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"MANAGING FOR TODAY AND TOMORROW: AN EFFECTIVE TRANSITION PLANNING COURSE FOR FARM AND RANCH WOMEN"

Schultz, Madeline M.¹; Anderson, Mandi.²; Eggers, Timothy³; Hambleton, Ruth⁴; Leibold, Kelvin⁵

¹Program Manager, Iowa State University Extension and Outreach Women in Agriculture, Ames, IA, 50011

²Research Scientist, Iowa State University Research Institute for Studies in Education, Ames, IA, 50011

³Field Agricultural Economist, Iowa State University Extension and Outreach, Clarinda, IA, 51632

⁴Founder and President, Annie's Project - Education for Farm Women, Woodlawn, IL, 62898

⁵Farm and Agricultural Business Management Specialist, Iowa State University Extension and Outreach, Iowa Falls, IA, 50128

ABSTRACT:

Farm and ranch transition planning maintains rural business continuity and enhances national food security. Yet, far too many family farms/ranches have not made sufficient progress in planning transitions for their enterprises. To help remedy this situation an Annie's Project educator team set out to develop a new curriculum to inform and support women seeking to develop and implement successful transitions. The resulting course, *Managing for Today and Tomorrow*, provides training on business, estate, retirement, and succession planning. Program evaluation results demonstrate the course helped farm/ranch women increase their knowledge in all four topic areas and make progress on steps to transition planning. Results also showed the courses were implemented following best education practices designed for women. This course is a potential tool for extension educators to use in helping farm/ranch women make good transition planning decisions.

ARTICLE:

INTRODUCTION

Farm/ranch men and women of all ages have a vested interest in developing successful transition plans. Established farm/ranch generations own, control, and manage the majority of assets while beginning farm/ranch generations seek to work with them to transition into managerial and/or ownership roles. Such successful transitions are beneficial not only for those directly involved in the farm/ranch enterprise, but also for maintaining rural business continuity and enhancing national food security. Research on operator age suggests a large turnover in land ownership will occur in the near future indicating a high current need for successful transition planning. Yet for many, there is reluctance to engage in discussions and planning for transition. As influential partners and/or owners on many family farms and ranches, women have a potential role to play in understanding and addressing the need for transition planning. National and Iowa statistics on gender illustrate the level of involvement and asset control women have in farm ownership and management.

RESEARCH ON TARGET AUDIENCE

According to the 2012 Census of Agriculture, a reported 969,672 women operators made up 30.5% of all farm operators nationally, up from just 6% in 1982. The average age of these women operators was 55.6 years. In Iowa, the reported 32,167 women operators made up 33.0% of all farm operators in the state in 2012. The average age of those women was 55.9 years. When it comes to farm ownership, the Farmland Ownership and Tenure in Iowa Study showed women own about half (47%) of all Iowa farmland while men own 53% (Duffy 2012.) When these owners are broken out by age category, women and men aged 65 and over represent 29% and 27% of owners, respectively. These are the owners most likely to be transitioning out of management and/or ownership roles soon. Women owners age 35 to 64 own 16% of Iowa farmland; men of the same age own 24%. Women and men owners under age 35 each own just 2%. Owners in these two younger categories as well as those who are not yet landowners are most likely to be transitioning into new owner/manager roles.

Women also influence the availability of land to beginning farmers and ranchers through lease and rental agreements. The 2012 Iowa report indicates women owned 52% of leased farmland in Iowa. Individual owners aged 65 and older (men and women) owned 68% of leased farmland. In 1982, 55% of Iowa farmland was owner-operated, 21% was cash leased, and 21% was crop share leased. By 2012, only 40% of Iowa farmland was owner-operated, 46% was cash leased, and 13% was crop share leased.

Despite their high level of involvement in land ownership, farm/ranch operation, and land leasing, farm/ranch women have historically been an underserved audience in educational programming.

RESEARCH ON EDUCATIONAL STRATEGIES

Recent research on women farmers from Pennsylvania identified several recommendations for meeting their educational needs.

“1) Provide workshops, hands-on education and interactive formats at education events, 2) create opportunities for women farmers to network with each other and agricultural service providers, and 3) invite women farmers to help plan events and serve on advisory groups” (Barbercheck 2009).

