

Who Will Get Grandpa's Farm? Communicating about Farm Transfer

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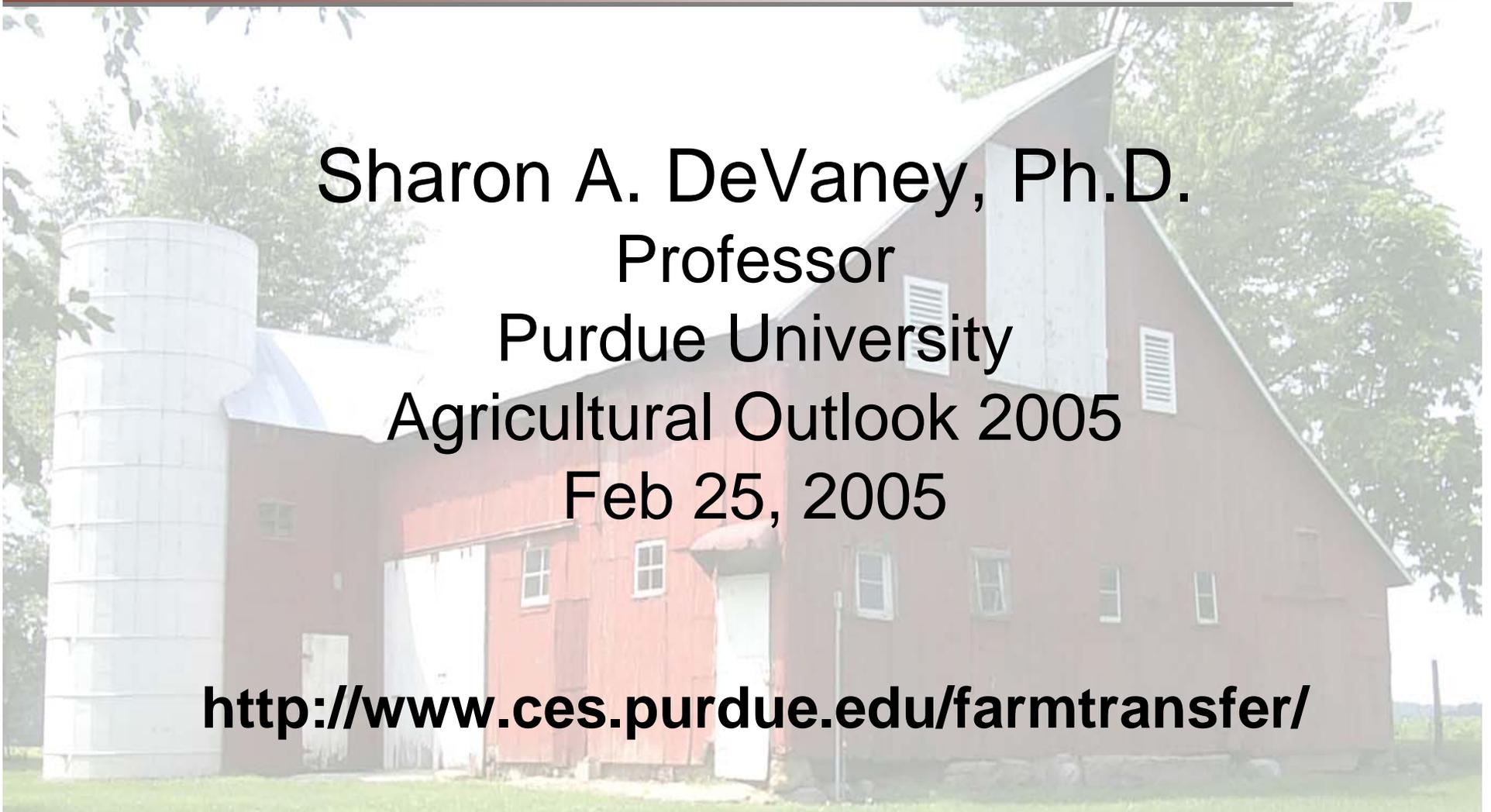
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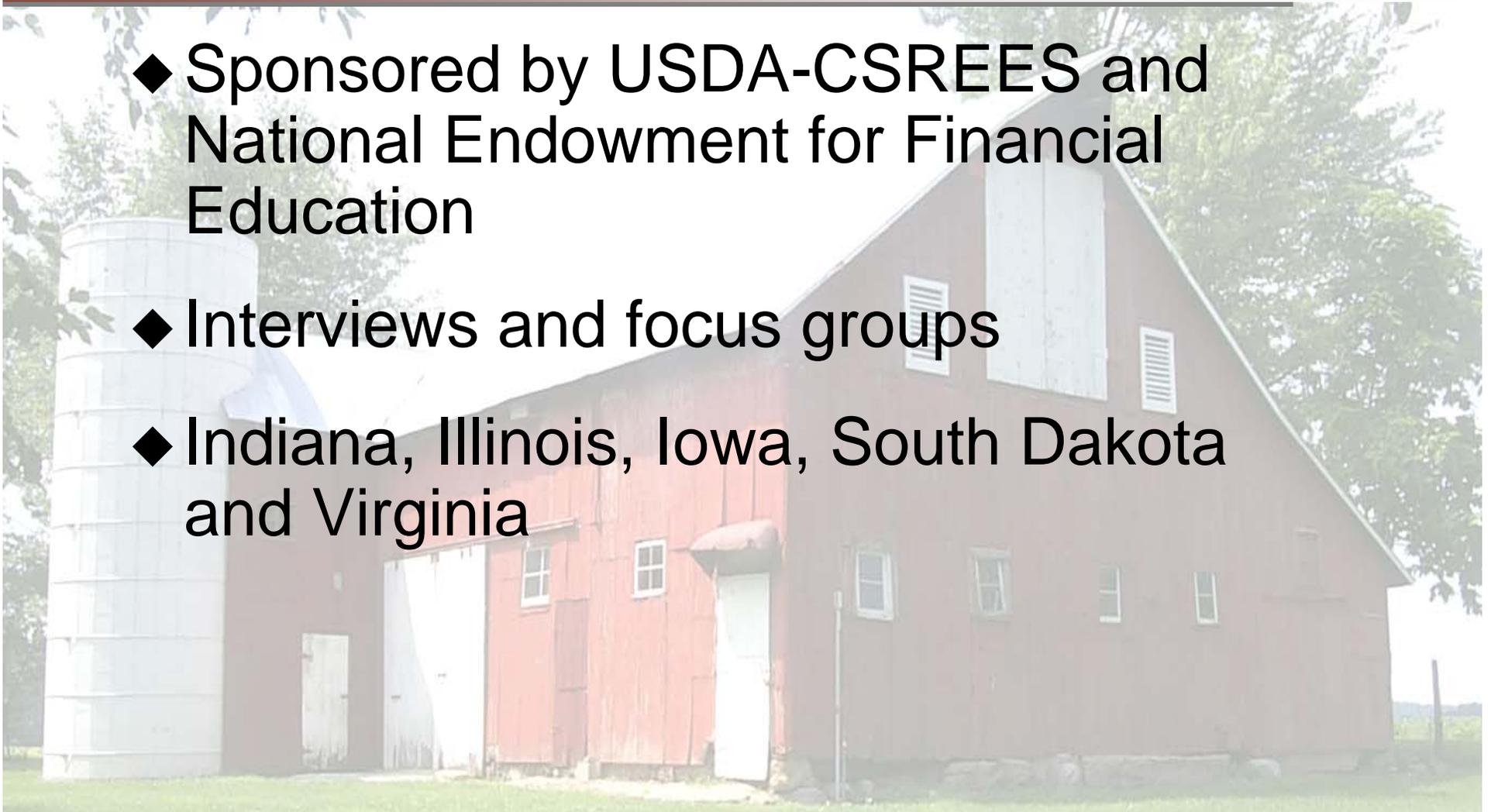
