

*The Next Generation of US Family Forest Landowners:
Brace for Change!*

Presented by:

Catherine M. Mater

Senior Fellow — The Pinchot Institute

President — Mater Ltd.

Corvallis, OR

Tel: 541-753-7335 Fx: 541-752-2952

E-mail: catherine@mater.com

www.pinchot.org ; www.mater.com

No small matter . . .

- ✓ *20 mm acres* projected to be converted by 2020.
- ✓ Major net forestland losses occurring in 20 states across US.
- ✓ More than 40% of ownerships acquired their forestland in the last 15 years.
- ✓ At least 10% of family forestland will have ownership transfer in the next five years.

We're losing four acres of forest land . . . every minute!!



May/June 2007 issue





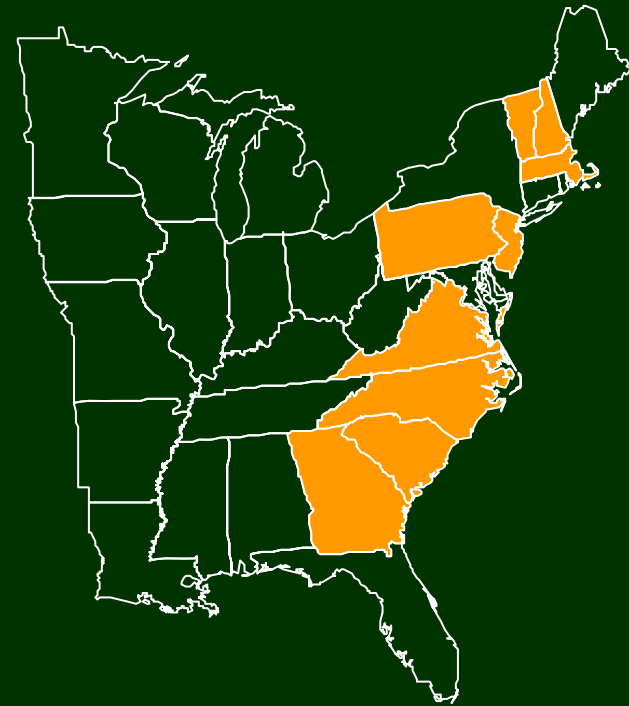
June 14, 2007 coverage:

Family Forestry (by Tanya Mohn):

“ There’s a crisis brewing in America’s vast forest lands. At stake are large tracts of private forests at risk of being mismanaged or sold ... “

2003: non-joiner interviews conducted: *n* = 195

- ✓ Over *100 non-joiner* NIPF's
- ✓ Non-joiner NIPF's located in *59* counties
- ✓ *44* professional *foresters*
- ✓ *25 "Smart growth"* organizations
- ✓ All *state stewardship coordinators*
- ✓ All *SAF chairs*
- ✓ *9* eastern hardwood states



“Non-joiner” means:

- ✓ **Do not belong to:**
 - ***forest industry*** associations
 - ***environmental*** organizations
 - ***woodlot owner*** associations.

- ✓ **Manage their own forestlands.**

Acres Owned:

1 – 9 acres	=	1%	
10 – 49 acres	=	15%	
50 – 99 acres	=	23%	84%
100 – 499 acres	=	46%	
500 – 999 acres	=	8%	
1000 + acres	=	7%	

How Obtained:

- Purchased = 63%
- Inherited = 30%

What the non-joiners said:

✓ Adding forestland = 27%

but . . .

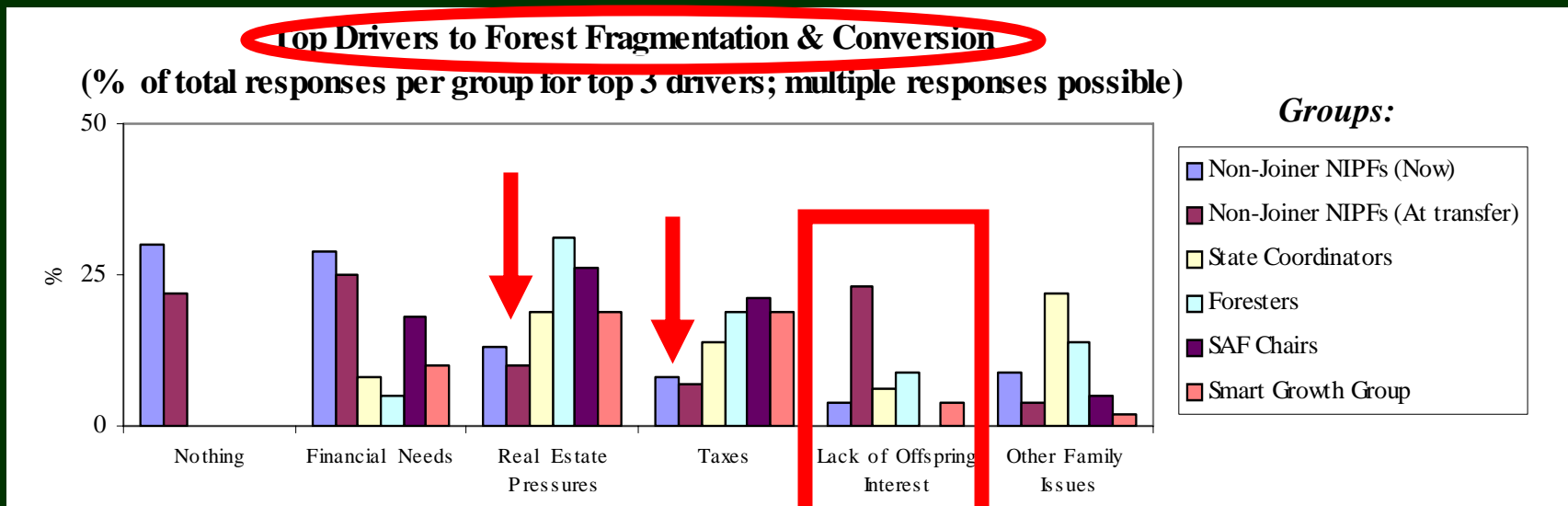
✓ Dividing forestland = 11%

✓ Selling forestland = 20%

✓ Developing forestland = 11%

42%

2003 non-joiner study results:



Planning to keep forestland in family hands?