Other educators report including a mix of topics in education for farmers/ranchers can be very appealing.

“Collaborations and alliances signify an important shift in the design, purpose, and dissemination of adult agricultural education by incorporating a wide platform of social, economic, and ecological issues” (Niewolny 2010.)

Although many potential farm and ranch learners are hesitant to attend extension programs focused specifically on financial training, women often come to farm transition programs with a variety of questions about financial security for themselves and their family members. Research supports the careful combination of financial and other topics as an appropriate educational strategy for learning about and preparing for farm transitions.

“As with any financial effort, in order to be truly financially literate, a learner must engage in the full range of financial education topics including risk management through insurance, the wise use of credit, taxation, and estate planning. The latter is especially important for farm families where succession planning, to the next generation where possible, is part of the lifestyle choice of many farm families” (O’Neill 2010.)

Research further acknowledges the importance of personal connections when tackling the challenges of societal changes such as farm and ranch transition.

“Extension agents and specialists not only need to be experts in a particular subject matter, but also “be architects of relationships, learning processes and environments that directly meet the farmers’ needs to catalyze transformative learning” (Franz 2010.)

Extension has an important role in helping farm/ranch women make good decisions leading to managed asset transfer in rural economies, equitable farm/ranch social structures, and long term land use planning. Simultaneously educating the established generations who control agricultural assets, and the beginning generations who seek access to these assets, is an integral strategy for increasing agricultural sustainability. Creating and then capitalizing on the empowered role of women is an innovative approach to increasing the number of successful farm/ranch transition plans.

ANNIE'S PROJECT AS AN EFFECTIVE MODEL

Recognizing the need for more education on farm transition planning, a team of educators set out to develop a new curriculum based on the informational needs and learning preferences of farm/ranch women. The documented success of Annie's Project led to the foundational methodology for this new course. Annie's Project is a farm management education program first implemented in 2003. Since that time, the program reached more than 12,000 farm/ranch women in 38 states. The mission of Annie's Project is to empower farm and ranch women to be better business partners and owners by developing networks and by organizing and managing critical information.

The Annie's Project best education practices and methodologies are effective educational strategies for farm/ranch women. One research project concluded, "The overall content of the Annie's program is an effective means to improve comprehension and the Illinois women's skill sets," (Hambleton Heins 2010.)

The Annie's Project core values are: safe harbor, connection, discovery, and guided intelligence. The key principles of the program include:

1. Teach agricultural business management in each of the risk areas of finance, human resources, legal, marketing, and production;
2. Invite local women service providers to serve as guest speakers where possible;
3. Allocate half of class time to discussion and hands-on activities;
4. Provide unbiased, researched based information; and
5. Create a learning environment where mentoring is spontaneous.

"We talked about farm transition planning in Annie's Project courses, but women asked for more. The Managing for Today and Tomorrow curriculum development project allowed us to meet the needs we were seeing. We wanted to teach women a systematic approach to farm transitioning," stated Ruth Hambleton.



ANNIE'S PROJECT

EMPOWERING WOMEN IN AGRICULTURE

Figure 1. The Managing for Today and Tomorrow curriculum and course design is based on the Annie's Project best education practices. To learn more about Annie's Project or how to get involved, visit: www.anniesproject.org.

Managing for Today and Tomorrow is the farm/ranch transition curriculum that resulted from these efforts. It provides in-depth training in four topic areas: business planning, estate planning, retirement planning and succession planning. The curriculum is designed to be offered as a 15-hour, multi-session (3 hours per week for 5 weeks) local extension course that follows the best education practices established by Annie's Project. The team of educators who developed the curriculum, then piloted the course and evaluation instruments by facilitating the course at seven sites in four states in 2012. After course materials and evaluation instruments were revised, the facilitator training and participant materials were offered to other Annie's Project educator partners in 2013 and 2014. The purpose of this paper is to present the results of the evaluation of those courses and provide evidence of its effectiveness in preparing women to take a leadership role in the transition planning process for their farm and ranch operations.

EVALUATION METHODS

Unbiased program evaluation is critical to assessing the effectiveness of extension and outreach programs and assuring the needs of the learners are being met.