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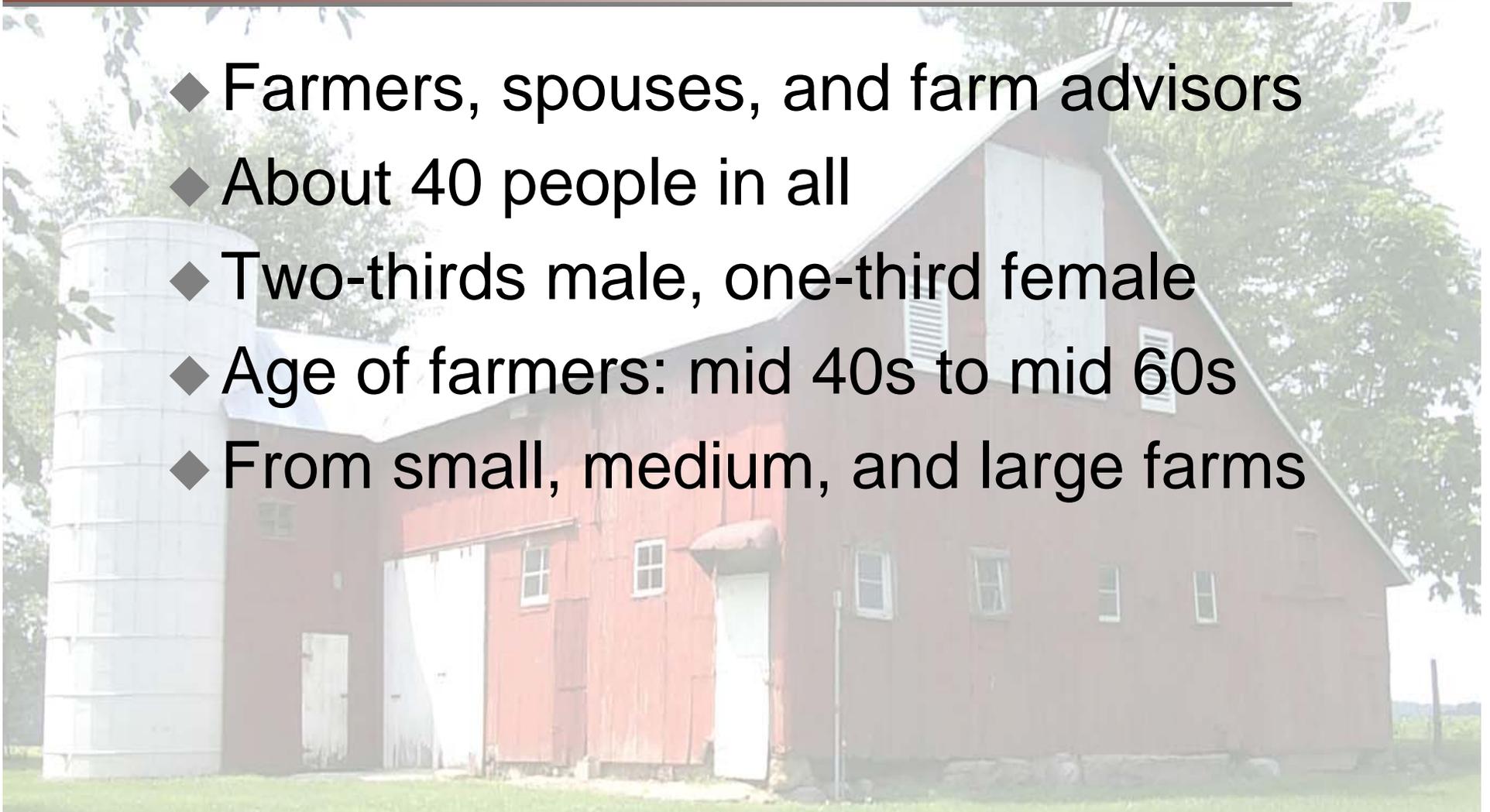
Study with Farm Families

