

**Figure 2. Decision-Making Worksheet for Paul and Lori Gates**

**Problem Definition:**

Want to retire from farming soon. Currently in farm partnership with daughter and son-in-law. Need to decide what to do with farm assets and how to provide retirement income for self and spouse.

**Purpose of Decision:**

Determine the best use of our financial resources for retirement.

<b>"Must Have" Criteria</b>		<b>Does the Alternative Meet Criteria?*</b>			
		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<u>Achieve</u> Income of \$4,000 per month. Maintain savings safety net of \$20,000.		Yes Yes	Yes Yes	Yes Yes	Yes Yes
<u>Preserve</u> Good relations with children.		Yes	No	Yes	Yes
<u>Avoid</u> Major changes in lifestyle.		Yes	No	Yes	Yes
<b>"Would Like" Criteria</b>	<b>Criterion Rating</b>	<b>Rating of Alternatives</b>			
<u>Achieve</u> More time for community service.		4	7	8	10
More time for travel.		10	7	8	10
\$3,000 per year for travel expenses.		6	4	7	10
Less daily management responsibilities.		8	6	8	10
<u>Preserve</u> Retain control of some land to be passed on to children.		10	10	10	10
Some voice in farm decision-making.		7	10	8	2
<u>Avoid</u> High income tax burden in any one year.		7	7	5	10
High estate tax burden.		10	0	5	10
<b>Weighted Total Score</b>			<b>389</b>	<b>459</b>	<b>564</b>

\*A: Lease farm assets to family; B: Lease farm assets to highest bidder; C: Sell assets to family and invest proceeds; D: Establish revocable "living" trust.