

# Who's Up Next?

## Barriers and Barriers to Succession Planning

Jennifer E. Jones  
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# Who's Up Next?

- **10 million acres**
- **41% over 65**
- **7,100 acres family forest land lost**

# Who's Up Next?

**5.5 to 12.2 million  
acres lost in the  
South by 2060**



# GenerationNEXT Team

## Program Managers:

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# Who's Up Next?

[http://www.dof.virginia.gov/conservation/WoodlandOwnerLegacy\\_benefits\\_barriers2018.pdf](http://www.dof.virginia.gov/conservation/WoodlandOwnerLegacy_benefits_barriers2018.pdf)





# Who's Up Next?

## It Depends...





# **Master the Porcupine**



**....dealing with  
succession  
planning and farm  
transfer is sort of  
like taking on a  
porcupine...  
it's prickly and  
hard to approach -  
a creature one  
would just as soon  
avoid entirely.**

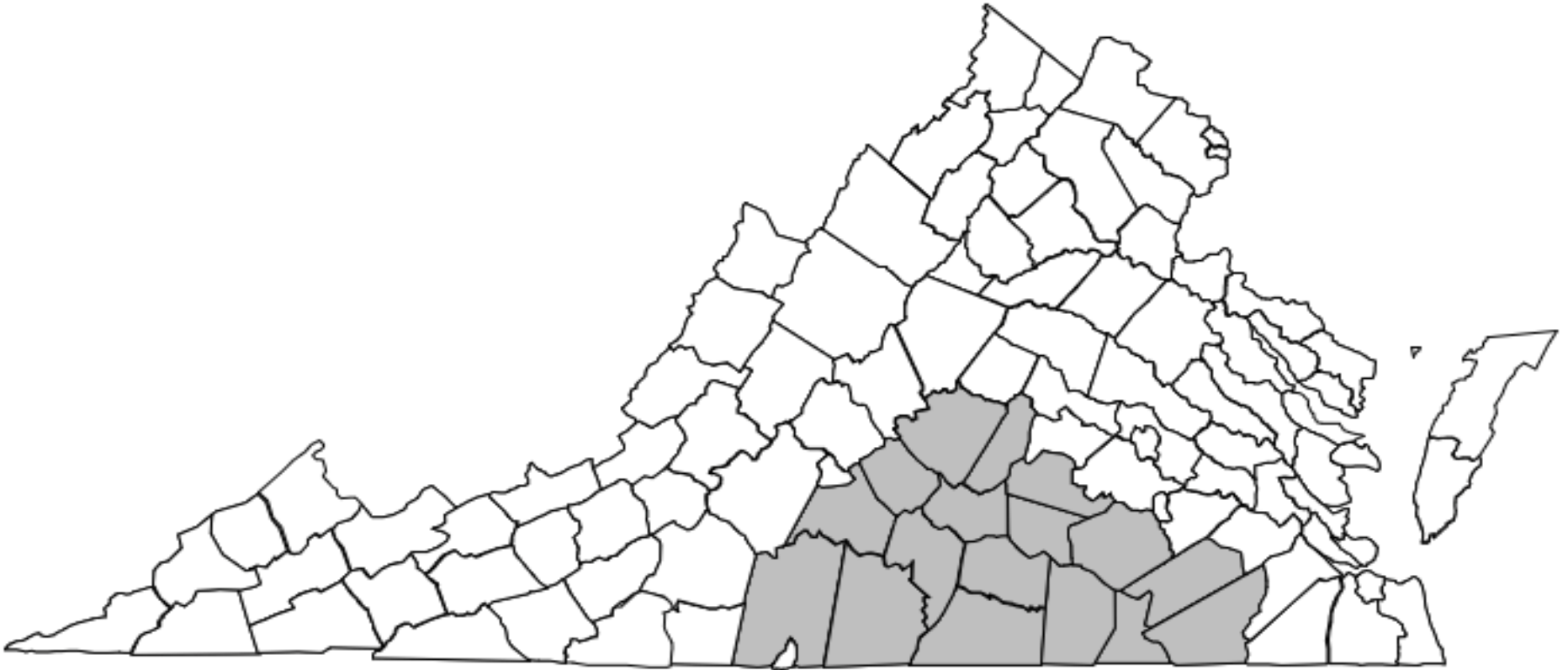
**-- David Fryer**



# Who's Up Next?

- **17 counties in the “Southside”**
- **At least 50 acres; oversample of larger parcels**
- **Significant contribution to industry**

# 17 Counties in the Southside



# Who's Up Next?

## What are the benefits?

## What are the barriers?



# Who's Up Next?

83-733 acres

564 acres

428 wooded





# Legacy Planning

**“The ongoing process of engaging and educating **the next generation** to transfer **the value** of family and land **stewardship** associated with their property. It includes **preparing** for a **change** in ownership using available legal, financial and **conservation tools**.”**



