

## **Significance of Sources of Retirement Planning Information for Farmers**

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*This study examines the perception of the importance of retirement information from accountants, bankers, Cooperative Extension agents, financial planners, insurance salespersons, lawyers, and the media among full-time farm operators from five states (N=2021). Information on retirement planning from financial planners, insurance agents and lawyers was not highly valued whereas Cooperative Extension Service was considered an important source of information. ANOVAs were conducted using socio-demographic, socio-economic, retirement and farm operation variables. Age of farm operator was the most likely indicator of perceptions of the value of these information sources. This study indicated that financial planning industry professionals need to strengthen their visibility with and understanding of farm operators. Cooperative Extension agents are in a prime position to make important contributions to assist farm families in preparing for quality of life in later years.*

**KEY WORDS:** *farm operators, financial planning, retirement information sources*

The establishment of the retirement planning industry in rural communities is a recent development in America. In the past, the average farm family could control the family's financial situation to insure a financially secure retirement (Ahearn, Perry & El-Osta, 1993). This was done without the assistance of a host of financial planning advisors. However, financial retirement planning for farm operators has become a complex interaction between the farmer, bankers,

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accountants, lawyers, stock brokers, and others in the financial planning business community (Green, 1991).

Most of the financial planning industry, with the exception of insurance salespersons, is primarily established in urban locations. As a result, the majority of interactions with individuals have been in cities and much of the research on retirement planning has involved urban samples (Atchley, 1991). Garman and Fogue (1994) contend that more than 500,000 people market themselves as financial planners. Of these, about 23,000 have met the standards of the International Board for Certified Financial Planners and are authorized to be certified financial planners (CFP). Approximately 15,000 are chartered financial consultants (ChFC) associated with the Institute of Certified Financial Planners. Many of the certified public accountants (CPA) also perform financial planning services for their clients. In addition, lawyers, bankers, and insurance agents assist with financial planning.

These financial planning professionals are also found in rural areas but in smaller numbers. Some of those who practice rural financial planning focus their activities on assisting farm operators in retirement planning. Many small local firms are somewhat isolated and have had little competition for their professional services. However, in the latter part of the 1980s, local service providers such as investment counselors, stock brokers, accountants, lawyers, and tax advisers began to experience increased competition resulting from aggressive marketing through telecommunication systems targeted at rural areas (Parker, Hudson, Dillman, Stover & Williams, 1992).

While some farm operators may turn to a professional, others can and have remained independent in their retirement planning attitudes and behavior. There are numerous media sources that discuss farm financial matters and retirement planning. On a daily basis, newspapers, magazines, radio, and television contain articles, columns, and information focusing on these money related issues. Much of the media in rural areas is specifically directed toward improving the knowledge and information base of farmers on money management. Throughout rural areas of the U.S., the Cooperative Extension Service provides printed information on retirement planning and conducts programs on this subject. Many home economics agents and agricultural business management agents at both the state and county levels have devoted programming time to these important topics (Braun, 1988; Varcoe & Wright, 1990).

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Despite the growth in the financial planning industry in rural communities, little is known about the retirement planning attitudes or behaviors of rural Americans, especially those who derive the majority of their income from farming operations (Scannell, 1990; Turner & Bailey, 1992). Goudy and Dobson (1985) contend that "without the information and understanding essential for wise planning for the needs of rural elderly, the quality of life of this large group of older Americans could be severely damaged" (p. 73). The goal of this study is to expand the knowledge base examining farm operators' attitudes concerning the significance of a diverse group of information sources that have been developed to assist rural citizens in retirement planning. This study will assist financial planning professionals in advising farm families in their preparation for the future. In addition, the results will serve financial planners and educators by clarifying the value farm operators place on their retirement planning services.

