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?

- **data**
  - /ˈdeɪtə, ˈdætə, ˈdatə/ Show Spelled [deɪ-tuh, dat-uh]

- a plural of **datum**.

- 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 $41 Trillion 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.
Wealth in South Dakota

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

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

![Graph showing wealth in billions by property types](image-url)
# South Dakota Wealth

<table>
<thead>
<tr>
<th>Wealth Classification</th>
<th>Households</th>
<th>Share</th>
<th>Wealth Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Wealth</td>
<td>155,120</td>
<td>47.8%</td>
<td>$0 to $75,000</td>
</tr>
<tr>
<td>Middle Wealth</td>
<td>89,215</td>
<td>27.5%</td>
<td>$75K to $250K</td>
</tr>
<tr>
<td>High Wealth</td>
<td>66,144</td>
<td>20.4%</td>
<td>$250K to $1Mil.</td>
</tr>
<tr>
<td>$1 Million+</td>
<td>13,485</td>
<td>4.3%</td>
<td>$1 Million+</td>
</tr>
</tbody>
</table>

Source: ESRI, Chicago – 2010 Data – 2012
# Wealth by Age Cohort

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

Source: ESRI, Chicago – 2010 Data – 2012
## Property Valuations

<table>
<thead>
<tr>
<th>Top 5 Counties</th>
<th>Bottom 5 Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minnehaha</td>
<td>Shannon</td>
</tr>
<tr>
<td>Pennington</td>
<td>Buffalo</td>
</tr>
<tr>
<td>Lincoln</td>
<td>Todd</td>
</tr>
<tr>
<td>Brown</td>
<td>Ziebach</td>
</tr>
<tr>
<td>Lawrence</td>
<td>Dewey</td>
</tr>
<tr>
<td>TOTAL</td>
<td>TOTAL</td>
</tr>
<tr>
<td>$10.7 billion</td>
<td>$25 million</td>
</tr>
<tr>
<td>$7.1 billion</td>
<td>$91 million</td>
</tr>
<tr>
<td>$3.8 billion</td>
<td>$103 million</td>
</tr>
<tr>
<td>$2.5 billion</td>
<td>$120 million</td>
</tr>
<tr>
<td>$1.9 billion</td>
<td>$137 million</td>
</tr>
<tr>
<td>$26.1 billion</td>
<td>$479 million</td>
</tr>
<tr>
<td>44% of state total</td>
<td>.8% of state total</td>
</tr>
</tbody>
</table>
## Current Net Worth

<table>
<thead>
<tr>
<th>Top 5 Counties</th>
<th>Bottom 5 Counties</th>
</tr>
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<tbody>
<tr>
<td>Minnehaha</td>
<td>Buffalo</td>
</tr>
<tr>
<td>Pennington</td>
<td>Ziebach</td>
</tr>
<tr>
<td>Lincoln</td>
<td>Jones</td>
</tr>
<tr>
<td>Brown</td>
<td>Harding</td>
</tr>
<tr>
<td>Brookings</td>
<td>Mellette</td>
</tr>
<tr>
<td>TOTAL</td>
<td>TOTAL</td>
</tr>
<tr>
<td>$14.1 billion</td>
<td>$24 million</td>
</tr>
<tr>
<td>$7.4 billion</td>
<td>$56 million</td>
</tr>
<tr>
<td>$4.3 billion</td>
<td>$72 million</td>
</tr>
<tr>
<td>$2.3 billion</td>
<td>$72 million</td>
</tr>
<tr>
<td>$1.7 billion</td>
<td>$73 million</td>
</tr>
<tr>
<td>$29.8 billion</td>
<td>$297 million</td>
</tr>
<tr>
<td>56% of state total</td>
<td>.6% of state total</td>
</tr>
</tbody>
</table>
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

South Dakota

United States

0%
2%
4%
6%
8%
10%
12%
14%

2011-2015
2016-2020
2021-2025
2026-2030
2031-2035
2036-2040
2041-2045
2046-2050
2051-2055
2056-2060
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?