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SETTING FARM FAMILY GOALS

SUMMARY

What do you want? Where are you headed? These are questions which face everyone. Setting your farm family goals is important because goals are a major part of your guidance system.

This publication is intended to help farm families in setting their own goals. Goals are defined and discussed. What other farm families have indicated as their goals are reviewed. Points to remember about goals and a step-by-step procedure to help in setting goals is suggested. Worksheets are provided as an aid in this process.

Setting Farm Family Goals*

George F. Patrick and Brian F. Blake**
Department of Agricultural Economics

"I don't know where we are or where we're going" the pilot told the passengers on a plane after all the navigational equipment had failed with zero visibility. However, the pilot then added cheerfully, "But we do have a tremendous tail wind, and wherever we wind up, I think we're going to set a new record."

If you are going through life without moving toward a specific set of goals, you may be missing a lot of what life is about. Furthermore, without specific goals, you are probably achieving less than you really could. Goals are important to the farm family because they are a major part of the individual's and family's guidance system. Many of us have made the comment about someone who seems to be
drifting in their actions, "Oh, they don't know what they want in life." However, many people really do not know what they want in life or what their goals are. Other people may have a general idea of their goals, but having more specific goals could make their actions more effective.

This publication is intended to help farm families in setting their goals. The first section defines and discusses goals. Studies of what farm families have indicated as their goals are then reviewed. Third is a summing up of things to keep in mind about farm family goals. Finally a step-by-step procedure is suggested to help in setting your own farm family goals. Worksheets are provided as an aid in this process. Setting goals can take a lot of time and perhaps even be a painful process, but should be very productive for long-run satisfaction.

What Are Goals?

"Goals" have been described in various ways. A goal can be defined as a target for which one is willing to work. Goals have also been defined as states or conditions which one wishes to achieve or attain. For other people, goals may simply be one's objectives. The way of expressing a goal is more important than the definition used.

First, a goal should be specific in terms of what one wishes to achieve. For example, "travel" is not a goal, but "a trip to Europe" is. Financial goals should also be specific, such as the minimum dollars of income you wish to achieve. Second, if something will happen without an effort on your part, then it is not really a goal. Further, if you are not making an effort to achieve a specified objective, then that objective is not really a goal (at least at the present time). Third, a goal should have a deadline. "Taking a trip to Europe by 1985" is a more meaningful goal than "taking a trip to Europe sometime."

Goals are an important and integral part of making decisions. Decisions are based on facts, what people expect to happen and on an individual's values and attitudes which are reflected in their goals. An individual's goals are the standards used to evaluate the consequences of alternative actions. Differences in goals lead individuals in similar circumstances to make different decisions and take different actions.

Each individual typically has various goals. Some goals may be very short-run in nature like "getting this field of corn planted before it rains." Short-run goals cover a period of up to a year or so and include many production goals. Intermediate-run goals cover a period of 1 to 5 years or more, while long-run goals may deal with overall lifestyle. Many of the short or intermediate-run goals may be steps in achieving longer-run goals. For example, the short-run goal of saving $50 this month contributes toward the longer-run goal of saving $2,500 to remodel the kitchen. Many farm families seek, as a short to intermediate-range goal, to establish a good economic base to be able, as a long-run goal, to spend later years in travel, community service or other activities. A combination of short, intermediate and long-run goals is a useful mix. Accomplishment of the short and intermediate-run goals provides a feeling of attainment and achievement, while the long-run goals provide overall direction to actions.

Goals may be competitive, independent or complementary. A farm family may wish to invest more in the farm business and also increase family consumption. With a fixed amount of money available, these goals are competitive, at least in the short-run. An example of complementary goals would be to take a vacation away from the farm and to travel to Europe. It would be ideal if all of an individual's goals were complementary, but such a situation is unlikely. Commonly, individuals have goals which are competitive in use of money, time or in other ways. Putting goals down on paper is an effective way of seeing how the various goals complement or compete with one another. Being aware of whether goals fit together can help you achieve them more efficiently.
Individuals typically have different goals. One person may like to spend his leisure time fishing and another one hunting, or it may be that the target toward which one person is striving is exactly what another individual is seeking to avoid. Different family members may have different goals or differ in the importance which they give the same goal. A common area of disagreement among farm family members is whether some additional income should be used to expand the farm business or make home improvements. Differences in goals or differences in the importance given to the same goal can cause considerable conflict in the farm family.