### Related Literature

While the 1990 census reported only 2% of the American population earned income from farm operations, almost 25% of individuals over the age of 65 resided in small towns of less than 2,500 or on farms (U.S. Department of Commerce, 1992). Rural elders were markedly different from their urban counterparts in a number of socio-demographic aspects. Rural elders were more likely to be married and to be older than urban elders. In addition, a higher percentage of males lived in rural areas than in urban areas (Center for Rural Aging, 1990). Urban workers were more likely to experience total retirement than rural elders, especially farm operators. These differences indicate the importance of examining the role of financial planning professionals for rural families rather than generalizing from research with urban samples.

Using the Retirement History Study, data which was collected between 1969 and 1979, Goudy (1982) found that of all occupational groups, farmers were the least likely to retire. Twenty-four percent of the farmers in the study planned to continue to work rather than to retire no matter what their age. However, there are indications that farmers have begun to retire in greater numbers than in previous decades (Bonnett, 1993). Therefore, growing numbers of farm families will need assistance in retirement planning.

Life satisfaction during retirement is influenced by a number of factors. Income is typically one of the most important variables (Dorfman, 1989; Fillenbaum, George & Palmore, 1985; Reis & Gold, 1993). The manner in which an individual and family manages their resources during retirement can also have an impact on life satisfaction after retiring from work (Hogarth, 1991). Assistance from financial planners and educators in midlife can make an important contribution to late life adjustment.

Little published research exists on the sources of information that rural elderly or farm operators consult prior to retirement. From a role theory perspective, Dorfman (1989) contended that rural elderly should and do participate in anticipatory socialization with both formal and informal retirement planning systems prior to retirement. In a sample of retired individuals living in two rural Iowa counties, she found that contact with either formal or informal retirement information systems had no relationship to retirement satisfaction. Dorfman (1989) contended that this finding was due to the lack of formal planning programs in rural areas and the failure of the media to disseminate new information about retirement in rural areas. In fact, she stated that "anticipatory socialization for retirement mechanisms may be more salient for rural elderly preparing for retirement than for their non-rural counterparts" (Dorfman, 1989, p. 447). Although essential, these mechanisms are not as available to rural citizens as to their urban counterparts.

The attitude-toward-object model (Fishbein & Ajzen, 1975) suggests that the consumer's attitude is defined as a function of the existence or absence of beliefs regarding a specific service or product. The original model was expanded to assert that attitudes of affect for or against a service or product will determine the consumer's future behavior toward the service or product (Ajzen & Fishbein, 1980).

This study examines the importance of six formal and one informal mechanism for retirement socialization and financial information among farmers in five states. Understanding the present attitudes possessed by farm operators provides the foundation for understanding current and future behaviors in the use of specific sources of information in planning for retirement. Further, knowledge concerning the value this group of consumers places on these professional services will assist financial planners and educators in better targeting their marketing and service efforts in rural communities.

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### Procedures

These data were part of a larger study examining retirement planning of farm operators over the age of 40 living in Arkansas, Louisiana, Missouri, Mississippi, and Tennessee. The United States Department of Agriculture (USDA) Statistical Service in Little Rock, Arkansas collected the data through the use of a Computer Assisted Telephone Interview (CATI) system. In an effort to assure a sample base of full-time farmers, the population frame was taken from the USDA data base of individuals from the five states who reported gross sales of farm products of \$20,000 or more in 1992. Individuals contacted recently in other agricultural surveys in the five states were eliminated prior to drawing the final universe of subjects. The records were sorted into the agricultural districts in each state so that the sample would be geographically distributed. The final sampling frame consisted of two thousand potential respondents for each state.

The total number of telephone calls initiated in this study was about 11,200. Approximately 850 phone numbers were eliminated due to problems with the telephone number itself such as the farm operator being deceased. Many of those who answered failed to qualify by the initial screening questions. The screening questions that eliminated large numbers of respondents were "Do you consider yourself a full-time farmer?" and "Is farming the primary source of support for your family?" The refusal rate of those who qualified to participate in the study was less than 10%. The final number of respondents for this study consisted of 2021 individuals who considered themselves full-time farmers and were economically dependent upon the farm for support. Of the respondents, 445 were from Arkansas, 401 from Louisiana, 378 from Mississippi, 399 from Missouri, and 398 from Tennessee.