# The Components

- **Will, POA, Medical Directive**
- **Clear Title**
- **Vision Statement**
- **Forest Property Overview**
- **Land Use Tax Program**
- **Forest Stewardship Management Plan**
- **Operations Plan**
- **Conservation Easement**

# What We Heard



# Taxes and Legal Lead

**“I don’t understand how they think they have a share if all these years I’ve been paying the taxes.”**

**“Some think they own the property but they haven’t been paying the taxes. Now they want this and that.”**



# Overwhelming

**“What do we do, where do we start... it’s overwhelming... who do you go to?”**

**“Lots of people are scared and don’t want to talk about it.”**

# Family Dynamics

**“These conversations ruin every holiday.”**

**“It’s going to get messy quick.”**

# Family Dynamics

**“You have to get everyone to the table and hash it out, pleasant or not, in order to make the best decisions for this asset for the family.”**

# Who's Up Next ?

IN

OUT

The Muddled Middle





# Who's Up Next?

## “Bloodline”



# Bloodline

**“ I want to keep the  
land in the family  
...bloodline means a lot.  
That’s basically what  
[legacy] planning means  
to me.”**

# Bloodline

**“Originally we had 1100 acres  
Now only 42 .. I watched it all  
disappear and I told Mom, don’t  
divide the last 42 acres. We have  
to hold on to it because it’s the  
heart beat ... the bloodline means  
a lot...”**

# Who's Up Next?

**“It's Mine”**





# Who's Up Next?

**“I just enjoy owning it...I just like knowing **it's mine.**”**

**“Taking **ownership...** it's important to me because of **the legacy** that **my grandmother** purchased it.”**



# **“It’s Mine”**

## **37% to 16%**



# Themes

- **Understand planning through legal and taxes.**
- **Overwhelming; how to pieces fit together?**
- **Family is critical.**
- **Need trustworthy experts.**

# Themes

- **Life events as motivator.**
- **Drawer plans.**
- **Learn from each other.**
- **Cost not top of mind.**
- **Know the benefits.**



# Benefits

- ✓ **Peace of mind.**
- ✓ **Ensures future family control of land.**
- ✓ **If they sell, it'll be intact.**

# Who's Up Next?

**1400 mail survey**

**302 responses**

**95% confidence level**

# Who's Up Next?

**TO BE IN . . .**

**In the family  
In woods  
Intact**



# Know the Benefits

1. Ensures the **orderly transfer to heirs.**
  2. Provides overall peace of mind.
  3. Provides **asset protection.**
  4. Ensures woodland **stays in the family.**
  5. Keeps wooded land **intact.**
  6. Ensures woodland is managed according to **my wishes.**
  7. Reduces family disputes.
  8. Decreases taxes.
- BUT...**



# Knowledge $\neq$ Action

**79% have no  
written legacy plan**

# It's about the Basics

- Will = 64
- Medical Directive = 52
- PoA = 52
- Clear Title = 52
- **Land Use Program = 37**
- **Forest Stewardship Management Plan = 11**
- Vision statement = 11
- Who does what = 11
- Conservation Easement = 8
- Forest Overview = 7

# **“I Don’t Know”**

**One-third didn’t know if  
any of the benefits they  
identified would be  
achieved.**

# **“I Don’t Know”**

- **27% had not heard of any land use tax program.**
- **47% had not heard of a forest conservation stewardship plan.**



# Who's Up Next?

## What's in the Way?



# Top Barriers

- 1. Don't want to lose control.**
- 2. Tax laws keep changing.**
- 3. Fairness issues with heirs.**
- 4. Not ready.**
- 5. Where to start?**
- 6. More urgent matters.**

# Who's Up Next?

## Plant the Seeds



# Who's Up Next?

## Meet 'Em Where They Are



# Who's Up Next?

## **Increase Clarity**





# Who's Up Next?

## Help Fit the Pieces Together



# Who's Up Next?

## Unpack the Control Issue



# Who's Up Next?

**Leverage the Good  
Intentions**



# Who's Up Next?

## Leverage Women's Motivation







# **Master the Porcupine**



# Who's Up Next?

- **Planning reduces disputes.**
- **Fine tunes fairness issues.**
- **Reduces conversion vulnerability.**
- **Keeps control of their vision.**

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# Who's Up Next?

Find the Teachable  
Moments



# Who's Up Next?

Expand the Team

Expand reach to  
the “Next”







# Expand Partnerships and Reach the Next Gen





# Expand GenNext

**“One of the most successful land transition programs in Virginia.”**

- **Average savings = \$300,000**
- **120,000 acres expected to remain intact and family-owned**





# More Information

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**Full report:**

[http://www.dof.virginia.gov/conservation/WoodlandOwnerLegacy\\_benefits\\_barriers2018.pdf](http://www.dof.virginia.gov/conservation/WoodlandOwnerLegacy_benefits_barriers2018.pdf)



A photograph of a person walking a dog on a dirt path through a forest. The sun is low in the sky, creating a warm, golden glow and long shadows. The person and dog are silhouetted against the path. The text is overlaid in the bottom left corner.

THANK YOU!  
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