✓ **79%** said yes

but . . .

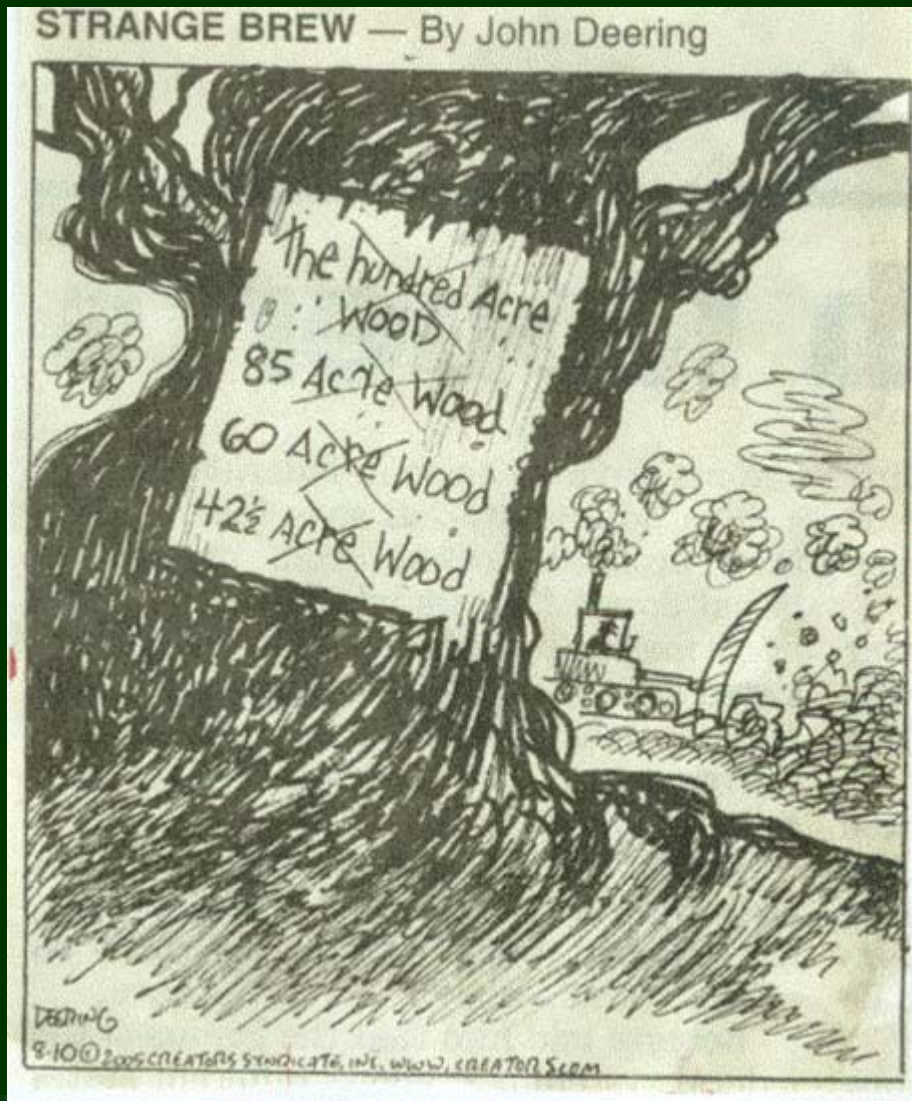
✓ Forestland future *discussed with offspring* = **42%**

✓ Offspring *involved* in forest plan development = **34%**

A Social Marketing Example



Grandpa, Please Don't Sell



So, where is that grandchild when you need him/her!!!

*What offspring think is really important!
Do we know??*

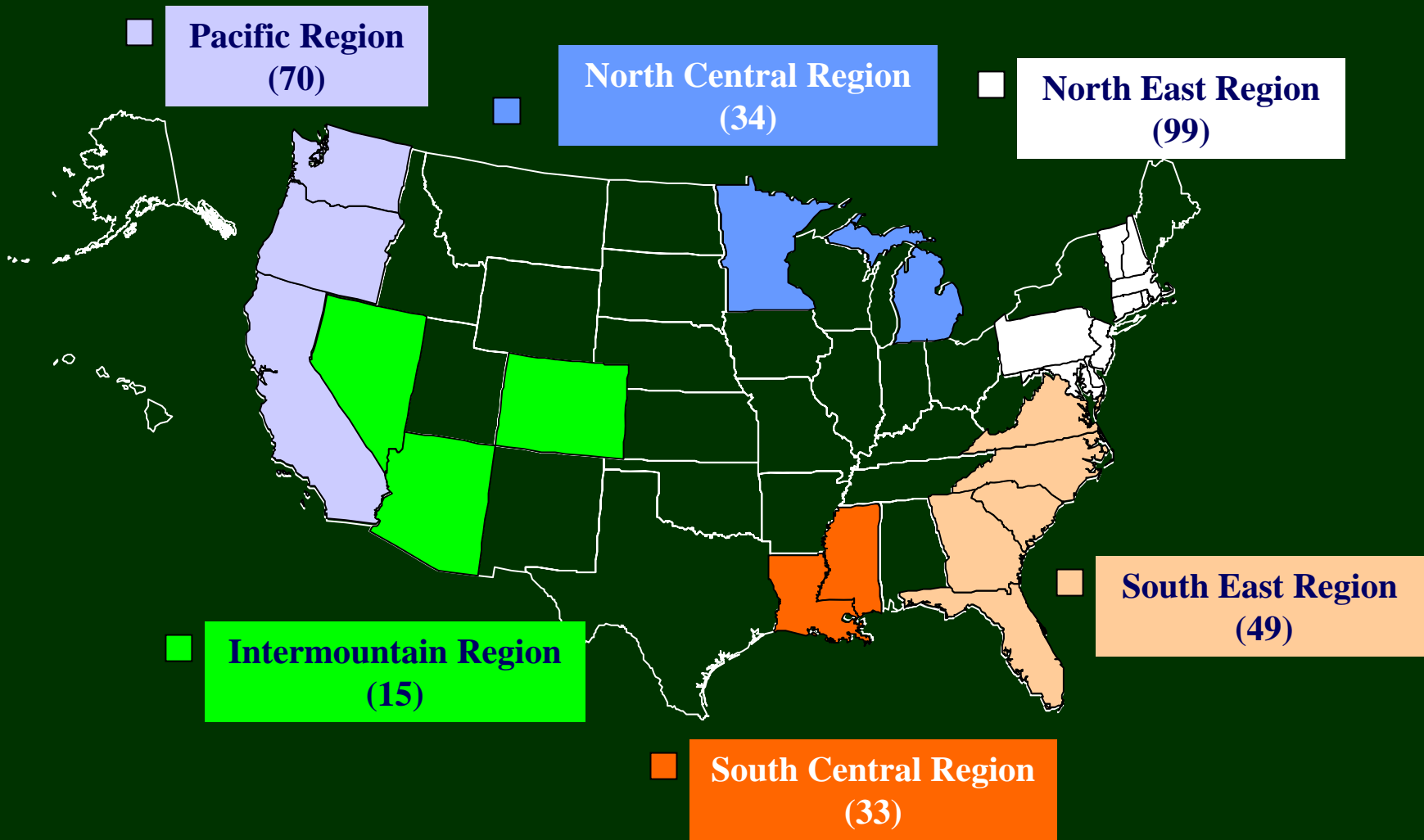
That lead us to ...