### Methodology

A series of ANOVAs were conducted to determine what socio-demographic, retirement, socio-economic, and farm operation differences existed in regard to the importance of retirement planning information sources to farmers. Tukey follow-up procedures were used to determine differences between groups when the ANOVA was significant. Age of respondent, educational attainment, family size,

amount of thinking about retirement, and whether or not the respondent was planning to retire were selected as socio-demographic and retirement characteristics for this analysis. The series of ANOVAs related to socio-economic and farm operation factors included state of residence, type of farm operation, off-farm work, gross farm sales, and total family living income.

Table 1  
Frequencies and Percentage Distribution of Sample Characteristics<sup>1</sup>

Demographic Characteristics of Respondents	Number	
Percentage		
Age Groups		
40-49	475	23.5
50-59	636	31.5
60-69	584	28.9
70+	326	16.1
Educational Attainment		
Less Than High School	430	21.7
High School Graduate	907	45.8
Junior College/Tech		
School/Some College	378	19.1
College Degree or Better	264	13.5
Gross Farm Sales in 1992		
\$20,000-\$99,000	1129	64.5
\$100,000-\$199,999	381	21.8
\$200,000-\$399,999	169	9.7
\$400,000-\$749,999	47	2.7
\$750,000+	24	1.4
Total Family Income		
0-\$14,999	234	13.8
\$15,000-\$29,999	598	35.2
\$30,000-\$49,999	526	31.0
\$50,000-\$79,999	212	12.5
\$80,000+	127	7.5

<sup>1</sup>Frequencies by item vary due to missing values.

#### *Sample Characteristics*

The sample was statistically representative of the average farm operator in these five states whose primary source of income was from farm sales (Table 1.) The vast majority of the sample were male

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(92.3%), married (90.2%), and white (95.9%). Although 28.9% of the sample were between the ages of 60 and 69 and 16.1% were over the age of 70, none of the respondents was retired. The majority of the sample had a high school education (45.8%), another 13.5% had college or graduate degrees. The respondents reported a broad range of sales of farm products with more than 64% of the respondents reporting less than \$100,000 from gross sales annually. However, slightly over 4% reported farm operations sales in excess of \$400,000. Total family income also varied with 49% of the sample indicating that they lived on less than \$30,000 in 1992.

The respondents were asked about seven sources of information of retirement planning. Table 2 contains frequencies and percentages of how important these sources of information were to the respondents.

Table 2  
Frequencies and Percentage of the Importance of the Sources of Retirement Information<sup>1</sup>

Sources of Information	1	2	3	4
Accountants	973 48.7%	471 23.6%	415 20.8%	138 6.9%
Bankers		972	512	396
120	48.6%	25.6%	19.8%	6.0%
Cooperative Extension	852 6.7%	531 42.7%	478 26.6%	133 24.0%
Financial		1261	442	225
69		63.1%	22.1%	11.3%
Planners				
3.5%				
Insurance Salespersons	1391 69.8%	361 18.1%	197 9.9%	45 2.3%
Lawyers		1252	442	248
51	62.8%	22.2%	12.4%	2.6%
Media	956 48.1%	562 28.3%	349 17.6%	119 6.0%

<sup>1</sup>1=Not Important 2=Somewhat Important 3=Important 4=Very Important

The formal sources of information about planning for retirement were accountants, bankers, Cooperative Extension agents, financial planners, insurance salespersons, and lawyers. The only informal source of information was the media which included television, newspapers, and magazines (Dorfman, 1989). The respondents were asked to rate how significant an information source for retirement planning these professionals or media were for them on a four point scale from "not important" to "very important."

The initial results indicated that farmers perceived a wide variety of sources as important in planning for retirement. When the important



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and very important responses were combined, the Cooperative Extension Service (30.7%) becomes the most accepted source of information with accountants (27.7%) and bankers (25.8%) following closely. The sources of information least frequently reported as important were financial planners or counselors (14.8%), insurance salespersons (12.2%), and lawyers (15%).

