



**DELAWARE DEPARTMENT OF AGRICULTURE
FOREST SERVICE**

NEWS RELEASE

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Forest Landowner Seminar on "Intergenerational Land Transfer"

The Delaware Forest Service will hold a free two-hour seminar on "Intergenerational Land Transfer" on Wednesday, March 11 at 7 pm at University of Delaware Cooperative Extension's Carvel Center.

The Carvel Center is located 4.7 miles west of Georgetown on County Seat Highway (Rt. 9).

Presenters will include Kate Hackett from The Nature Conservancy; Georgetown attorney (and forestland owner) Everett Moore; and representatives from the Delaware Forest Service. Due to space restrictions, attendance is limited to the first 50 people who register by calling James Olson at 302-856-2893.

Attendees will learn how to:

- Understand federal (and state) estate taxes
- Discover ways to minimize tax burdens when transferring forested property to heirs
- Involve family members in fulfilling their plans for the forestland
- Avoid the common mistakes in transferring land to heirs
- Protect forestland from future development

Background:

According to experts, the "intergenerational land transfer" is the point at which most land use changes occur. In Delaware, family landowners - many of whom are over 55 years of age - control over 85 percent of the state's 375,000 acres of forestland. These landowners, and the decisions they make about estate planning, could affect the future of the state's forested areas by putting them at risk for possible development.

The Delaware Forest Service wants to help landowners better manage and protect their forests for future generations by educating them about strategies to manage the process of transferring ownership to their heirs. Without proper planning, the current generation of forest landowners and their heirs could face financial pressures that may increase the likelihood that large or contiguous forested tracts could be subdivided. This effect, known as "parcelization," can have a far-reaching and negative impact on environmental quality and wildlife habitat.

As Delaware State Forester Austin Short stated, "Family forest owners are the key to maintaining the numerous benefits of private forests for future generations. Clean water and clean air are just two of the many ways we all benefit from our forestland."

Privately owned forests provide a wide array of public benefits, including:

- Helping to clean drinking water by filtering impurities
- Reducing air pollution by removing carbon dioxide and producing oxygen
- Protecting against flooding by absorbing excess moisture
- Providing critical habitats for rare and endangered species
- Serving as a source of domestic timber and other forest products
- Providing places of recreation and natural beauty

Recent surveys by the US Forest Service indicate that the fate of privately owned forests might hinge on something as basic as communication between family forest owners and their adult heirs. About 9 in 10 forest landowners today are "non-joiners," people who have no affiliation to any forest landowner groups. These "non-joiners" are the most likely of all forest landowners to sell, develop or subdivide their lands. So the forests most at risk in terms of continuity are those owned by non-joiners. About 85 percent of non-joiner forest owners have children, most of whom are adults.

According to the US Forest Service, current forest landowners as a group are aging. People age 70 or older own about a fifth of all privately owned forestlands. More than 60 percent of current forestland owners are age 55 or older and about half of them have already retired. Inevitably they will soon divest their forestland holdings to their heirs. As a result, baby boomers will determine the next course for the landscape.

The latest research indicates that while current owners are managing their forests, they are not passing on their forest management skills or values to their heirs. Experts believe that this next generation will live farther away, have fewer emotional ties to the land and will be less prepared to manage these forests. What generates the most concern is not just that these two generations may not communicate effectively with each other, it is that they may not share the same values.

Officials at the US Forest Service say that the current generation of owners tends to value their forestland for its aesthetics: beauty, biodiversity, nature and a feeling of ownership. They often manage their lands independently and rarely ask for outside help. Many of them have harvested timber in the last 5-10 years to generate income or improve the overall health and biodiversity of their forests. Their heirs, on the other hand, tend to view the family-owned forests more as land investments. Without these same values, the heirs will be more likely to sell or develop them.

Catherine Mater of the Pinchot Institute wrote in a 2005 study that gender is also an important distinction in influencing landowner behavior. Mater wrote, “For instance, women tend to view the forestland more as a family legacy, while men tend to view it more as a means of providing income. Women are also more likely to seek out assistance or join a group than men,” she said. “Some forest owner groups have started in beauty parlors, or through church groups or home health care networks.”

Researchers have also cited two other differences between the current owners and their offspring: taxes and medical costs. Though current owners thought little of the issue of taxes as a driver for selling their land, their offspring felt otherwise. The upcoming generation reported in surveys that taxes were in fact a big issue for them. Also, unforeseen medical expenses could potentially force them to sell their forestland holdings, if necessary.

Experts believe that a key concept is to look at one’s family in the way a forester looks at a forest. The forester sees 100 or more years into the future when thinking of the land. Families may find common ground by thinking on the same timeline with the forest aspect of estate planning, even past their children or grandchildren. They recommend several tips for elder owners to pass on their values and knowledge of their forests along with the land:

- Talk with their children about why owning forestland is important
- Invite them to visit and walk around their forest with them
- Show them how they’ve improved the land and why
- Share their forest management skills with them
- Invite them to participate in the forest management decision making
- Encourage them to join forest owner groups

If landowners feel uncomfortable talking with their children about these matters, owners might consider passing on their values in an ethical will for the forest. The ethical will describes the reasons for owning the land and how it should be conserved for future generations.

To help sustain America’s family-owned forests, the US Forest Service has established the Family Forest Research Center in Amherst, Massachusetts. The center collects information on private forest landowner issues and trends. More information can be found on the internet at: <http://familyforestresearchcenter.org/>

Also, the Forest Stewardship Program is available to help forest landowners connect with the land. The program provides technical assistance, tips and guidance on a variety of forest management issues.

For more information can be found on the internet at: <http://www.na.fs.fed.us/stewardship/index.shtm>