

Iowa Wealth Transfer 2008-2012: Initial Findings

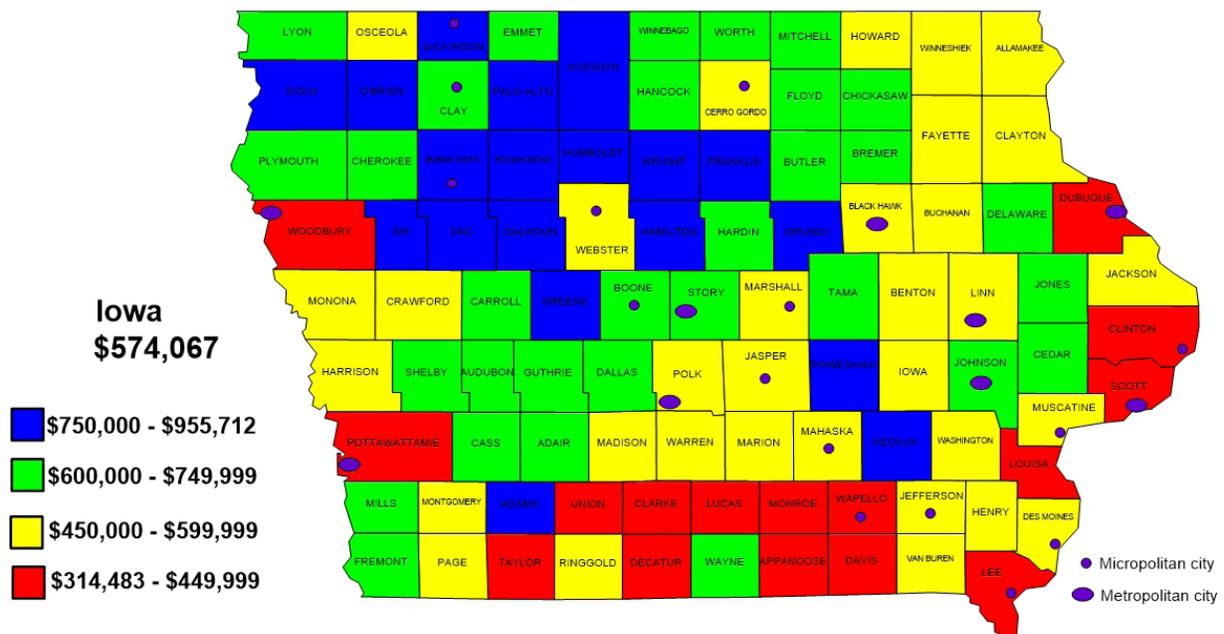
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Findings

This study highlights the wealth transfer that was recorded in Iowa and its counties during the 2008 - 2012 period. Probate records of wills and estates of decedents are the basis for the analysis. The purpose is to increase understanding about actual wealth transfer in Iowa using data from state and county records and to examine variations across the state and among the counties. This study finds that:

- During the 2008 - 2012 period, Iowa’s probated estates *annually* averaged \$574,067 statewide (Figure 1, Table 1).
- Nine counties exceeded \$800,000 in average estate value during the five year period while the figures for seven counties were lower, on average, than \$400,000.
- It is estimated that *annually*, Iowa averaged \$7.805 billion in total wealth transfer during 2008 through 2012 (Figure 3, Table 2).
- Polk County’s estimated annual average total was highest (\$622.8 million) and Decatur County’s annual average total was lowest (\$11.7 million). In general, the annual total transfer amounts varied by the population size of the county with the counties with the most population having the highest total average transfers.

Figure 1: Annual Average Transfer per Recorded Probated Estate, 2008-2012



Introduction

Wealth, generally described as assets, money, valuable resources, material possessions, property, and things of value, is passed to others when the owner dies. Guidelines for how and to whom this transfer of wealth should proceed is often written in wills, estate or trust plans, and other documents that are prepared while the decedent is still living. The Community Vitality Center has carried out an analysis of wealth transfer in Iowa and its counties for the period of 2008 through 2012. The goal of this study is to increase understanding about actual wealth transfer in Iowa and to examine variation in wealth transfer among the counties. What is reported here is a new study that follows a similar analysis carried out previously for the period 1998 through 2002. Data from both studies are included in the tables.

