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FARM FAMILY  
LIVING EXPENDITURES  
and  
FARM BUSINESS PLANS

G. E. Monroe

C. A. Bratton

Department of Agricultural Economics  
New York State College of Agriculture  
A Statutory College of the State University  
Cornell University, Ithaca, New York

## PREFACE

The basic information presented in this publication comes from 42 Central New York farm families who kept records of their family living expenses during 1965. The records were kept in cooperation with the Cornell electronic accounting system. The data are presented in the hope that they may prove useful to other New York farm families and those who counsel with them on business management matters. These data can serve as a frame of reference through which to view estimates made in planning in those cases where accurate or complete information for the family in question is not available. It may also be of use to those families who keep records on family expenditures by providing them with a basis for comparing their expenses with those of similar families.

## ACKNOWLEDGEMENT

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FARM FAMILY LIVING EXPENDITURES  
and FARM BUSINESS PLANS

Over time, a farm business must provide the operator a return for his labor and management which is large enough to:

1. Pay cash living expenses
2. Repay debts in a manner satisfactory to the creditors
3. Return a reasonable rate of interest on the owned capital
4. Maintain his net worth

If these conditions are not being fulfilled, the farmer will feel pressures to modify the operation or find another type of employment.

For short periods of time, a farmer sometimes elects to continue with a smaller gross margin than is described above simply because of future anticipated profits. That this is, in fact, the case has been borne out many times in field experience. Many businesses "eat up" assets for a short time or forego a return on owned capital because of a high debt repayment schedule. Sometimes when the creditors believe future profits justify the move, debt repayment schedules are lowered or postponed.

It is difficult to avoid paying cash for living expenditures. Especially in cases where a farm family is experiencing difficulty in meeting business obligations, it is unlikely that credit in any sizeable amount will be furnished for current living expenses or for capital expansion in the home. Therefore, any operating plan that fails to provide for the amount necessary for farm family living expenses is doomed to failure. For this reason, in planning, it is essential that the family have a clear picture of what it costs them to live.

#### Need for a Study of Living Expenditures

In working with farm families in the intensive farm business management program carried on by the Cooperative Extension Service, it became evident that many families greatly underestimated their living costs. Families often made offhand estimates of \$300 to \$350 per month only to find later that these fell far short of what the actual expenditures were. Many of those who counseled with the families in planning accepted these low estimates because they "sounded realistic." It was only after apparently "sound" farm family plans began to run into trouble that Cooperative Extension personnel began to observe that the farm family living expenditures actually were being met by allocating discretionary cash funds for that purpose or by allowing open accounts for farm inputs to increase.

Based on these experiences, some Extension workers began to encourage families, especially those already having financial troubles, to keep records of what they spent for family living. It was emphasized that this was done not so much with the thought that the families would be likely to find places to economize, but for the reason that they should know the amount needed to meet the major goals they set for themselves.

In the farm business management program, agents continually encounter new families who lack information on their living costs. In order to help the new families with their initial planning, the figures from the few families who have kept records are used as rough guidelines for families without records. Until they have accumulated records of their own, this at least enables the new family to compare their estimates with the actual experiences from similar families and, in turn, make their planning more realistic.

It was decided to summarize the family records being kept by families enrolled in the farm business management projects in a few Central New York counties. This procedure was initiated in 1962 and continued in 1963 and 1964. The number of families was small but this was a beginning. The data obtained is shown in table 1. It should be stressed that these figures simply represent the expenses reported by those families who elected to keep records of their family living expenditures for use in their farm family business planning and are not a representative sample of all farm families in the area.