### ANOVA Results

#### *Socio-Demographic Variables*

The results of the ANOVAs presented in Table 3 suggest that attitudes toward sources of information about retirement planning differ by socio-demographic characteristics. Because of sample size, numerous significant results were found. All significant findings are reported in Tables 3 and 4. However, only the most substantive results, those significant at level of  $p < .001$ , are included in the following discussions.

#### *Age*

The age of the respondents was divided into four categories: 40 to 49, 50 to 59, 60 to 69, and 70 plus. Substantive differences were found in attitudes about all sources of information except lawyers and the media. An examination of the mean scores of each of these age groups indicates that younger farmers, especially those ages 40 to 49, when compared to older farm operators, consistently believed that all the formal sources of information except lawyers were more important.

#### *Education*

Educational attainment of the respondents was divided into four groups: less than a high school education, high school diploma, some college or technical school, and a college degree or better. Substantive differences were found in attitudes about information from accountants, Cooperative Extension agents, financial planners, and lawyers. A review of the mean scores by group suggested that higher levels of education increased the likelihood that these professionals were perceived as important sources of retirement information.

Table 3  
Results of ANOVAs Using Socio-Demographic Variables and the Sources of Retirement Planning Information<sup>1</sup>

Socio-Demographic Variables	Accountants Lawyers Media	Bankers	Cooperative Extension Planners	Financial Salespersons	Insurance		
Age	F=15.97***	14.67***	6.10***	15.27***	8.91***	4.73**	
1.23	Mean	Mean	Mean	Mean	Mean	Mean	
Mean							
40-49	2.07 <sup>a</sup>	2.03 <sup>a</sup>	2.09 <sup>a</sup>	1.72 <sup>a</sup>	1.59 <sup>a</sup>	1.65 <sup>a</sup>	1.88
50-59	1.91 <sup>b</sup>	1.87 <sup>b</sup>	1.95 <sup>ab</sup>	1.59 <sup>b</sup>	1.45 <sup>b</sup>	1.55 <sup>ab</sup>	1.81
60-69	1.76 <sup>c</sup>	1.66 <sup>c</sup>	1.91 <sup>b</sup>	1.48 <sup>bc</sup>	1.37 <sup>b</sup>	1.46 <sup>b</sup>	1.78
70+	1.63 <sup>c</sup>	1.78 <sup>bc</sup>	1.80 <sup>b</sup>	1.35 <sup>c</sup>	1.36 <sup>b</sup>	1.56 <sup>ab</sup>	1.77
Education	F=9.90***	3.38*	5.90***	28.40***		2.88*	
8.50***	2.26	Mean	Mean	Mean	Mean	Mean	
Mean							
<High Sch	1.69 <sup>a</sup>	1.72 <sup>a</sup>	1.81 <sup>a</sup>	1.32 <sup>a</sup>	1.37 <sup>a</sup>	1.41 <sup>a</sup>	1.72
H.S.Grad	1.84 <sup>b</sup>	1.86 <sup>b</sup>	1.94 <sup>ab</sup>	1.52 <sup>b</sup>	1.45 <sup>ab</sup>	1.53 <sup>ab</sup>	1.83
Some Coll	1.98 <sup>bc</sup>	1.92 <sup>b</sup>	2.04 <sup>b</sup>	1.69 <sup>c</sup>	1.49 <sup>ab</sup>	1.67 <sup>c</sup>	1.85
BA+	2.06 <sup>c</sup>	1.82 <sup>ab</sup>	2.08 <sup>b</sup>	1.86 <sup>d</sup>	1.52 <sup>b</sup>	1.66 <sup>bc</sup>	1.89
Fam. Size	F=4.41**	4.00**	1.55	5.08***	4.46**	3.79**	1.25
Mean	Mean	Mean	Mean	Mean	Mean	Mean	
Mean							
One member		1.82 <sup>ab</sup>	1.86 <sup>ab</sup>	2.00	1.51 <sup>a</sup>	1.42 <sup>a</sup>	1.70
1.82							
2 members		1.80 <sup>a</sup>	1.77 <sup>a</sup>	1.92	1.50 <sup>a</sup>	1.41 <sup>a</sup>	1.51
1.79							
3 members		1.94 <sup>ab</sup>	1.91 <sup>ab</sup>	1.99	1.63 <sup>ab</sup>	1.49 <sup>a</sup>	1.52
1.84							
4 members		1.90 <sup>ab</sup>	1.92	1.57 <sup>ab</sup>	1.45 <sup>a</sup>	1.62	1.82
1.97 <sup>ab</sup>							
5+ members		2.09 <sup>b</sup>	2.07 <sup>b</sup>	2.12	1.82 <sup>b</sup>	1.71 <sup>b</sup>	1.71
1.98							
Thinking About Retirement	F=4.10*	1.48	.54	5.09**	2.50	4.66**	7.13***
Mean	Mean	Mean	Mean	Mean	Mean	Mean	
Mean							

