



## SOUTHWEST INITIATIVE FOUNDATION

15 3<sup>rd</sup> Avenue NW  
Hutchinson, MN 55350  
800-594-9480 or 320-587-4848  
info@swifoundation.org  
www.swifoundation.org

One Connection. Unlimited Possibilities.

# Keep It Growing<sup>SM</sup>

## Southwest Minnesota's Farmland Giving Program

### History

Southwest Minnesota attorney, Patrick Costello, saw within his own law practice that many clients were charitably inclined and yet so deeply connected to their farmland and their neighbors that an outright gift of land that would be sold off by the charity was not an attractive option for many.

Pat wondered if charities might consider keeping and managing the farmland, and knew immediately that community foundations would be best positioned for the opportunity. Rather than liquidating the assets like other charities usually do with gifts of real estate, Pat's model allows Southwest Initiative Foundation (SWIF)—a community foundation—to receive remainder interest of the donor's life estate, maintain ownership of the land after the donor passes, and if desired, create a donor designated memorial fund that will support the farmer's charitable interests.

### Current Impact

A projected \$4.5 billion in wealth will transfer from one generation to the next in southwest Minnesota through 2030. This transfer is important because the vitality of the region's rural communities depends on it. Retaining just 5 percent to local charities can help ensure needed services and projects will continue helping communities thrive.

Keep It Growing<sup>SM</sup> is an important tool for retaining one of southwest Minnesota's greatest assets—farmland—while benefiting all involved.

- **Landowners** receive a tax deduction for the charitable portion of the gift; bypass all capital gains taxes; create stable revenue source for remainder of lifetime; and benefit favorite charities.
- **Tenants** continue renting the land and keep wealth generated by the land local.
- **County** maintains tax base, as SWIF continues paying property taxes on the land.
- **Southwest Initiative Foundation** retains ownership of the land and diversifies its investment portfolio; earns revenue from the rent for the benefit of the southwest Minnesota region and its communities; and serves donors in a meaningful way, helping landowners create a legacy.



**Diana Anderson**  
Vice President/COO  
15 3<sup>rd</sup> Avenue NW  
Hutchinson, MN 55350  
800-594-9480 or 320-587-4848  
diana@swifoundation.org  
www.swifoundation.org



Confirmed in Compliance with National Standards  
for U.S. Community Foundations

An Equal Opportunity Provider  
© 2011 Southwest Initiative Foundation

March 2013

## Points of Interest

- This program is about the future of this region and its communities. Maintaining one of the region's greatest assets—farmland—is top priority.
- Farmland giving represents an incredible opportunity for rural philanthropy.
- Farmland giving is a great tool for landowners, especially for those without children or a way to continue managing their land.
- SWIF is well-poised to run Keep It Growing<sup>SM</sup>, with numerous staff and board who have strong farming backgrounds and the knowledge needed to manage the land.

## How It Works

Community foundations are ideal for managing a farmland giving program. Southwest Initiative Foundation's Keep It Growing<sup>SM</sup> program provides a vehicle to:

- Keep land locally owned.
- Keep land functional as farmland.
- Provide a lasting legacy to the community and region.

Wealth is retained by keeping rental income in the region and by keeping wealth created by continued use of the land local. This wealth makes a significant impact on southwest Minnesota communities.

