

Surveyed Factors Influencing Ranch Transition Planning



By Natalie A. Graff, Joe L. Outlaw, Bart L. Fischer, Henry L. Bryant, and Tryon A. Wickersham

Natalie A. Graff is an assistant professor in the Department of Agricultural Economics at Texas A&M University; contact her at natalie.graff@ag.tamu.edu. Joe L. Outlaw is a Regents Fellow, Professor, and Extension Economist in the Department of Agricultural Economics at Texas A&M University. Bart L. Fischer is an Associate Professor in the Department of Agricultural Economics at Texas A&M University. Henry L. Bryant is a Professor in the Department of Agricultural Economics at Texas A&M University. Tryon A. Wickersham is a Professor and Associate Department Head for Research in the Department of Animal Science at Texas A&M University.

Abstract

A ranch transition plan describes the actions undertaken to transfer an operation to the next generation. Transition planning comes with many challenges; however, the presence of a transition plan is essential for ranch survival into the next generation.

We surveyed ranchers across the United States to identify attributes of effective ranch transition plans and factors resulting in successful transition planning. The results indicate males and respondents over 50 years old are more likely to have a transition plan. Results also show net worth and operational structure each have a relationship with the presence of a transition plan.

INTRODUCTION

A ranch transition plan describes the actions that will be undertaken to transfer an operation from one generation to the next. A successful transition plan accomplishes two overarching goals: 1) the next generation assumes ownership and management of a viable operation, and 2) the older generation is provided a source of income in retirement. Transition planning often comes with many challenges and considerations; however, the presence of a transition plan is essential for ranch survival into the next generation.

Research from the Family Business Institute found that 30% of family-owned and operated businesses successfully transfer ownership and control of their business from the first generation to the second generation; 12% successfully transfer from the second to the third generation; and only 3% make it from the third to the fourth generation (Reed et al., 2021). Similarly, the Small Business Administration reports less than 33% of family businesses survive to the second generation, and only about 16.5% survive to the third (Craig, 2013). A study from 2021 argues inadequate transfer plans—or lack of a transfer plan—explains the low success rates of continued operation under the same family ownership, despite many producers' stated desire to keep their farm or ranch in one piece and in the family (Reed et al., 2021). A 2013 *Farm*

Journal survey reported that 80% of surveyed farmers planned to transfer operational control to the next generation, but only 20% of them were confident their succession plan would achieve that goal (Craig, 2013).

Transition planning is difficult for several reasons—it is time-consuming and often requires legal and accounting expertise—but the main reasons are psychological. Transition planning requires people to face their own mortality and make decisions their family, usually their children, may find disagreeable, such as leaving ranch assets to one child but not the other(s). Rather than upset family members or contemplate their inability to ranch forever, producers tend to delay planning altogether (Conway et al., 2019). This creates more problems for heirs when the older generation passes away, especially in cases with a mix of on-farm and off-farm heirs. On-farm heirs work for and/or plan to continue the family ranch, while off-farm heirs leave the ranch. The distinction between on- and off-farm heirs is not binary in all cases: an heir may contribute to the family ranch or have ownership in the ranch without physically living or working on the ranch. Contributions could be financial or an offering of services in another area of expertise, i.e., lawyer, accountant, financial advisor, livestock or crop consultant, or economist.

An adequate transition plan includes details regarding transfer of both management (succession plan) and assets (estate plan). Without an adequate succession plan, roles and responsibilities are poorly articulated and distributed, leaving heir(s) at a disadvantage when the older generation is gone. Without an adequate estate plan, state intestacy laws take effect which may or may not reflect the wishes of the deceased. In many states, intestacy laws give heirs an undivided, equal interest in ownership of assets (Texas Estates Code, n.d.). If these assets are cash or stocks, they can be easily divided and distributed equally to heirs. However, the 2023 U.S. farm balance sheet data reports the largest component of total farm assets is land (83.7%); machinery and vehicles make up 8.3% of farm assets; and animal inventories make up 3.1% (USDA ERS, 2023). The actual value of these assets is only realized when sold, which presents a challenge to on-farm heirs if ownership of farm assets is divided between a mix of on-farm and off-farm siblings.

In the case of two siblings, one on-farm and one off-farm, it is not as simple as selling half the land, half the machinery, and half the cow herd to compensate the off-farm heir. Land is highly variable in terms of value. Half the acres may be cropland or contain the major water source for the operation while the other half

is pasture, and all may be necessary to maintain the cow herd. Selling half the machinery is problematic if the ranch retains the same equipment requirements, and cow herd size is often a strategic number that is necessary to sustain viable cash flow. With undivided interest between on- and off-farm siblings, the on-farm heir must “buy out” the off-farm heir to keep the ranch assets together. Ranch net worth values discussed in this study range from hundreds of thousands of dollars to over \$20 million. Therefore, it may be infeasible for the on-farm heir(s) to purchase the remaining interest in farm assets from the off-farm heir(s), thus diminishing the likelihood of transition success. Avoiding this outcome and other unfavorable consequences requires planning. The objective of this study is to determine attributes of effective ranch transition plans and observe factors encouraging versus inhibiting transition planning through analysis of a survey of U.S. ranchers. The results include examples of successful transition plan strategies that may serve as helpful tools to producers who are in the planning process.

