

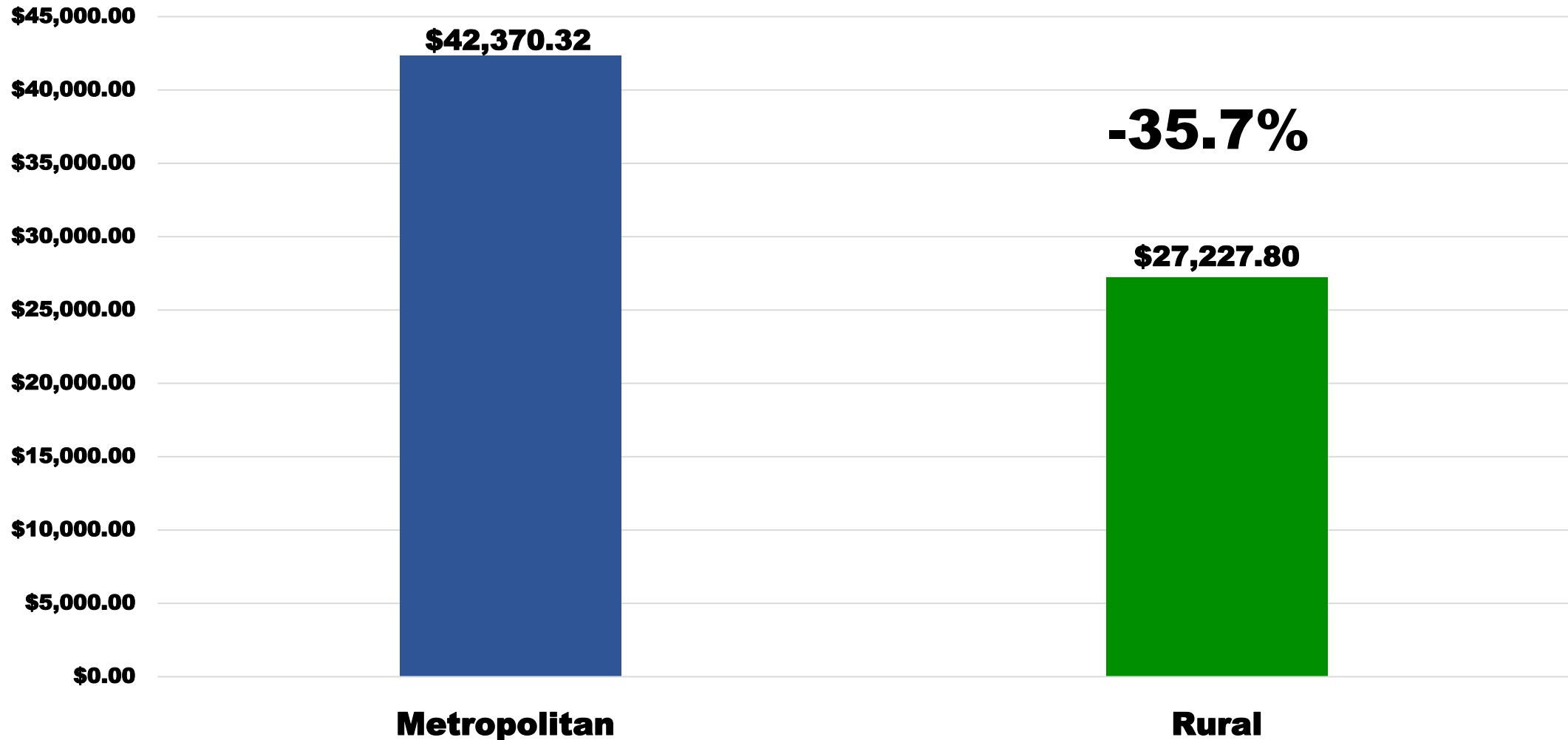


EXTENSION

Unicorns and Retired Farmers: Retirement Challenges in Rural America

**Dr. Shannon L. Ferrell, Professor
Oklahoma State University
Department of Agricultural Economics**