Studies of Farm Family Goals

There have been many formal and informal studies of farm family goals. Four main conclusions can be drawn from these studies. First, farm families (along with nonfarm families) have difficulty in verbalizing their goals. Generally farmers find it easier to rank a list of goals which is given to them, or to indicate whether they consider a specific goal important, than to make a list of their own goals. Second, when families do indicate their own goals, these goals encompass a wide variety of areas and stress short-run in contrast to long-run objectives. Third, although a wide range of goals are indicated, several of the same types of goals are shared by many farm families. Fourth, changes in factors such as age, income, net worth and other economic variables affect the importance given to various goals.

Some of the long-run goals which are shared by almost all farm families include:

- Farm ownership
- Education of children
- Comfortable living

Many farm families also express goals of security, reducing or being free of debt, leisure time for personal activities, participating in church and/or community activities, farm expansion and improvements in family living.

Studies of farm business goals indicate farmers generally consider avoiding being forced out of business and avoiding years of low profit or losses as very important goals. Then goals such as making the most annual profit, maintaining or increasing family living, expanding the farm business and increasing net worth are indicated as secondary priorities. Increasing leisure time is a goal which many farmers do not rate very highly. Generally these studies have not included nonbusiness or family-related goals; therefore, the results should not be interpreted as indicating that business goals are more important than family-related goals.

Age and family circumstances of the farmer can have a considerable impact on goals. Commonly, older farmers give more emphasis to increased leisure time and reduced physical strain. However, if a family member is interested in farming, expansion is a highly-rated goal in many cases. An important family goal for many farm families is keeping the farm in the family. This affects not only the farm business but how the children, especially any sons, are raised.

A comfortable living or an adequate family income are the most commonly expressed business-related family goals. However, most farmers have other family-related goals such as taking a vacation every year, providing for retirement, travel and making home improvements. Generally long-term business and family goals do not involve great conflict.

Farm families can typically express their short- and intermediate-term goals more easily than their long-term goals. However, the differences in goals of individual family members or the importance they attach to different goals tends to be greater with short-term goals. However, the differences in goals of individual family members or the importance they attach to different goals tends to be greater. New machinery or tiling competes for the same money which could go for a new car or for vacation. Talking over and listing farm family goals can reduce potential difficulties.
Points to Remember

When you try to identify your goals, there are several points you should keep in mind.

First, you should consider clusters or groups of goals rather than separate ones. As was mentioned before, many goals are not independent of each other. Actions which help to achieve one goal can simultaneously help or hinder in reaching other goals. For example, increased crops and livestock yields usually lead to higher family incomes. This higher income can be used for investment in equipment or for family vacations. However, it is clear that money spent on a new tractor can't be used to remodel the kitchen.

Because goals may sometimes be competitive, one should be sure that high priority goals are compatible with each other. If they are not consistent, you should evaluate your priorities and determine which goals you will try to reach and which ones you will put on the back-burner, at least for the present time.

Next, remember to consider goals that are not related specifically to business objectives. For example, don't think only about increasing income, diversifying operations, or avoiding risk. Consider more noneconomic goals, like taking part in church and community affairs, or developing close personal relationships with the rest of the family. These other goals should be borne in mind. They can act to support progress toward your goals. For example, increasing family income by improving yields can enhance your reputation as a good farmer in the eyes of the neighbors. If you fail to take these other values into account, your planning may be one-sided. Buying a bigger tractor than really needed just to impress the neighbors may not be an instance of good planning!

Third, the goals of other members of the family must be considered. It cannot be assumed that there is agreement on the relative importance that should be placed on various possible goals. There may be less agreement than would appear at first glance! Sometimes people may express agreement with each other simply to avoid an heated conflict. Deep down, however, there may be far less agreement. At other times, there may be more agreement than would be anticipated.

When soul searching like this, opening up the discussion to the whole family group often can be beneficial. Not only can the reactions of others help to clarify your thinking, but also such discussions can frequently strengthen the family spirit of "cohesiveness" and "togetherness." Needless to say, in such discussions it is most productive to be tolerant of differences of opinions among different family members.

