



This article first appeared in *Tree Farmer* March/April 2008

Ties to The Land: Is your Tree Farm an Asset or an Heirloom?

By Clint Bentz

Are your kids interested in keeping your Tree Farm? Do they share your love for your property? Do they all get along and communicate well with each other? Are they interested in continuing your legacy?

These questions are not new, but they on take a special urgency as we look at the coming generational transfer of ownership. These questions are not about laws and regulations, but about relationships, passion and vision. The Congress could eliminate the estate tax tomorrow, but they could not pass a law that answers any of these questions for your family.

One of the most difficult things to talk about as a family is values. What is important to us as a family? What is important to us as individuals? While some families view their Tree Farm property strictly as a financial investment, most families view their properties as something more than simply another investment in their portfolio.

It is this "something more" that makes Tree Farms so unique, and makes planning for them so difficult. I have called this our "Ties to the Land." There is something that happens as you work with a piece of ground over time. You get emotionally attached to it. You invest part of your hopes and dreams for the future in it. It becomes more than just numbers on paper.

I have worked with hundreds of families struggling with these same questions over the last fifteen years. What I have come to realize is that the non-monetary values associated with these properties are very real, and if they are not discussed and recognized by the family, the family will not be successful keeping the property in the family.

To help this process, I have developed a simple tool called the Heirloom Scale. On a scale of one to ten (with one being "simply a financial asset", and ten being "priceless family heirloom"), where would you rate your property? If you have more than one parcel, would the answer be different for one or more of the parcels? I have found this tool to be very helpful in starting a discussion in the family about how different family members view the properties. There is no right or wrong answer here, but if we don't know where the family is on this scale, conflict will come when trying to decide what to do with the property or how to manage it.



This article first appeared in *Tree Farmer* March/April 2008

My father purchased our property in the early 1960's. I am the oldest of five children and we all grew up on this property. At 18, each of us moved away from home, went away to college, and began our lives. At one point all five of us were scattered all over the planet, each living over 3,000 miles from home. Naturally, mom and dad started wondering what they were going to do with the property, since none of us seemed interested in it, none of us had the experience or training to manage it, and none of us were living close enough by to take care of it.

I used this Heirloom Scale with my own family. My dad was a ten on this scale. He wanted to see this property stay in our family as a treasured heirloom forever. My mom was around a five. She wanted the property to continue in the family, but was concerned about the kid's interest and ability to work together to manage the property. I was an eight. I strongly wanted to see the property continue in the family, but was concerned about cash flow to pay the bills of operating the property, and concerned about how the family would work together to manage it over time. My brothers and sisters ranged from three to seven on the scale – interested, but not sure what the impact would be in their own lives.

We used this information as a baseline to start talking as a family about why we continue to own this property, what we see it becoming over time, and what we are going to do with the property as a family. Over the years, we have all become tens on this scale as we have worked together to create a lasting legacy for our family.

I encourage you to do the same thing with your family. Find out if the property means more than just money to anyone. Talk about these non-monetary values, and what they mean to each of you. You will be taking your first steps to strengthen your family's "Ties to the Land."

Clint Bentz is a CPA living in Oregon with his wife and six children. His practice is centered on helping family forest landowners deal with intergenerational succession issues. He is the principal author of "Ties to the Land: Your Family Forest Heritage." Clint's family was recognized as the 2002 National Outstanding Tree Farmers of the Year. Clint is the chairman of the National Operating Committee of the American Tree Farm System, and is a trustee of the American Forest Foundation. He welcomes your comments and questions at cbentz@bcslc.com or (503) 769-2186.