- ◆ Sponsored by USDA-CSREES and National Endowment for Financial Education
- ◆ Interviews and focus groups
- ◆ Indiana, Illinois, Iowa, South Dakota and Virginia



Participants in the study

- ◆ Farmers, spouses, and farm advisors
- ◆ About 40 people in all
- ◆ Two-thirds male, one-third female
- ◆ Age of farmers: mid 40s to mid 60s
- ◆ From small, medium, and large farms



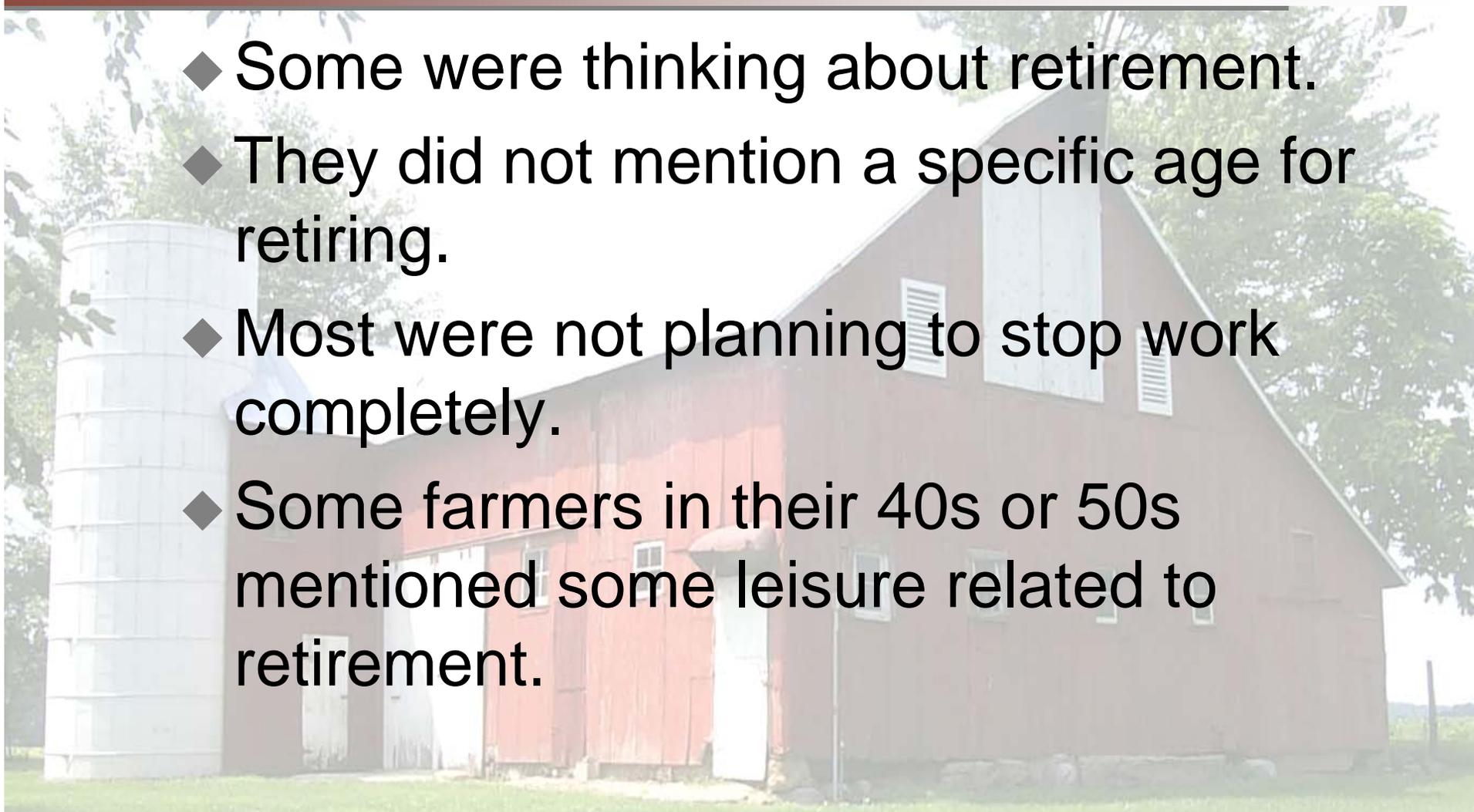
How the study was conducted

- ◆ Contacts through Cooperative Extension Service
- ◆ Took notes, audio taped, or video taped
- ◆ Phone, in person, singles, couples, groups



Did farmers have a vision of retirement?

- ◆ Some were thinking about retirement.
- ◆ They did not mention a specific age for retiring.
- ◆ Most were not planning to stop work completely.
- ◆ Some farmers in their 40s or 50s mentioned some leisure related to retirement.