BACKGROUND

A 2000 survey asked Iowa farmers about their succession plans; most survey respondents were middle-aged males (average age of 54) and the sole proprietors of their farm business (Duffy et al., 2002). Regarding retirement plans, 27% claimed they intended never to retire. Respondents reporting plans for full or semi-retirement intended to rely on Social Security benefits and private retirement plans for income; however, most retirement income was expected to come from continued operation or sale of the farm. Respondents indicated an average retirement age of 66; however, 50% had no estate plan, and 71% had not yet chosen a successor. Of the 29% who had named a successor, 79% named their sons, 6% named their daughters, 6% named their sons-in-law or daughters-in-law, and 8% listed “other.” More than half of respondents said their successors are currently employed off the farm—the authors anticipated this would complicate the management transition process, especially considering more than half the respondents had not discussed their retirement plans with anyone.

In the 2001 Agricultural Resource Management Survey, farm operators were asked whether they had developed a succession plan for their operation. A 2010 study analyzed a subset of these survey responses from married households with operators over 45 years of age (Mishra et al., 2010). The authors found factors significantly influencing operators’ decisions

to have a succession plan included age of operator, educational attainment of operator, off-farm work by operator or spouse, expected household wealth, and regional location of the farm business. The authors advised economists, financial planners, and farm business consultants to help farm operators improve succession decisions by outlining clear steps to follow and providing examples of succession plans from other family farms.

Results from Minnesota farm transition workshops showed 58% of attendees did not have an up-to-date estate plan, and 89% did not have an up-to-date farm business transfer plan (Hachfeld et al., 2009). Participants were asked to list barriers they encountered in business transfer and estate planning. Time was the number one obstacle for the majority of those who had not begun the planning process. Other barriers included the following:

- Developing goals,
- Consensus among family members and disagreement between heirs,
- Difficulty finding the right professionals (lawyers, accountants, bankers, consultants) to help, and
- Parents unwilling or not yet ready to retire and give up control.

Using a qualitative interview approach, a farm succession study in Texas found that farm succession methods vary considerably due to individual family dynamics (Lange et al., 2016). In seven farm family interviews, the most discussed topic was the allocation of management responsibilities, which varied greatly. In some cases, the younger generation acted only as hired labor for the older generation and had no managerial control. In other families, the two generations each had their own, separate farming businesses but shared equipment and resources. Still in other cases, the younger and older generations shared management responsibilities of one farm based on strengths and interests—the older generation was often more equipped to handle financial decisions, and the younger was more skilled in production practices. This delegation of management allowed the younger generation to learn from the older and still have buy-in as a decision maker on the farm.

These interviews also addressed the future of ownership and operation, with multiple children in all participating families. In all but one case, families indicated children would be compensated approximately equally whether with a portion of the

farm business or monetarily. In the case of the family indicating unequal distribution of farm management and assets among the children, the principal operator indicated management and stock ownership were proportional to the amount of work each stakeholder had put into the business. When asked about retirement, interviewees were again diverse in responses. Most members of the older generation claimed retirement was very far in the future, and the younger generation was skeptical the older generation would ever completely retire from farming. Some admitted they had not thought much about succession and inheritance processes.

Farm succession research in England also took a qualitative interview approach and found two distinct modes of transfer of managerial control: conservative and progressive (Chiswell, 2018). Conservative transfer successors experienced a ladder of increasing responsibility with financial decisions as the final, sometimes unattainable, rung. Despite heavy involvement in the day-to-day operation of the farm, some successors had little to no input in financial decisions and were often met with parental resistance during their ascent up the ladder. On the other hand, progressive successors had been simultaneously incorporated into all aspects of farm management. Progressive successors, generally a younger group, seemed to view coming back to the farm as more of a choice. Their parents had encouraged them to get an education and try other professions, then come back to the farm if they desired. These successors felt they had ownership of their decision to be on the farm. Since successors had other options, the incumbent farmers were more inclined to engage them in all aspects of the operation to safeguard their interest, and therefore, the likelihood of succession. This progressive approach also gave incumbent farmers a chance to see their successor's capabilities, and they looked forward to retirement knowing the farm would be in good hands.

In a survey of Texas agricultural landowners, most respondents said their land had been in their family for more than 100 years, and their biggest concern for the future was that the land would be sold (Benavidez and Lashmet, 2023). Other respondents expressed concern about the qualifications of heirs and concern about taxes—specifically estate taxes, capital gains taxes, and property taxes.

Results from previous farm transition planning surveys are missing examples of real-world transition plans that could be helpful to producers in the planning process. This study provides results from a transition

planning survey and details of plans producers are implementing.

DATA AND METHODOLOGY

Survey Data

Data for this study was collected through a survey of U.S. ranchers and owners of ranching lands. The survey was intended for ranchers and landowners of all ages and operation sizes, and this study was approved by the Texas A&M University Institutional Review Board (protocol number: IRB2023-0510M). Survey responses were collected from 179 participants, and of those, 148 surveys were completed. The survey design allowed participants to skip questions, but a survey was considered “completed” if the participant was presented with each question and clicked “submit” at the end of the survey. Only the completed surveys are considered in the analysis.

