

Later Life Farming: Retirement and Succession Concerns of Farm Households

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Key Words

Retirement planning, farm households, farmers, focus groups

Objectives/Purpose

To describe findings from two focus group discussions with farm households and how the findings were used to inform a retirement planning Web site specifically designed for the needs of this target audience

Content/Description

This poster will describe research that informed development of *Later Life Farming: Creating a Retirement Paycheck*, an online course developed to help farm families achieve financial security in later life whether they choose to stop working or not. *Later Life Farming* (LLF) consists of 10 modules, a summary list of recommended action steps and a list of references. It contains both original content and links to previously developed retirement planning materials for farmers. Each of the ten modules contains several sections with short content summaries and links to activities that enable learners to personally apply course information.

Titles of the ten LLF modules are: Creating a Retirement “Paycheck,” Farming in Later Life, Where am I Financially?, How Much Do I Need to Save?, Sources of Retirement Income, Investing and Investment Diversification, Making Your Money Last, Farm Transfer Decisions, Regulation and Tax Issues, and Getting Help. The LLF course is available at <http://laterlifefarming.rutgers.edu/> and is being marketed through Web site links, Twitter messages, professional conference presentations for agricultural and financial educators, agricultural organizations, Extension and professional organization newsletters, and Cooperative Extension agricultural agents.

The “graying of America” is especially evident in agriculture. The average age of U.S farmers was 57.1 according to the 2007 U.S. Census of Agriculture (U.S. Department of Agriculture, 2009). In addition, the number of farm operators age 75 and older increased by 20% from 2002, while the number of operators less than 25 years of age decreased by 30%. This makes retirement planning for farm families a high priority financial education topic.

This poster describes a qualitative study of the retirement planning practices and learning needs of farm households (N=13). Focus groups were held with farm families with discussion that included their financial concerns, perceptions about retirement, level of preparedness for retirement, investment practices, and preferred methods for educational information delivery. Focus group sessions were conducted in two New Jersey counties. Participants were selected to represent the diversity of the farming community within the state and were recruited by county agricultural agents. Each session lasted 90 minutes and followed a series of prepared questions with follow up questions as needed. Topics of interest to group members, such as health care, post-farming careers, and the impact of regulation on farmers’ retirement savings, were incorporated into the LLF course.

This study, like many others, found that the concept of “retirement” (i.e., not working) is something that farmers don’t relate well to. Findings confirmed results of prior studies and anecdotal evidence about farmers’ long-lived careers. Farmers in the focus groups hadn’t seen many other farmers retire and don’t plan to stop working completely themselves. Rather, many would like to scale back their operations and/or work fewer hours. Unlike salaried workers, farmers can work much longer into later life because they often own their enterprise, can’t be “downsized” (or pressured to retire) by an employer, and “live where they work.” In addition, many farmers view their work as a lifestyle, rather than an occupation, and are emotionally attached to their land and business. They are also concerned about the future of their farms, and potential family estate distribution quarrels, which may also underlie their decision to keep working until farm transition issues can be resolved.

Reference

U.S. Department of Agriculture. (2009a). *2007 Census of Agriculture-demographics*. Washington, DC: U.S. Department of Agriculture. Retrieved February 5, 2009, from <http://www.agcensus.usda.gov/Publications/2007/OnlineHighlights/FactSheets/demographics.pdf>.

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