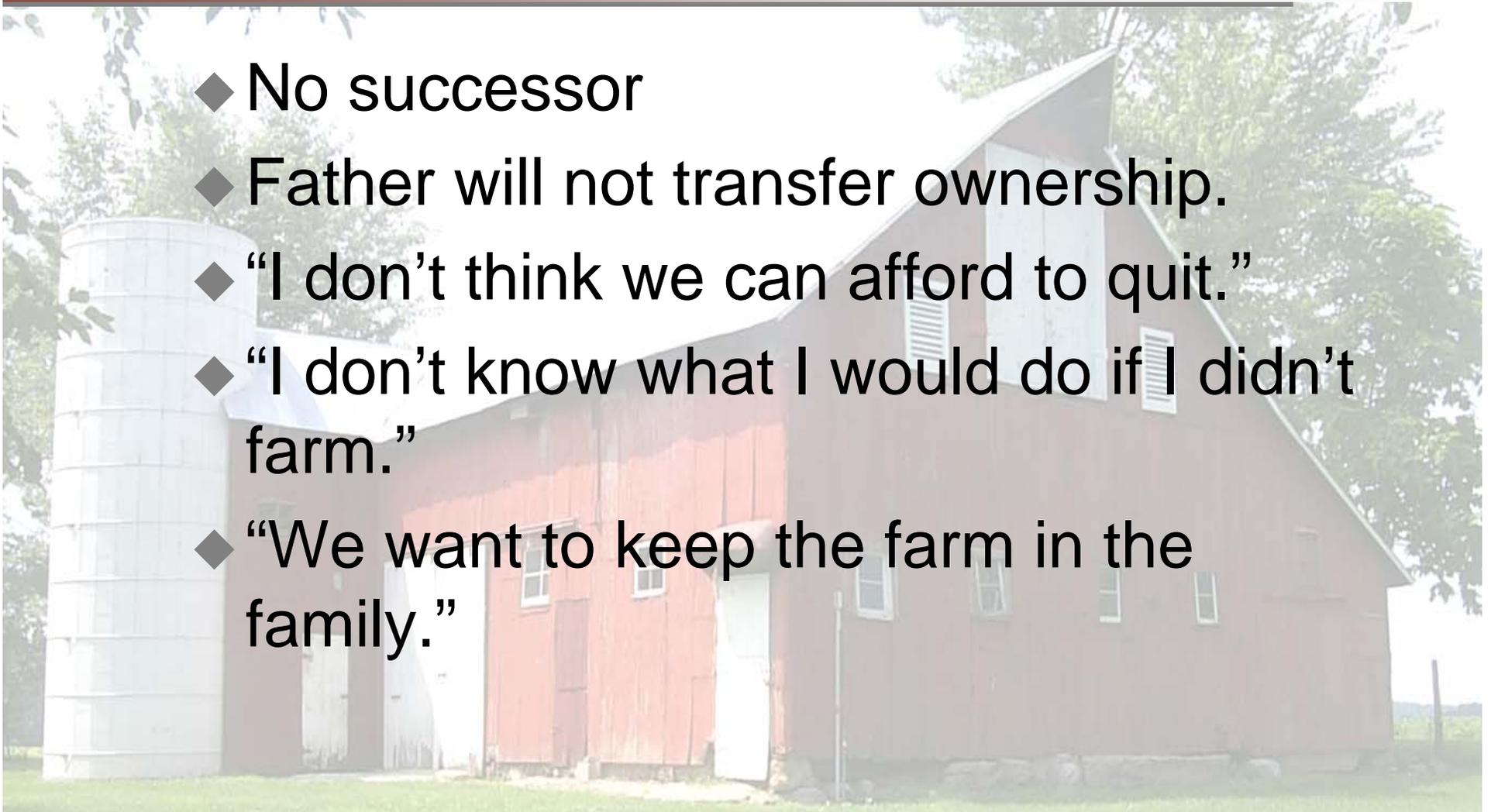


What prompted you to plan for retirement?

- ◆ “My 50th birthday started me thinking.”
- ◆ “This was what my father did for me so I wanted to do it for my son.”
- ◆ Change in health of farmer or spouse.
- ◆ Son or daughter wanted to take over.
- ◆ Divorce, remarriage, etc.
- ◆ Watching how other farmers did it.