The Study

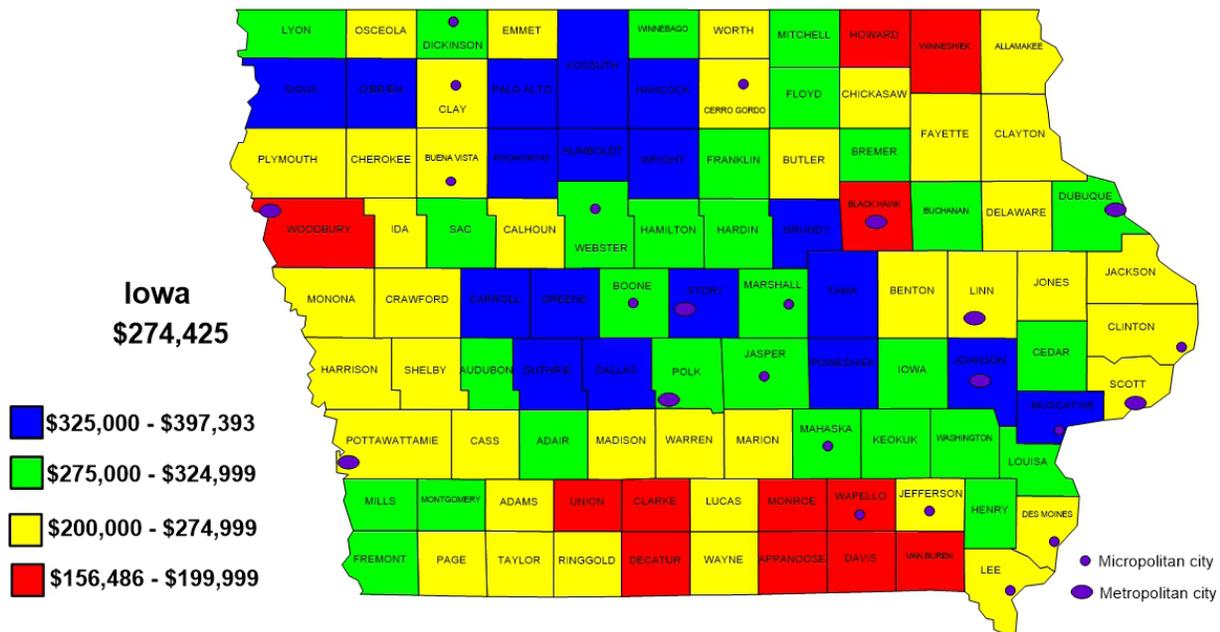
Probate records of wills and estates of decedents that were filed with Iowa’s Probate Court are the basis for this analysis. Iowa is, perhaps, uniquely situated to examine wealth transfer using these types of records. The probate records for a decedent in Iowa show the various court fees paid by the estate. One of these fees is an estate settlement fee that is based on the value of the decedent’s estate. The fee is determined by a formula outlined in the Iowa Code (Section 633.31) and is roughly proportional to the value of the estate. There is no maximum or cap to the fee, thus the values of even large probated estates can be calculated based on the estate settlement fee.

Computerized output files of probate records for each county were obtained from the Iowa Court Information

System.¹ The county records are based on the location where the decedent’s will and other estate records were filed. The probate information in each record in the output file included the estate settlement fee paid for the estate of each decedent for which probate information was available during the years of 2008 through 2012.

The Iowa Legislature, which determines the estate settlement fees, changed the formula for the fees in mid 2009. Thus, for this study, two different formulas were used based on the year and date of the probate records. In general, for records from 2008 through mid 2009, each \$100,000 value of an estate was assessed a fee of \$100. For example, an estate settlement fee of \$1,000 was roughly equal to an estate of one million dollars during those years. From mid 2009 onward through all of 2012, the fees were approximately doubled.

