

## Wealth in Sumter, Florida

### Background & Introduction

In our county or community<sup>1</sup> analysis we address four key awareness areas:

- The Transfer of Wealth (TOW) Opportunity Findings
- Indicators of Wealth or Rationale for the TOW Findings
- Scenario Changers
- Donor Opportunity Areas

The following illustrates the kind of information covered in each of these four areas for Sumter County, Florida. We have not prepared narrative for this illustration.

### Transfer of Wealth (TOW) Opportunity Findings

<b>Figure 1. Findings</b>			
	<b>Sumter County</b>	<b>Florida</b>	<b>U.S.</b>
<b>2010 Current Net Worth (CNW) Findings</b>			
Value (billions)	\$8.13	\$1,439.95	\$28,000
Per Household CNW	\$196,500	\$194,000	\$234,700
<b>10-Year (2011-2020) Transfer of Wealth (TOW) Opportunity</b>			
Value of Opportunity (billions)	\$3.23	\$322.35	\$6,200
Per Household TOW	\$78,000	\$43,400	\$51,500
5% Capture (millions)	\$161.27	\$16,117.27	\$310.00
5% Payout (millions)	\$8.06	\$805.86	\$15.50
<b>50-Year (2011-2060) Transfer of Wealth (TOW) Opportunity</b>			
Value of Opportunity (billions)	\$40.97	\$3,152.17	\$75,000
Per Household Value	\$990,700	\$424,800	\$628,100
5% Capture (millions)	\$2,048.72	\$157,608.31	\$3,750.00
5% Payout (millions)	\$102.44	\$7,880.42	\$187.50
<i>Per Household Values – These values are computed by taking the CNW or TOW total values divided by the number of households in the geography in 2010. These values are provided to enable cross-geography comparisons.</i>			

<sup>1</sup> We are now able to generate CNW and TOW estimates at sub-county levels using zip code or municipal boundaries.

**Figure 1A. Findings: Region Comparisons**

	Sumter County	Central	Florida	U.S.
<b>2010 Current Net Worth (CNW) Findings</b>				
Value (billions)	\$8.13	\$214.85	\$1,439.95	\$28,000
Per Household CNW	\$196,500	\$171,100	\$194,000	\$234,700
<b>10-Year (2011-2020) Transfer of Wealth (TOW) Opportunity</b>				
Value of Opportunity (billions)	\$3.23	\$44.89	\$322.35	\$6,200
Per Household TOW	\$78,000	\$35,700	\$43,400	\$51,500
5% Capture (millions)	\$161.27	\$2,244.42	\$16,117.27	\$310.00
5% Payout (millions)	\$8.06	\$112.22	\$805.86	\$15.50
<b>50-Year (2011-2060) Transfer of Wealth (TOW) Opportunity</b>				
Value of Opportunity (billions)	\$40.97	\$479.74	\$3,152.17	\$75,000
Per Household Value	\$990,700	\$382,000	\$424,800	\$628,100
5% Capture (millions)	\$2,048.72	\$23,987.10	\$157,608.31	\$3,750.00
5% Payout (millions)	\$102.44	\$1,199.36	\$7,880.42	\$187.50
<i>Per Household Values – These values are computed by taking the CNW or TOW total values divided by the number of households in the geography in 2010. These values are provided to enable cross-geography comparisons.</i>				