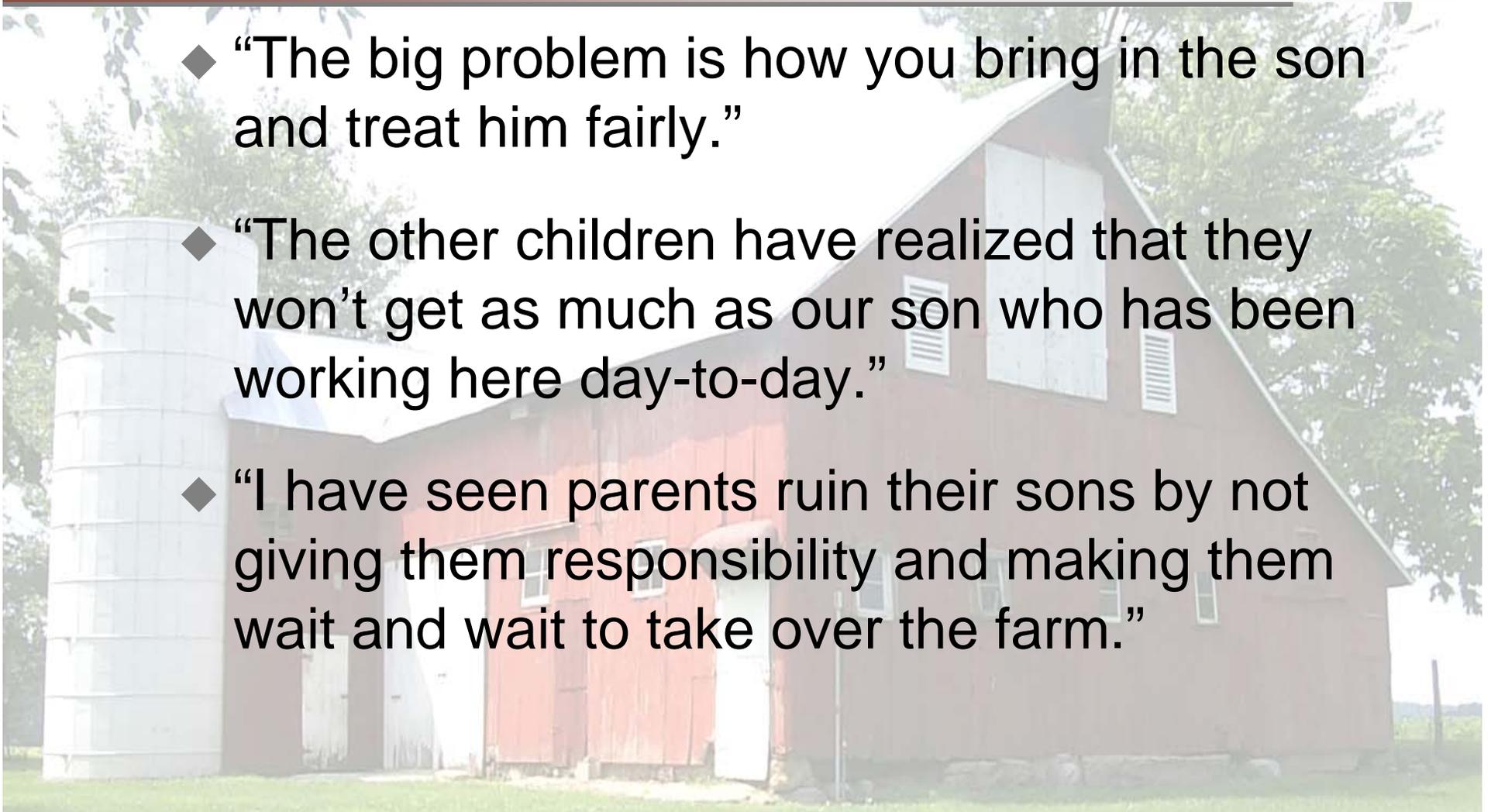
What barriers exist to planning for retirement?

- ◆ No successor
- ◆ Father will not transfer ownership.
- ◆ “I don’t think we can afford to quit.”
- ◆ “I don’t know what I would do if I didn’t farm.”
- ◆ “We want to keep the farm in the family.”



Concerns about farm transfer....

- ◆ “The big problem is how you bring in the son and treat him fairly.”
- ◆ “The other children have realized that they won’t get as much as our son who has been working here day-to-day.”
- ◆ “I have seen parents ruin their sons by not giving them responsibility and making them wait and wait to take over the farm.”



What did I do with this information?

Developed two web sites:

- ◆ **1. Retirement Estimator for Farm Families** - Allows farmers to enter income and expenses. Provides a recommendation.
- ◆ **2. Who Will Get Grandpa's Farm? Communicating about Farm Transfer**



Who Will Get Grandpa's Farm? Communicating about Farm Transfer

Presentation Guide & Internet Site Developed by

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Purdue University

<http://www.ces.purdue.edu/farmtransfer/>

The site is based on 3 theories

- ◆ Theory of **Paternalism**: is about wanting to take care of someone.
- ◆ Theory of **Autonomy**: is about a person retaining their independence.
- ◆ Theory of **Politeness**: each person is considerate of the others' feelings.



Paternalism & Autonomy Theories

Examples from Scenario 1

- ◆ **Paternalism:** Son wants Dad to slow down.
- ◆ **Autonomy:** Dad wants to remain his own boss.



The site includes 3 strategies for communication

- ◆ **Direct control:** The speaker wants to take control.
- ◆ **Indirect control:** The speaker is flexible and will share the decision making.
- ◆ **No control:** The conversation is neutral.