Funding from: The USFS - Dr. Brett Butler, N. Research Station

*What Offspring of NIPFs Think: A National Baseline Perspective.
(2005)*

2005 USFS Offspring Study:

- ***300 direct offspring interviews***
(38% female; 62% male)
- ***25 states***
- ***Over 200 families***
- ***Almost 300,000 acres***

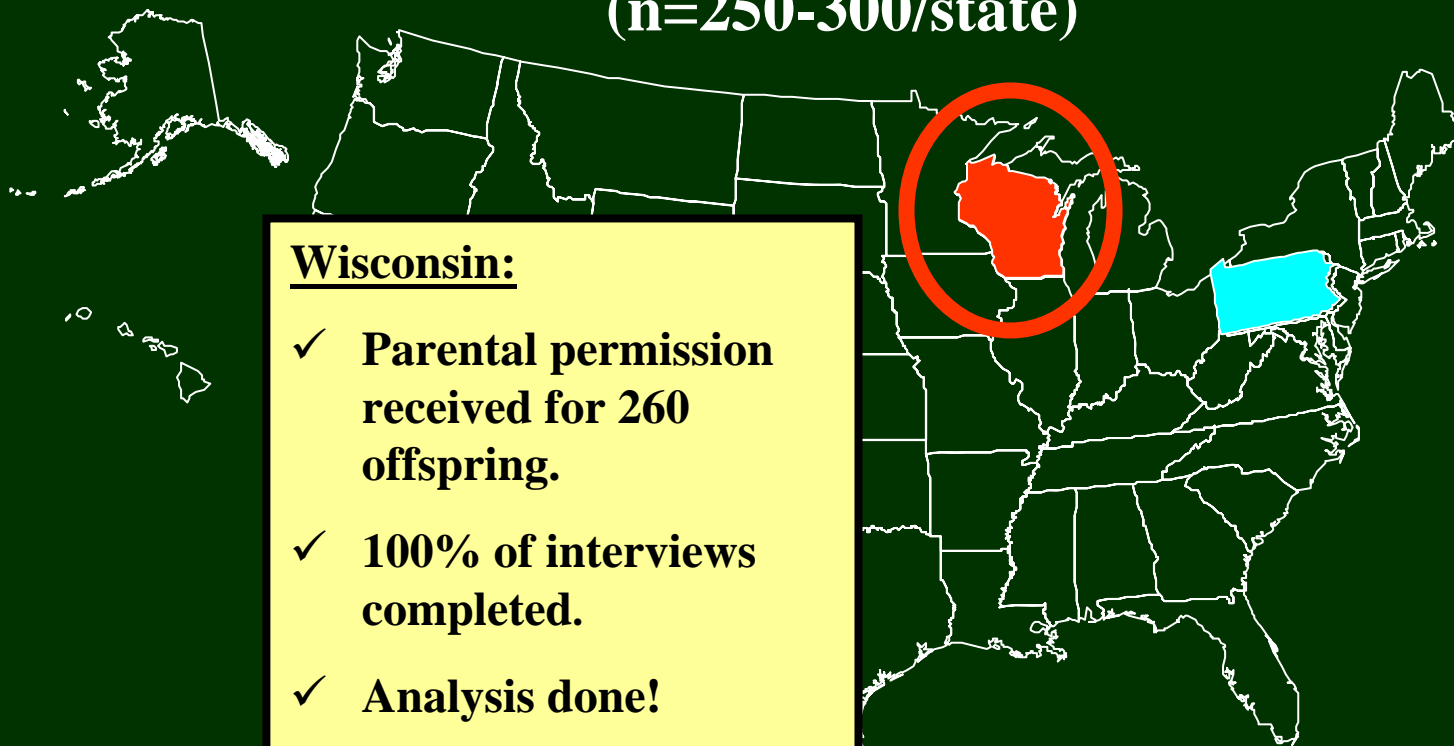


Results were so interesting that we wanted learn more, but now with more of a focused lens .

So . . .

