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Web site provides farmers a retirement planning resource

WEST LAFAYETTE, Ind. — A Purdue University Web site designed for farmers can help take some of the guesswork out of retirement planning.

Farm families may find calculating the cost of retirement particularly tricky. "I think people avoid figuring it out because they are afraid of the answer," said Sharon DeVaney, Purdue associate professor of consumer and family sciences.

Putting a price tag on retirement dreams is the goal of the "Retirement Estimator for Farm Families" Web site located at www.ces.purdue.edu/farmretirement. The site was developed by DeVaney, working with Janet Bechman, an Extension specialist in family resource management, and George Patrick, a professor of agricultural economics. The resource was created with funding provided by the U.S. Department of Agriculture Cooperative State Research, Education and Extension Service.

The Internet site is specific to farm families because of the unique options they encounter in planning for retirement, Patrick said.

"Unlike many people who leave their jobs all at once, farmers often retire in stages," he said. "A farmer may first get rid of livestock, then later cut back on crop production and eventually stop planting altogether and rent out his land."

The site helps estimate the annual income a family would require for retirement and suggests options for matching expenses with projected available funds. Since the site is designed specifically for farmers, the "Retirement Estimator for Farm Families" includes inputs for income from rented crop and pastureland, income from the sale of machinery and other farm-related income and expenses.

"The estimator is a tool for planning ahead," Bechman said. "When you are 35 or 40 years old, you have enough time to adjust your plans to finance the lifestyle you seek in retirement."

Retirement planning for farmers can be unique for a number of reasons.

"We view retirement as a time to walk away from work and lock the door behind us," Patrick said. "We typically don't take resources other than our pensions into retirement."

"However, many farmers retire with their assets, such as land and equipment. Figuring out when and how to part with those assets is part of retirement planning."

Other facets to retiring from farming are intergenerational issues, sibling concerns and communicating those plans to family members.

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The retirement estimator provides data based on information about family expenses, life expectancy and sources of income. The information is provided for calculation purposes only and is not kept at the site.

"You can print out your information summary, but there will be no record of that anywhere else, so the information provided is kept confidential," DeVaney said.

In addition to calculating retirement expenses, the site provides links to additional retirement planning resources. It also offers examples of spending patterns for other farm families.

"Retirement planning is a complicated issue for anyone to handle," DeVaney said. "It's our goal to provide farmers an easy calculator to work through some possible solutions to the question 'How can I afford to retire?'"

Other educational tools of retirement planning are available through Cooperative Extension's national initiative "Financial Security in Later Life." Visit the Web site at www.reeusda.gov/financialsecurity or contact your local county Extension office.

baf/DeVaney.estimator

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