Table 1. LIVING EXPENDITURES OF SOME NEW YORK FARM FAMILIES ENROLLED IN BUSINESS MANAGEMENT PROJECTS, 1962, 1963, 1964

Year	1962	1963	1964
Number of families	31	24	58
Expenditures:			
Food	\$1,430	\$1,207	\$1,391
Clothing	378	321	402
Medical and dental	358	356	334
Household operation	690	1,028	1,032
Personal auto	221	270	245
Recreation	} 379	236	272
Education		94	360
Gifts	396	452	398
Personal care	125	70	73
All other	<u>350</u>	<u>54</u>	<u>101</u>
TOTAL LIVING EXPENSES	\$4,327	\$4,088	\$4,608
Insurance premiums	} 813	716	836
Investments		397	534
Taxes	<u>346</u>	<u>458</u>	<u>435</u>
TOTAL FAMILY EXPENDITURES	\$5,486	\$5,659	\$6,413

SOURCE: A. E. Res. 120 and 175 and A. E. Ext. 302

An examination of individual family expenditures revealed a wide variation in the cost of fulfilling families' needs and goals. They also brought into focus the problems inherent in using estimates as a basis for planning farm businesses, which would meet family needs. For example, an estimate of family living costs which was \$2,000 below what the family really needed might indicate the need of ten additional cows, if the farm enterprise were dairying. Changes in farm organization of this magnitude often require complete replanning of the use of the physical resources as well as some revision in the thinking of the farm family involved.

In using the 1962, 1963, and 1964 data, it became clear that these figures, as guidelines for planning with farm families, would be more useful if studied by various factors using such measures as size of family, age of children, family income, or net worth position. Accordingly, in 1965, the Extension agents in the Central New York counties of Cayuga, Onondaga, and Oswego working with staff members in the Department of Agricultural Economics at Cornell University, decided to obtain selected information from the families in the electronic farm accounting program who were keeping a record of their living expenses, so that the family living expenditures of the group could be studied in further detail.

The agents visited the families to check on the records and determine if they were being kept in a reasonably accurate and complete manner and to get supplemental data on the family situation. The field staff visited all families involved at least twice during the year to obtain the needed information and check on the records. No attempt was made to change the manner in which the cooperating families classified their entries, since it was felt that these records were being kept primarily to help the families find out what they wanted to know about their own situations and not to satisfy someone's notion of accounting procedures. The general figures obtained in the 1965 study are shown in table 2.

Table 2. FARM FAMILY LIVING EXPENDITURES  
42 Cayuga, Onondaga, and Oswego County Families, 1965

Expenditure	Number reporting	Average of 42 families	Percent of total
Food	42	\$1,436	32
Clothing	42	457	10
Medical and dental	42	370	8
Home furnishings and appliances	39	435	9
Household operation	42	304	7
Utilities	23	164	4
Personal auto	29	144	3
Recreation	38	352	8
Education	34	200	4
Non-tax deductible gifts	40	223	5
Tax deductible gifts	42	166	4
Personal care	36	65	1
Domestic help	18	41	1
House and grounds repair	33	137	3
All other	25	<u>64</u>	<u>1</u>
TOTAL LIVING EXPENSES		\$4,558	100
Insurance premiums	42	879	
Investments	35	590	
Taxes	33	<u>513</u>	
TOTAL FAMILY EXPENDITURES		\$6,540	
Range in total family expenditures		\$2,737 to \$14,029	

It will be noted from table 2 that the difference between the low and the high was \$11,000, a rather wide range. The available information gives no basis on which to judge as to whether the low family spending \$2,737 was meeting minimum standards or whether the \$14,029 family was spending unwisely. Field experience would lead one to generalize that the "low" families spend only that much because that's all the money there is to spend, and that families in the higher ranges usually were there because of sickness, educational needs, or other special situations of family members.

The family expenditures have been divided into two classifications in this study. The first is designated as the "living expenses" and includes the consumption items such as food and clothing. The second group includes taxes and investments in insurance and savings. The consumption items accounted for 70 percent of the total and investment items 30 percent.

Food was the largest single item in the consumption group and accounted for 32 percent of the total living expenses. It is recognized

that the food classification usually includes all items purchased at the grocery store and that may include non-food items such as household cleaning items, paper goods, and toilet articles. Clothing was second and home furnishings and appliances were third, each accounting for about 10 percent of the total. Medical and dental accounted for eight percent.

Analysis of Data by Selected Groupings

Information about the family obtained during the family visits and data on the farm business from the electronic accounting records made it possible to analyze these family expenditures on the basis of selected factors. The factors chosen were those that it seemed likely might have some effect on the amount of the family living expenditures.