Retirement account balances, households below U.S. median income

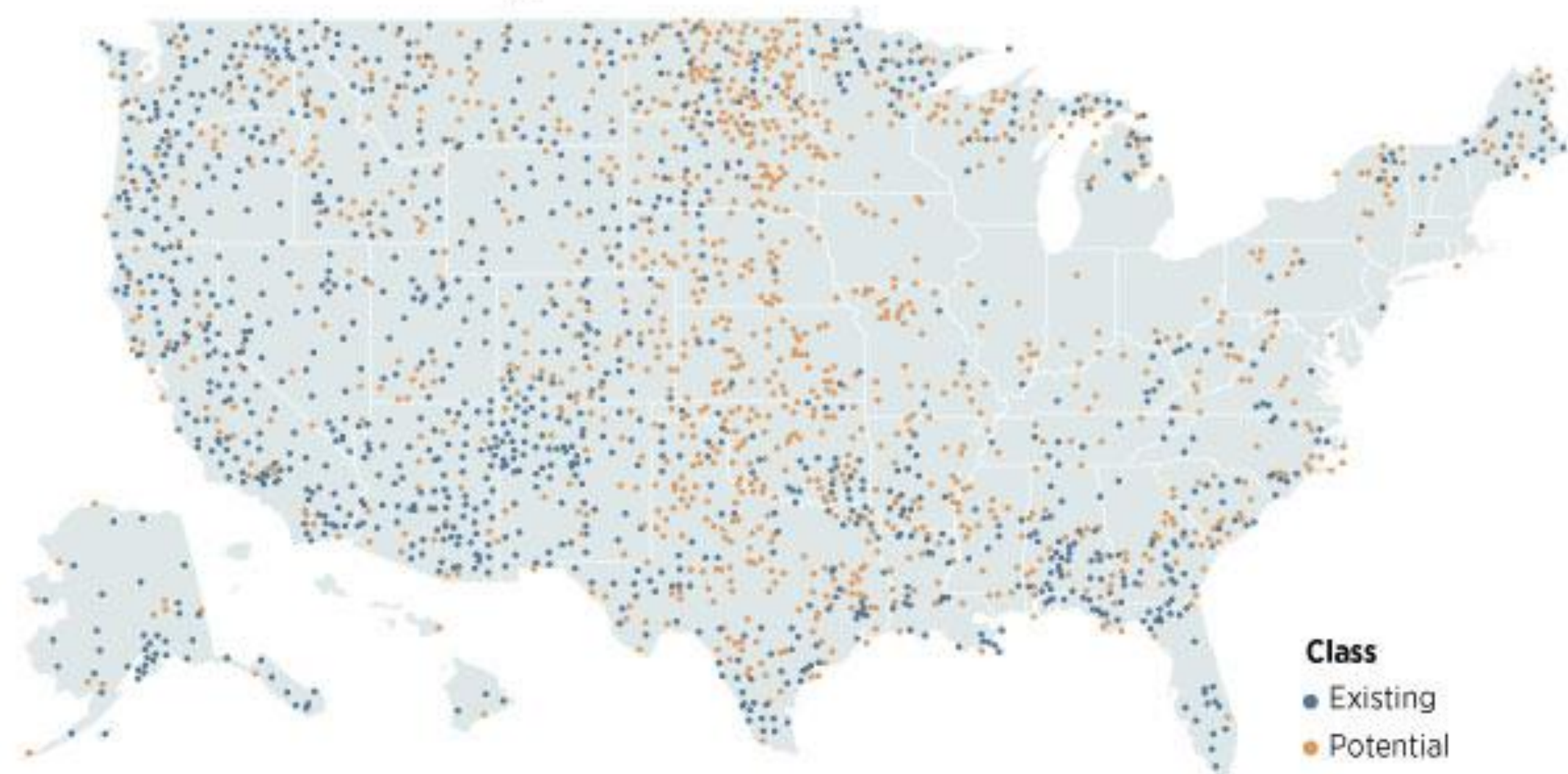


Source: U.S. Census Bureau, Survey of Income and Program Participation, 2014
Data compiled by Diane Oakley

In conclusion, before I start...

