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.

• The Internet is a nifty tool, if you can get it.

• Old McDonald may have a 4020, but he’s less likely to have (or offer) a 401(k).
The Location of Banking Deserts

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

FEDERAL RESERVE BANK OF ST. LOUIS
Figure 3. Most frequently used method of accessing bank account

Note: Percent of households with a bank account accessed in past 12 months. Source: 2017 FDIC Survey of Unbanked and Underbanked Households.

Figure 4. Branch as most frequently used method of accessing an account

Note: Percent of households with a bank account accessed in the past 12 months in each demographic group who reported the branch was their most commonly used way of accessing an account. Source: 2017 FDIC Survey of Unbanked and Underbanked Households.
53%

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

0.4

Average number of hired workers per farm

Source: Pew Charitable Trusts, 2017; USDA-ERS, 2019
Farmers with no retirement plan in place (88%)

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

Source: Kirpatrick, 2013; Baker, 2013
Average U.S. Farm Balance Sheet
Source: 2018 ARMS Data, USDA-ERS

- Farm assets, $1,373,484
- Farm equity, $1,257,353
- Farm liabilities, $116,131
Components of Average Farm Asset Value
Source: 2018 ARMS Data, USDA-ERS

Land and buildings, $1,130,688
Challenges in retirement savings and generational sandwiching / skipping

Image source: http://www.royal.gov.uk/ThecurrentRoyalFamily/Overview.aspx
In conclusion, now that I’ve concluded...

• The middle of nowhere is a long way from financial services.

• The Internet is a nifty tool, if you can get it.

• Old McDonald may have a 4020, but he’s less likely to have (or offer) a 401(k).