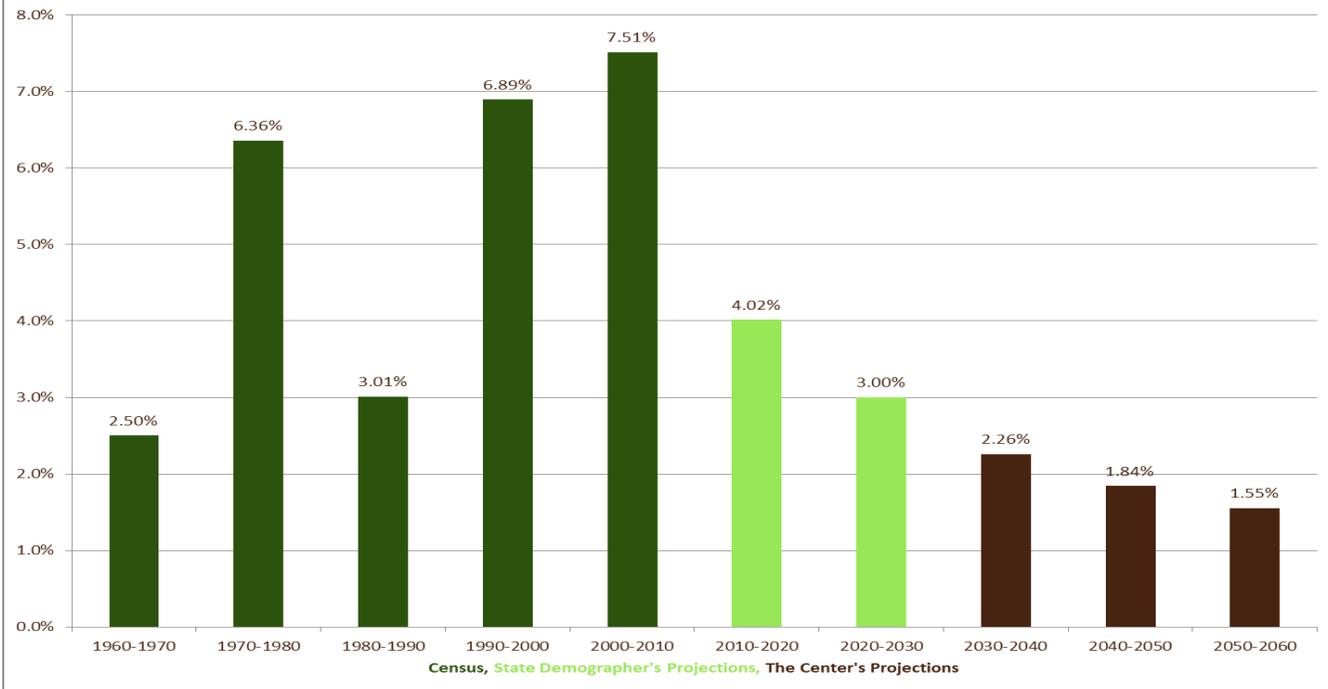
**Figure 1B. Findings: Urbanization Comparisons**

	Sumter County	Micropolitan	Florida	U.S.
<b>2010 Current Net Worth (CNW) Findings</b>				
Value (billions)	\$8.13	\$50.96	\$1,439.95	\$28,000
Per Household CNW	\$196,500	\$159,700	\$194,000	\$234,700
<b>10-Year (2011-2020) Transfer of Wealth (TOW) Opportunity</b>				
Value of Opportunity (billions)	\$3.23	\$15.13	\$322.35	\$6,200
Per Household TOW	\$78,000	\$47,400	\$43,400	\$51,500
5% Capture (millions)	\$161.27	\$756.59	\$16,117.27	\$310.00
5% Payout (millions)	\$8.06	\$37.83	\$805.86	\$15.50
<b>50-Year (2011-2060) Transfer of Wealth (TOW) Opportunity</b>				
Value of Opportunity (billions)	\$40.97	\$158.10	\$3,152.17	\$75,000
Per Household Value	\$990,700	\$495,300	\$424,800	\$628,100
5% Capture (millions)	\$2,048.72	\$7,904.75	\$157,608.31	\$3,750.00
5% Payout (millions)	\$102.44	\$395.24	\$7,880.42	\$187.50
<i>Per Household Values – These values are computed by taking the CNW or TOW total values divided by the number of households in the geography in 2010. These values are provided to enable cross-geography comparisons.</i>				