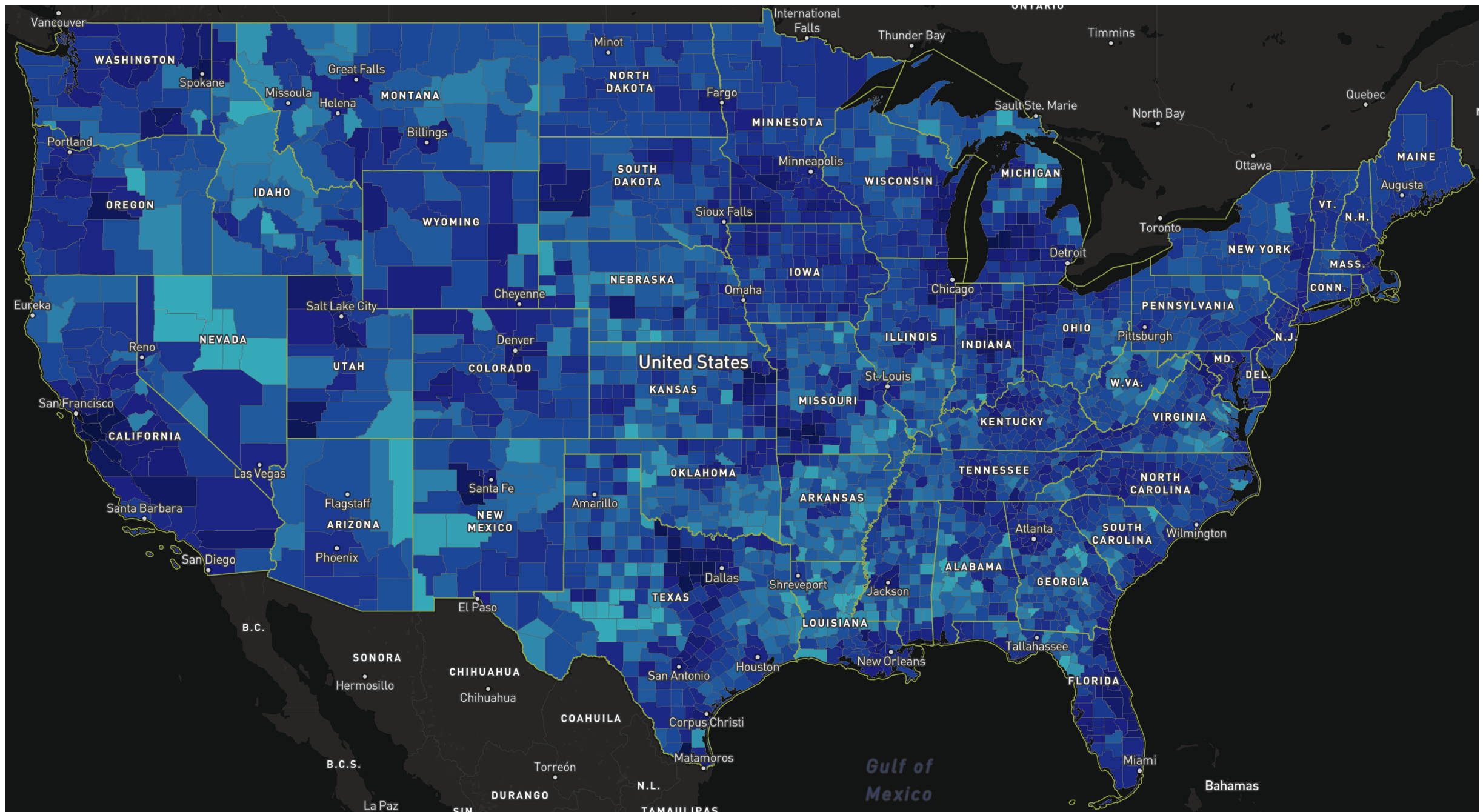
- **The middle of nowhere is a long way from financial services.**
- **Old McDonald had a farm, but he's less likely to have (or offer) a 401(k).**
- **The future of farm transitions has implications far beyond family feuds.**

