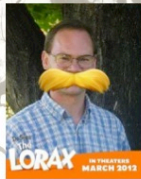


# What is the role of Natural Resource Professionals in Landowner Legacy Planning?



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Northern District



## Webinar Outline

- Why is this “so” important?
- Defining Conservation-based estate planning
- A Story
- What we can do
- How to do it
- Resources

## Resource Professional Poll

- A. Consulting Forester
- B. Extension Forester
- C. Municipality/State/Federal Forester
- D. Land Trust/Con. Org.
- E. Natural Resource Planner

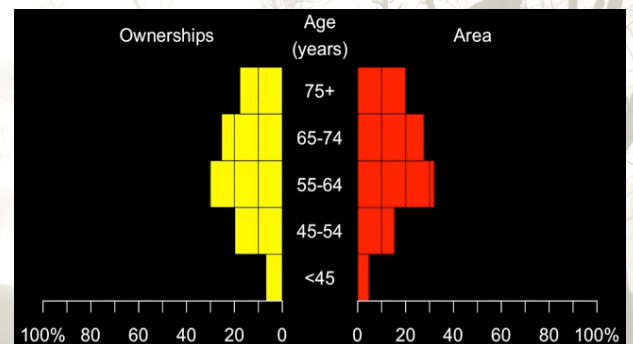
## Experience Poll

I’ve spoken to a landowner about the future ownership of their land

- A. Rarely
- B. Occasionally
- C. Often
- D. Very often

- Why is this “so” important?
- Defining Conservation-based estate planning
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- What we can do
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Owner Age  
Family Forests (10+ ac), US, 2011-2013



NWOS PRELIMINARY RESULTS

## What's at Stake?



## What's at Stake?



## It's time to yell fire!



- Why is this “so” important?
- Defining Conservation-based estate planning
- Family Stories
- What we can do
- How to do it
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## Estate Plan

- An 'Estate Plan' is not a single, all-encompassing document
- A **process** that includes the development of a combination of **documents** (e.g., will) and **tools** (e.g. conservation easement) that achieve your personal and financial goals when implemented together.

## Conservation Based Estate Planning (CBEP)

- Those elements of estate planning that deal directly with keeping some or all of the land in its natural state/undeveloped.
- Many know their options to sub-divide and develop land.
- Not many know about their options to keeping at least some of their land undeveloped.

## Primary Goal of CBEP

*"Keep the Plates Spinning"*

- Try to get as much undeveloped land passed to a new owner in as big of an ownership possible.
- In other words, reduce conversion & parcelization.



## Land as an Asset

- Land is likely one of a landowner's most valuable assets
- However, land is not like other assets, it also has personal value.



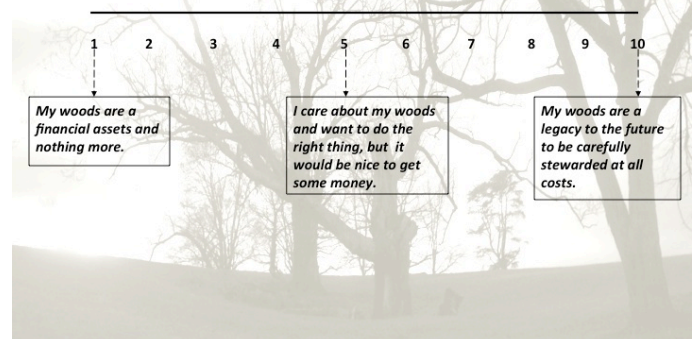
## The Challenge

- Ensuring that both financial and personal needs are being met.



