



Generation **NEXT**: Better than the Alternative

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As folks mature, realizing there is more of the trail behind them than in front of them, and that each day is more precious than the last, the catchphrase “It’s better than the alternative” is often uttered. These words presume the inevitable human passing from this life and extend an invitation to prepare for that eventuality.

As a forest landowner, you are likely comfortable talking about tree mortality, but not, perhaps, your own. If you have planned and implemented the management of your woodlands well, then the forest will continue beyond the mortality of any single tree or stand. Similarly, planning well for the transition of your woodland ownership will ensure that the family ownership of your woods outlives you.

Because of the significance of this transition, the invitation to plan and prepare for the orderly transfer of your forestlands to the next ownership (called legacy planning) is urgent. Your land ethic, the work you do on your land, and the legacy planning you do or don’t do to transition these things will outlive your tenure. From creating wildlife habitat and selling timber to paying taxes and engaging the next (or a new?) generation, you will leave a legacy behind. The only question is what kind of legacy are you working on? The decisions you make today will not matter if there isn’t someone, and a land base, to carry on and to care.

Will your woodland stay intact, in family ownership and in forest?

According to a recent study* in Virginia (which lines up with much anecdotal evidence and numerous studies in other states), you probably have a strong desire to pass your land forward intact, in forest, and in the family. This goal is well established and the “easy part”, if you will. The harder part comes next. Aspiration alone is generally insufficient to affect the desired outcome. In moving toward action, questions of who and how and when may overwhelm the intention/desire to the point of avoiding the work. Planning for the orderly transfer of your forest to the next owner(s) is work.

“Not knowing where to start,” for a variety of reasons, is a common reason for not initiating legacy planning. However, if you are like the majority of landowners surveyed in the Virginia study, the idea of possibly losing decision-making control over the land is the primary barrier. This was given by respondents as the top reason for inaction, followed by uncertainty in future tax laws, figuring out fairness issues with heirs and simply not feeling ready to act. Whether any of those reasons, or something different, is keeping you from planning and preparing the future ownership of your forest, they are real. Consider reframing these obstacles as **challenges** to work through and **opportunities** to benefit your land, forest, and family rather than as impossible barriers. Though difficult, the benefits to all involved are well worth the effort. The energy, commitment, and passion required to effectively plan your legacy are mere extensions of the effort most folks like you go through to manage your land.

Perhaps you have already done some or all of this kind of planning. If not, here is what you can look forward to: peace of mind! Peace of mind that you have done all you can to keep your family’s forestland intact. That your passion for the land has been articulated (and hopefully instilled) in your heirs. That your woodland will be managed according to your wishes. That family disputes would be reduced, and the future of your land is not left to chance or intestate laws. All of these were given as primary benefits of legacy planning by landowners who have engaged in legacy planning in the Virginia study.

These personal and family benefits are huge, and it’s critical to keep them in mind as you face bumps along the way. But there is more!

The resource also benefits. It is a well-established fact that family forest landowners are the largest single ownership group of the nation’s forests. The answer to many environmental concerns often starts with family forestland, including yours.

With the vast majority of the country’s timber, wildlife, water and air resources tied to family lands, it is not hyperbole to say that as family forest land goes,

Legacy Planning Components – Essential Documents

1. Forest Management Plan
2. Forest property & estate overview
3. Who does what on the land
4. Family Land Heirloom Scale
5. Values and goals
 - a. Individual
 - b. Shared
6. Mission or vision statements
 - a. Family
 - a. Family woodlands
7. Identification of potential heirs

Estate Planning vs. Legacy Planning

An estate plan, while not simple, is narrower in scope and relatively easy to get done. It's an important part of Landowner Legacy Planning which also involves engaging the next generation, ongoing family meetings, the still important forest management plan and a few other things.

Estate planning that defines how assets will be transferred and structures ownership is essential but not enough. If the family doesn't care about the land, it may not be the gift you intend it to be. If issues of fairness and equability are not addressed land assets may become a point of contention. There are a host of potential pitfalls like this that estate planning alone do not address.