The Location of Banking Deserts



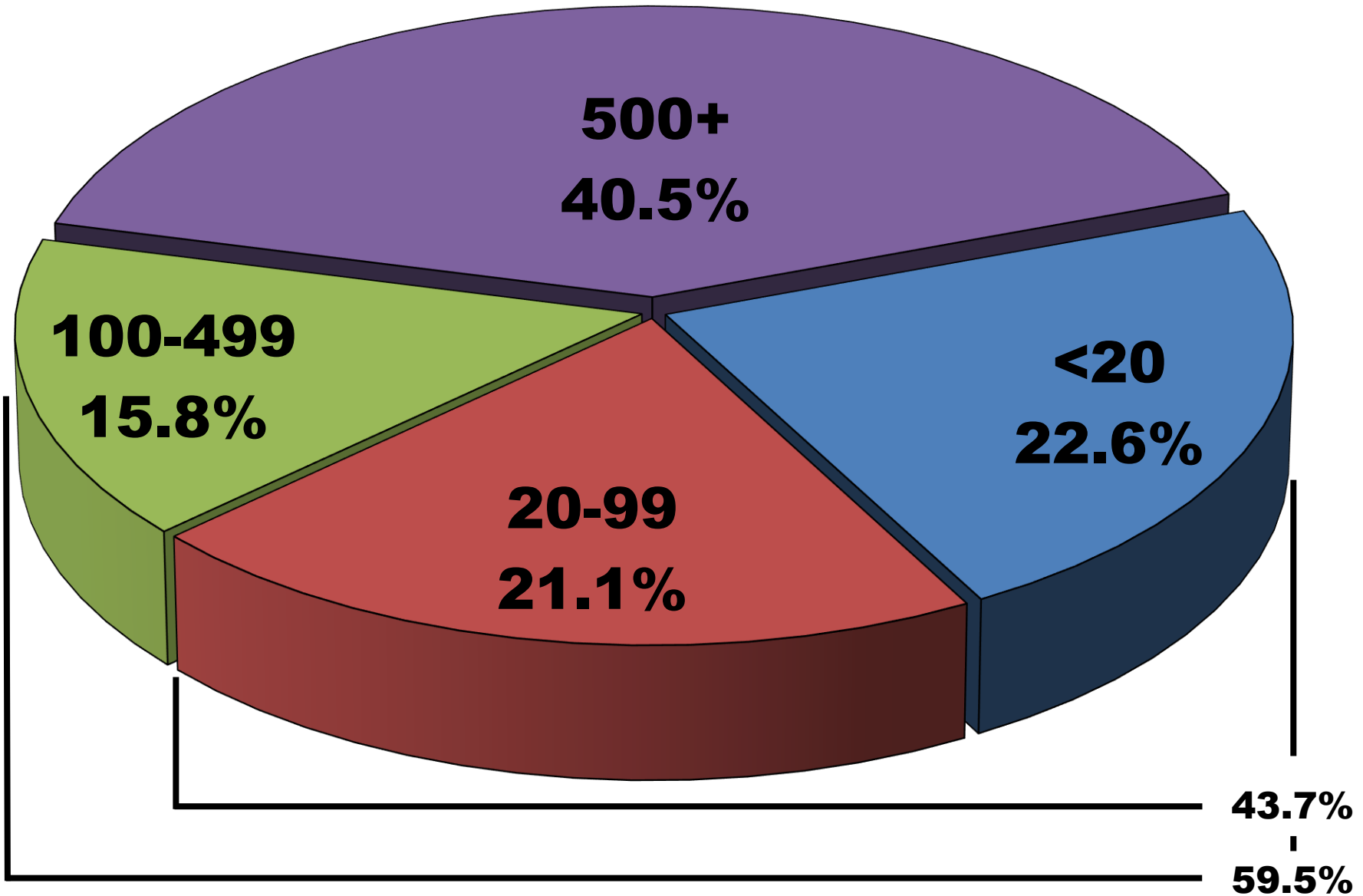
SOURCES: Morgan et al. (see references), CASSIDI and authors' calculations.