The relatively small number of families in the study (42) puts limitations on the amount of sorting which is feasible and also on the validity of the results. This limitation must be kept in mind in using the results. The major purpose of this analysis was to study likely factors which seem to affect family living expenditures. These must be taken into consideration when making estimates for use in farm business plans.

There are factors, other than those studied here, which may affect family living expenditures. Some of these such as the age of the children, wife working outside the home, and age of operator were not analyzed here for lack of data or because of difficulties in classifying the factors. It would be well to include these in planning future studies.

Food Expenditures per Member in Household

The number of persons living in the family was used as one factor on which to study the living expenses. No adjustments were made for age differences.

The food expenditure per person was obtained by dividing the total food expenditures by the number in the family. The families were divided into four groups on the basis of the amount of money spent for food per person in the household. The majority of the families (81%) spent between \$200 and \$400 per person (table 3). About half spent between \$200 and \$300 per person, and one-third between \$300 and \$400.

Table 3. FOOD EXPENDITURE PER MEMBER IN HOUSEHOLD  
42 Cayuga, Onondaga, and Oswego County Families, 1965

Food expense per person	Number of families	Percent of families	Av. number in household
\$100 to \$199	6	14	6.7
\$200 to \$299	20	48	5.6
\$300 to \$399	14	33	4.8
\$400 & over	<u>2</u>	<u>5</u>	2.0
	42	100	5.3



This information can be used by families as a general guide in estimating their food expenditures. However, each family should make adjustments for special situations which they may have such as need for special dietary foods, not having any farm-produced foods, or the age of children, which might affect the cost per person.

It is interesting to find the families with the lowest food expense per person had the largest number of members per household. The relationship between number of persons in the family and the food expense per person is consistent for the groups studied here.

In considering these results, it should be remembered that the "food expenditure" often includes some non-food items purchased along with the food. The nature and amount of these non-food items can vary widely among families.

Total Expenditures per Member in Household

The total expenditures for family living were divided by the number of members in the household to get this measure. This gives another general guide on the amount spent for family living purposes by farmers.

The range of total expenditures per person, while distributed over a wide range, shows the majority of the families (55%) were in the \$600 to \$1,200 range (table 4). On the other hand, there were five families or 12 percent of the total that spent \$2,400 or more per person. If a family's records or their estimate is outside the \$600 to \$1,200 range, it might be useful for them to identify the reasons for differing from the majority group. For any specific family in a particular year, there may be a justifiable reason why their expenses per person are outside the usual range. An example of this would be a family with a couple of children in college. Another example would be a year when a family took an extended vacation trip.

Table 4. TOTAL EXPENDITURES PER MEMBER IN HOUSEHOLD  
42 Cayuga, Onondaga, and Oswego County Families, 1965

Total expense per person	Number of families	Percent of families
Under \$600	1	2
\$600 to \$899	12	29
\$900 to \$1,199	11	26
\$1,200 to \$1,499	5	12
\$1,500 to \$1,799	3	7
\$1,800 to \$2,099	2	5
\$2,100 to \$2,399	3	7
\$2,400 to \$2,699	3	7
\$2,700 and over	2	5
	42	100

Number in Household and Average Family Expenditures

It might seem that as the size of family increased the amount of total expenditures per family would likewise increase. For this group of families, this was true for the living expenses but not for insurance, investments, and taxes (table 5). The larger families spent more to provide the basic food, clothing, and shelter needs but spent less for taxes and investments.

Table 5. NUMBER IN HOUSEHOLD AND AVERAGE FARM FAMILY EXPENDITURES  
42 Cayuga, Onondaga, and Oswego County Families, 1965

Item	Number in Household		
	2 - 4	5 - 6	7 - 8
Number of families	14	17	11
Food	\$1,126	\$1,449	\$1,811
Clothing	370	462	561
Medical and dental	267	322	321
Home furnishings & appliances	253	541	511
Household operation	359	293	251
Utilities	109	208	164
Other	<u>1,659</u>	<u>1,577</u>	<u>1,486</u>
TOTAL LIVING EXPENSES	\$4,143	\$4,852	\$5,105
Insurance premiums	938	938	460
Investments	763	548	278
Taxes	<u>760</u>	<u>517</u>	<u>126</u>
TOTAL FAMILY EXPENDITURES	\$6,604	\$6,855	\$5,969

The lower expenditures for insurance and investments for the larger families may be an indication that these families have recognized the large amounts needed for consumption items and have, therefore, not taken on commitments for the investment items. It would be interesting to investigate this item in more detail.

