

## **Kristi Henriksen Wilfahrt –in support of SB 2390**

**Friday, Feb 7th, 2025**

Chairman Luick and Members of the Senate Agriculture and Veterans Affairs Committee;

**DO PASS!** The Rural Catalyst Fund is a challenge grant match that strategically works to encourage private philanthropic investment in North Dakota's rural communities.

### **My Background**

My name is Kristi Henriksen Wilfahrt. I have 30 years' experience doing nonprofit project and fund development work in the northeast region of North Dakota and in Central Minnesota. My passion is to help people with means make high-impact gifts – something I often refer to as “donor-centered giving”. My favorite “type” of nonprofit that supports donor centered giving is a “community foundation” model. Donors establish “named funds” – like donor advised funds or one of several types of funds (like a charitable checkbook) that are either invested in perpetuity (an endowment fund) where interest is earned, and the earnings used to provide annual support to the nonprofit(s) that donors choose to give to, or they are short-term funds and granted out at the donor's advising.

Why this is important -- this mechanism provides an infrastructure to support a “donors need to give vs. a charity's need to have”. Donors like this. We need to be more proactive in meeting the needs of donors to give vs reactive with urgent and emergent requests for support. Which is really where we are today -- we have many urgent needs to meet in our rural communities. We need to start somewhere, and the challenge grant is a good place to start.

### **The Bigger Picture**

Imagine if North Dakota communities didn't look like they were “suffering” and hanging on by a thread, rather they look like well cared for places that draw us back and make us feel like we are home. Communities that have that small-town café, places to gather in fellowship together, have unique ways of displaying their identities through arts, culture, heritage and talent; they have swimming pools, parks, ambulance service and health care access, well-maintained cemeteries, access to education, food, and other things that matter where people choose to live. Communities that display pride in place and help preserve the culture that matters to those who live there and also represent the things that we value most -- caring for each other and our place.

As North Dakotans we are now considered people of means. We have privilege as a state. This is where the opportunity lays. We must think about stewardship of our resources – including wealth, our land, our communities – especially our rural communities – where much of the wealth has been built from the hard work of the generations before us.

My dream is that all North Dakotans will have an opportunity to give in a way that is meaningful to them. That collectively, North Dakotans would become known as the most generous state in the nation - strategically supporting their communities, modeling donor centered giving, all while creating amazing, high-impact legacies that are meaningful to them personally. It feels good to make a difference and it helps a community do more than survive – it helps them thrive. (BTW – you don't have to be “rich” to make high impact gifts – if you are curious about how to do this – it's my favorite conversation). It's a win-win.

## **ND Generational Transfer of Wealth – Philanthropic Opportunity for Community Investment**

Did you know that a study commissioned by the Dakota Medical and Impact Foundations by Boston College noted that 308 billion dollars of wealth will transfer generations in the next 4 decades? Think about that opportunity. What if we cultivated, assisted, and stewarded these folks from a community “investment” perspective. If we were deliberate in having more conversations with donors who live in their communities and helped them connect to the heart of what matters to them? Even if we captured just 10% of that \$308 Billion – (btw, that number is likely much larger given the oil boom in ND) – think about that impact for our small towns... for all North Dakota communities.

### **Philanthropic Incentives**

People have an insatiable need to give, but they often need a little help to do this. One strategy that encourages a culture of philanthropy includes a challenge match for community focused - quality of life improvement projects.

**The Rural Catalyst Fund / concept** is modeled after the North Dakota University System challenge grant fund – a wonderful tool (incentive) to help donors give and give largely to support secondary education in North Dakota. I believe this session the fund request has been increased to \$50 million. How about we use this same concept – pilot it, and start cultivating rural philanthropy? Kill two birds with one stone – provide some much needed “flexible” funding for small towns, leverage local giving, while creating a culture of philanthropy and community responsibility.

The grant-administration offers flexibility, but also accountability and stewardship by including legislators, board governance, and the governor’s ability to participate in the grant award process.

### **Closing**

North Dakotans have a reputation of being good stewards of their resources. Let’s help them do more. Do better. And help them be more fulfilled with their giving by offering this challenge grant incentive where they can also put skin in the game in projects that are meaningful to them. Let’s be deliberate in our approach and encourage a culture of community giving.

This challenge Rural Catalyst Fund is a great place to start. The Regional Councils are quasi-government organizations who have a 40-year history of helping rural communities survive. This challenge grant is a significant first step and will help rural communities thrive. The councils have the capacity, the network, and the ability to help foster the development of infrastructure that supports the cultivation of a more philanthropic state for all our rural communities.

I am a supporter of endowment however I believe there are serious urgent needs that should come first. I also believe there are strategies that should be built that help donors build endowed support through named charitable funds and by taking advantage of ND’s tax credit for endowments. This is part of the bigger conversation and why we have got to move forward in a more strategic and planned method.

Thank you

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