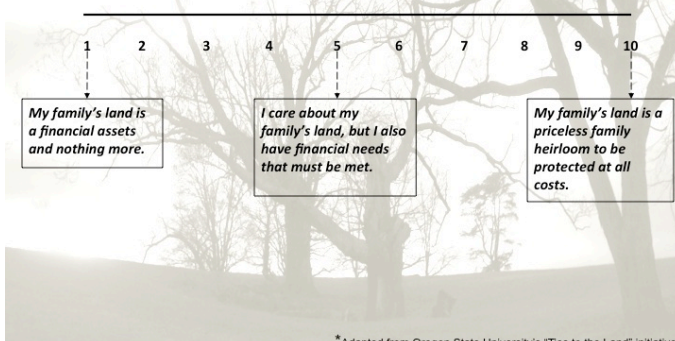
## Defining Family Goals

*Timber Harvest*



## Defining Family Goals

*The Legacy Scale\**



\* Adapted from Oregon State University's "Ties to the Land" initiative.

## Land is a flexible asset

- Land lends itself to **creative solutions** for gaining both financial and personal values from it

## Range of CBEP

*There's no one right answer!*

- Discussing wishes for land with family
- Join a current use program
- Formalizing wishes in a will/trust
- Changing the ownership type (direct and indirect ownership options)
- Conservation Easement donation/sale
- Land donation/sale



- Why is this "so" important?
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## Family Stories

### Smith Family *Meeting Different Needs*

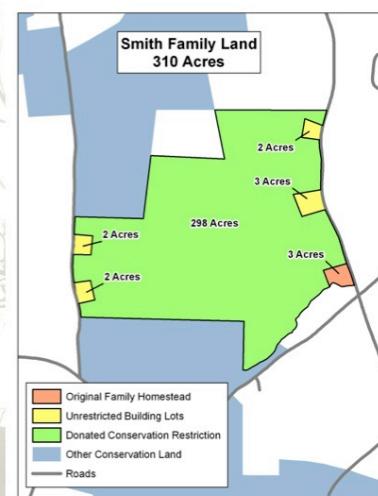


- Mrs. Smith owns a farm house and 310 acres
- She wanted to plan its future.
- Spoke with daughters
- One daughter wanted to move to the homestead
- One daughter wanted to stay in Maine

## Dividing Assets

- Mrs. Smith had the house and land appraised.
- The value triggered federal estate taxes.
- Worked with an attorney, an accountant, and a local land trust to develop a way to keep the land natural while providing value to both daughters.

Some is better than none!!!!



## Thompson Family *Legal Tools*



- 45 acres
- About to transfer from 3 owners to 12
- Set-up a family trust
- Each "branch" of the family has 1/3 interest
- Each branch named one representative

## Maintaining the Land

- Ice storm > consulting forester
- Joined current use
- Implemented a timber harvest
- Proceeds help maintain property



## Landowner Challenges to Conservation Based Estate Planning

*Catanzaro et. al. 2013*

1. Expense
2. Connecting with a professional
3. Fairness/Family dynamics



## Multiple Generations

*Catanzaro et. al. 2013*

- Almost **70%** of families reported 2 or more generations involved
- Average 2.1
- Range 1 – 4



## Women in the Process

*Catanzaro et. al. 2013*

- Almost half of the survey responses were from women.
- Ownerships as reported in the (preliminary) NWOS:
  - Owner 1: 79% male, 21% female
  - Owner 2: 17% male, 83% female



## First Responders

*Natural Resource Professionals Play a Critical Role!*

*Catanzaro et. al, 2013*

- Land Trust (33.1%)
- Foresters (32.8%)



## Be patient. Be ready.

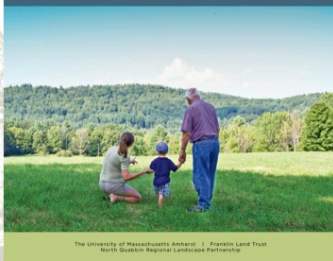
*Forests develop over years. Families decide over years!*

- Decisions are infrequent
- Estate Planning is complex
- Foresters are often looked to for assistance
- Recognize the opportunities & help



## Your Land, Your Legacy

Deciding the Future of Your Land to Meet the Needs of You and Your Family



The University of Massachusetts Amherst | Franklin Land Trust  
North Quabbin Regional Landscape Partnership

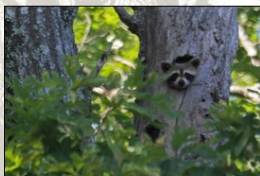
[www.MassWoods.net](http://www.MassWoods.net)

- Why is this “so” important?
- Legacy/Succession/Estate/Conservation  
– What’s the difference?
- Family Stories
- What we can do
- How to do it
- Resources

## Good & Bad news

### Good

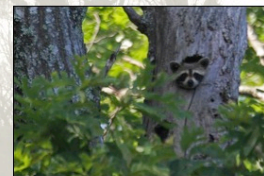
- We don't have to know much.
- We are subject matter experts, but not on this subject.