Survey Design

The survey included both multiple choice and open response questions. The survey contained four sections:

1. Producer Information – questions about the ages and roles of the owner/operator and other family members on each ranch.
2. Operation and Financial Information – questions about the net worth of the operation, the number of individuals dependent on ranch income, land inheritance, federal estate taxes, and structure of the operation.
3. Succession Planning – questions about heirs and whether a succession plan is in place, as well as open-ended questions for participants to describe their succession plan or list roadblocks to succession planning.
4. Other Estate Planning Questions – questions about wills and other end-of-life documents.

This study utilized Qualtrics for survey design and implementation. Survey distribution avenues included email, e-newsletters, social media, and in-person interactions at the Texas A&M University Beef Cattle Short Course. The survey was accessed using either a QR code or an anonymous link, and responses were collected between June 29 and August 31, 2023.

The chi-square test of independence was used to examine the relationship between each variable and the succession plan variable. The chi-square test of

independence determines whether two categorical variables are independent from or associated with each other. The null hypothesis for the chi-square test of independence is that the variables of interest are independent from each other. The alternative hypothesis is that the variables of interest are associated with one another (Franke et al., 2012). The chi-square test was employed in this study to show which variables are associated with the succession plan variable to provide information about the population that has a succession plan. For example, if age is associated with the presence of a succession plan, and more older respondents have a succession plan than younger respondents, then the results indicate that older people are more likely to have a succession plan. This information along with responses to the open-ended questions may lead to improved development and allocation of succession planning education and resources.

RESULTS

The following subsections summarize survey responses and provide the results of chi-square tests for independence of each variable from succession planning. Of the 148 participants, 57 (38.5%) have a succession plan and 89 (60.1%) do not; two participants did not answer this question. Participants’ free responses regarding succession planning and roadblocks to planning are also summarized.

Producer Information

Responses from the “Producer Information” section of the survey are summarized in Table 1. Most respondents were over 50 years old (65.6%). Of the 148 completed surveys, 99 (66.9%) participants were from Texas, 29 (19.6%) were from other states, and 20 (13.5%) did not respond to this question. Over 70% of respondents were male, and 28.4% were female. Chi-square tests of independence indicate significant relationships between gender and succession planning and age and succession planning (see p-values in Table 1). Responses indicate males are more likely to have a succession plan than females, and respondents over 50 years old are more likely to have a succession plan than those under 50 (Figure 1).

Chi-square tests between the other “Producer Information” variables and succession plan presence failed to reject the null hypothesis (at the 0.05 significance level) that each variable is independent from the succession plan variable. These variables include role in the operation, marital status, number of children, and whether children are engaged in

the operation. At the 0.10 significance level, the null hypothesis is rejected by the chi-square test regarding whether children are engaged in the operation. Therefore, results indicate that respondents are less likely to have a succession plan if they do not have children engaged in the operation. Of participants with children, 43.4% have at least one child engaged in the operation.

Financial Information

Responses from the “Financial Information” section of the survey are summarized in Table 2. Almost 30% of operations have a net worth below \$1,000,000; 29.7% have a net worth between \$1,000,000 and \$4,999,999; 19.6% have a net worth between \$5,000,000 and \$9,999,999; and 19.6% have a net worth greater than \$10,000,000. The chi-square test of independence between net worth and presence of a succession plan indicates there is a relationship between the two variables. Survey results show an increasing percent of respondents with a succession plan as net worth increases, until net worth reaches \$15,000,000. Figure 2 shows the respondents’ distribution of net worth and presence of a succession plan.

For the distribution of timing of land inheritance by respondents, the categories “all prior to,” “most prior to,” “some of each,” “most following,” and “all following” are used to indicate timing of inheritance relative to the death of the previous owner. “None” indicates respondents have not inherited any land. Most respondents inherited land after the death of the previous owner (30.4%) or have not inherited any land (44.6%). The majority (56.8%) of respondents answered “yes” to the question, “Has your family been able to avoid paying the federal estate tax when someone died in the past 50 years because the value of the estate fell below the exemption amount?” Neither the timing of land inheritance nor previous federal estate tax exemptions are found to be related to the presence of a succession plan.

Respondents provided answers regarding operational structure and were allowed to select multiple responses. Of 61 respondents who operate a sole proprietorship, 57 operate only a sole proprietorship, while four participants also operate in an organized structure. Structure of the operation is related to presence of a succession plan by the chi-square test of independence. For example, most sole proprietor respondents do not have a succession plan (73.8%). However, of respondents with operations in a partnership, LLC, or corporation, the percentage of respondents without a succession plan drops

to 52%. Operations in a living trust or some “other” operational structure have the lowest percentage of respondents without succession plans (21.4% and 44.4%, respectively). These results indicate a positive relationship between operational structure and succession planning, i.e., producers who have put in time and effort to organize their operation beyond a sole proprietorship are more likely to have a succession plan. Figure 3 shows the distribution of responses regarding operational structure and presence of a succession plan.