Legacy planning is the broader and ongoing process of family meetings, successor grooming, transferring of passion and values. The functional legacy plan includes the 7 documents listed above.

so goes the country's forests. While we may be able to source timber resources from another part of the world, most of the ecological and social benefits upon which we all depend can't be imported.

With such compelling benefits to legacy planning and the acknowledgment of the challenges and opportunities, the canvas is on the easel ready for your brush. What do you "picture" as the ideal outcome? How will you get there? The good news is that, you don't have to paint this picture alone; in fact, if you do, it likely won't be quite right, and as a result fall short of your desired picture. To get it right, you need to involve others – a support team of professional advisors - to get the colors, shades, and depth that are the mix of the legal, financial, and conservation tools.

Before assembling these professional advisors, you need to engage your family. The decision of who to involve from the family should be considered carefully. Spouse and children are usually a given, but from there

discussions, prayer, and counsel should be sought as to whether to invite extended family into the whole process, part of it, or none of it. Families have successfully undertaken legacy planning from the full range of this spectrum. It may even be that the potential heirs are not the children. Some families skip a generation, others groom a nephew or niece. Still others have no direct or obvious heirs. There is a right answer for your family but only you can ascertain that. Whoever the potential heirs are, get the conversation started and once started, commit to each other to walking out each step as they come.

One simple and practical tool many families have found helpful to start the conversation is to ask, first of all the current legal owners (such as spouses) to complete the "Heirloom scale" exercise (see final figure of this article) and be prepared to discuss. Then to expand the exercise to the other family members you decide to engage. The exercise is a simple but effective tool to quantify the attachment value of various family members to the property. Knowing the starting point for each person is a great help to inform the next steps. We also know that this snap shot in time of the value individuals place on the property is just that... a snap-shot. You may very well find that, as you work through legacy planning together, that everyone will move to the higher end of the scale as they discover the value of this asset to the family legacy.

After getting the conversations in the family going pull together your support team. Some of these people you likely already have relationships with, such as your forester. Most likely your forester will be excited to know that you are undertaking legacy planning and will play an important role in crafting the first two of the essential documents. Your forester may also be helpful as someone who knows your land, but is not family. They may help communicate certain "forestry things" to other family members and help the family craft the vision statement for the family forest.

Professional advisors are a must for certain steps of the legacy planning process when it comes to legal and financial tools. You may or may not have a working relationship with an attorney or financial advisor (such as a Certified Public Accountant) already. Even if you do, consider if they are the right ones to work with you in this arena. When it comes to traditional estate planning, "land is different" in that while it can be divided, this may not align with your goals. You want to work

with an attorney familiar with farm/forest assets and ways to keep this intact and in the family in a fair way. There are many tools to accomplish this and it's their job to connect your legacy planning goals with the right ownership and transition tools. Your job is to clearly articulate your vision and goals for the land, for the forest, and for your family. The documents listed in the sidebar will help you do this. As your clearly communicate your desires the various advisors on your team will develop options and recommendations to help you meet your goals.

In the end, the hardest of all this really may be to simply get started. There are always going to be reasons to postpone this effort. Getting started sooner means you'll get to enjoy the benefits longer. Furthermore, working through this process can and

should be rewarding. As discussions transpire and family members come together around a common effort and purpose, an added benefit will be deeper relationships with those you love most.

What will be the title of the picture you paint?

“Nothing tears a family apart faster than land.”

OR,

“That tree farm kept our family together.”

It is largely up to you whether your legacy, your land, and your family will prosper beyond your tenure.

* Woodland Landowner Legacy Planning Benefits and Barriers. Report available at: http://www.dof.virginia.gov/conservation/WoodlandOwnerLegacy_benefits_barriers2018.pdf

Family Land Heirloom Scale

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

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



Thoughts	Thoughts	Thoughts	Thoughts	Thoughts	Thoughts	Thoughts	Thoughts	Thoughts	Thoughts
1	2	3	4	5	6	7	8	9	10

Use the Family Land Heirloom Scale above to start the conversation with legal owners, then move the document on to other family members, especially likely heirs.

CREDIT: Oregon State University, Ties to the Land Program