Workshop: Farm/Ranch Succession Education, Programs and Services

Presenter: Gary A. Hachfeld, University of Minnesota

Farm Transition and Estate Planning: Build Your Exit Strategy

Farm Transition and Estate Planning: Build Your Exit Strategy is a 5 hour, interactive, educational workshop focused on farm and ranch families who are transitioning their business to the next generation. Program content is delivered via PowerPoint and participants receive a 230 page workbook. The workbook includes all PowerPoint slides, several worksheets, internet references, and 25 information sheets related to farm transition, estate planning, and financial management. Because of the amount of information on the topic, the workbook is intended to and designed as a take-home reference for participants.

The curriculum includes seven main chapters: preparing to transfer the farm/ranch business (goals), major tax considerations, farm transfer strategies and business entities, financial considerations in the transfer, treatment of heirs, personal estate planning issues and strategies, and developing a written transition and estate plan. Three have worksheets associated with them.

We strongly encourage all members of the farm/ranch business family to participate together in the workshop. Over the past four years, our program team has conducted 74 workshops in Minnesota, Wisconsin, Iowa and North Dakota. We have reached 2,604 farm/ranch family members representing 1,020 farm/ranch businesses.

In post-meeting evaluations, we have found that on average 82.2% of farm/ranch families do not have a business transition plan and 87.7% do not have an up-to-date personal estate plan. However, well over 95% have stated that because of attending the workshop, they would begin the process of developing and implementing a business transition and personal estate plan. Participants range in age from 22 to 89 years of age with 68.5% being over the age of 65. Audiences are typically 45% female and 55% male. Participants have indicated through this evaluation process that their knowledge of the key educational points of the workshop increased a result of attending one of the workshops.

In follow-up evaluations conducted six months after the final workshop, we have found that 15.7% of participants had completed and implemented their business transition plan and 17.1% had completed and implemented their personal estate plan. Utilizing average farm/ranch and personal asset values, this accounts for $89.9 million dollars worth of business assets for which an orderly plan for transfer has been put into place.

Lastly, when marketing the program our team does not market directly to the end user – that is the farm/ranch family member. We instead market to local business sponsors such as ag bankers, attorneys, financial planners, and insurance agents. As sponsors they are responsible for selecting the workshop date and location, they secure the meeting facility, they pay for any refreshment and meal costs, they pay us a flat sponsorship fee, and they recruit program participants. We refer to this as the “sponsorship model”. It has proven extremely effective. It results in greater meeting attendance, it gives the sponsor an opportunity to “give back” to their customers, it enables the sponsor to perhaps garner new customers, and it builds collaborative relationships between Extension and those local businesses.