

ENDOW WISCONSIN

The Problem: A tax credit for endowment giving to community foundations has been highly successful in Iowa and other Midwest states. There is a good reason to support this legislation in Wisconsin. According to *Wealth in Wisconsin*, a transfer of wealth study, approximately \$687 billion will be transferred from one generation of Wisconsinites to the next in the next 50 years.

Demographic shifts suggest that many of those assets will be channeled to other states rather than helping to strengthen hometowns throughout Wisconsin. Keeping a portion of this wealth in Wisconsin presents a unique opportunity to grow assets that will build our communities. The proposed Endow Wisconsin tax credit will provide a valuable incentive for Wisconsinites to share a portion of their hard-earned assets with their local communities.

If just five percent of the multi-billion-dollar wealth transfer were given to permanent endowments of accredited Wisconsin community foundations, a cumulative endowment of \$5.3 billion would be created. This would make approximately \$265 million available for new grants every year for nonprofits and community partners to work together to support their local residents and strengthen their regions.

Endowments fuel jobs, housing, food systems, cultural centers, youth programs and a myriad of essential services that make Wisconsin communities great. They also support the institutions and charities that give our residents such an excellent quality of life.

The Proposal: Wisconsinites who contribute to the permanent endowment of a local accredited community foundation will receive a 25% tax credit for doing so. Twelve million dollars would be leveraged for permanent endowments if Wisconsin invested \$3 million to support the tax credits.

The Relevance: Endow Wisconsin will create the opportunity to keep assets in Wisconsin that will help communities grow, change, and be the places where future generations want to live, work and thrive. Endow Wisconsin legislation will not only help Wisconsinites but will also make a positive impact on our regional communities – now and into perpetuity. Adoption of the tax credit has the potential to raise significant dollars for use in Wisconsin while making only a modest investment from state revenue.