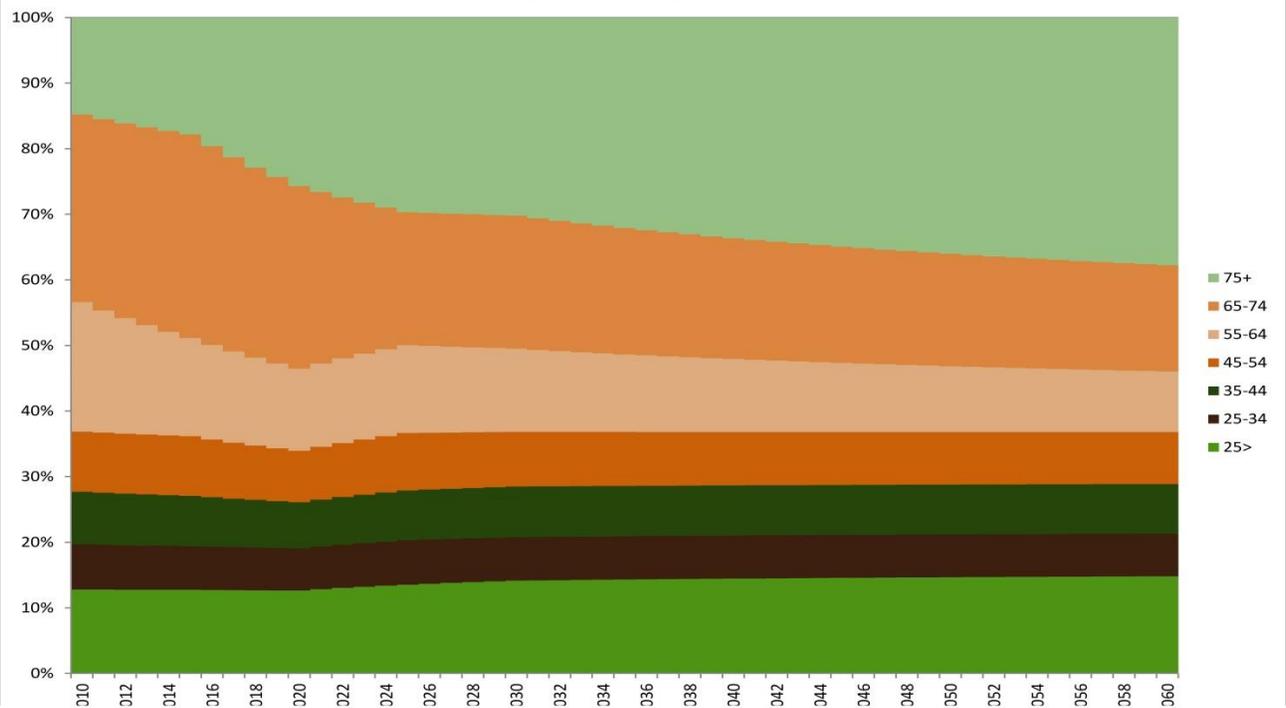
## Understanding the County's TOW

<b>Figure. 2 Wealth Indicators</b>			
<b>Indicators</b>	<b>Sumter County</b>	<b>Florida</b>	<b>U.S.</b>
<b>Long-Term Growth Indicators, Annualized Rates of Change, 1970-2010</b>			
Population	13.25%	4.38%	1.29%
Employment	11.55%	5.82%	2.26%
Personal Income	24.10%	9.20%	4.10%
<b>Age Structure, 2010 (Census)</b>			
Under 18	9.10%	21.30%	24.00%
18-64	47.50%	61.40%	62.90%
65+	43.40%	17.30%	13.00%
<b>Housing Wealth Indicators, 2010 (Census)</b>			
Median Home Value	\$141,800	\$130,344	\$154,900
% Owner-Occupied	63.58%	57.00%	59.00%
% Owner-Occupied w/o Mortgages	48.15%	34.60%	31.90%
<b>Business Wealth Indicators, 2010 (BEA, Census &amp; ESRI)</b>			
Labor to Non-Labor Earnings Ratio	31 to 69%	55 to 45%	65 to 35%
Businesses Per 1,000 Residents	24	43	39
% of Creative Class Workers	3.70%	8.50%	8.50%
Housing Unit Growth, 2000-2010	7.73%	2.10%	1.29%
Transfer Payment Dependence	45.49%	20.70%	18.50%
<b>Household Wealth Indicators, 2010 (ESRI)</b>			
Mean CNW	\$301,000	\$408,000	\$419,000
Median CNW	\$104,000	\$89,000	\$93,000
Mean to Median CNW Ratio	2.9	4.6	4.5
Low Wealth	34.40%	39.50%	39.50%
Middle Wealth	39.80%	33.30%	31.10%
High Wealth	25.80%	27.10%	29.60%
<b>Low Wealth = \$0 to \$49,999 CNW – Middle Wealth = \$50,000 to \$249,000 CNW – High Wealth - \$250,000 &amp; Up</b>			
% Millionaires	3.80%	7.20%	7.60%
Dividends, Interest & Rent Income	23.66%	21.30%	13.80%