Figure 2: Annual Average Transfer per Recorded Probated Estate, 1998-2002



Thus, for these later years, a fee of \$1,000 was roughly equivalent to an estate of \$500,000 and an estate of one million dollars would have a fee around \$2,000.

Using the estate settlement fee reported for each decedent's estate, along with the appropriate formula from the Iowa Code, a value of the estate for each decedent was calculated. Across the five years of decedent records that were used, there were many year-to-year variations for a given county. To smooth out these variations, the findings given here in the tables and figures report the *annual averages* over the five-year period.

Wealth Transfer per Estate

For each county, the estate values from each decedent were summed to get a total estate value by county and then the county totals were summed to get a statewide estate value total. The

average estate values were calculated by dividing the total summed estate value by the number of probated estates.

For the 2008 - 2012 period, Iowa's probated estates annually averaged \$574,067 statewide (Figure 1, Table 1). Fifty-nine counties had average estate values higher than the statewide figure. There were three counties (Hamilton, Ida, Sioux) that exceeded \$900,000 in average estate value. Hamilton County's average estate across the five years was \$955,712 and ranked highest in the state (Table 1). Probated estates averaged less than \$400,000 in seven counties. Those for Woodbury (\$314,483), Wapello (\$323,954) and Appanoose (\$337,036) ranked the lowest.

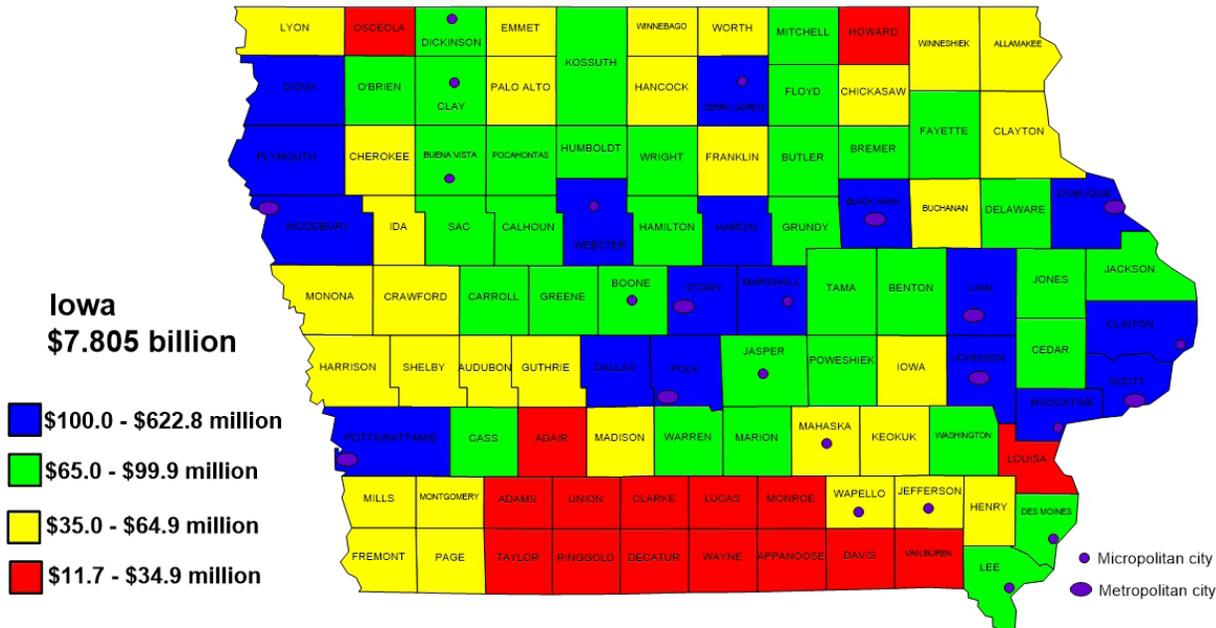
Between the two time periods of analysis (1998-2002 and 2008-2012) included in this report, average estate values increased statewide and across the counties (reported values are not

adjusted for inflation). Although the dollar amounts vary, there is a clustering of higher estate counties in north central and north western Iowa and another clustering of lower estate counties in southern Iowa in both time periods (Figures 1, 2). Local county factors such as housing, land, farm, and real estate values provide variations in net worth and wealth among the counties that, along with occupational and income levels over a lifetime, provide the basis for net worth and average estate value variations among the counties.