Succession and Estate Planning

Responses from the “Succession Planning” and “Estate Planning” sections of the survey are summarized in Table 3. Most respondents (87.1%) have identified at least one heir to their operation; however, over half of respondents (60.1%) do not have a formal, documented succession plan in place. Over half of respondents (63.5%) have a will, and of those respondents, 93.5% said their will was drafted by an attorney. Over 50% of respondents have an advanced healthcare directive, and over 50% of respondents have a medical power of attorney. Fewer respondents have a durable power of attorney (45.9%). Only 14.2% of respondents utilize a transfer on death deed (TODD).

The chi-square test of independence shows most estate planning variables are associated with the presence of a succession plan, including having a will, an advanced health care directive, a medical power of attorney, a durable power of attorney, a TODD, and long-term care plans. Most of these are end-of-life documents that require an attorney. If respondents are consulting with attorneys and making end-of-life plans, it seems reasonable they would also have a succession plan. A chi-square test of independence also shows a relationship between number of anticipated heirs and presence of a succession plan (at the 0.10 significance level). Likelihood of having a succession plan is lower for those with no heirs identified and with five or more anticipated heirs than for those with between one and four anticipated heirs. Figure 4 shows the respondents’ distribution of number of heirs and the presence of a succession plan.

Succession Plan Free Responses

The free-response question in the survey regarding details of respondents’ succession plans provides information that contributes to the succession planning survey literature. The first free-response question asked participants to describe their

succession plan. Understanding how other producers are planning for succession may benefit those in early transition planning stages. Common themes in producer responses are listed below:

1. Utilizing a trust to protect and transfer assets and the control of assets.
2. Plans to transfer all ranch assets and management control to the on-farm heir(s) and divide all personal assets between all heirs.
3. Utilizing an LLC, corporation, or partnership to facilitate lifetime transfer and incorporate on-farm heir in management and ownership during the life of the senior generation.
4. Utilizing an LLC, corporation, or partnership to create membership agreements and/or set restrictions. Examples of restrictions include:
 - a. Must be a blood relative to own shares.
 - b. Must be actively involved to receive or own shares.
 - c. If one shareholder wants to sell their shares, they must sell to the other shareholders or a blood relative for a set percentage below the appraised fair market value.
 - d. Sale of land/assets requires a unanimous vote from all shareholders.
5. Lifetime, or *inter vivos*, transfer of shares to on-farm heirs, whether purchased by or gifted to the upcoming generation.

Roadblocks to Succession Planning

Survey participants also responded to an open-ended question regarding roadblocks to succession planning. Common themes in producer responses include:

- Resistance from senior generation,
- Lack of time or failing to make time to plan,
- Lack of knowledge or education in succession planning,
- Finding professional help (accountant, attorney, or financial planner) knowledgeable in succession and estate planning,
- Legal fees,
- Determining how to leave ranch assets to on-farm heirs and provide equitable assets to off-farm heir,

- Lack of a successor or children are not interested in continuing the business,
- Predicting the future generation's interest in the ranch (pertains to producers with young children),
- Lots of owners or shareholders—difficult to manage,
- Family dynamics, conflict, lack of communication, and avoidance of uncomfortable conversations, and
- Difficult land or asset structure.

CONCLUSION

Literature and anecdotal evidence agree that there are low success rates of intergenerational farm and ranch transitions, and most producers lack an adequate transition plan. The survey in this study was designed to determine characteristics of successful transition plans, demographics of producers with transition plans in place, and common roadblocks to transition planning. The purpose of identifying characteristics of successful transition plans is to develop general guidelines and share ideas with producers beginning or struggling to make plans. The purpose of observing demographics of producers with transition plans is to provide more targeted educational resources and assistance to groups that need it. Finally, the purpose of gathering information on transition planning roadblocks is to identify the areas of transition planning where producers need more resources.

The results support the literature in that most respondents do not have a ranch transition plan. Responses indicate relationships between some producer and operational characteristics and presence of a succession plan. Results also indicate males are more likely to have a succession plan than females, and respondents over 50 years old are more likely to have a succession plan than those under 50. In addition, results show an increasing percent of respondents with a succession plan as net worth increases, until net worth reaches \$15,000,000. Structure of the operation is also related to presence of a succession plan: the more sophisticated the operational structure becomes, the more likely there is a plan in place. These findings indicate some transition planning resources should be developed for and presented to younger producers, those with lower net worth, and producers with less organized operational structures.

The examples of transition planning successes and roadblocks provided in the open-ended responses could inform future education programming and resources for producers. Several of the roadblocks to transition planning noted by producers confirmed those observed in previous work, namely, resistance from senior generations, making time to plan, challenging family dynamics, or lack of a successor. Answers to free-response questions show transitioning a ranch is not a one-size-fits-all process; however, there are common hang-ups that educators and professionals could help producers work through.