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Not At All	1.79 <sup>a</sup>	1.79	1.95	1.48 <sup>a</sup>	1.40	1.49 <sup>a</sup>	1.72 <sup>a</sup>
Some	1.92 <sup>b</sup>	1.88	1.96	1.59 <sup>b</sup>	1.48	1.61 <sup>b</sup>	1.88 <sup>b</sup>
A Great Deal	1.87 <sup>b</sup>	1.89 <sup>ab</sup>	1.83	1.90	1.61 <sup>b</sup>	1.48	1.56 <sup>ab</sup>
Plan To Retire	F=7.50***	7.26***	1.50	7.54***	5.49**	2.31	1.63
Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Yes	1.95 <sup>a</sup>	1.91 <sup>a</sup>	1.96	1.63 <sup>a</sup>	1.50 <sup>a</sup>	1.59	1.85
No	1.77 <sup>b</sup>	1.75 <sup>b</sup>	1.92	1.48 <sup>b</sup>	1.39 <sup>b</sup>	1.51	1.78
Don't Know	1.83 <sup>ab</sup>	1.86 <sup>ab</sup>	2.06	1.52 <sup>ab</sup>	1.46 <sup>ab</sup>	1.56	1.79

<sup>1</sup> Like superscripts indicate groups that do not differ significantly from each other.

\*p<.05, \*\*p<.01, \*\*\*p<.001

Table 4  
Results of ANOVAs Using Socioeconomic and Farm Related Information with the Sources of Retirement Planning<sup>1</sup>