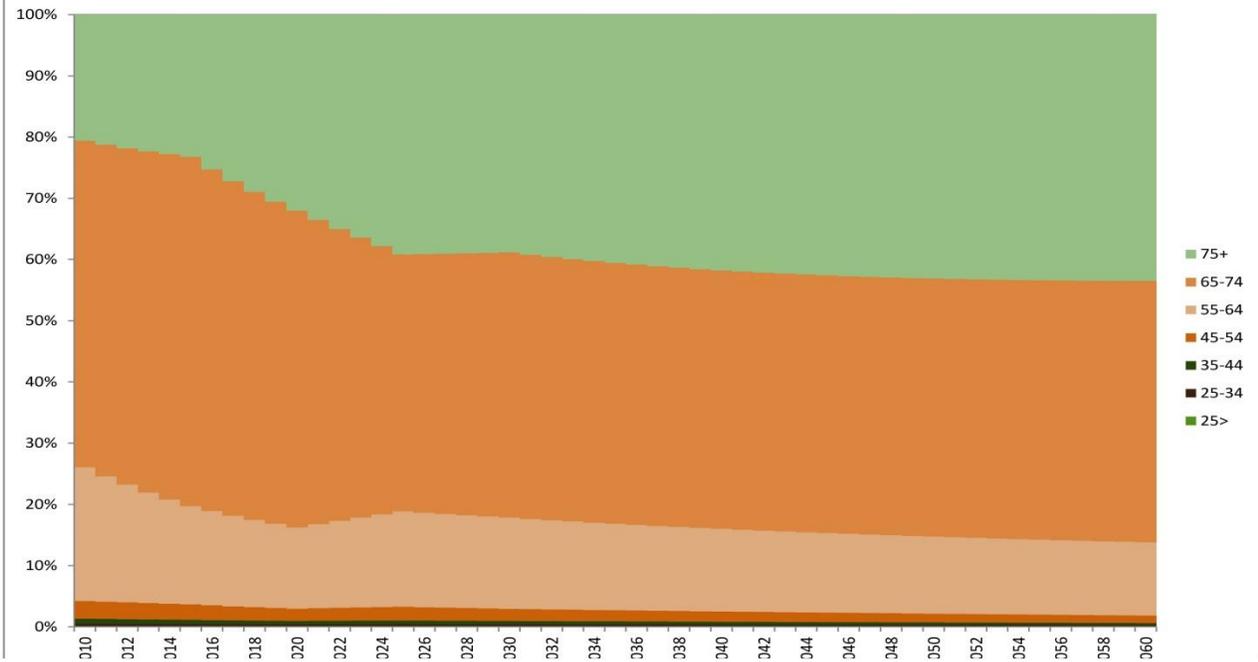
**Figure 3. Annual Percent Growth Rate of Population: Sumter, Florida**



**Figure 4. Distribution of Population by Age Cohort and by Year: Sumter**



**Figure 5. Distribution of Wealth Holding by Age Cohort and by Year: Sumter**



**Figure 6. Distribution of Transfer of Wealth Holding by Age Cohort and by Year: Sumter**



## Scenario Changers

We generate **scenarios** of a likely future based on historical trends, current developments and conservative assumptions of the future. These are not predictive forecasts. Forecasting 50 years into the future is challenging and that is why we do scenarios versus predictive forecasts. Reflecting on the dramatic changes that have occurred over the past 50 years – we assume great change in the coming 50 years. For this reason, our scenarios are prepared in a transparent manner so that users of this research can appreciate how and when changes might alter their TOW opportunities. With this in mind we offer the following **scenario changers** or issues or trends that could dramatically increase or decrease this community’s TOW opportunity.

<b>Figure 7: Scenario Changers</b>	
<b>Migration</b>	<b>Agriculture</b>
In the past your community has been significantly shaped by migration (particularly from retirees) from other parts of the country. Changes in migration levels and patterns will alter your TOW potential.	Production agriculture including support services, transportation and processing are important to your community. Fundamental changes in agricultural activities will impact your community’s wealth and TOW
<b>Climate Change</b>	<b>Low Wealth</b>
Because of your community’s situation it is particularly impacted by both immediate (storms, drought, fire, etc.) and longer-term (sea levels) impacts associated with climate change.	Your community has a large portion of its households that are low wealth (less than \$100,000 in current net worth). Continuation of this pattern will slow economic growth, wealth formation and TOW opportunity.

