

What is an Ag Legacy?

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A legacy is the summation of a lifetime of achievement and the context in which that lifetime will be remembered. A legacy is not just money but a reputation, what was accomplished, and the difference a person makes in the world as they pass through; their mark on the universe. More importantly, a legacy is something that is passed along years after a person leaves the world as we know it. In historical terms, a legacy is something that is handed down from one generation to the next. Deciding to leave a legacy can provide a road map for the future; embracing the meaning of a life.

Why worry about a legacy? A recent study on people's beliefs and attitudes about legacy was completed by the Allianz Life Insurance Company of North America, in conjunction with Dr. Ken Dychtwald, president of AgeWave. The study found there are significant gaps in what baby boomers and their parents expect from and define as inheritance. Non-financial items that parents leave behind – like ethics, morals, faith and religious beliefs – are 10 times more important to both boomers and their parents than the financial aspects of inheritance.

Legacy gaps exist because boomers and their parents are not entering into in-depth conversations about legacy and inheritance in productive and meaningful ways – even though they say they are having such conversations.

Legacy also embraces the concept of management succession; passing management of the farm or ranch on to the next generation. Rural families very often plan to pass their business on to the next generation. However, only 1/3 of all family businesses successfully transition management to the next generation, 70 percent do not survive to the second, and fully 90

percent do not survive to the third generation.

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Rural families often give one of several reasons for avoiding succession planning:

1. Emotional Attachment to the Land- most rural families are emotionally attached to the lands they own and manage. In many cases, these lands have been a part of the family for more than one generation. Selling or dividing the land is often not considered due to these attachments;
2. No Plans to Retire- most full-time rural family managers have a difficult time even considering retiring. They often expect that they will “never” fully retire from their rural lifestyle;
3. Rural Lifestyle- the rural way of life is often what draws people to the country and keeps them there. Other lifestyles simply cannot match the opportunity to live, work and play together as family in the country, as well as offer the chance to teach children a strong work ethic; and

4. No Retirement Income- with no other sources for retirement income, many rural family business managers are prevented from fully retiring. Selling the rural business is often impossible, as the next generation is often unable to pay, and selling to an outside party does not keep the business in the family.

Legacy Components

Planning an Ag Legacy should include discussion of all five components of a true legacy: values and life lessons, personal possessions of emotional value, fulfilling final wishes and instructions, ownership of financial assets and real estate, and management succession. If the discussions between generations do not cover all five components of a legacy, the legacy transfer will not be completed successfully.



Establishing a legacy requires open, honest relationships and communication between generations. Establishing and maintaining healthy relationships between family members is challenging at any stage in life. It is important that the generations work together to make relationships satisfying rather than strained.

Sensitive issues, such as money, death and family relations are difficult issues not only to bring up but also to talk about in any depth. It is hard to approach these issues calmly when there are strong feelings about what is important. Most people avoid discussing these subjects because they believe it to be disrespectful and uncomfortable.

Leaving a legacy that everyone can love depends on generations being able to bridge the communication gap. All persons should be included from elders to grandchildren, especially adult children. Communication between generations is more vital than ever to ensure that the needs of elders and heirs are aligned. Talking about legacy can be an emotionally satisfying experience for both parents and children. Communication allows elders and their heirs the opportunity to share their most important beliefs, wishes and directives, and lessons learned throughout a lifetime.

Developing a legacy may also require resolving conflict. All individuals experience interpersonal conflict at some point in their lives. It is not a matter of if, but a matter of when. Put two or more people together for more than ten minutes and there is a risk of interpersonal conflict. Conflict is a natural part of life brought on by our different beliefs, experiences and values. If not managed carefully, however, conflict can harm relationships. A Lasting Legacy course 1 presents seven steps adults can use to resolve conflicts.

Forgiveness is an act of the imagination. It dares to imagine a future based on the possibility that a given hurt will not be the final word on the matter. It challenges one to give

It was a beautiful afternoon in late spring when Bob clutched his hands to his chest and collapsed in the field. He was dead within minutes. No warning. No chance of survival.

His wife and five children were left in utter disbelief. How was it possible that such a young man could be gone so quickly and without warning? There was no will or estate plan to assist with the transfer of real estate and other assets. There was no communication on how family members could fulfill his final wishes.