The survey results provide insights on some ranch transition strategies producers use. While this study focused on ranches, family operations in the crop farm and agribusiness sectors also face intergenerational transfer challenges. Future success across agricultural sectors hinges on the survival of agricultural operations. To help their operation survive to the next generation, producers should create a transition plan tailored to their operation considering unique family dynamics, ownership and management structures, and goals. To support and encourage transition planning in the agricultural industry, resources and outreach could be developed to help producers navigate the transition planning process. This could include planning guides, workshops, collaborations with accountants and lawyers to create tax and law resources, and connecting producers to professionals with experience in transition planning. Policymakers and agriculture groups could support development of these resources through funding of agricultural Extension programs.

There are still several gaps to fill in determining what will incentivize producers to develop transition plans and what kind of assistance they need to do so. Future research should aim to seek more information about where transition planning resources should be allocated and what those resources should include.

REFERENCES

- Benavidez, J.R., and T. Dowell Lashmet. 2023. "Surveyed Characteristics of Non-Operating Landowners in Texas." *Journal of the American Society of Farm Managers and Rural Appraisers* 65–73.
- Chiswell, H.. 2018. "From Generation to Generation: Changing Dimensions of Intergenerational Farm Transfer." *Sociologia Ruralis* 58(1): 105–125.
- Conway, S.F., J. McDonagh, M. Farrell, and A. Kinsella. 2019. "Human Dynamics and the Intergenerational Farm Transfer Process in Later Life: A Roadmap for Future Generational Renewal in Agriculture Policy." *International Journal of Agricultural Management* 8(1): 22–30.
- Duffy, M.D., John Baker, and A. Lamberti. 2002. "Farm Succession in Iowa." *Iowa State University Extension Publication*.
- Franke, T.M., T. Ho, and C.A. Christie. 2012. "The Chi-Square Test: Often Used and More Often Misinterpreted." *American Journal of Evaluation* 307–470.
- Hachfeld, G.A., D.B. Bau, C.R. Holcomb, J.N. Kurtz, and J.W. Craig. 2009. "Farm Transition and Estate Planning: Farmer's Evaluations and Behavioral Changes Due to Attending Workshops." *The Journal of Extension* 47(2).
- Lange, K., J. Johnson, P. Johnson, D. Hudson, C. Wang, and A.W. Gustafson. 2016. "Farm Succession in Texas: A Qualitative Approach." *International Journal of Agricultural Management* 5(3): 58–69.
- Mishra, A.K., H.S. El-Osta, and S. Shaik. 2010. "Succession Decisions in U.S. Family Farm Businesses." *Journal of Agricultural and Resource Economics* 35(1): 133–152.
- Reed, G., S. Ferrell, E.A. DeVuyst, and R. Jones. 2021. "A Model of Farm Transition Planning for the U.S. Plains." *Journal of Applied Farm Economics* 59–72.
- Estates Code. n.d. *Texas Constitution and Statutes*. <https://statutes.capitol.texas.gov>.
- Thomas, C.. 2013. "Farm Transition and Succession." *Michigan State University Extension*.
- USDA ERS. 2023. "U.S. Farm Sector Balance Sheet, 2014–2013F." USDA, Economic Research Service. <https://data.ers.usda.gov/reports.aspx?ID=17835>.