**A Note on Demographics.** The decade of the 2000s provides a potentially important insight into the future of this community and its potential for wealth creation and its TOW opportunity. The county has a net zero natural population change where births and deaths nearly equal. Demographic growth was realized through immigration – both domestic and international. This has and is skewed to older demographics (therefore relatively high death and low birth rates in a growing community). Immigration accounted for about 92% of all demographic growth in the 2000s! This growth was nearly divided between domestic immigration (+79,000) and international immigration (+72,000).

## Donor Opportunity Areas

ESRI is one of America’s leading market research firms. We have purchased from ESRI this research for every county in Florida for use in this project. It organizes all American households into 1 of 66 household types (Tapestry Segments) based on household life stage, consumer habits and wealth. These 66 household types are also organized by LifeMode Groups or groups of household type that are similar such as retirees. Finally, ESRI profiles all households by degree of urbanization from remote rural to central city. These profiles can help foundations engage in more strategic donor understanding, identification and development. *These reports are in the Electronic Library along with a description of ESRI’s LifeMode Groups and Tapestry household types.*

### Figure 8: Tapestry Segmentation Profile Summary

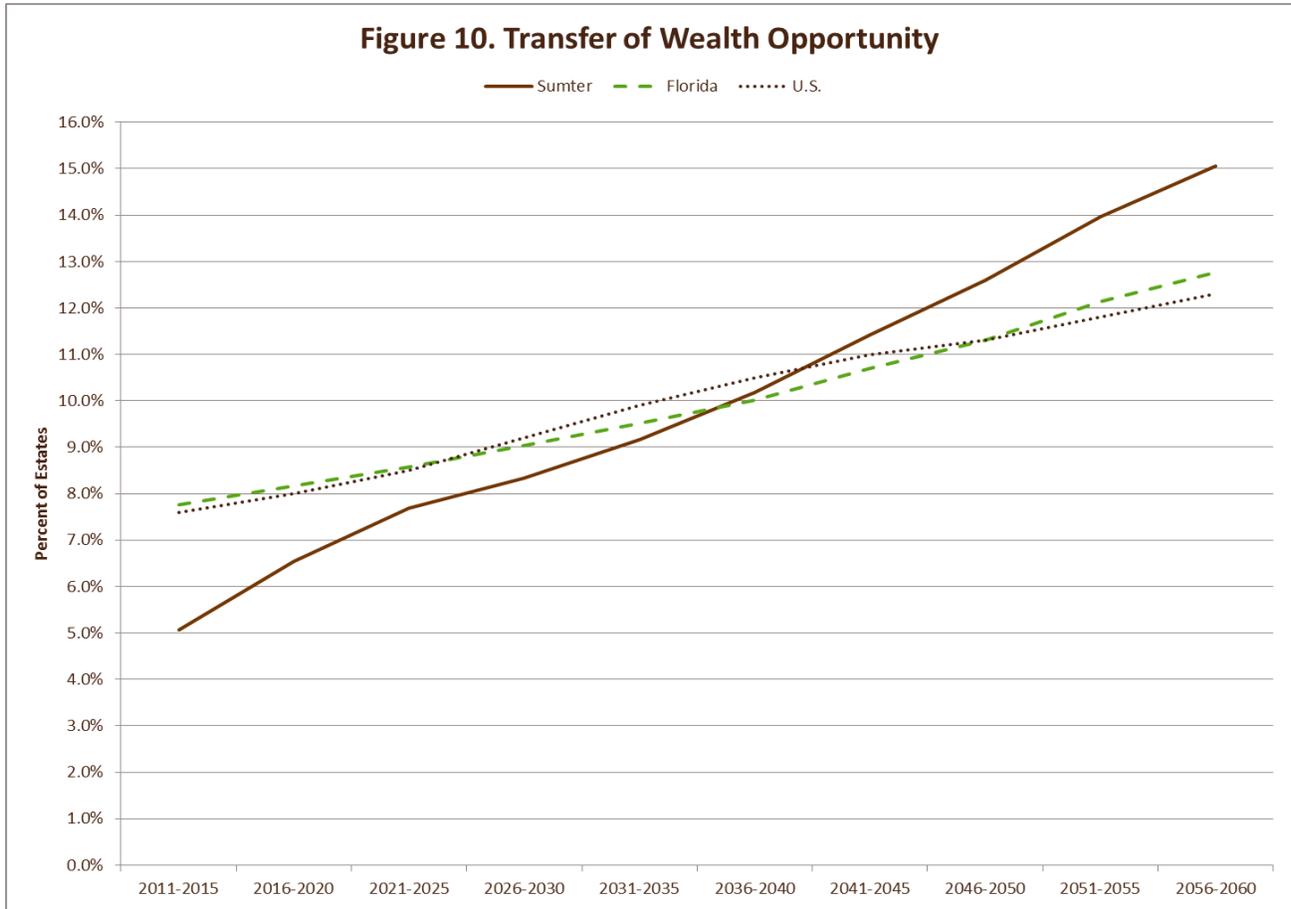
Sumter County		
LifeMode Groups	Percent of Households	Cumulative Percent
L5. Senior Styles	80.50%	80.50%
L12. American Quilt	14.60%	95.10%
L11. Factories & Farms	3.90%	99.00%
L3. Metropolis	0.90%	99.90%
L4. Solo Acts	0.10%	100.00%