Bob and his family always had intentions to clarify his legacy plans. Now he is gone. His children will not have the opportunity to share his stories, faith, hopes and life experiences. There were no instructions for burial or memorial services. They don't know to whom he wanted to give his collections of toy cars and silver spurs.

And life continued to go on around them. Chores had to be done, crops planted, calves branded, bills paid and family activities attended - all in the midst of their grief, anger and emotional struggles. How would they go on without their husband and father?



Could Bob's family have done things differently? What can you do to help your family and friends at such a time? Can you pass on the legacy that was your life? Can you help your family even after you are no longer with them?



up their destructive thoughts and to believe in the possibility of a better future. To forgive another simply means no longer allowing another person's actions or words to cause resentment, anger and pain. Forgiveness does not mean someone must reconcile with another who has treated them badly. Forgiveness is the experience of finding peace inside which can neither be compelled nor prevented by another. Forgiveness of another person may be a necessary part of establishing a truly lasting legacy.

Values and Life Lessons

Values and life lessons covers three main elements in a legacy. Family traditions are practices and beliefs that cre-

ate positive feelings and are repeated at regular intervals. Often times these traditions are handed down from generation to generation. Some could be based on religious beliefs, while others on culture. Each family creates their own traditions and cultivates connections between each member of the family and generations to come.

A second important element is the families' history that offers a great value to its members, with wonderful stories about family contributions, travels, and challenges. It is important to plan what a person will include to create a meaningful family history collection. Third, belief systems are very important as they define the limits of personal experience and are the set of precepts by which individuals and families come to live by. Beliefs often influence a person's thoughts, words, and actions. Forming a complete legacy must explore all three of these elements in depth, including methods for documenting the details for the next generation.

Personal Possessions of Emotional Value

Personal possessions of emotional value are critical to consider in creating a legacy. While most people are aware of the importance of planning for the transfer of titled property, most families do not plan for the transfer of non-titled property. Transferring non-titled property can often create conflict among family members. These items may have sentimental value based on the memories and feelings they evoke. Measuring sentimental or emotional value is difficult and complicates the transfer process. This portion of the course examines the concepts of fair versus equal. It also helps a person explore what is important in such transfers, ranging from maintaining relationships, to keeping privacy, to giving something back to a nurturing community. Finally, it examines various methods for completing the transfer, including formal transfers, sales, and donations.



Final Instructions and Wishes to be Fulfilled

Final instructions and wishes to be fulfilled can be extremely detailed or very general. The first step is to decide what constitutes a “good” death. The second step is to identify and document wishes for the end of life: where to live, where to die, what level of medical care is desired, and who should care for dependents. The third step is to document final wishes – those things pertaining to burial and memorial. In today’s world, Step four, which is to provide a list of secured places and passwords, is also extremely important.

Ownership of Financial Assets and Real Estate

The fourth component of a legacy, ownership of financial assets and real estate is the component which receives most attention when individuals consider end of life issues. It covers the topics of estate planning, financial planning, and titled property transfer. An estate plan is a plan for the disposition of property upon a person’s death. A solid estate plan can help one enjoy financial security during retirement and provide for heirs. Estate plans impact personal finances, and have legal and tax ramifications. It is important to seek appropriate counsel from an attorney, tax preparer, and other professionals knowledgeable about estate planning. In the process of developing an estate plan, one must establish some basic objectives. It is important to consult with family members and obtain professional advice on how to best achieve those objectives while honoring one’s own wishes and meeting family needs.

Management Succession

The fifth component of a legacy is management succession. Most founders plan to transition management responsibilities to the next generation. They often do not know where to begin and what steps to follow once they have made a start. The process begins with discovering where the family is in the transition process. Next the family and business managers must work to understand which barriers to change are holding back the process: interpersonal issues, business issues, or succession planning issues. Those barriers can arise from differences in perspectives held by each generation involved. Those differences must be addressed before effective steps can be taken to move the process of transferring management responsibilities forward.

Whether a person or a family plans to or not, they will leave a legacy of one sort or another. By talking with family and friends about life and final wishes, one can help to ensure they are remembered in the best possible light.

Ag Legacy materials and online learning modules are developed from resource materials intended to assist farm and ranch families to develop a complete legacy. These include helpful worksheets, planning guides, electronic tools, references, and a host of other information assembled to provide the tools for a successful legacy.

Upcoming presentations and more information about Ag Legacy are available at AgLegacy.org. Requests for additional information may be emailed to Information@AgLegacy.org.



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