Next, be realistic! Your objective is to arrive at a set of goals that make sense for you. Most people like to think of themselves as intelligent, good at business, and caring of other family members. People may be reluctant to think of themselves as having characteristics many people think are unattractive. Yet, you must face up to the fact that you are human. Individuals may have goals that are important to them, but which other people find undesirable. Personally, you may care very little about objectives held in high esteem by others.

Being realistic demands focusing upon potentially attainable goals. For example, although they would like to, few beginning farmers will be able to attain a goal of buying 600 acres of prime land within 3 years. Of course, being realistic does not mean that one should necessarily set low standards. There is an optimal point. If your goals are too low, you will quite possibly achieve relatively little that is important to you. By setting your objectives too high, you doom yourself to frustration.

Finally, you should consider how working at short-term goals can result in reaching long-term ones. A person who has set out goals clearly should know what is important to you, and also should see how following a path of short-term objectives will lead in the direction of your long-term goals.
The benefits of looking at the achievement of long-term goals through the attainment of a series of short-term objectives is obvious. This exercise gives you a roadmap to follow in reaching your objectives. What value is the knowledge that a goal is important to you, without your seeing how that goal can be reached?

Steps to Clarifying Your Goals

There is no fool proof way of setting one's goals, nor is there a procedure that fits all individuals, but attention to the following steps can be helpful.

The first step in determining which direction to go in the future is to assess where you have been in the past. You must first gain a clear grasp of your strengths and weaknesses and your inclinations and preferences. In doing so you should take several items of information into account. You should review recent major decisions you have reached about the farm enterprise. For each decision you should ask yourself, "Why did I do that? Do I still feel that way now?" You should also recall activities and events you enjoyed in the recent past and ask, "What does this tell me about my interests and values?" You should not forget phases of the farm enterprise and the business world you disliked. What do these experiences indicate about your interests and abilities?

Second, you should assess what alternatives are actually open to you. Here, you should list viable alternative ways of operating the farm enterprise. In reality, these are major alternative decisions which one could make, e.g., shifting from what is essentially a crop farm to a crop/livestock operation, spending a half-million dollars for 200 acres of land, or getting a nonfarm job. For each alternative you should clearly itemize the activities that will be required of yourself and your family to successfully carry out that decision and also want long-term consequences would be realized from each alternative.*** Needless to say, this exercise can be time consuming and complicated—so writing down this information will be necessary.

The third step demands that one be as objective as possible. Here, any "wishful thinking" can throw your planning for a loss. Now you must determine how well each of your high priorities or objectives can be reached by each alternative decision. You should have all the information about each viable alternative needed to do this laid out in the second step.

Next, you should ask your spouse and other responsible members of the family, such as older children, to repeat the above exercise. This should be done by each individual separately. Any differences of opinion should emerge more clearly when all persons prepare their own lists than when a group discussion results in a single list.

At this point, each person in the family with a "vote" on major decisions should have a list of personal goals, a separate list of alternatives open to the family, and a clear grasp of how each option can help or hinder reaching the high priority goals. The next step is to discuss these as a family. Naturally, the discussion does not have to be conducted on a "one person - one vote basis," yet all should have an opportunity to present their views. The result of this discussion should be a plan for the farm enterprise, a blueprint for the future that is well understood and accepted by the family as a group. This plan should include long-and short-range objectives, for both the family and the farm operation. It should also include clear indication of the types of farm and family activities needed to reach these objectives.

Finally, having a workable plan is worthless unless something is done about it. The final step is to carry out the plan to reach the goals you desire.

The attached worksheets may be helpful in setting your family goals. They are intended as guides to help you think of your own specific situation. You will also find when you review your family goals periodically that you may wish to change them as circumstances change.
* This circular draws upon material developed by Jan Armstrong in "Put Your Money Where Your Goals Are," suggested discussion outline, Purdue University, 1977.

** Appreciation is expressed to the late Jan Armstrong, Dave Bache, J. Carroll Bottom and Ed Carson for their helpful comments on an earlier version.

***There are available various decision making aids to assist in these evaluations. Consult your county Extension agent.
Worksheets for Farm Family Goals

Families have a number of important goals toward which they are working—things they want to accomplish. These goals often have to do with the personal life of the family or individual family members, the farm operation, the home and household, and the neighborhood or community. Differences in goals or the importance of goals may exist among family members. To help you understand your goals and those of others in your family, the following procedure is suggested. Husband and wife should each answer the questions separately.