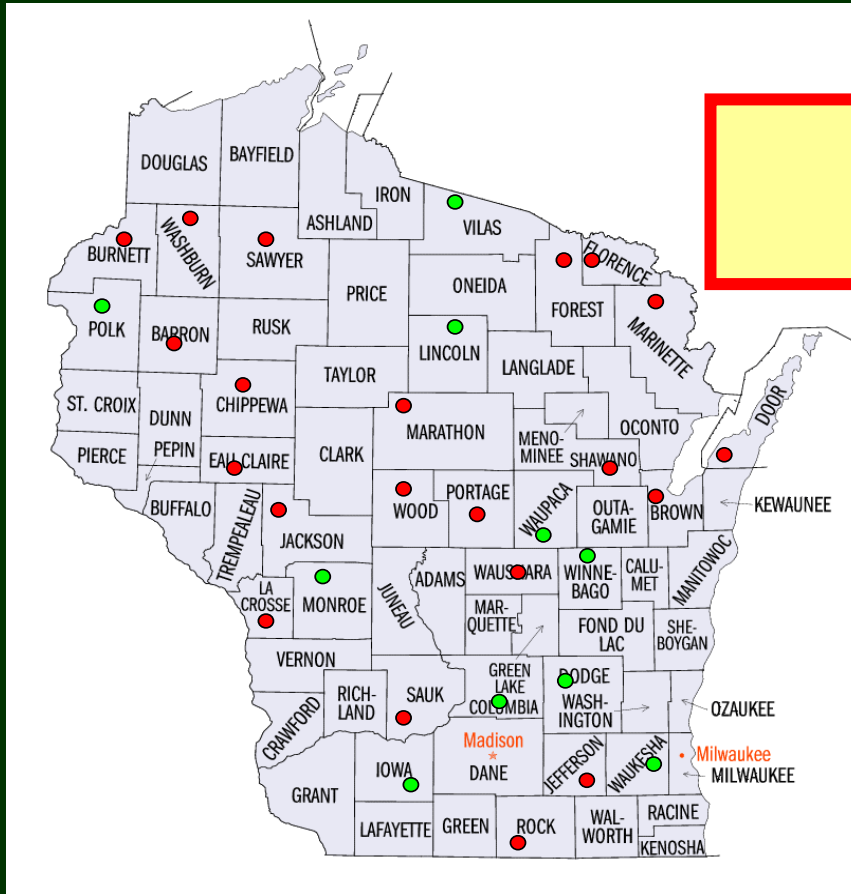
. . . instead of 300 interviews *across multiple states*,
conduct same level of interviews *per state!*

“Drill-down” offspring interviews
(n=250-300/state)



Wisconsin:

- ✓ Parental permission received for 260 offspring.
- ✓ 100% of interviews completed.
- ✓ Analysis done!



Wisconsin Offspring Interviews

Over 50% of counties covered in interview process (n = 260 offspring)

So today,

- ✓ You are the first to see the *Wisconsin 2007 offspring results*, and . . .
- ✓ compare them with the *2005 National offspring results* just for fun to see if we have emerging trends

Methodology for both studies

- NIPF *landowner names supplied* by state forestry agencies, county assessors, university extension, county/state forest landowner associations;
- *Permission obtained from NIPF parents to interview their offspring;*
- Telephone *interviews conducted* with offspring;

Same survey instrument used, but 2007 had an added feature:

- ✓ *Gender analysis* (*do males and females think differently?*)
- ✓ *Age analysis*, and . . . for the first time (only in 2007 Wisconsin study)
- ✓ *Sibling analysis* . . . where Shakespeare and forestry unite (*bubble, bubble, boil, and trouble!*)

What do offspring know about their family forests?

Truth is . . . not much!

... and trouble is brewing ...

	<u>2005</u> National study	<u>2007</u> Wisconsin study
Offspring didn't know family <u>even owned</u> forestland	✓	
Offspring didn't know <u>how much</u> forestland owned by family	✓	✓
<u>Parents called</u> to find out what their kids said in the interview!!	✓	✓
<u>Siblings called</u> to find out what their brother/sister said in the interview!!!!		✓

In both studies: more than half of offspring are . . .

- professionals (vs. blue collar workers).
- earn more than \$50,000 per year.
- were not raised on family forestland.
- live out-of-state of not near the family forestland.
- won't live on the family forests in the future

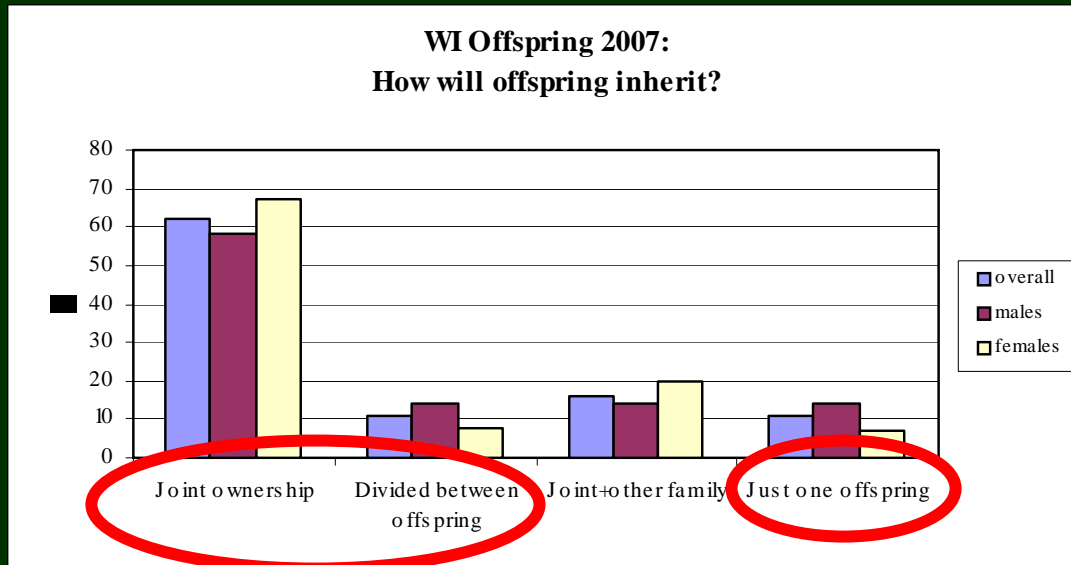
Clear majority wish to own family forest when transfer time occurs

	<u>2005</u> National study	<u>2007</u> Wisconsin study
Males Offspring	88%	92%
Females Offspring	83%	85%

Disagreement among siblings
in the family

21%

Wisconsin 2007 study: *86% of males and females plan to inherit the land, but how????*



Disagreement among siblings
in the family

21%

And while they say parents have discussed future plans with offspring:

	<u>2005</u> National study	<u>2007</u> Wisconsin study
Males Offspring	75%	81%
Females Offspring	74%	65%

Disagreement among siblings
in the family

38%

... and ...

More than half of all offspring interviewed had not been involved with the management of the family forests!

	<u>2005</u> National study	<u>2007</u> Wisconsin study
Males Offspring	50%	52%
Females Offspring	66%	70%

**Disagreement among siblings
in the family**

33%

Of those involved, involvement began at:

	<u>2005</u> National study	<u>2007</u> Wisconsin study
Adulthood	60%	45%
Teenager	30%	24%
<10 years of age	8%	31%

For majority of offspring, if currently not involved - don't wish to be!