“Collaborative, flexible approaches to evaluation are needed to examine complex system changes. Working together to develop the key interim outcomes, teams are able to better document the progress of these initiatives, and to better understand how they lead to the desired long-term outcomes” (Kellogg 1998.)

To ensure a valid and reliable course evaluation, the Managing for Today and Tomorrow educator team collaborated with the Research Institute for Studies in

Education (RISE) at Iowa State University to design and conduct an independent evaluation of the course. Two years of evaluation data are analyzed and summarized here.

INSTRUMENTS

The project team developed pre-course and post-course evaluation instruments which were created using Qualtrics (TM) online survey software. Facilitators were encouraged to use this online version whenever possible. However, an identical printed version was created for use when necessary. The URLs to access the online and print surveys as well as detailed instructions for conducting the evaluation were part of the facilitator training for the course.

The pre-course and post-course instruments contained identical items about knowledge and actions taken related to four areas of transition planning: business, estate, retirement, and succession. For each question, respondents rated their knowledge on a four-point scale. For analysis, groups of questions were combined to form topical constructs for each area of transition planning taught. The pre-course instrument also asked what participants wanted to learn from the course, as well as demographic information about themselves and their farm/ranch operations. The post-course instrument asked about their goals for using what they learned in the course, course methods and content, and suggestions for improving the course.

PROCEDURES

A coding system was developed so that responses could be tracked by site and state. Participant numbers were attached to the site/state code so that participant pre and post responses could be matched for analysis. Course facilitators were instructed to assign these code numbers anonymously in order to conceal the identities of respondents.

Pre-course surveys were completed during the first session before course content was introduced. The post-course survey was completed during the fifth and final session after course content concluded. Surveys completed on paper were mailed or scanned and e-mailed to RISE. RISE managed all data entry to ensure consistency and quality. Course facilitators initiated pre and post reports for their sites by contacting RISE. State and national reports were generated upon request of state and national leaders.

Facilitators were also given clear guidelines for appropriate and ethical sharing of evaluation data for their sites. Because of the relatively low numbers of responses at each site, they were also given strategies to properly interpret and summarize the findings without statistical analysis.

PARTICIPANTS

Annie's Project educator partners implemented the evaluation instruments in 24 Managing for Today and Tomorrow courses during 2013 and 2014. The courses were instructed by 16 different educators and offered in ten states: Delaware, Florida, Iowa, Illinois, Indiana, Maryland, Michigan, Mississippi, North Dakota, and South Dakota. The participants in these courses were farm/ranch women interested in transition planning.

RESULTS

ANECDOTAL EVIDENCE

Kris and Patty Walker participated in the first pilot Managing for Today and Tomorrow course in Iowa in 2012. The course helped the daughter-in-law and mother-in-law talk with family members, set goals, and take steps to transition the farm business. "We thought this was something we'd both learn from. The best part was the ride home. Kris and I would talk non-stop about how to communicate what we learned," stated Patty Walker. **For more on how the course impacted this farm family, watch a video at: <https://vimeo.com/110527260>.**



Figure 2. Course participants, Kris and Patty Walker, shown here with their husbands, took important steps to transition their family farm to the next generation.

SURVEY RESPONDENTS

A total of 237 farm/ranch women completed the Managing for Today and Tomorrow evaluation instruments. Of these, about half (57.8%) were from Iowa, with the rest being fairly evenly divided among the other nine states. Just over a third (38%) had taken other Annie's Project courses prior to taking Managing for Today and Tomorrow. While most had no concerns about participating in the courses, some expressed concern over their lack of knowledge, the uncertain role they have in the farm business, or confidentiality.

Respondents identified their career stages as: not currently farming/ranching but planned to start (14%), farming/ranching and planned to continue (76%), or currently farming/ranching but planned to stop within five years (10%). About half of the respondents had been farming/ranching 21-30 years or 31-40 years (24%, 25%, respectively). About 35 percent had been farming fewer years: less than 1 year (5%), 1-10 years (15%), 11-20 years (15%); almost 15 percent had farmed more years: 41-50 years (12%) or more than 50 years (4%). Most were in the 45 to 54 or 55 to 64 age groups (25%, 29%, respectively). Other ages included: younger than 25 (5%), 26-34 (8%), 35-40 (17%), 65-74 (13%), and 75 and older (3%). Respondents also indicated the racial ethnic groups they identified with as: 98% White/European American, 1% Native American Indian/Alaskan Native, 0.5% Black/African American, and 0.5% Pacific Islander/Asian American.