Total Wealth Transfer

It is estimated that each year during 2008 through 2012, Iowa decedents transferred, on average, \$7.805 billion in their estates (Figure 3, Table 2). The estimated total transfer values include the summed estate values plus an adjustment, using the average estate size for each individual county, for missing probate data.

Figure 3: Estimated¹ Total Annual Average Wealth Transfer, 2008-2012



¹Adjusted for missing probate data based on average estate values for individual counties

Iowa Wealth Transfer 2008-2012: Initial Findings

Table 1. Annual Average Wealth Transfer per Recorded Probated Estate for Iowa Counties, 2008 – 2012¹ and 1998 – 2002.²

County	Annual average wealth transfer per recorded probated estate during 2008 - 2012 ¹		Annual average wealth transfer per recorded probated estate during 1998 - 2002 ²		County	Annual average wealth transfer per recorded probated estate during 2008 - 2012 ¹		Annual average wealth transfer per recorded probated estate during 1998 - 2002 ²	
	\$ ³	Rank	\$ ³	Rank		\$ ³	Rank	\$ ³	Rank
Adair	718,223	27	278,436	46	Jefferson	556,824	61	242,861	65
Adams	766,841	15	229,858	77	Johnson	732,039	24	365,526	5
Allamakee	522,511	67	238,738	70	Jones	636,468	44	211,338	85
Appanoose	337,036	97	167,711	98	Keokuk	754,026	18	319,206	21
Audubon	691,327	33	280,312	43	Kossuth	793,786	12	369,818	4
Benton	583,081	57	270,697	51	Lee	428,094	85	238,789	69
Black Hawk	504,592	72	199,799	88	Linn	502,516	73	262,554	56
Boone	632,848	45	308,692	28	Louisa	412,536	89	283,986	40
Bremer	602,008	50	298,415	30	Lucas	423,083	86	228,866	79
Buchanan	595,133	51	295,178	34	Lyon	648,417	41	276,736	47
Buena Vista	795,343	11	267,545	52	Madison	516,991	68	209,153	86
Butler	681,968	34	265,095	54	Mahaska	457,552	81	310,843	27
Calhoun	755,970	17	264,271	55	Marion	566,286	60	262,076	57
Carroll	713,274	31	334,315	15	Marshall	587,625	55	279,440	45
Cass	659,010	38	230,248	76	Mills	735,357	23	280,318	42
Cedar	652,598	40	294,764	35	Mitchell	725,964	26	286,541	39
Cerro Gordo	577,409	59	245,126	64	Monona	536,849	66	240,727	67
Cherokee	647,307	42	225,131	81	Monroe	406,154	91	156,486	99
Chickasaw	627,398	47	246,452	63	Montgomery	488,324	74	279,651	44
Clarke	407,043	90	186,033	93	Muscatine	515,617	69	386,432	2
Clay	664,113	37	271,802	50	O'Brien	808,929	8	346,481	11
Clayton	543,670	65	237,745	72	Osceola	461,230	79	258,447	58
Clinton	386,302	95	271,998	48	Page	587,680	54	211,565	84
Crawford	487,363	75	228,655	80	Palo Alto	802,188	9	376,343	3
Dallas	715,366	29	355,010	9	Plymouth	714,121	30	240,333	68
Davis	413,317	88	180,802	94	Pocahontas	827,840	7	335,480	14
Decatur	367,595	96	178,996	97	Polk	506,782	70	303,769	29
Delaware	668,538	36	237,943	71	Pottawattamie	446,471	84	215,214	82
Des Moines	458,873	80	255,252	59	Poweshiek	753,617	19	397,393	1
Dickinson	779,094	14	289,624	38	Ringgold	592,515	52	229,148	78
Dubuque	401,524	92	290,974	36	Sac	796,229	10	323,998	19
Emmet	632,318	46	230,370	75	Scott	414,503	87	231,069	74
Fayette	545,356	64	235,854	73	Shelby	705,565	32	241,124	66
Floyd	606,644	49	295,663	33	Sioux	903,022	2	338,147	13
Franklin	761,109	16	296,954	31	Story	715,804	28	359,934	6
Fremont	741,299	21	316,958	22	Tama	639,955	43	325,913	18
Greene	895,076	5	355,780	8	Taylor	395,732	93	249,428	62
Grundy	897,453	4	349,406	10	Union	394,711	94	193,944	90
Guthrie	730,108	25	332,012	17	Van Buren	482,529	77	188,364	92
Hamilton	955,712	1	312,248	25	Wapello	323,954	98	188,775	91
Hancock	654,224	39	332,882	16	Warren	455,833	82	251,771	60
Hardin	674,628	35	280,837	41	Washington	585,432	56	314,186	24
Harrison	588,929	53	213,599	83	Wayne	621,460	48	203,008	87
Henry	556,217	62	311,820	26	Webster	580,326	58	319,686	20
Howard	486,658	76	199,681	89	Winnebago	744,704	20	296,926	32
Humboldt	829,929	6	341,446	12	Winneshiek	466,587	78	180,364	95
Ida	900,953	3	271,940	49	Woodbury	314,483	99	179,696	96
Iowa	549,305	63	315,802	23	Worth	741,235	22	267,053	53
Jackson	451,727	83	250,767	61	Wright	786,963	13	358,297	7
Jasper	505,892	71	290,321	37	State of Iowa	574,067		274,425	