Taxes as reported here include the personal income taxes. Since exemptions are based on number of dependents, it is logical that the larger families pay less tax.

Gross Farm Income

Farm family living expenses are usually paid out of the same funds as the farm operating expenses. This means that the gross income must be used to cover these two types of expenses. It is sometimes said that the more a family has the more they spend. To examine this proposition, these families were grouped according to the total income as measured by the "gross farm income."

When the 42 families were grouped by gross farm income, the logically expected pattern emerged (table 6). Those families having the higher gross incomes had larger family expenditures. Some items varied more than others. Insurance was an item with a marked variation.

Observations in the field would indicate that one must use caution in interpreting this table. The question can be raised whether the higher gross income is a cause or a result of the higher family expenditures. It appears, in some cases, that expected higher expenses such as for educational needs, is the cause of some business expansion which in turn provides the higher income. The nature of this relationship may need further study.

Table 6. GROSS FARM INCOME AND FAMILY EXPENDITURES  
42 Cayuga, Onondaga, and Oswego County Families, 1965

Item	Gross Farm Income		
	\$13,000 to \$22,000	\$23,000 to \$30,000	\$31,000 and over
Number of families	14	14	14
Food	\$1,282	\$1,367	\$1,660
Clothing	478	378	516
Medical and dental	245	276	388
Home furnishings & appliances	325	452	534
Household operation	390	236	286
Utilities	141	89	262
Other	<u>1,142</u>	<u>1,279</u>	<u>1,941</u>
TOTAL LIVING EXPENSES	\$4,003	\$4,077	\$5,587
Insurance premiums	545	938	1,152
Investments	727	446	592
Taxes	<u>353</u>	<u>581</u>	<u>611</u>
TOTAL FAMILY EXPENDITURES	\$5,628	\$6,042	\$7,942

Net Cash Farm Income

Net cash farm income is the difference between the cash farm receipts and the cash farm expenses. This might be considered as the cash available for family living. With this in mind, the families were grouped on the basis of net cash farm income (table 7).

Table 7. NET CASH FARM INCOME AND FAMILY EXPENDITURES  
42 Cayuga, Onondaga, and Oswego County Families, 1965

Item	Net Cash Farm Income		
	Under \$5,000	\$5,000 to \$9,500	\$9,500 and over
Number of families	14	14	14
Food	\$1,336	\$1,403	\$1,569
Clothing	468	412	492
Medical and dental	208	284	417
Home furnishings & appliances	214	347	749
Household operation	402	313	198
Utilities	110	151	233
Other	<u>1,598</u>	<u>1,166</u>	<u>1,607</u>
TOTAL LIVING EXPENSES	\$4,336	\$4,076	\$5,265
Insurance premiums	1,097	544	994
Investments	675	484	608
Taxes	<u>717</u>	<u>199</u>	<u>624</u>
TOTAL FAMILY EXPENDITURES	\$6,825	\$5,303	\$7,491

When the families were grouped according to net income provided from the farm business, again the expected occurred, i.e., the higher net cash income families spent more money for family living. However, the relationship between the net cash farm income and living expenditures was not consistent. The group with the medium net cash farm income had the lowest living costs. The data were not sufficiently detailed to explain this.

Total Non-Farm Income

Farm families frequently have income from non-farm sources. This may be returns from savings or non-farm investments, or it may be from work off the farm. It is not uncommon for the farm wife to have a non-farm job which provides income for the family to use. In the electronic accounting program, the families record this income. It is used here as a sort factor (table 8).

