL	$29.8 billion 56% of state total	TOTAL	$297 million .6% of state total

Comparison

- **Sully County**
  - Rural
  - Low population and declining
  - Median Age: 47.2 years
  - Age 65+: 21% of population

Comparison

Brookings County

- One large population center
- Highly populated and growing
- Median Age: 26.1 years
- Age 65+: 10% of population

Indications of TOW

Population

Study assumes a proportional share of inter-generational wealth based on state population.
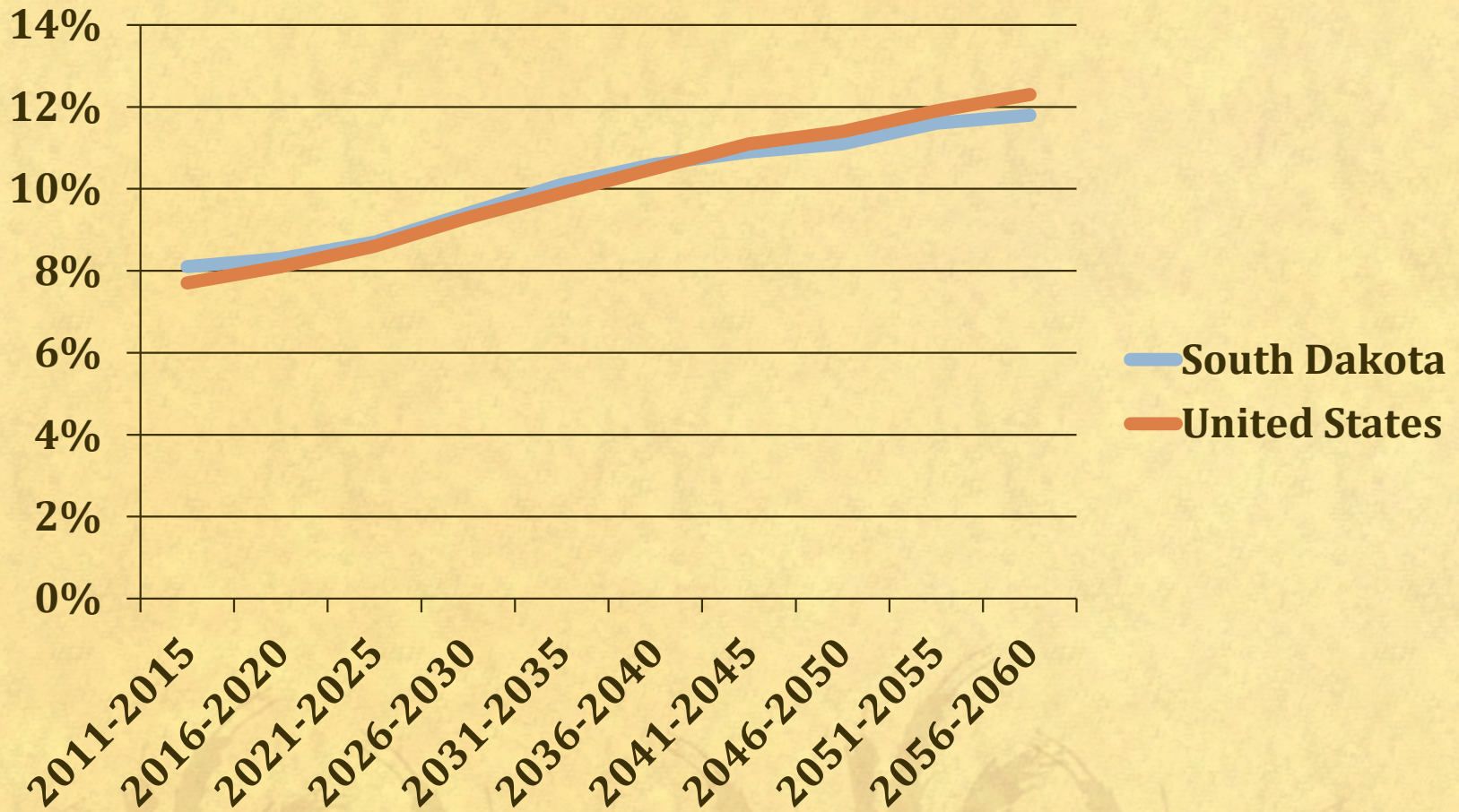
Income

Research shows as incomes rise, net worth also rises. SD has more households in lower income groups when compared nationally.

Age

As household age increases, the net worth follows suit. Overall, SD residents are older when compared nationally. This supports an earlier transfer of wealth.

TOW Opportunity Timing

Methodology

Dividends, interests, and rent income
Provides an estimate of certain kinds of asset holding including stocks, bonds, cash accounts, and rental property. Estimated by the U.S. Bureau of Economic Analysis.

Asset holdings by age
CNW generally increases by age. National data for wealth holding and specific age information is used in this indicator.

Asset holdings by income level
CNW also increases with income levels. National data for wealth holding by income level combined with household income level is used in this set.

Real property asset holdings
State and county information on real property were also used.

Wealth Retention Strategy

Effort must be made on local level to develop strategy

Organization or committee needed to spearhead development

Overall strategy would involve development organizations, local nonprofit and charitable service agencies, and local governmental entities

Plans for earning expenditures must be in place before development work begins

Management of funds to ensure appropriate payout essential to success

Managing the Lily Pond

- **# of lilies in the pond doubles every day**
- **Pond is full after 30 days**
- **On what day is the pond 1/2 full?**