	<u>2005</u> National study	<u>2007</u> Wisconsin study
Males Offspring	57%	53%
Females Offspring	61%	56%

Disagreement among siblings
in the family

59%

Home/family legacy a top reason to own the land . . . but this one gender-driven.

	<u>2005</u> National study	<u>2007</u> Wisconsin study
Males Offspring	32%	58%
Females Offspring	42%	89%

**Disagreement among siblings
in the family**

45%

And income generation off the land may or may not be important, also depending on gender!

	<u>2005</u> National study	<u>2007</u> Wisconsin study
Males Offspring	63%	56%
Females Offspring	37%	38%

Disagreement among siblings
in the family

40%

Where will income come from?
It's pretty clear! Timber

	<u>2005</u> National study	<u>2007</u> Wisconsin study
Males Offspring	92%	76%
Females Offspring	77%	68%

*Disagreement among siblings
in the family*

8%

What about top three benefits to owning the land?

	<u>2005 National study</u>	<u>2007 Wisconsin study</u>
Males Offspring	<ul style="list-style-type: none"> • Income – 52% • It's mine – 47% • Personal use – 50% 	<ul style="list-style-type: none"> • Income – 39% • It's mine – 40% • Personal use – 72%
Female Offspring Income uniformly less important!	<ul style="list-style-type: none"> • Income – 37% • It's mine – 53% • Personal use – 	<ul style="list-style-type: none"> • Income – 28% • It's mine – 42% • Personal use – 52%

Wisconsin 2007 Study:
Have you discussed land ownership
with your . . .

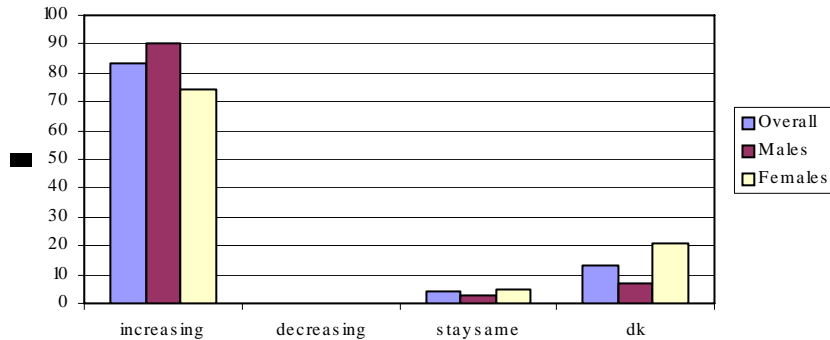
	Male offspring	Female Offspring	<u>Disagreement</u> <u>among</u> <u>siblings</u> <u>in the family</u>
Spouse	80%	70%	43%
Children	43%	41%	
Siblings	59%	59%	39%

What about top three challenges to owning the land?

	<u>2005</u> National study	<u>2007</u> Wisconsin study
Males Offspring	<ul style="list-style-type: none"> • Taxes • Time to Manage • <i>Sibling Rivalry</i> 	<ul style="list-style-type: none"> • Taxes • Time to Manage • Proximity
Female Offspring	<ul style="list-style-type: none"> • Taxes • Time to Manage • Proximity 	

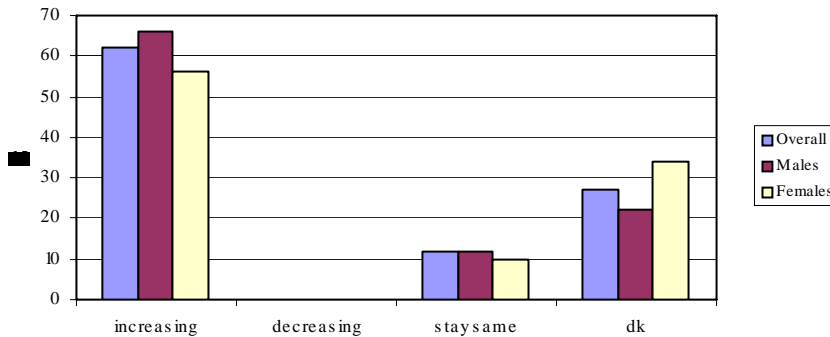
Wisconsin 2007 Study: Offspring Perceptions