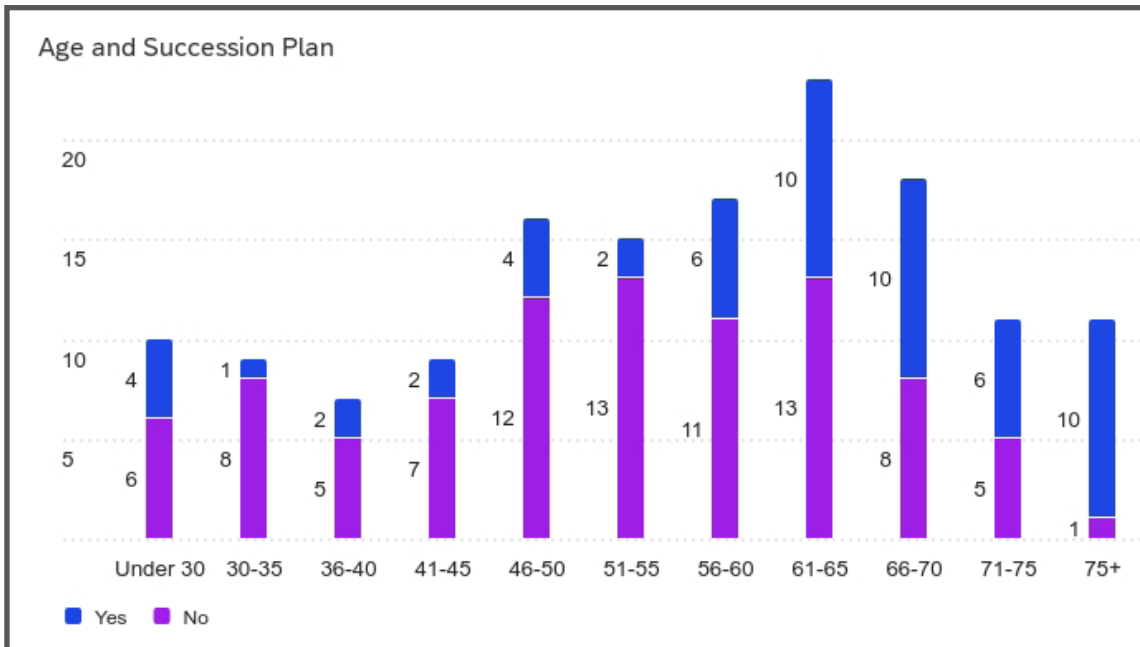


Figure 1. Distribution of producer age and presence of a succession plan

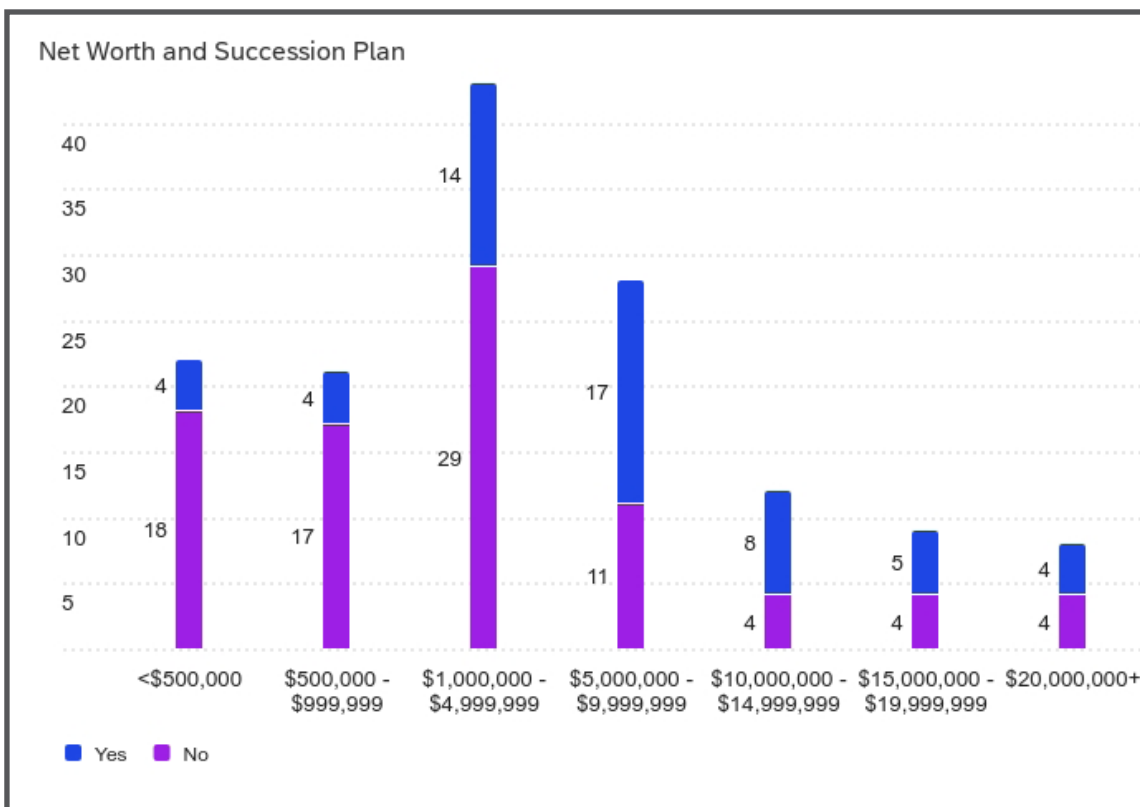


Figure 2. Distribution of net worth and presence of a succession plan

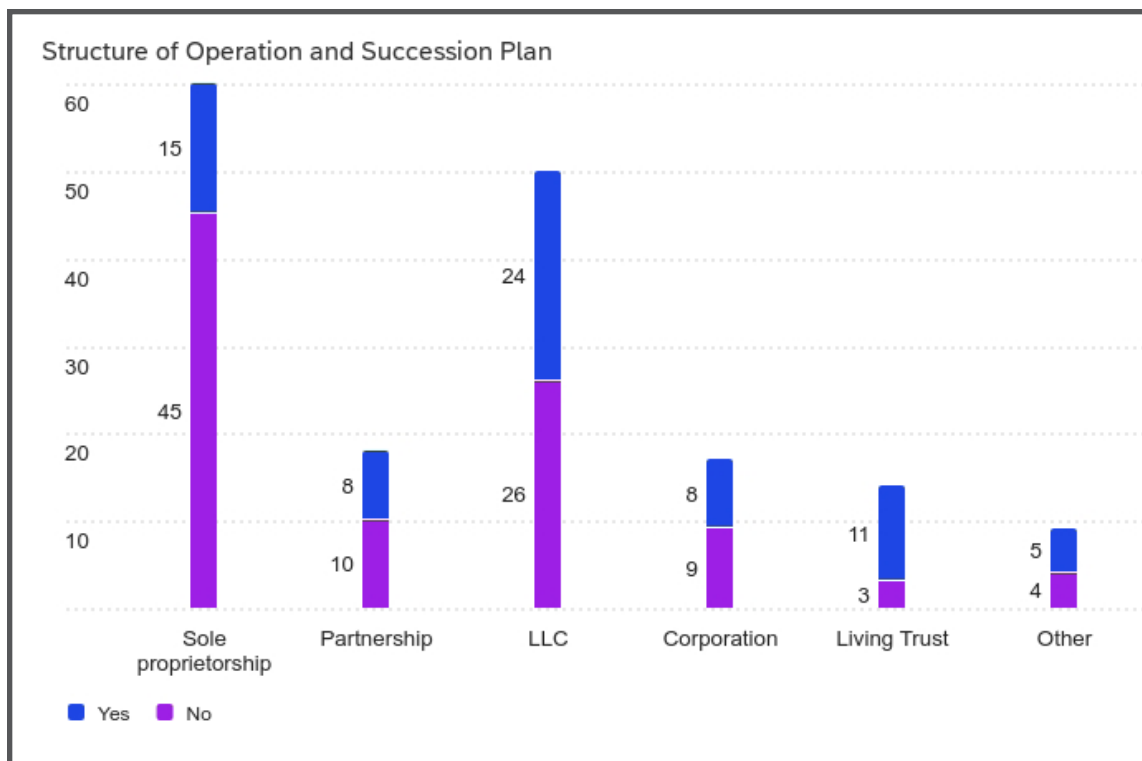


Figure 3. Distribution of operational structures utilized and presence of a succession plan

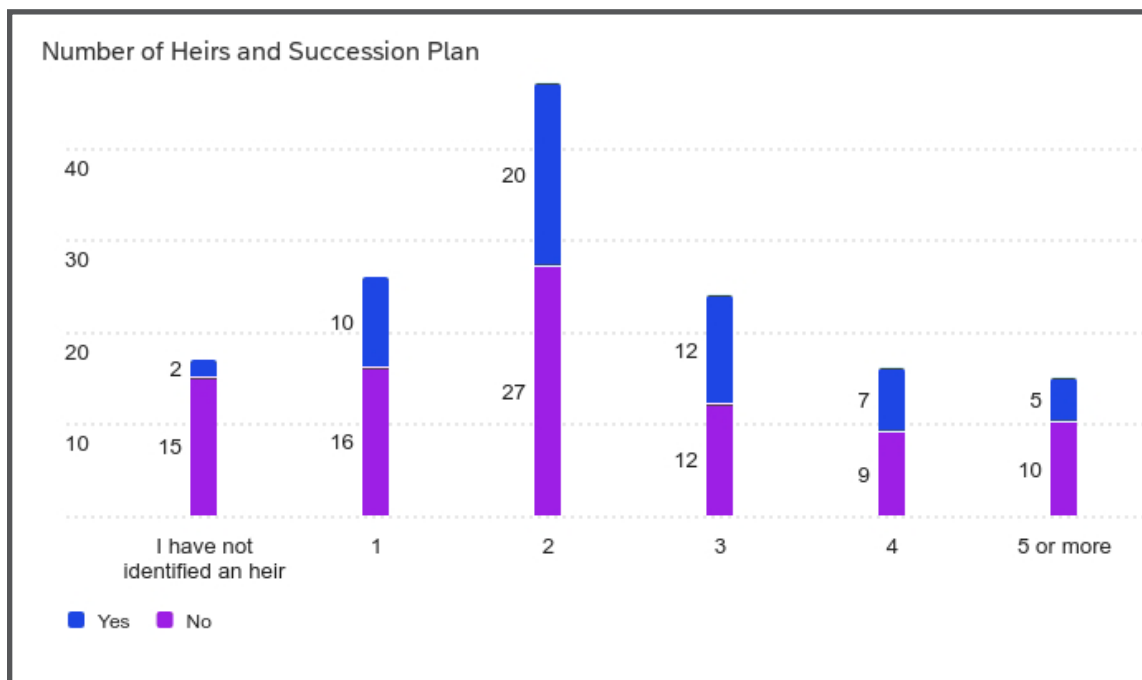


Figure 4. Distribution of number of heirs and presence of a succession plan

Table 1. Summary of Producer Information

Item			Plan		No Plan		X ²
	No.	Pct. ^a	No.	Pct.	No.	Pct.	p-value
Number of Respondents (Completed Surveys)	148						
<u>State</u>							
Texas	99	66.9	32	32.3	66	66.7	
Other	29	19.6	17	58.6	11	37.9	
<u>Gender</u>							.0271*
Male	105	70.9	46	43.8	58	55.2	
Female	42	28.4	10	23.8	31	73.8	
<u>Age</u>							.0139*
50 and under	51	34.5	13	25.5	38	74.5	
Over 50	97	65.6	44	45.4	51	52.6	
<u>Role in Operation</u>							.7444
Owner	49	33.1	22	44.9	27	55.1	
Primary manager	19	12.8	7	36.8	11	57.9	
Both	70	47.3	24	34.3	45	64.3	
Neither	10	6.8	4	40.0	6	60.0	
<u>Marital Status</u>							.2683
Married	124	83.8	47	37.9	75	60.5	
Single	19	12.8	6	31.6	13	68.4	
Widowed	4	2.7	3	75.0	1	25.0	
<u>Number of Children</u>							.5989
None	26	17.6	8	30.8	18	69.2	
1	18	12.1	8	44.4	10	55.5	
More than 1	104	70.3	41	39.4	61	58.7	
<u>Are Children Engaged in the Operation?^b</u>							.0823**
Yes	53	43.4	26	49.1	27	50.9	
No	68	55.7	22	32.4	44	64.7	

*Significant at 0.05 level.