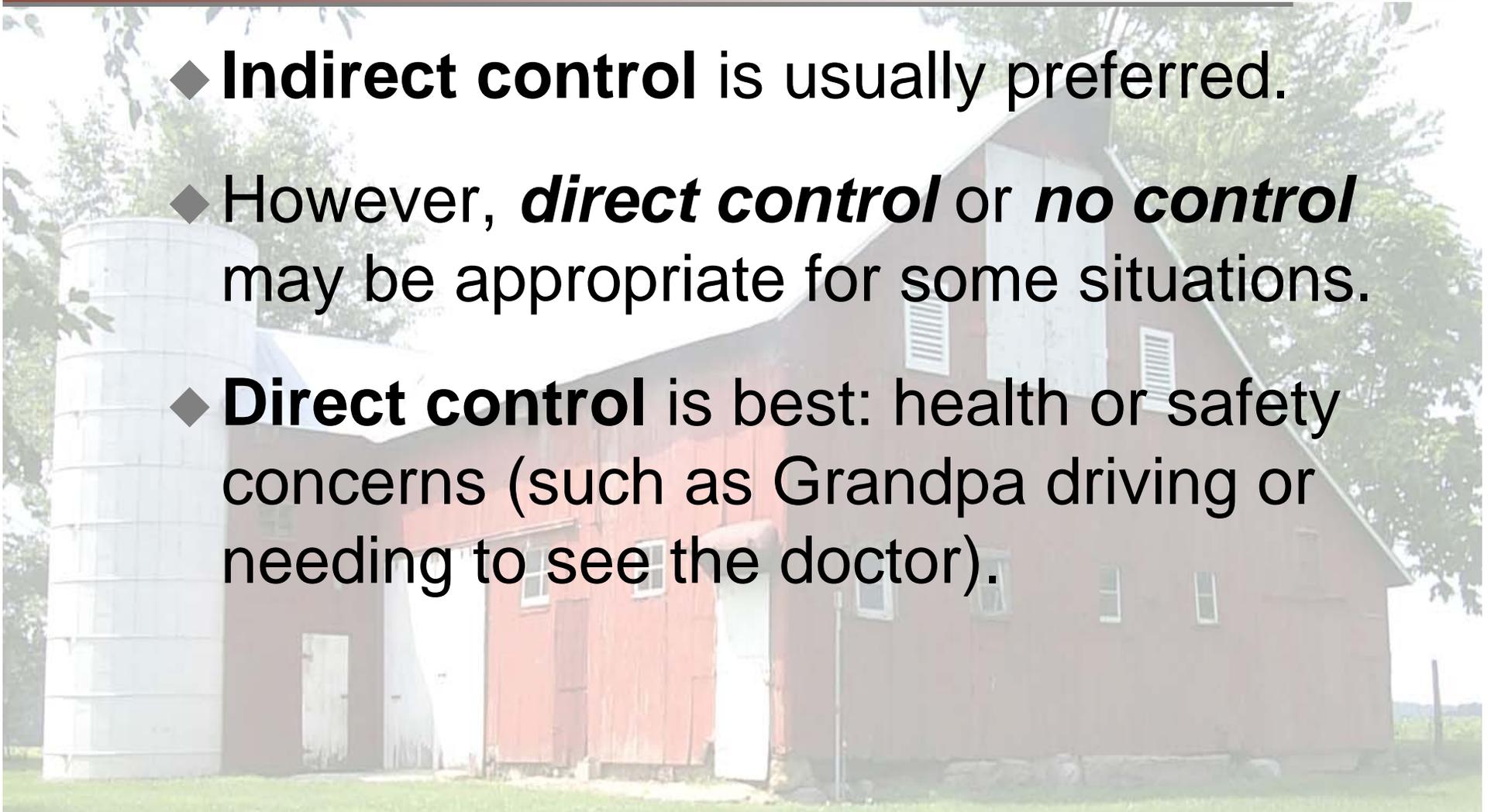
Examples of communication strategies

- ◆ **Direct control:** Son: I'm taking you to see the doctor tomorrow Dad.
- ◆ **Indirect control:** Son: I would feel better if you went to see a doctor.
- ◆ **No control:** Son: I'm worried about your breathing.



Which strategy is best?

- ◆ **Indirect control** is usually preferred.
- ◆ However, ***direct control*** or ***no control*** may be appropriate for some situations.
- ◆ **Direct control** is best: health or safety concerns (such as Grandpa driving or needing to see the doctor).



How does Politeness Theory work?

- ◆ The person who starts the conversation is respectful of the other's opinion.
- ◆ The speaker allows the other person to “save face.”



Example of Politeness Theory

- ◆ Son: Do you see yourself coming back to the farm?
- ◆ Brother: I always assumed you would take over.



Attitude, Preparation, Timing & Behavior

- ◆ **Attitude:** (*From Scenario 1*) Be respectful.
- ◆ **Preparation:** (*From Scenario 2*)
Son should remember how he felt when he was young.



