

Is It Time to Retire? What About the Next Generation?

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Is it time to retire?



Is it time to retire?

- Yes!
- No!
- Maybe?
- I do not know!



Is it time to retire?

- Will I be useful if I turn over the reins?
- What will I do?
- Will I be able to afford to retire?
- Given the change in commodity prices should I retire now?



Visualization:

Many farmers' identity is in their farms.

- Occupation is usually very diversified
- Few farmers have hobbies
- 1st step is to visualize what retirement will be.



Retirement Visualization Exercise

- "It is not whether you are retiring. It is a matter of what you are retiring to" - Stacey Warner
- Draw three to four things that represent your ideal retirement



Retirement Visualization Exercise

- Duane's retirement



What Does Your Retirement Picture Tell You:

- Does this picture involve opportunity?
- Mentoring grandchildren
- Opportunity to do things you always wished you had time to do before retirement.



Roles with community or faith organizations:

- Improving relationships with old friends.
- Seeing some other parts of the country or the world.
- Maybe buy that sports car you always wanted when you were younger.



What do you want to contribute, give or help to bring about in retirement?

- This could be financial or time related.
- It could be political or social change related.
- What are your passions to make a difference?



Be Practical

- How many of us know someone who sold the farm moved to town and passed away within a year?
- Without a plan we feel our value is lost.
- We all need to be needed.
- We have worth to our community our family and our creator.



Financial Groundwork

What are the financial obligations?

- Long term debt?
- New investments to provide for the following generation?
- Health Care issues?

How do I factor in inflation and increasing life expectancies?

- Is selling part of the farm the answer?
- What about just selling/gifting the improvements?
- Can I use my net worth to provide a suitable retirement?



How do I analyze my options?

- Social Security, what age do I take my SS?
- Cash rent or crop share?
- Sell the cows or lease them out?
- Sell land on a 20 year contract to your successor and provide income to fund annual living expenses?



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- Analyze carefully to arrive at the answer.
 - Many are surprised after analyzing all the alternatives.
 - A productive retirement takes planning and time to implement.
 - Maybe NOW is the time to consider some form of retirement.
 - Commodity prices are low but any arrangement with a successor has to work for both parties.
 - You can't start too early!



Resources

- Family Resource Management Program Focus Team
- Adult Development and Aging Program Focus Team
- Farm Management Program Focus Team
- The Farm Analyst Team
- KFMA Economists



What About The Next Generation?

Your Legacy



Critical Questions

- Is now the time for the next generation to come back?
- What if the next generation already has come back and now the business is struggling to support them?



The Answers

- Is now **not** the time for the next generation to come back?
 - Yes
 - No
 - Maybe
 - I do not know!



Yes!

Now Is Not The Time For The Next
Generation To Come Back



No!

Now Is The Time For The Next Generation
To Come Back.



Maybe!

Now Might Or Might Not Be The Time For The Next Generation To Come Back.

- What problems do farm and ranch families typically have in a succession?
- Communication
- Assessment of what is realistic
- Development of shared Vision for the business
- Creating new leaders to carry on the Legacy
- Transition from being a “Boss” to being a “Mentor”



Maybe!

Now Might Or Might Not Be The Time For The Next Generation To Come Back.



I Don't Know!

It Is Really Case Dependent

- Begin by attending meetings to learn what works and what may not
- Visualize what it could look like
- Set timelines to keep things moving
- Seek outside experts and facilitators
- Select an Attorney who specializes in transition planning



Resources

- Gregg Hadley
- Duane Hund and the Farm Analyst Team
- Charlotte Olsen & Charlie Griffin
- Forrest Buhler and Char Henton from KAMS
- Family Resource Management Program Focus Team
- Farm Management Program Focus Team
- KFMA Economists
- Trained Agent and KAMS Mediator Succession Facilitators
- <http://www.ksre.k-state.edu/kams/succession/>
 - Check out the Planning for the Future succession workshop series coming to Dodge and Lawrence this winter!