Socioeconomic & Farm Variables	Accountants	Bankers	Cooperative	Financial	Insurance	Lawyers	Media
	Extension	Planners	Salespersons				
State of Data	F=4.88***	4.57**	2.11	1.58	3.62**	1.28	1.15
Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Arkansas	1.95 <sup>a</sup>	1.93 <sup>a</sup>	1.98	1.53	1.41 <sup>ab</sup>	1.53	1.89
Louisiana	1.90 <sup>a</sup>	1.81 <sup>ab</sup>	1.97	1.59	1.51 <sup>a</sup>	1.58	1.80
Mississippi	1.94 <sup>a</sup>	1.93 <sup>a</sup>	2.01	1.62	1.50 <sup>a</sup>	1.61	1.83
Missouri	1.80 <sup>ab</sup>	1.70 <sup>b</sup>	1.83	1.53	1.34 <sup>b</sup>	1.50	1.75
Tennessee	1.70 <sup>b</sup>	1.79 <sup>ab</sup>	1.94	1.48	1.47 <sup>ab</sup>	1.51	1.80
Primary Farm Type	F=	3.76*	2.44	1.81	5.27**	11.47***	
7.35***	.95						
Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Livestock	1.80 <sup>a</sup>	1.80	1.91	1.49 <sup>a</sup>	1.36 <sup>a</sup>	1.48 <sup>a</sup>	1.81
Dairy	1.88 <sup>ab</sup>	1.75	1.91	1.55 <sup>ab</sup>	1.53 <sup>b</sup>	1.54 <sup>ab</sup>	1.74
Row Crop	1.96 <sup>ab</sup>	1.91	2.02	1.64 <sup>b</sup>	1.57 <sup>b</sup>	1.66 <sup>b</sup>	1.84
Other	1.81 <sup>ab</sup>	1.77	1.89	1.74 <sup>ab</sup>	1.49 <sup>ab</sup>	1.68 <sup>ab</sup>	1.67
Work Off Farm	F=	.78	.62	.72	1.29	6.21***	.94
.56							
Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Full-Time	1.99	1.94	2.05	1.68	1.53 <sup>ab</sup>	1.60	1.91
Part-Time	1.86	1.81	2.00	1.58	1.54 <sup>ab</sup>	1.46	1.83
Never	1.86	1.84	1.93	1.56	1.52 <sup>a</sup>	1.57	1.82
Previously	1.85	1.82	1.94	1.53	1.38 <sup>b</sup>	1.54	1.80
Gross Sales	F=2.03***	2.20	.23	8.33***	2.35	9.56***	1.74
2.03***							
Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
\$20,000-99,999	1.85	1.77 <sup>a</sup>	1.79	1.96	1.48 <sup>a</sup>	1.43	1.48 <sup>a</sup>
\$100,000-199,999	2.02 <sup>b</sup>	1.92	1.97	1.67 <sup>b</sup>	1.46	1.59 <sup>ab</sup>	1.76
\$200,000-399,999	2.09 <sup>b</sup>	1.90	2.02	1.77 <sup>b</sup>	1.60	1.80 <sup>c</sup>	1.86
\$400,000-749,999	2.40 <sup>b</sup>	1.87	1.98	1.81 <sup>ab</sup>	1.49	1.79 <sup>abc</sup>	1.59
\$750,000+	2.21 <sup>ab</sup>	2.13	1.83	1.71 <sup>ab</sup>	1.67	2.00 <sup>bc</sup>	1.67
Family Income	F=	8.51***	4.05**	2.23	12.91***	2.94*	
8.23***	2.15						
Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Under \$15,000	1.66	1.58 <sup>a</sup>	1.67 <sup>a</sup>	1.79	1.25 <sup>a</sup>	1.36 <sup>a</sup>	1.34 <sup>a</sup>
\$15,000-29,999	1.85	1.85 <sup>b</sup>	1.78 <sup>ab</sup>	2.01	1.53 <sup>b</sup>	1.43 <sup>ab</sup>	1.50 <sup>ab</sup>
1.85							

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\$30,000-49,999	1.97 <sup>b</sup>	1.94 <sup>b</sup>	1.99	1.62 <sup>bc</sup>	1.50 <sup>ab</sup>	1.61 <sup>bc</sup>
\$50,000-79,999	1.93 <sup>b</sup>	1.91 <sup>ab</sup>	1.98	1.68 <sup>bc</sup>	1.42 <sup>ab</sup>	1.57 <sup>bc</sup>
\$80,000+	1.87 <sup>b</sup>	1.84 <sup>b</sup>	1.84 <sup>b</sup>	1.84 <sup>b</sup>	2.09 <sup>b</sup>	1.84

<sup>1</sup> Like superscripts indicate groups that do not differ significantly from each other.

p<.05, \*\*p<.01, \*\*\*p<.001

*Family Size*

The number of people in the household appears to be an important socio-demographic variable in differences in perceived importance of financial planners as a source for information about retirement. Family size was grouped into five categories ranging from one to five or more persons within the household. Substantive differences were found for only financial planners. The mean scores of each of the categories indicated a tendency for larger households to believe that financial planners were more important than did respondents living in smaller households.