1. Think back on some of the major farm and family decisions made in the last 3 years. On Worksheet A, similar to the one on the next page, try to answer the following questions:
   a. What was the decision? (Describe it briefly)
   b. What were the short, intermediate and long-run goals you were seeking to accomplish? (List them)
   c. What were some of the alternatives which you considered?
   d. Have circumstances changed that would lead to a different decision?
   e. Repeat steps (a) to (d) for at least three decisions.

2. Review the list of goals you were seeking to accomplish. List your current short, intermediate and long-run goals as specifically as possible in Worksheet B.

Worksheet B - My Current Goals

<table>
<thead>
<tr>
<th>Short-run</th>
<th>Intermediate-run</th>
<th>Long-run</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
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</table>
Setting Farm Family Goals
Worksheet A

Decision 1. Description of the decision

Goals which I was seeking to accomplish:
Short-run
Intermediate-run
Long-run

What alternatives did I consider?
Alternative 1
Alternative 2
Alternative 3

Decision 2. Description of the decision

Goals which I was seeking to accomplish:
Short-run
Intermediate-run
Long-run

What alternatives did I consider?
Alternative 1
Alternative 2
Alternative 3

Decision 3. Description of the decision

Goals which I was seeking to accomplish:
Short-run
Intermediate-run
Long-run

What alternatives did I consider?
Alternative 1
Alternative 2
Alternative 3
3. Consider the alternatives you have for reaching a major goal for your farm and family. For each of the alternatives, indicate what is required to carry out the alternative and what are the likely consequences. Two examples are given in Worksheet C below.

**Worksheet C – Requirements and Consequences of Available Alternatives**

<table>
<thead>
<tr>
<th>Alternative</th>
<th>Requirements</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy 80 acres of land</td>
<td>$40,000 downpayment and a loan of $160,000</td>
<td>- Pride of ownership</td>
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<td></td>
<td></td>
<td>- Reduce family consumption because of debt service</td>
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<tr>
<td></td>
<td></td>
<td>- Greater risk of business failure - bankruptcy</td>
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<tr>
<td></td>
<td></td>
<td>- Increased equity accumulation</td>
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<tr>
<td>Become more active in church affairs</td>
<td>About 4 hours per week, sometimes more</td>
<td>- A good feeling from participation</td>
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<tr>
<td></td>
<td></td>
<td>- Less time available for family, farming and relaxing</td>
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</tbody>
</table>
4. Review the requirements and consequences of the alternatives considered in Worksheet C. Will the alternative aid or hinder your reaching the short- and long-run goals on your list? Indicate whether the alternatives help or hinder by completing Worksheet B similar to the one below. Using a plus (+) to indicate if it is an aid and a minus (-) to indicate if it is being a hindrance for a goal. If an alternative has no effect on a particular goal, use a zero (0) as indicated below.

<table>
<thead>
<tr>
<th>Short-run Goals</th>
<th>Long-run Goals</th>
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<tbody>
<tr>
<td>1 2 3 4</td>
<td>1 2 3 4</td>
</tr>
<tr>
<td>Alternative 1</td>
<td>+ + 0 -</td>
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<tr>
<td>Alternative 2</td>
<td>0 - + +</td>
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</table>

Setting Farm Family Goals

Worksheet D

<table>
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<th>Short-run</th>
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<td>1 2 3 4</td>
<td>1 2 3 4</td>
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<tr>
<td>Goal Description</td>
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</table>

Alternative 1

Alternative 2

Alternative 3

Alternative 4

Which alternatives fit best with your goals? Are there alternatives which are competitive? Complementary?
5. Share your results with others in the family. Look for areas of agreement and disagreement. If you have the same alternative, do you agree on the requirements and consequences? Are there other alternatives to be considered? After an initial comparison of your results, you may want to repeat some of the previous steps. Based on your discussions, try to develop your list of family goals in the form below. Be sure to put the highest priority goals first.

**Attaining Our Family Goals**

<table>
<thead>
<tr>
<th>Goals</th>
<th>Proposed Action</th>
<th>Date Expected to start</th>
<th>Expected Date of Completion</th>
<th>Progress Report</th>
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<tr>
<td><strong>Short-term</strong></td>
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<td><strong>Intermediate-term</strong></td>
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