

Linking Forest Health and Human Health on America's Private Woodlands

Catherine Mater

Perhaps you don't have to make a choice between your land and your health in the future. New health care programs tied to carbon sequestration to service the next generation of family forestland owners may be the wave of the future.

Like most of us, if confronted with a sudden health crisis involving yourself or your family, the first thought on your mind may be, "How am I going to pay for this?" As our country experiences an economic recession and with health care costs at an all time high, a sudden catastrophic illness and subsequent need for cash to pay for medical care is shocking and downright scary.

Approximately a fifth of rural landowners in the U.S. are uninsured, and more are underinsured. Thirty percent of the children in rural America have no medical insurance at all. Land resources are often the only assets that can pay for such sudden and significant family medical expenses. This is a particular concern of the next generation of family forestland owners, as described in a recent study by Pinchot Institute Senior Fellow Catherine Mater entitled *Family Forest Owners: What Will the Next Generation Do?* (see Pinchot Letter, Winter 2008).

Based on more than 500 direct interviews with offspring of Wisconsin and Pennsylvania forestland owners, paying for medical expenses for their parents or other members of their family is a key driver behind decisions to sell the family forests (this ranked as high or higher than taxes forcing the sale of family forests) (see Figure 1). According to

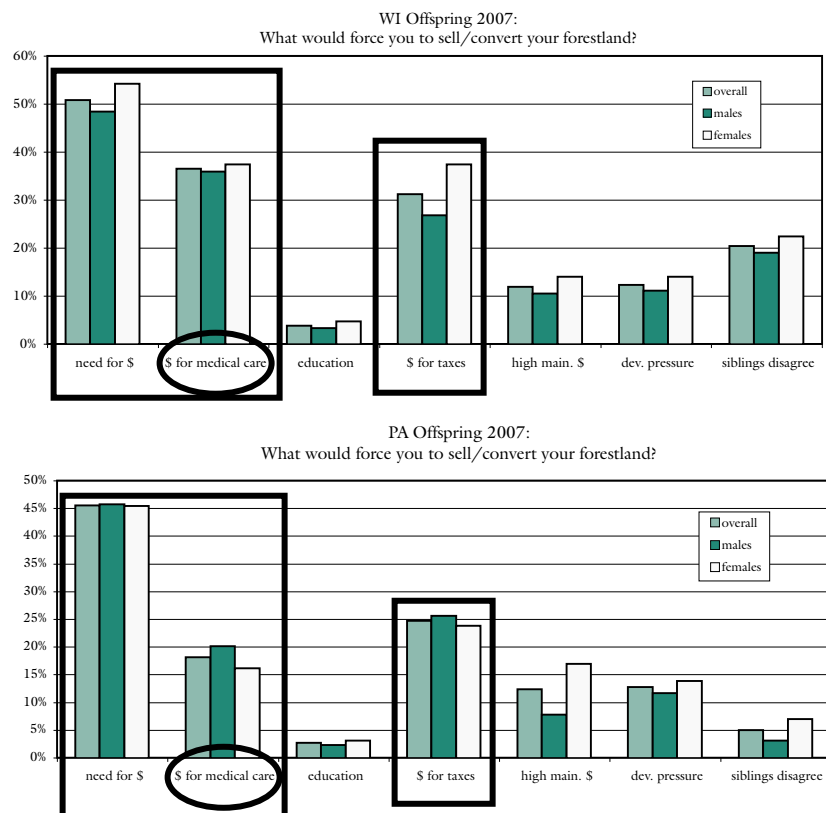
the Forest Service's most recent National Woodlot Owner Survey, ten million woodland landowners own approximate two-thirds of the forestland in the U.S. and an overwhelming number of those forest landowners are of an older generation. Over 40 million acres of family forests located in 16 states across the U.S. will transfer to offspring hands in the next few years. This will be the largest intergenerational transfer of forestland in the nation's history.

But is selling valued forestland the only solution to covering the cost of catastrophic illness or pay for health care? Can family woodlands

be kept intact and used as an asset that generates revenue to pay for health care? Offspring may provide direction on that question as well. A majority of offspring in both states identified payments for carbon banking and other ecosystem services as a key tool to helping them hold on to the family forests.

Combining offspring concern over paying for health care *and* interest in carbon banking may well provide an unusual business opportunity for health care insurance providers in the U.S.. The Chicago Climate Exchange estimates family forestlands in the U.S. currently

Figure 1. Link between Forest Health and Human Health



First-time link between forest health and human health.




'bank' about 1.3 billion metric tons of carbon per year. Were forestlands in transition to offspring during the next five years to be converted to non-forested uses in order to help pay for medical expenses, approximately 250 million tons of carbon would be released into the atmosphere. But, what if a forest landowner faced with a health crisis didn't have to sell any land at all? Could sustainable forest management practiced by the landowner to generate carbon credit revenue be funneled through an established health insurance provider that would use the funds to establish and grow a health savings account

(HSA) for the landowner to be used for sudden or catastrophic medical expenses?

This is the focus of a study currently underway by the Pinchot Institute under Mater's leadership. As health insurance companies search for new opportunities to supplement traditional investment portfolios, combining the concept of ecosystem service markets with new health insurance tools like tax-deductible HSAs may open up an entirely new set of opportunities for strengthening the conservation of private forest lands. With the development of regulated or voluntary markets for carbon and

ecosystem services, landowners can earn credits based on commitments to certain sustainable management practices. Private insurance companies are exploring ways to add social and financial value by aggregating carbon credits on behalf of hundreds or even thousands of family woodland owners and offering them in return for HSAs whose value would continue to grow along with their forests. The social value of the carbon credits would be increased as a result of their helping to offset health care costs that otherwise would have to be borne by the landowner or by public health care programs.

During the next few months, the Pinchot Institute will be exploring new ways to strengthen the linkage between maintaining healthy forests and providing affordable health care for family woodland owners themselves. New insights into the challenges that family woodland owners are facing may open the door to previously undreamed of opportunities for improving forest health and human health at the same time. 

For more information about this ongoing study please contact Catherine Mater at mater@mater.com.

Tom Tidwell Announced as Next Chief of the Forest Service

On June 17, Agriculture Secretary Tom Vilsack announced that Tom Tidwell has been selected to serve as the next Chief of the USDA Forest Service. Tidwell will succeed Abigail Kimbell, who has served as Chief since 2007 and will be retiring from the Forest Service in July.

Tom Tidwell is a 32-year veteran of the Forest Service, serving most recently as Regional Forester in the agency's Northern Region (Montana, northern Idaho, and the Dakotas) based in Missoula, Montana. He has

served in numerous leadership positions overseeing the management of National Forests, primarily in the western U.S., and as a legislative affairs specialist in the Washington office of the Forest Service. "Tom is known for his accessibility to the diversity of people and organizations with an interest in the management of the National Forests, and for his ability to build public consensus around some of the most contentious issues on federal forest lands," said Al Sample, president of the Pinchot Institute for Conservation.

Tidwell's appointment comes at a

time when the Forest Service is facing significant new challenges to the conservation and sustainable management of the nation's forests, including climate change, wildfires, and meeting ambitious statutory goals for renewable energy production from forests. The Forest Service has direct management responsibility for 193 million acres of National Forests and, in cooperation with state forestry agencies, provides important leadership and support for management of the two-thirds of nation's forests that are in family-owned woodlands and other types of private ownership. 