*Thinking About Retirement*

The respondents were asked whether they had done less, about the same or more thinking regarding retirement compared to individuals of their own age. Substantive differences were found only for the media. Those who had not thought about retirement at all were less likely to perceive this source of information as important.

*Retirement Plans*

The farm operators were questioned as to whether or not they planned to retire from farming. There were three categories of answers: those with no plans to retire, those planning to retire, and those who did not know if they would retire. Substantive differences were found with attitudes toward accountants, bankers and financial planners. In general, those who planned to retire from farming perceived these sources as important for information regarding retirement planning when compared to those not planning to retire.

*Socio-Economic and Farm Operations*

A series of socio-economic and farm operation questions were asked in the study. ANOVA analysis indicated significant differences in the perceived importance of the financial planning sources by several of

these items (Table 4 on page 92). Again, only those with significance levels of  $p < .001$  are discussed below.

#### *State of Residence*

Perspectives on the importance of these sources of information varied slightly from state to state. Substantive differences were found only for accountants. Accountants were more important sources of information in Arkansas, Louisiana and Mississippi than in Tennessee.

#### *Farm Type*

The primary type of farm operation was related to whether or not these sources of information were important. The farm operations were divided into four types: 1) livestock, including cattle, swine, and poultry, 2) dairy, 3) row crops, and 4) other. The other category included farm operations with the main source of income being from forestry, aquaculture, pasture, or Christmas trees. Substantive differences were found for insurance agents and lawyers. Those involved in dairy and row crop production were more likely to value information from insurance agents than were livestock farmers. Lawyers were considered a more valuable source of information for row crop operators than for livestock farmers.

#### *Off-Farm Work*

Whether or not the respondent worked off the farm was examined for differences between sources of information on retirement. The respondents were divided into four categories. The groups were those who work full-time off-farm, part-time off the farm, previously worked off the farm but no longer did so, and those who had never been employed off the farm. Only one substantive difference was found related to off-farm employment. Those who had previously worked off-farm but were no longer doing so believed that information from insurance agents was a less important source of information than did respondents who had never worked off the farm.

#### *Gross Sales*

Gross agricultural product sales by the operators was related to differences in perceived importance of these sources of information for retirement planning. Gross sales were divided into five classifications: 1) \$20,000 to \$99,999, 2) \$100,000 to \$199,999, 3) \$200,000 to \$399,999, 4) \$400,000 to \$749,999, and 5) \$750,000 plus. Substantive differences were found for accountants, financial planners,

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and lawyers. Information from accountants was most valued by those with gross sales between \$400,000 and \$749,999 while those with sales of between \$100,000 and \$399,999 were more likely to value information from financial planners than those with gross sales less than \$100,000. Farmers with lower gross sales were least likely to consider lawyers as important sources of information.

### *Total Family Income*

Total family income of the respondents was divided into five groups: 1) under \$15,000, 2) \$15,000 to \$29,999, 3) \$30,000 to \$49,999, 4) \$50,000 to \$79,999, and 5) \$80,000 plus. Substantive differences were again found for accountants, financial planners, and lawyers. Those in the highest income categories were more likely to believe these groups were important sources of information about retirement planning than those in the lower income categories.

The results of the analysis of variance indicate that socio-demographic variables are more likely to differentiate perspectives on the importance of sources of information about retirement planning than socio-economic and farm operation characteristics. Age of the farm operator appeared to be the most salient factor as the value of five of the formal sources of information about retirement increased as age decreased.

## Discussion and Implications

This research suggests that financial planners, educators, and other members of the financial planning industry need to improve the perception of the value of their services as sources of information for retirement planning with the farm operators. Perception of the usefulness or value of a source of information may be one of the most consequential criteria in the selection of assistance for retirement planning. In this study, 63% of the respondents believed that financial planners and lawyers were "not important" sources of information about retirement planning. Almost 70% of the respondents did not perceive insurance salespersons as important. Almost half believed that accountants and bankers were unimportant sources of information about retirement. The Cooperative Extension Service was perceived as having a little more creditability with only 43% discerning it as "not important" as an information source.