Respondents reported farm/ranch sizes as 0-49 acres (12%), 50-499 acres (37%), 500-1,000 acres (37%), or 2,000 or more acres (14%). The majority owned their farm/ranch businesses as sole proprietorships with family corporations as the next most common form of ownership. Nearly half of all respondents raised cattle or calves while many raised poultry/eggs, hogs/pigs, or horses/ponies. Nearly nine out of ten raised grains, oilseeds, dry beans or dry peas. Vegetables, hay/pasture, and fruits/nuts were the next most frequently reported crops.

BEST EDUCATION PRACTICES FOR FARM/RANCH WOMEN

Survey respondents reported their level of agreement with statements about how well the Annie's Project best education practices were integrated into the courses. At least 95 percent of respondents "agreed" or "strongly agreed" that almost all of the best practices were incorporated:

- My prior knowledge and experience level were respected in this course.
- This course provided a safe and nurturing environment for learning.
- I felt encouraged to learn from other participants as well as from the facilitator and speakers.
- This course focused on women and women's roles in farming/ranching.

- The methods used in this course were compatible with my learning style.
- This course included hands-on activities to help me understand and apply the information presented.
- This course provided me with unbiased, research based information applicable to local needs.
- Local professionals provided valuable information and/or resources. I now feel prepared to take steps to become a better farm/ranch business partner.
- I am likely to contact local professionals for additional information or assistance.

About 17 percent said they were not likely to contact another participant for guidance or support; about 12 percent said the course did not allow enough time for discussion and interaction with other participants.

PRE-COURSE LEARNING WANTS/NEEDS BY KEY TOPIC

The pre-course survey asked respondents to identify one to three things they most wanted to learn during the course. The 206 statements reported were reviewed and categorized as related to business, estate, retirement, or succession planning. The results by topic area were: succession planning 31.5%, estate planning 30.1%, business planning 23.8%, and retirement planning 14.6%.

MOST VALUABLE TOPICS

Managing for Today and Tomorrow included 18 subtopics representing the four primary topic areas of business, estate, retirement, and succession planning. The project team investigated most and least valuable topics to inform future course modifications that could be made to better serve audience needs.

Respondents indicated three to five of the subtopics that were most important or valuable to them. There were a total of 831 responses. The nine topics with more than 40 responses follow.

1. Estate planning tools, concepts and terminology (97 responses)
2. Improving family communications (78)
3. The big picture of transition planning (77)
4. Goal setting (67)
5. Methods of asset transfer (60)
6. Inheritance tax and the use of trusts (57)
7. Ag Plan and business planning (53)
8. Transition planning flowchart or checklist (50)
9. Communication barriers (42)

Respondents indicated three to five of the subtopics that were least important or valuable to them. There were 419 responses. The four topics with more than 40 responses follow.

1. Types of insurance (47 responses)
2. Retirement Planning for Someday (42)
3. Financial ratio analysis (41)

It is interesting to note the topic of Retirement Planning for Someday, which was selected 42 times as least valuable, was also selected 39 times as most valuable. In comparison, the other two least valuable topics were only selected as most valuable 17 and 19 times. The other topics covered in the course, which were selected fewer than 40 times as either most or least valuable, and appear to be of middle value, follow in alphabetical order (un-ranked).

1. Clarifying values and mission
2. Estate Planning Questionnaire
3. Financial Statement Basics
4. Situational analysis (SWOT)
5. Strategies for reaching retirement goals
6. Succession Planning Story, 37-Year-Old Problem

KNOWLEDGE GAINS

The survey asked respondents four key questions about their level of knowledge within each of the four major course topic areas: business, estate, retirement and succession planning. For each question, respondents rated their knowledge on a four-point scale. For analysis, groups of questions were combined to form topical constructs for each area of transition planning taught. Pre-course and post-course results indicated statistically significant knowledge gains for each construct. This is measured by increases in the frequency (number of times) respondents reported their knowledge level in the upper two scale points on a four-point scale. The lower two scale points were 'I know little or nothing about this' and 'I know some about this.' The upper two scale points were 'I know quite a bit about this' and "I am completely familiar with this.' The self-assessed knowledge levels for each construct, both pre-course and post-course are as follows.

