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Parcel Size Becoming Smaller

Tax Parcel Size & Mean Forested Area per Parcel, Virginia 2001 - 2016

Source: FIA, 2016
Aged 65 and older
- 27% of owners
- 41% of land

Aged 55 and older
- 59% of owners
- 71% of land

Unprecedented future intergenerational transfer

Source: National Woodland Owner Survey
Intergenerational Transition Success Rates

- **1st Generation**: 30%
- **2nd Generation**: 12%
- **3rd Generation**: 3%

Generational Transition success rates for farmers, ranchers and other small business owners

Source: Family Business Institute, Family Business in Transition, DATA AND ANALYSIS, p. 2..
What FFOs Want

- Their land to stay in forest
- Their land to stay in the family
- Keep the family land intact
- Have no intention of selling
- Are concerned with property taxes

Source: National Woodland Owner Survey
But…

- 18% have a Forest Management Plan
- 13% have received professional assistance
- 32% have involved potential heirs
- 3% have a succession plan

Source: National Woodland Owner Survey
Why Don’t They Plan?

- Complex – 33%
- Intimidating – 18%
- Passive attitude – 16%
- Hard to get together – 14%
- Uncomfortable – 5%

Source: American Forest Foundation, Webinar 2016
What’s in a Name?

Woodland Legacy Planning, Succession Planning, Conservation-based Estate Planning

- *Estate* – total of all assets

- *Estate Plan* – assures assets are distributed to meet current and future goals

- *Conservation-based Estate Planning* – helps maintain some or all of property in its natural, undeveloped condition
“Heirloom Scale”

1 = My woodland is one of the financial assets in my portfolio and nothing more.

10 = My woodland is priceless family heirloom to be protected at all costs.

Continuum of Desire to Pass on Land Intact

Source: Ties to the Land
Passing Land Forward is…

- More than:
  - Passing an asset
  - Minimizing the tax burden
  - Maximizing monetary value

- Passing a connection to the land
  - State of mind
  - Is it internalized?

- A fundamental, active decision
“In our opinion, the most important thing in life is raising children who become responsible adults. The second most important thing in life is preserving family land.”