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Source: FCC, 2019

Employment by Employer Size for Rural Oklahoma Counties



53%

Percentage of firms with 5 to 250 employees offering a retirement plan

0.4

Average number of hired workers per farm

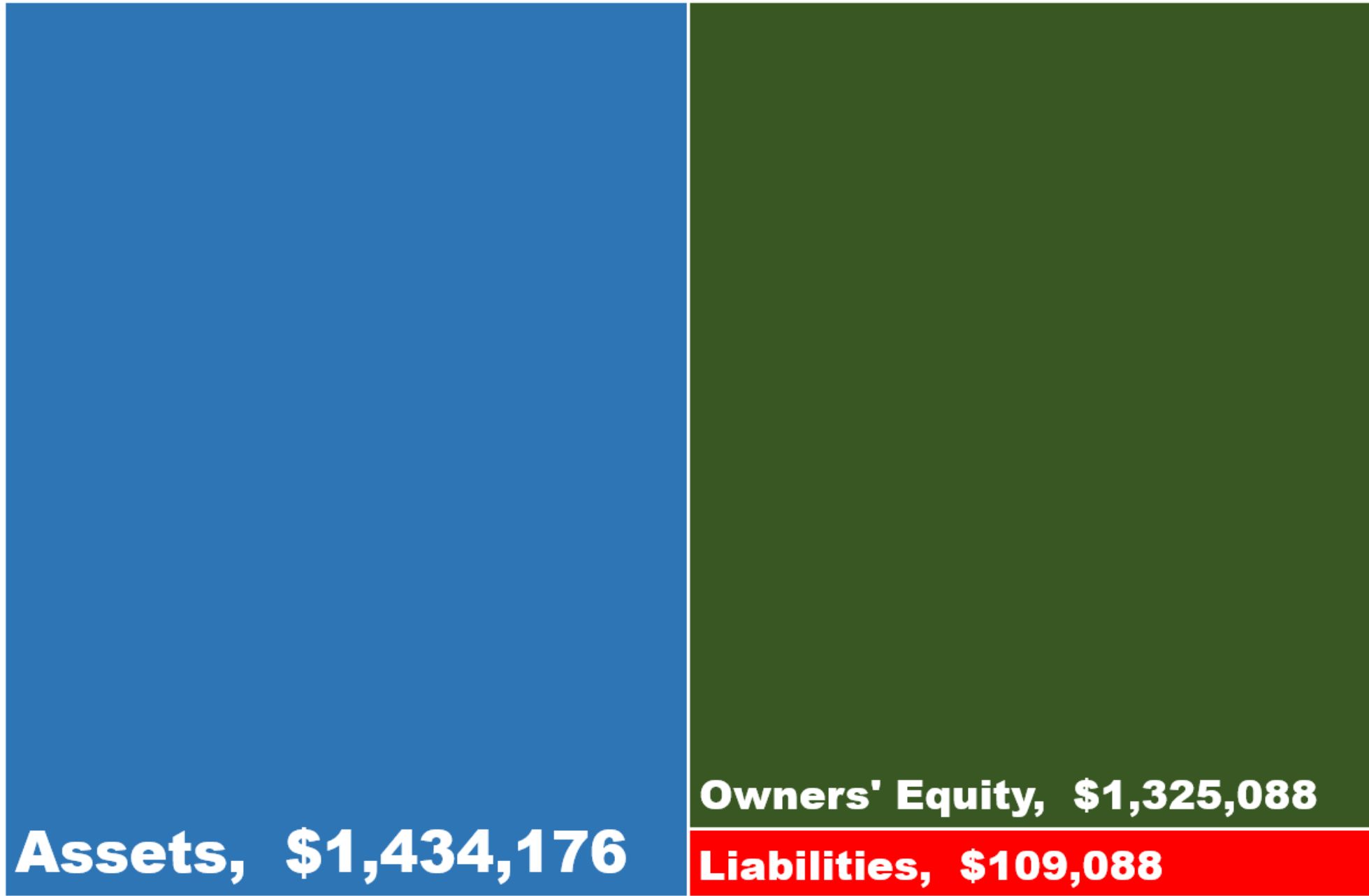


**Farmers with no retirement
plan in place (88%)**

**Farmers with no
intention to retire or
only to "semi-retire"
(73%)**

Average Plains Region Farm Balance Sheet

Source: 2018 ARMS Data, USDA-ERS



Plains Region Asset Breakdown
Source: 2018 ARMS Data, USDA-ERS

Land and buildings
\$1,159,116

Farm equipment
\$126,453

Breeding animals
\$41,816

Livestock inventory
\$35,960

Other
\$30,821

Crop inventory
\$26,439



The challenge of “fair is equal” farm transition strategies

**Probability of success
over 1,000 simulations for prototypical Oklahoma farm:**

0.0%

Challenges in retirement savings and generational sandwiching / skipping



In conclusion, now that I've concluded...

- **The middle of nowhere is a long way from financial services.**
- **Old McDonald had a farm, but he's less likely to have (or offer) a 401(k).**
- **The future of farm transitions has implications far beyond family feuds.**

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