### Bad

### Good

- We don't have to know much.
- We are subject matter experts, but not on this subject.



## Good & Bad news

### Bad

- Gotta get out of our comfort zones.
- People are messy and families even more so.

So what can we do?

# INSTIGATE!



## Intention

The most common “plan”?

- Leaving it to the kids... (Metcalf)
  - Multiple children – 52%
  - One child – 30%
- Only 32% have involved children in management
- In general they are less attached to the family forest. (Mater)

Metcalf, A.L., et.al., 2008. Pennsylvania's Private Forest Landowners: Results from a Statewide Survey.

Mater, C. 2005. Family Forests: What Will the Next Generation Do?



- Why is this “so” important?
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## How...

Ask a question (or two)

- What are your thoughts for the future of this place?
- Are your children interested in this place?
- What do you want to happen with this property?
- How do you envision this property in 100, 200 years?



## How...

How might you broach the subject?

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## What you might hear...

- *I have a* \_\_\_\_\_
- *I'm only* \_\_\_\_\_
- *It's too* \_\_\_\_\_

## Responses

- I have a **WILL** that will take care of my stuff.
  - Wills transfer property, not goals or management

## Responses

- I have a **WILL** that will take care of my stuff.
  - Wills transfer property, not goals or management
- I'm only **60**, I've got plenty of time.
  - .... start now to leave time for shared planning & transfer of values

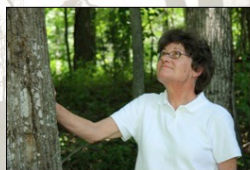
## Responses

- I have a **WILL** that will take care of my stuff.
  - Wills transfer property, not goals or management
- I'm only **60**, I've got plenty of time.
  - .... start now to leave time for shared planning & transfer of values
- It's too **expensive**.
  - True that this is not cheap, but the cost of not planning never ends. By figuring out what you want and doing some homework, you can minimize the cost of professional advisors.

## Acknowledge...

- Difficult... not “fun” & important
- That it can be complicated & “I don't understand it all but I know that failing to plan is....”

*Estate & succession planning are two of the most important things a family forest owner can do for his or her family, blessing many generations to come with a legacy worth far more than a bank account.*



Wulff, Nicole. 2012. Estate- and Succession-Planning Tools, Fact Sheet 5.8. In: Monroe, M.C., L.W. McDonnell, L. A. Hermansen-Baaz (Eds.). 2006. Changing Roles: Wildland-Urban Interface Professional Development Program. Gainesville FL: University of Florida.

## Frame it for the landowner...

Distinguish between “estate” and “succession” planning

- Estate planning
  - A legal process to distribute assets
- Succession/Legacy planning
  - An ongoing process of developing values & transitioning management with regard to forestland
- **Succession planning encompasses estate planning and starts with a forest management plan.**



The all important management plan...



The all important management plan...

Succession planning should be a required component of every plan!

### How?

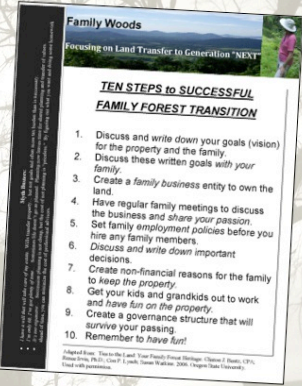
- Encourage & Challenge
  - To engage family members in mgmt. activities and planning
  - To create recreational opportunities
  - Start conversations about the future
  - To listen to their family members
  - To be patient



- Why is this “so” important?
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### Give them steps

1. Determine goals for property & family
2. Discuss with family
3. Create a family business to own & manage land
4. Regular family mtgs.
5. Set family employment policies



From: Ties to the Land: Your Family Forest Heritage. Oregon State University.