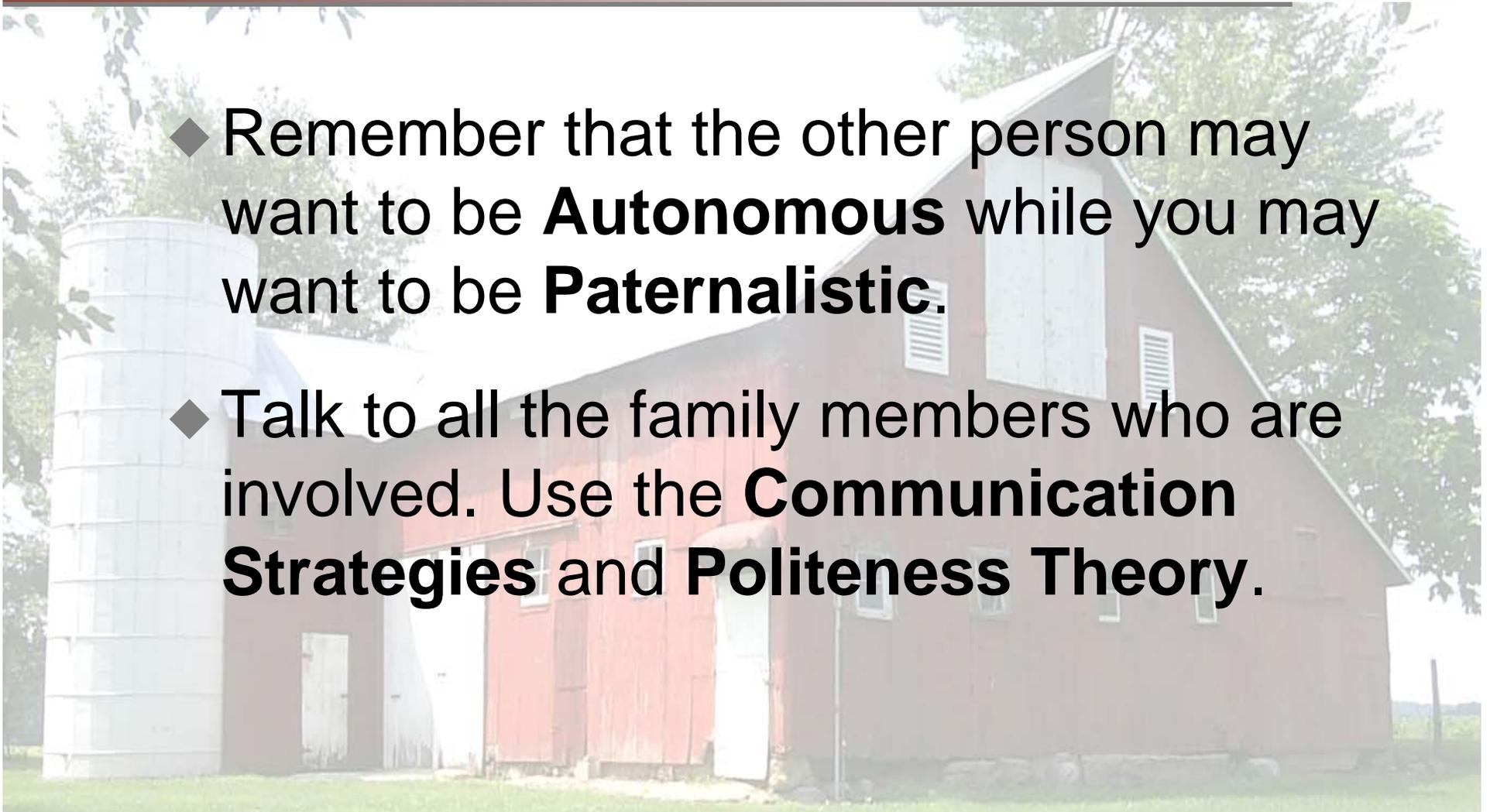
Examples cont.

- ◆ **Timing:** (*From Scenario 4*) Ask family members if they want to be involved in the transfer.
- ◆ **Behavior:** (*From Scenario 5*) Always reinforce that the parent is in charge of his/her own health.



My recommendations

- ◆ Remember that the other person may want to be **Autonomous** while you may want to be **Paternalistic**.
- ◆ Talk to all the family members who are involved. Use the **Communication Strategies** and **Politeness Theory**.



More recommendations

- ◆ Make plans while you are in good health
- ◆ Discuss with your attorney how much time is needed for the farm transfer plan
- ◆ Think how your estate plans will affect those who are left behind
- ◆ Are there any special concerns?
- ◆ Share your plans with all concerned

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