¹analysis carried out in 2016; ²previously reported from analysis carried out in 2004; ³current dollars, not adjusted for inflation

Table 2. Estimated¹ Annual Average Total Wealth Transfer for Iowa Counties, 2008 – 2012² and 1998 - 2002.³

County	Estimated annual average total wealth transfer 2008 – 2012 ²		Estimated annual average total wealth transfer 1998 – 2002 ³		County	Estimated annual average total wealth transfer 2008 – 2012 ²		Estimated annual average total wealth transfer 1998 – 2002 ³	
	\$ Millions ⁴	Rank	\$ Millions ⁴	Rank		\$ Millions ⁴	Rank	\$ Millions ⁴	Rank
Adair	34.7	84	20.8	84	Jefferson	37.6	80	24.3	74
Adams	25.0	88	10.5	96	Johnson	219.0	4	127.6	4
Allamakee	38.2	77	23.2	77	Jones	71.7	41	28.0	67
Appanoose	22.5	92	15.9	89	Keokuk	51.3	68	34.9	54
Audubon	36.7	81	18.1	88	Kossuth	94.9	22	63.9	18
Benton	75.8	38	44.5	37	Lee	70.4	43	65.9	17
Black Hawk	213.0	5	119.5	5	Linn	325.9	2	204.5	2
Boone	98.0	19	62.2	22	Louisa	27.9	87	22.9	80
Bremer	83.8	30	55.6	24	Lucas	19.3	93	15.3	90
Buchanan	59.7	57	43.5	40	Lyon	53.0	64	25.7	70
Buena Vista	84.3	29	41.6	42	Madison	36.6	82	23.4	76
Butler	81.7	31	40.0	45	Mahaska	53.3	63	53.8	27
Calhoun	66.8	51	31.6	60	Marion	77.4	37	53.5	28
Carroll	88.7	26	54.0	25	Marshall	119.7	12	69.9	16
Cass	70.0	44	32.9	58	Mills	49.3	70	24.0	75
Cedar	78.1	36	44.2	39	Mitchell	68.7	47	34.0	57
Cerro Gordo	135.9	8	83.9	13	Monona	40.1	76	24.8	71
Cherokee	62.0	56	29.1	64	Monroe	18.3	94	11.2	95
Chickasaw	63.0	53	26.4	69	Montgomery	36.2	83	31.1	61
Clarke	14.7	97	9.4	99	Muscatine	111.0	14	85.2	12
Clay	67.5	49	34.4	55	O'Brien	89.8	25	45.0	36
Clayton	55.9	61	29.2	63	Osceola	29.1	86	21.6	81
Clinton	124.5	11	95.0	9	Page	56.8	59	27.2	68
Crawford	45.3	73	28.5	65	Palo Alto	62.2	55	41.0	43
Dallas	117.8	13	74.6	15	Plymouth	106.9	16	44.2	38
Davis	13.5	98	9.7	97	Pocahontas	67.1	50	34.2	56
Decatur	11.7	99	9.5	98	Polk	622.8	1	488.8	1
Delaware	69.5	45	24.5	72	Pottawattamie	134.9	9	96.1	8
Des Moines	78.5	35	63.5	20	Poweshiek	95.7	21	63.9	19
Dickinson	94.4	23	45.4	34	Ringgold	16.0	96	11.9	93
Dubuque	109.4	15	118.4	6	Sac	70.4	42	38.2	47
Emmet	37.9	78	21.1	82	Scott	229.8	3	173.4	3
Fayette	68.6	48	36.7	51	Shelby	52.2	66	28.4	66
Floyd	78.7	34	51.7	30	Sioux	150.4	7	59.6	23
Franklin	62.3	54	38.1	48	Story	169.2	6	116.2	7
Fremont	37.8	79	20.8	83	Tama	84.7	28	48.9	31
Greene	69.0	46	36.6	52	Taylor	17.5	95	14.9	91