** Significant at 0.10 level.

^a Response percentages do not all add to 100%, some participants did not answer every question.

^b Only participants with at least one child responded to this question.

Table 2. Summary of Financial Information

Item			Plan		No Plan		χ^2
	No.	Pct. ^a	No.	Pct.	No.	Pct.	p-value
Number of Respondents (Completed Surveys)	148						
<u>Net Worth of Operation:</u>							0.0040*
Below \$500,000	22	14.9	4	18.2	18	81.8	
\$500,000 - \$999,999	21	14.2	4	19.0	17	81.0	
\$1,000,000 - \$4,999,999	44	29.7	14	31.8	29	65.9	
\$5,000,000 - \$9,999,999	29	19.6	17	58.6	11	37.9	
\$10,000,000 - \$14,999,999	12	8.1	8	66.7	4	33.3	
\$15,000,000 - \$19,999,999	9	6.1	5	55.6	4	44.4	
\$20,000,000+	8	5.4	4	50.0	4	50.0	
<u>Number of Individuals Dependent on Ranch Income:</u>							0.2275
None	81	54.7	27	33.3	53	65.4	
1 - 2	31	20.9	14	45.2	17	54.8	
3 - 4	21	14.2	7	33.3	13	61.9	
5 or more	15	10.1	9	60.0	6	40.0	
<u>Timing of land inheritance relative to death of the previous owner:</u>							0.1095
Most or all inherited prior to	25	16.9	10	40.0	15	60.0	
Some inherited prior to, some after	12	8.2	8	66.7	4	33.3	
Most or all inherited after	45	30.4	19	42.2	25	55.6	
Have not inherited any land	66	44.6	20	30.3	45	68.2	
<u>Able to avoid federal estate tax in last 50 years due to estate value?</u>							0.1758
Yes	84	56.8	35	41.7	47	56.0	
No	29	19.6	13	44.8	16	55.2	
Unsure	35	23.6	9	25.7	26	74.3	
<u>Structure of Operation (multiple selections allowed):</u>							0.0058*
Sole proprietorship	61		15	24.5	45	73.8	
Partnership	19		8	42.1	10	52.6	
LLC	50		24	48.0	26	52.0	
Corporation	17		8	47.1	9	52.9	
Living Trust	14		11	78.6	3	21.4	
Other	9		5	55.6	4	44.4	

*Significant at 0.05 level.

Table 3. Summary of Succession Planning and Estate Planning Responses

Item			Plan		No Plan		χ^2
	No.	Pct. ^a	No.	Pct.	No.	Pct.	p-value
Number of Respondents (Completed Surveys)	148						
<u>Number of Anticipated Heirs</u>							0.0762**
1 - 2	74	50.0	30	40.5	43	58.1	
3 - 4	40	27.0	19	47.5	21	52.5	
5 or more	15	10.1	5	33.3	10	66.7	
No heirs identified	18	12.2	2	11.1	15	83.3	
<u>Succession Plan</u>							
Yes	57	38.					
No	89	60.1					
<u>Will</u>							2.38e-6*
Yes	94	63.5	49	52.1	45	47.9	
No	51	34.5	6	11.8	44	86.3	
<u>Advanced Healthcare Directive</u>							0.0003*
Yes	87	58.8	44	50.6	42	48.3	
No	44	29.7	7	15.9	37	84.1	
Unsure	14	9.5	4	28.6	10	71.4	
<u>Medical Power of Attorney</u>							2.63e-6*
Yes	85	57.4	47	55.3	38	44.7	
No	52	35.1	7	13.5	44	84.6	
Unsure	8	5.4	1	12.5	7	87.5	
<u>Durable Power of Attorney</u>							2.53e-6*
Yes	68	45.9	40	58.8	28	41.2	
No	64	43.2	10	15.6	53	82.8	
Unsure	12	8.1	4	33.3	8	66.7	
<u>Transfer on Death Deed</u>							0.0004*
Yes	21	14.2	15	71.4	6	28.6	
No	101	68.2	28	27.7	72	71.3	
Unsure	22	14.9	11	50.0	11	50.0	
<u>Long-Term Care Plans</u> (multiple selections allowed)							0.0193*
No current plan	43	29.1	10	23.3	32	74.4	
Plan:	103	69.6	46	44.7	57	55.3	
Retirement accounts	82		34	41.5	48	58.5	
Medicaid	24		9	37.5	15	62.5	
Long-term care insurance	30		16	53.3	14	46.7	
VA benefits	9		4	44.4	5	55.6	

*Significant at 0.05 level.

**Significant at 0.10 level.