6. Discuss and write down important decisions
7. Create non-financial reasons for the family to keep the property
8. Get your kids/grandkids to work and play
9. Create a governance structure that will survive your passing
10. Have fun!



From: Ties to the Land: Your Family Forest Heritage. Oregon State University.

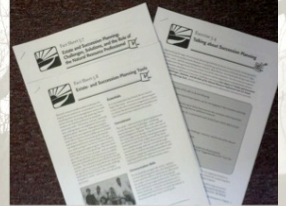
## Recommended professionals

- Help them build the team...
  - Estate planning attorney
  - Accountant/CPA
  - Financial Advisor
  - Forester or other natural resource professional

## Resources

For the professional

- <http://www.interfacesouth.org>
  - > Products > Changing Roles > Module 5
- **Estate & Succession Planning: Challenges, Solutions, and the Role of the Natural Resource Professional** (fact sheet 5.7)
- **Estate- and Succession-Planning Tools** (fact sheet 5.8)
- **Talking about Succession Planning** (exercise 5.7)



## When You're So Old

By Bob Mealey

[https://media.oregonstate.edu/media/t/0\\_umxfgawd](https://media.oregonstate.edu/media/t/0_umxfgawd)



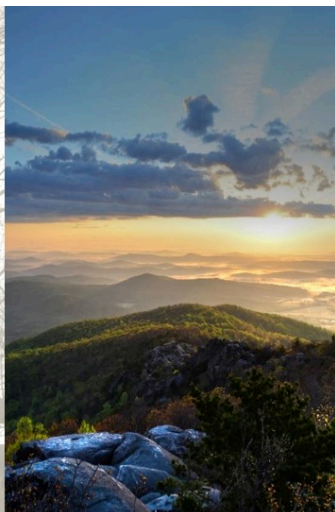
### From *Ties to the Land: Your Family Forest Heritage*

- Oregon State University Forestry Extension,
- Oregon Forest Resources Institute
- Austin Family Business Program, Oregon State University
- Clinton J. Benz, Certified Public Accountant
- Con P. Lunch, Attorney at Law



What will be  
your....

# Legacy



Working on my  
Legacy



## 5 QUESTIONS

1. What should be part of every management plan?
  - a) Succession/legacy planning
  - b) A digitized map printable on 20 X 20 paper
  - c) Silvicultural prescriptions for the next 300 years
  - d) A Facebook page

2. When making estate planning decisions, land is considered a flexible asset because:
  - a) A variety of tree species can be grown on a property.
  - b) Land can provide both financial and personal value
  - c) Land can be claimed using a number of different tax forms
  - d) Land can be owned by multiple generations

3. What is the best way to initiate a conversation about succession planning
  - a) Tell them they are going to die sometime.
  - b) Ask a relevant & natural question.
  - c) Tell them how much land might be sold to developers in their State when the next generation comes along.
  - d) None of the above, it's not our place to do so.

4. Who would you advise a landowner include in their succession planning team?
  - a) A natural resource professional
  - b) An attorney
  - c) A CPA
  - d) All the above

5. You can make a difference.
  - a) True
  - b) False

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## LINKs to share during webinar

### Resources for the professional

- <http://www.interfacesouth.org>
  - Products > Changing Roles > Module 5
- Your Land, Your Legacy:  
<https://masswoods.net/sites/masswoods.net/files/pdf-doc-ppt/YLYL-v2-web.pdf>
- Estate Planning Options for Family Forests  
<http://www.na.fs.fed.us/stewardship/estate/estate.shtml>
- When You're So Old, by Bob Mealey  
[https://media.oregonstate.edu/media/t/0\\_umxfgqwd](https://media.oregonstate.edu/media/t/0_umxfgqwd)