These results may be the consequence of a number of interacting events in rural society. Farm operators and those living in rural areas are known for their independence and spirit of self-sufficiency. Dorfman (1989) suggests this may be one of the reasons so few retired individuals living in rural areas have used any formal information sources for retirement planning. The independent farm operators may see these professionals as potential controllers of their financial lives. Since many of these professionals charge fees for their services, farm operators may see such services as luxuries, especially those farmers who live on the margin of financial well-being. Another explanation may be that these professions vary widely in their public image. For example, both insurance salespeople and lawyers are highly disparaged in the media today. While accountants and bankers are found in many small communities, few professional financial planners reside in the rural regions of the five states of the study. A lack of knowledge about the role of these professionals may be the root cause of a lack of trust on the part of farm operators. In addition, the difficulty of protecting one's privacy that many rural residents report, may contribute to farmers' reluctance to share their financial information with anyone in the community.

An examination of the analyses of factors related to the sources of information provides important insights for financial planning and counseling educators. Media was the only source significantly related to the amount of thinking about retirement the respondents had done. (See Table 3 on page 91.) It was also important as an information source for approximately 25% of the farm operators. Therefore, financial planning professionals and educators would benefit from increased usage of media programming targeted at farm operators and other self-employed individuals living in rural areas. In addition, emphasizing the importance of adequate financial planning would accomplish important goals. First, the creative use of media would encourage farm families to think more about preparing appropriately for their later years, regardless of their plans for retirement. Secondly, quality media presentations would do much to increase public awareness of programs available through Cooperative Extension and expand knowledge about services of financial planners which can provide valuable assistance in adequate retirement preparation. The appropriate use of media would make important contributions through encouraging farm operators and their family members to think more seriously about their later years and plan more adequately for quality of life in those years.



## SOURCES OF INFORMATION FOR RETIREMENT

The only group believed to be less important in providing retirement planning information than financial planners was insurance salespersons. This finding suggests that financial planners seeking to serve rural families face a serious challenge in that the value of their primary professional role is not understood by the majority of farm operators. Those farmers most likely to use financial planners were between 40 and 49, have higher levels of education, larger families, had been thinking about retirement more often than their peers, and were planning to retire. These factors indicate the existing target market in rural communities for financial planners. In addition, these data suggest the need for financial planners to use media effectively to broaden their support bases in rural communities in order to become better understood and more trusted by farm operators. Further, the relatively high acceptance of bankers and accountants as sources for information about retirement planning suggests that financial planners would benefit by establishing networks and alliances with these two professional groups in rural areas. In addition, the visibility and acceptance of Cooperative Extension in rural communities combined with Extension's unique understanding of farm life, could provide important assistance to financial planners attempting to strengthen their professional practices in rural communities.

The important role of Cooperative Extension among farm operators was clearly supported in this study. Cooperative Extension was the best known and most trusted of all the sources of information. The factors related to a high evaluation of the significance of Cooperative Extension were being younger and having a higher level of education. Neither total family income or gross farm sales had a significant impact on the perceptions of the value of information from the Cooperative Extension Service. These findings together affirm the role of Cooperative Extension in responding to the needs of rural families regardless of income level. The results also indicate that Cooperative Extension is in an ideal position to assist midlife farm families in retirement planning activities. Their broad based understandings of farm family needs and concerns make Cooperative Extension agents essential partners in this important process of planning for later life. The appropriate use of media and effective programming by Cooperative Extension professionals will do much to facilitate adequate financial planning and late life adaptation for growing numbers of aging farm families.

Although the findings of this study examine only perceived importance of a variety of retirement planning sources of information and not the actual use of these sources, the results provide important insights. Before sources of information will be used they must be accepted as being able to make an important contribution to the individuals seeking professional assistance (Ajzen & Fishbein, 1980). The knowledge gained from this study will assist financial planning and education professionals in expanding their visibility and acceptance as important sources of retirement planning information.

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