Grundy	80.8	33	41.8	41	Union	24.3	89	19.4	86
Guthrie	52.8	65	35.5	53	Van Buren	22.9	90	11.4	94
Hamilton	95.8	20	40.3	44	Wapello	55.1	62	47.8	32
Hancock	59.2	58	37.8	49	Warren	74.8	39	45.1	35
Hardin	104.8	17	52.1	29	Washington	93.0	24	63.5	21
Harrison	47.6	72	22.9	79	Wayne	22.8	91	12.5	92
Henry	52.0	67	47.6	33	Webster	125.3	10	89.4	11
Howard	33.3	85	18.2	87	Winnebago	56.5	60	29.9	62
Humboldt	87.8	27	37.1	50	Winneshiek	42.9	75	22.9	78
Ida	48.5	71	20.2	85	Woodbury	100.0	18	89.5	10
Iowa	50.0	69	39.0	46	Worth	43.0	74	24.5	73
Jackson	66.3	52	31.9	59	Wright	81.0	32	53.9	26
Jasper	72.3	40	77.0	14	State of Iowa	7,805.1		4,933.2	

¹adjusted for missing probate data using average estate values for each county individually; ²analysis carried out in 2016;

³previously reported from analysis carried out in 2004; ⁴current dollars, not adjusted for inflation

Polk County averaged the highest wealth transfer total amount of any county with estimated transfers annually averaging \$622.8 million. Linn County had the second highest annual total transfer with \$325.9 million and was joined by Black Hawk, Johnson, and Scott Counties with at least an estimated \$200 million transferred annually in each.

Decatur County's \$11.7 million estimated annual total transfer was the lowest amount of any county. Clarke, Davis, Lucas, Monroe, Ringgold, and Taylor Counties also were below \$20 million in estimated annual total wealth transfer. County ranks for total annual transfer amounts varied, in general, by the population size of the county. Counties with more people also have more deaths, more recorded probated estates, and thus more estates to include in the total sum.

This initial report on the new wealth transfer study and additional reports on other analyses that will follow will be available on the Community Vitality Center web site at: www.cvcia.org as well as on the Iowa State University Extension and Outreach Indicators Portal at: www.indicators.extension.iastate.edu

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Notes

¹Probate records are part of Iowa's publically available court records. Court records can be accessed online through the judicial branch of Iowa's government at: www.iowacourts.gov or by special request.

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