



MINNESOTA COUNCIL
ON FOUNDATIONS

*Minnesota's
vibrant philanthropic
community working collectively
to advance prosperity and
equity*

Endow Minnesota Creating Thriving Communities & Giving Through Community Foundations

SF2186 (Relph) / HF2339 (Rosenthal)

The Opportunity of a Generation Approximately \$47.9 billion in wealth will be transferred from one generation of Minnesotans to the next in the coming 20 years. Keeping these assets in Minnesota communities will be a big challenge . . . and an opportunity.

Keeping Wealth in Minnesota

Minnesotans have worked hard, invested in their land and saved money. Many have lived their entire lives in the communities where they were born. But demographics are shifting and so is community wealth. Endow Minnesota creates the opportunity to hold onto some of those assets to help communities grow, change and be the places where future generations want to live, work and thrive.

Giving Through Community Foundations

Community foundations match donors with giving opportunities that make a permanent difference in local communities. Donors create endowed fund to support community foundation and other charitable activities. They create donor advised funds. They create funds on behalf of nonprofits that may not have the capacity to manage an endowment. The options are many. Community foundations exist to promote philanthropy, support donor choice and grow thriving nonprofit communities.

Building Endowments for Changing Communities

Endowments are permanent. Contributions to endowments are preserved as principal. Investment interest provides an ongoing revenue stream for grants to nonprofits, other community investments or sustaining support for nonprofits. Endowments held by Minnesota's community foundations respond to today's needs while also providing resources for communities to change and adapt for the future.

\$120 Million in New Resources to Build Minnesota Communities

Endow Minnesota has the potential of making \$120 million in new grants available each year to support local community and economic development projects.

How the Endow Minnesota Tax Credit Will Work

Those who contribute to the permanent endowments held by local community foundations would be able to choose a tax credit of 25% for gifts of between \$5,000 and \$100,000 annually [ranging from a minimum credit of \$1,250 to a maximum of \$25,000] rather than a standard charitable giving tax deduction in their state income taxes. Up to \$4 million in tax credits would be awarded each year. To take advantage of the unique opportunity created by the unprecedented transfer of wealth in Minnesota, the tax credits would be available for only 14 years.

An Idea that Works

The Endow Iowa tax credit, in place since 2004, has grown annual giving to permanent endowments in community foundations by more than 200 percent. In recent years, Maryland, North Dakota and Montana established similar tax credits. Efforts are underway to enact "endow" tax credits in Wisconsin, Ohio, Indiana and Kansas. It is becoming a national conversation.