Based on this analysis and other research we conducted as part of this project, we have identified the following Donor Opportunity Areas for this county. A complete directory of Donor Opportunity Areas for the United States can be found in the Electronic Library.

**Figure 9: Donor Opportunity Areas**

<b>Thrifty Retirees</b>	<b>Closely Held Family Businesses</b>
<p>Thrifty retirees are part of the social fabric of most communities, from urban neighborhoods to rural villages. These are folks who worked hard, spent less than they made, saved and invested well, and built modest estates over their lives. Often they have deep roots in their community and are inclined to give back.</p>	<p>This is “main street” America. While this part of America has changed and even declined in some communities, closely-held family businesses are found in most communities. The families who own them and invest in them represent a potential donor group with both capacity and motivation for giving.</p>
<b>Former Residents</b>	<b>Regular Part-Time Residents</b>
<p>These former residents grew up on the south side of Chicago or a farming community in North Dakota, and they still call that place “home.” Even when they have been gone for some time, they stay connected and care about their hometowns. They may want to give back but are often forgotten as potential donors.</p>	<p>#N/A</p>
<b>Cash Poor &amp; Asset Rich</b>	
<p>Farmers, ranchers and family business owners are often examples of cash poor and asset rich households. Their wealth is embedded in their land or in their business. However, when their estates are settled, some of this wealth becomes available for community giveback. Their deep community ties often mean they want to give back.</p>	

## Transfer of Wealth (TOW) Timing



**Questions & More Information:**

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**The Center for Rural Entrepreneurship's** vision for rural America is one of vibrant communities and regions that embrace entrepreneurship, that find new sources of competitive advantage in their inherent assets, and that invest in a new more sustainable future for both present and future generations. The Center's mission is to help our local, regional and state partners achieve this future by connecting economic development practitioners and policy makers to the resources needed to energize entrepreneurs and implement entrepreneurship as a core economic development strategy.

These development efforts require financial resources. Most traditional sources of funding are challenged as governments, businesses and foundations struggle to meet rising community needs. A core program area for the Center is Community Development Philanthropy, where our team helps your community, region or state build a community wealth road map. Our Transfer of Wealth (TOW) research offers insight into possibly the greatest opportunity to tap new, significant and sustainable funding streams in support of growing better and stronger communities. For many communities and regions, TOW research can help jump start important conversations leading to greater community giveback.

The Center has conducted TOW studies for clients around the nation for more than 10 years, and has published a book titled, *Transfer of Wealth in Rural America: Understanding the Potential, Realizing the Opportunity, Creating Wealth for the Future*. More product offerings are planned under our Community Development Philanthropy area.

To learn more about the Center's history and program areas, go to [www.energizingentrepreneurs.org](http://www.energizingentrepreneurs.org).

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**The Rural Policy Research Institute (RUPRI)** provided founding support to create the Center for Rural Entrepreneurship in 2001. RUPRI's mission is to provide independent analysis and information on the challenges, needs, and opportunities facing rural people and places. The work of the Center for Rural Entrepreneurship, along with other centers and collaborations, helps RUPRI achieve this mission. To learn more about RUPRI, visit [www.rupri.org](http://www.rupri.org).