Wi Offspring 2007:
Land prices in last 5 years? **10%**

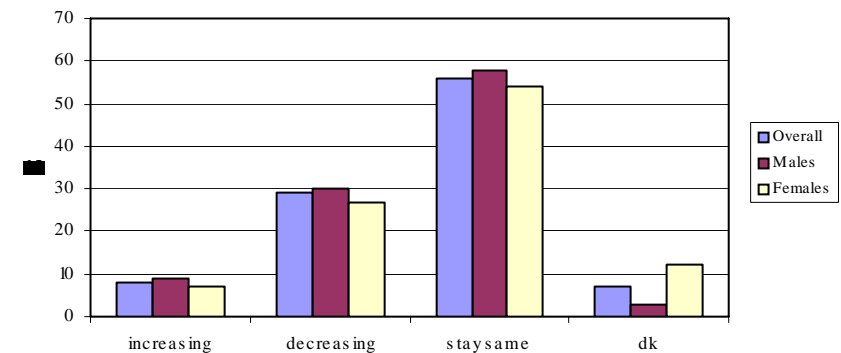


% of sibling disagreement

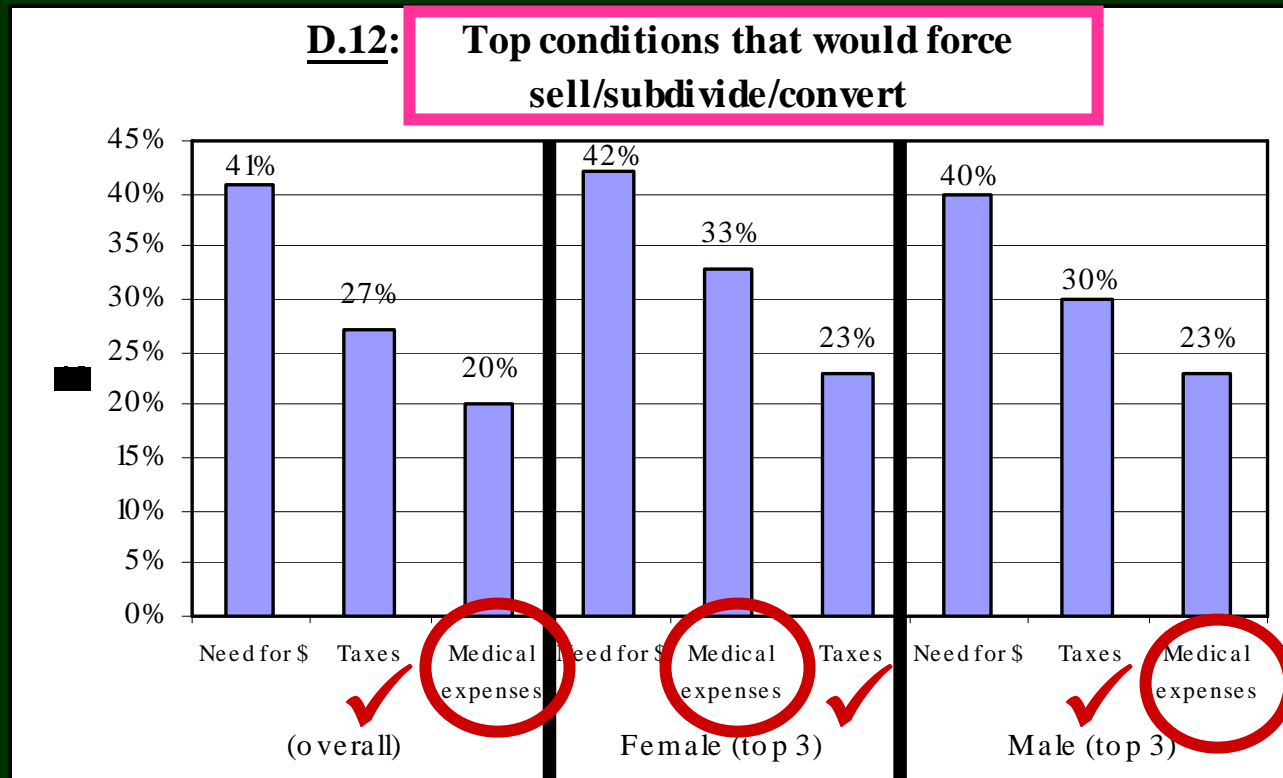
WI Offspring 2007:
Property taxes over last 5 years? **32%**



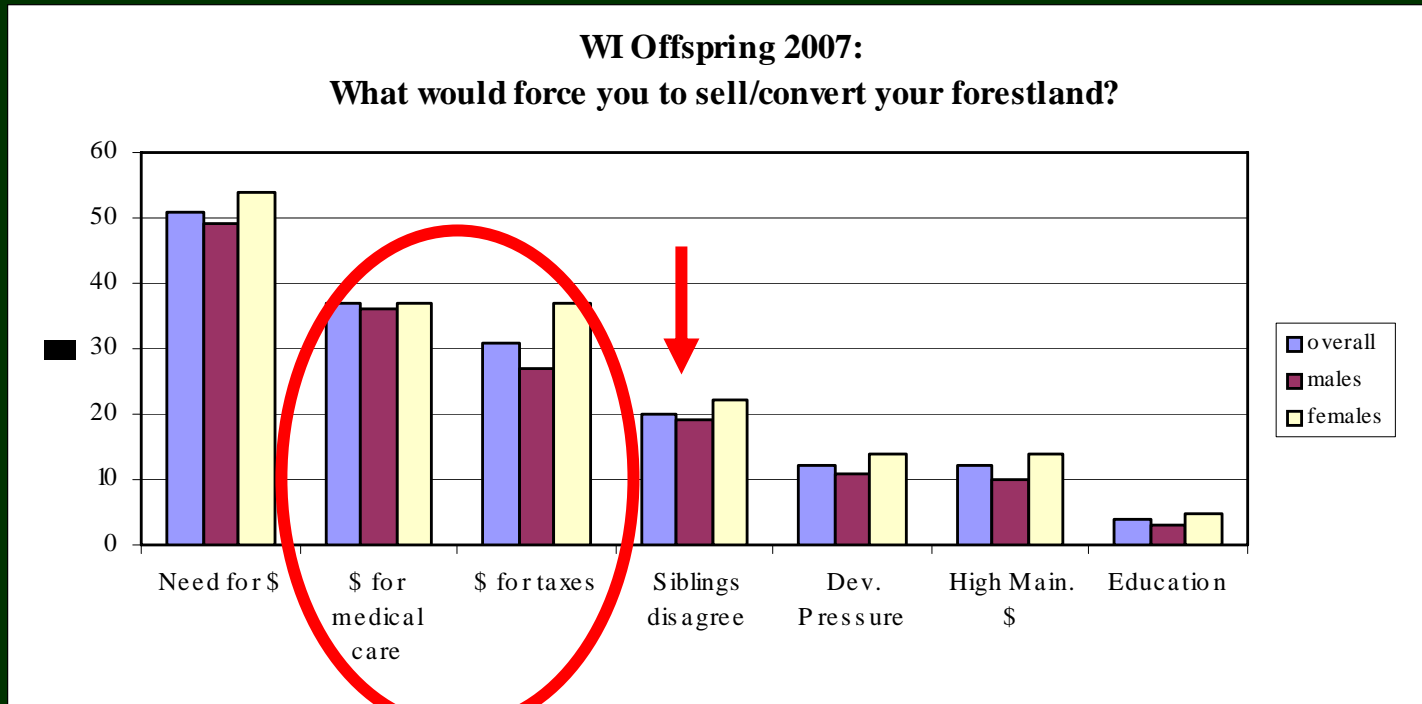
Wi Offspring 2007:
Amount of forestland in last 5 years? **49%**