- Business Planning: Pre 19.8%; Post 62.9%
- Estate Planning: Pre 16.2%; Post 63.9%
- Retirement Planning: Pre 17.0%; Post 67.1%
- Succession Planning: Pre 12.6%; Post 67.2%.

GOALS FOR APPLYING WHAT WAS LEARNED

The post-course survey asked respondents to identify their goals for applying what they learned in the course. All of the 383 goals listed, were reviewed and categorized as business, estate, retirement, or succession goals. Roughly 30 percent of the goals were related to each of the following areas: business planning (29.2%), estate planning (31.6%), and succession planning (31.4%). Retirement planning goals represented less than 10 percent of the goals (7.8%).

ACTIONS TAKEN

Survey respondents answered four key questions about the actions they had taken within each of the four major course topic areas or constructs during the five week courses. Changes in the frequency of respondents reporting that they currently do or have done these practices for each construct were as follows.

- Business Planning: Pre 57.6%; Post 62.6%
- Estate Planning: Pre 41.7%; Post 45.7%
- Retirement Planning: Pre 48.6%; Post 56.3%
- Succession Planning: Pre 26.1; Post 47.8%

PARTICIPANT GOALS FOR LEARNING

The results also demonstrate the connection between what the participants wanted to learn and their goals for applying what they learned. The learning goals indicated in the pre-course survey were distributed across the topic areas in roughly the same proportions as the post-course application goals:

- Business Planning: Pre 23.8%; Post 29.2%
- Estate Planning: Pre 30.1%; Post 31.6%
- Retirement Planning: Pre 14.6%; Post 7.8%
- Succession Planning: Pre 31.5; Post 31.4%

DISCUSSION

The evaluation results from the 24 Managing for Today and Tomorrow transition planning courses in 10 states during 2013 and 2014 demonstrate that with training and support from extension educators using Annie's Project best education practices; women can gain knowledge about business, estate, retirement, and succession planning and prepare to guide their farm/ranch families or other partners through

successful farm/ranch transitions. The most important outcome of this project on farm/ranch women was greater understanding of the responsibilities by all generations to manage effective transitions through business, estate, retirement and succession planning. The course helped farm/ranch women and, by association their families/partners, accept transition planning as normal, necessary, and doable.

The demographic data demonstrate Managing for Tomorrow courses appealed to women of various ages and stages of their farm/ranch career, particularly those in the 45-64 age group with 20-40 years of farming/ranching experience. These are the women who are in the ideal situation to begin transition planning and implementation. The broad appeal of the course is demonstrated by the wide variety of farm sizes and products produced.

The consistently high level of agreement indicated by participants that the Annie's Project best education practices were incorporated into the courses demonstrates the high quality of the curriculum and course design, especially given that courses were delivered by 16 different educators across 10 different states. Only the key principle of allowing enough time for discussion and interaction with other participants was rated lower than 95%, and that was rated at 88%. These results also indicate that extension educators who are supported with quality curriculum and training can do an excellent job in implementing the best education practices and provide valuable educational experiences for farm and ranch women.

To our surprise, the open ended survey questions included many comments on business planning; survey respondents indicated they wanted to see more case studies and actual examples. Farm/ranch women were less interested in retirement planning, since that seemed to be in the future, not immediately wanted/needed. Open ended responses also indicated a clear preference for more time to learn with and from the other participants. These are requests educators can use to improve future courses.

Managing for Today and Tomorrow helped women gain knowledge across all topics related to transition planning, indicating participants are prepared to initiate and manage transitions. This adds to the likelihood of successful transition outcomes for themselves and their partners/families. Whether they belong to the currently owning/established group or the beginning/successor group, knowledge gained through this course empowered participants to begin or improve transition planning. And what's more, within the time-frame of the multi-session courses, farm/ranch women took important actions towards their transition planning goals. During the five weeks of the course, many had already begun to take actions related to initiating business, estate, retirement, and succession planning.

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