Understanding why farmers work in later years to understand the supports they need

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Outline

- Background

- Reasons for farming in later years

- Supporting farmers in later years
Background
Aging of the farm population

Average age

Farmers by age groups

Famers are older than labor force as a whole

Average age of farmers: 58 years old
Median age of labor force: 42 years old
Why worry about an aging farm population?

- Farm transition and renewal of the agricultural population
- Health and safety of older farmers
- Access to health care and human services in rural areas

Need to consider differences between farm men and farm women
Reasons for farming in later years
Working in older years

• For many, retirement is an elusive concept
  - In 2006 study, 73% of surveyed Wisconsin farmers planned to semi-retire or never retire (Kirkpatrick, 2013)

• Instead of stopping: withdraw from more strenuous tasks and slow down

• Connected to farm transition and farm exit: a series of transitions over time that requires planning over the life course and across generations
Family demographics and farm operation characteristics

- Reasons to continue working in later years are complex and vary based on:
  - Farm families demographic characteristics (i.e. age, household composition)
  - Farm operation characteristics (i.e. scale, commodity produced)

- Availability, willingness, and ability of next generation to take over the farm: likely biggest determinant of what farmers do in their later years
Cultural and social factors

- Identity of farmers connected to culture of hard work, enjoyment of the work, resilience, and pride
  - Aging and health difficulties threaten that identity
  - Feelings of loss of control over life
  - Fear that will loose the respect of others

- Importance of passing the farm to the next generation
  - Can be seen as failure if ‘ends’ the family farm

- Home and the workplace are intertwined:
  - Difficulties to disentangle from farm work
  - Difficulties to pass on managerial tasks
Economic factors

- Cost-price squeeze has impacted profitability, income, and savings for later years

- Illiquidity of farm families’ assets:
  - 76% of wealth is in farm assets
  - Difficulties associated with transferring or selling the farm at appraised value

- Challenges associated with forecasting how much to save and in what way(s)

- Retirement investments vulnerable to economic downturns
Policy factors

Social Security:
• Drawing retirement benefits doesn’t mean that work stops
• Disincentive to retire early
• Level of benefits for farmers are overall lower compared to general population

Tax code:
• Trade-offs between over the life course between tax deductible business expenses and saving for retirement
  • Lower taxes in short-term reduce retirement options in the long-term
• Tax implications of selling farm assets
Supporting farmers in later years
When designing programs, resources, and policies

- Working in later years might be a choice and/or a necessity

- Importance of the resources that farmers have, what farmers need, and what farmers want

- Efforts should not only focus on older farmers

- Addressing larger problems that impact farmers (i.e. lower profitability in agriculture, high health insurance and health care cost, inadequate health care and elder care access, and lack of high-speed internet) will likely be more impactful than individual level solutions
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