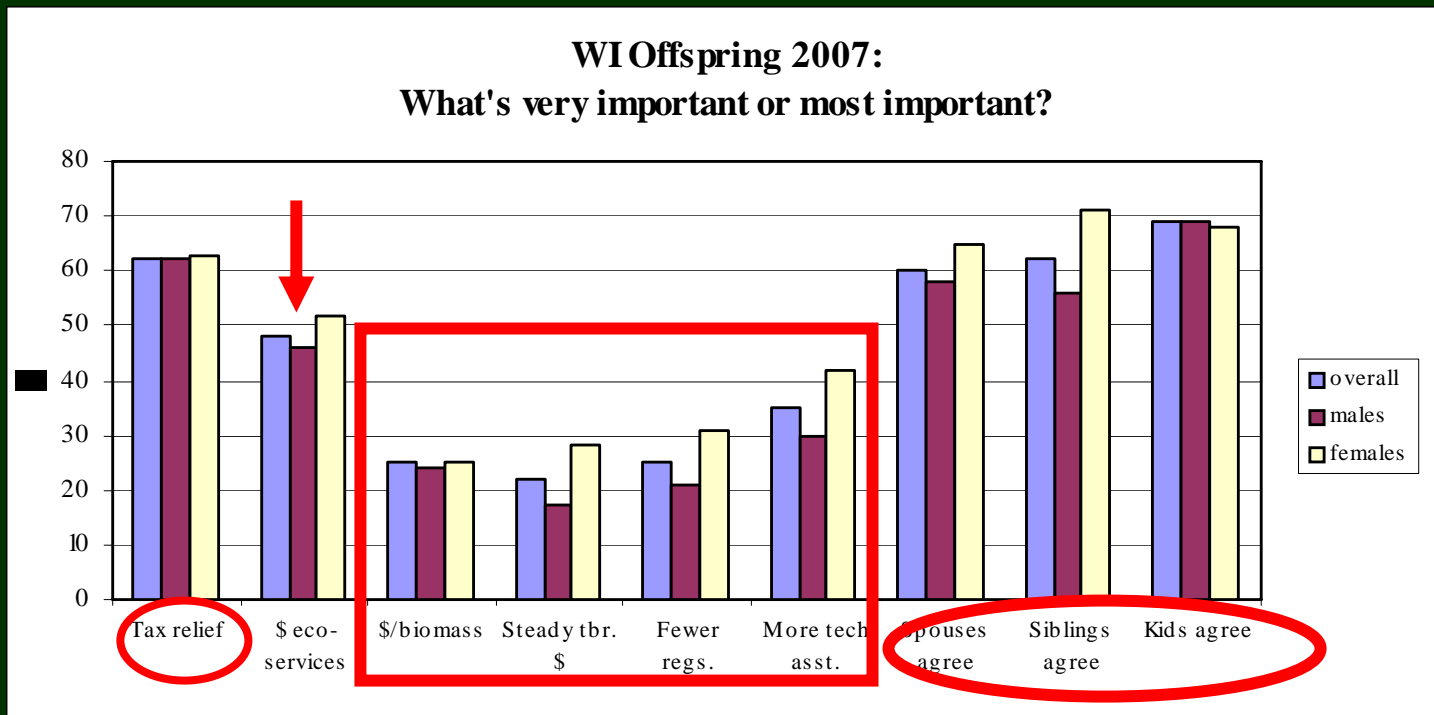
In 2005 offspring clearly viewed *taxes* as a *'force'* condition . . . and the cost of *medical expenses*



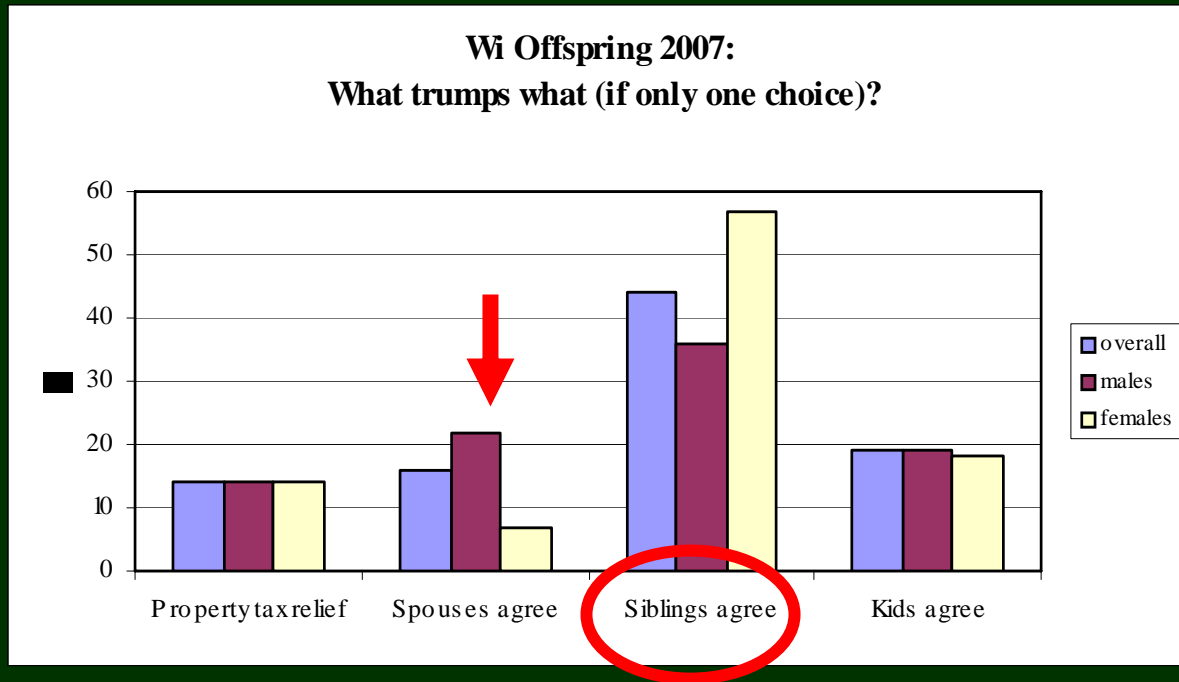
In Wisconsin in 2007 – similar story, but with a twist



What's important to helping to keep the land in family hands?



But . . . when asked what trumps what . . .



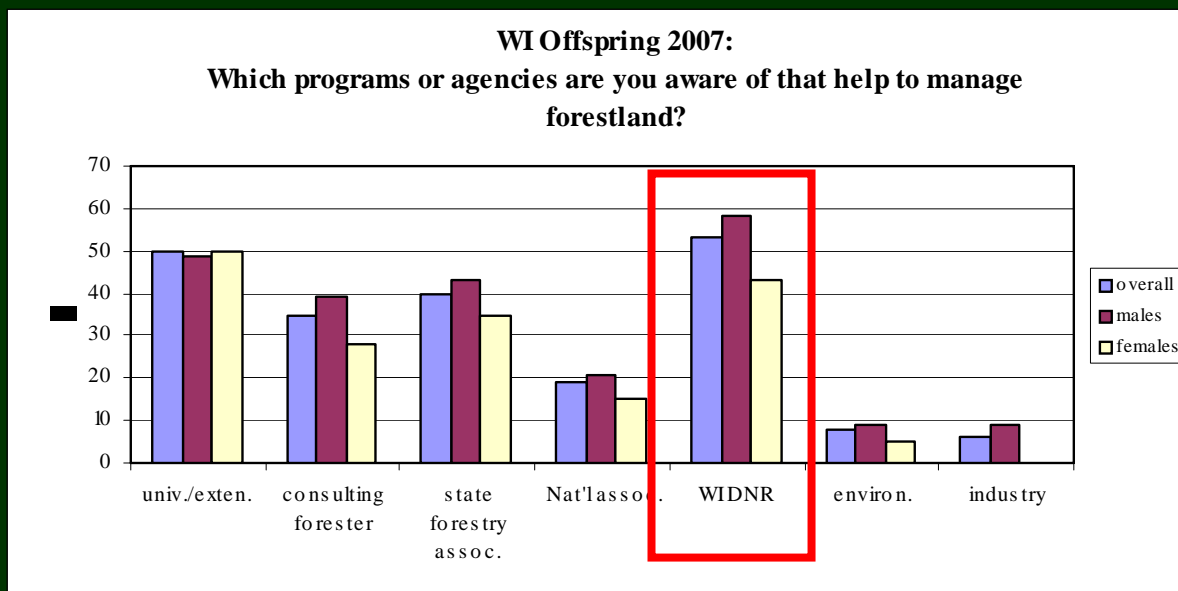
So – here’s the next generation. They are:

- Increasingly remote from their family forests
- Have livelihoods less connected with the land
- Lack prior involvement in the management of the land, and many do not wish to be involved now
- ... want to own the land, but ...
sibling involvement a concern.

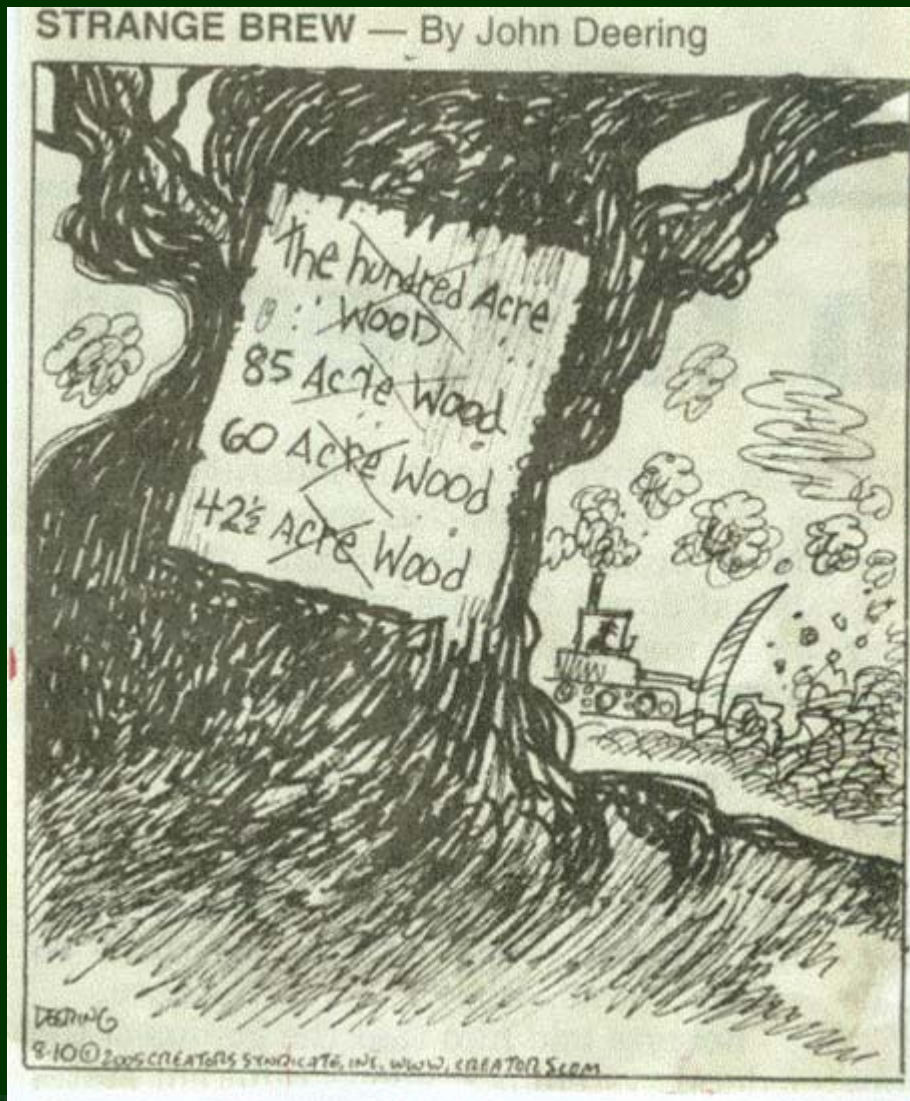
Complicating matters:

- ✓ *Male and female offspring* really do *think differently* on important decision points (sibling disagreement a not-so-hidden concern!)
- ✓ *New 'force' conditions* we are unprepared to deal with are likely to foster land conversion decisions (ie payments for medical care).
- ✓ *No outreach* programs in place to address these *unique disconnects.*

So . . . message is important,
and so is the right messenger !!!



It's pretty clear – state agencies play a central role



About that grandchild . . .

. . . he's probably home arguing with his brothers and sisters!

Catherine M. Mater
Senior Fellow — The Pinchot Institute
President — Mater Ltd.
Corvallis, OR
Tel: 541-753-7335 Fx: 541-752-2952
E-mail: catherine@mater.com
www.pinchot.org ; www.mater.com