Table 8. TOTAL NON-FARM INCOME AND FAMILY EXPENDITURES  
42 Cayuga, Onondaga, and Oswego County Families, 1965

Item	Total Non-Farm Income		
	Under \$1,000	\$1,000 to \$2,100	\$2,100 and over
Number of families*	11	10	10
Food	\$1,437	\$1,407	\$1,345
Clothing	546	353	509
Medical and dental	267	289	324
Home furnishings & appliances	390	497	344
Household operation	231	315	415
Utilities	139	125	211
Other	994	1,449	2,228
TOTAL LIVING EXPENSES	\$4,004	\$4,435	\$5,376
Insurance premiums	648	662	1,128
Investments	140	836	1,052
Taxes	160	386	1,337
TOTAL FAMILY EXPENDITURES	\$4,952	\$6,319	\$8,893

\* Eleven families reported no non-farm income

In grouping the families according to non-farm income, those families having the largest non-farm incomes spent more for family living. The difference between the total expenditures of the high and low groups was \$3,941.

In studying this relationship, there comes the question of which is cause and which is effect. As shown in the table, one might generalize that when there is more non-farm income the family spends more. However, from practical experience, it is known that in many cases the wife seeks a non-farm job because of anticipated larger expenses for education or other purposes.

Available Cash Family Income

A farm family has available for its use both the farm and non-farm income. For purposes of this study, the net cash farm income and the non-farm income have been combined and give the "available cash family income."

The fourteen families with the largest available cash family income had the largest average total family expenditures (table 9). The group with the next highest living expenses, however, were those with the lowest cash family income. The data obtained were not sufficiently detailed to afford any insight into this apparent deviation from what would seem to be a logical pattern. Had information on debt repayment schedules been obtained, for example, an explanation might have emerged. There is need for more study in this area.

Table 9. AVAILABLE CASH FAMILY INCOME AND FAMILY EXPENDITURES  
42 Cayuga, Onondaga, and Oswego County Families, 1965

Item	Available Cash Family Income		
	Under \$6,500	\$6,500 to \$11,000	\$11,000 and over
Number of families	14	14	14
Food	\$1,394	\$1,433	\$1,481
Clothing	482	420	471
Medical and dental	227	297	386
Home furnishings & appliances	246	470	596
Household operation	342	272	298
Utilities	85	191	214
Other	<u>1,493</u>	<u>1,161</u>	<u>1,712</u>
TOTAL LIVING EXPENSES	\$4,269	\$4,244	\$5,158
Insurance premiums	1,044	666	926
Investments	629	357	781
Taxes	<u>475</u>	<u>208</u>	<u>858</u>
TOTAL FAMILY EXPENDITURES	\$6,417	\$5,475	\$7,723

Net Worth

Net worth is the difference between the family's assets and their liabilities. This includes both farm and non-farm assets and liabilities. This information was available for 25 of the 42 families. The families were grouped according to the amount of net worth to see how this might relate to family expenditures (table 10).

Families with the largest net worth (\$57,000 and over) had the largest total living expenditures. The consumption or living expenses were slightly larger for the high net worth group, \$4,976 vs. \$4,739; but the greatest difference came in the tax, investment, and insurance items.

Table 10. NET WORTH AND FAMILY EXPENDITURES  
42 Cayuga, Onondaga, and Oswego County Families, 1965

Item	Net Worth		
	Under \$39,000	\$41,000 to \$57,000	\$57,000 and over
Number of families*	9	8	8
Food	\$1,445	\$1,521	\$1,530
Clothing	474	441	515
Medical and dental	285	264	292
Home furnishings & appliances	439	525	486
Household operation	318	289	175
Utilities	125	212	255
Other	<u>1,592</u>	<u>1,487</u>	<u>1,723</u>
TOTAL LIVING EXPENSES	\$4,678	\$4,739	\$4,976
Insurance premiums	895	886	973
Investments	784	97	1,229
Taxes	<u>291</u>	<u>250</u>	<u>713</u>
TOTAL FAMILY EXPENDITURES	\$6,648	\$5,972	\$7,891

\* Only 25 families reported net worth

The size of the net worth may be interrelated with the amount of debt outstanding and the debt payments. The size of debt payment may very likely have an affect on living expenditures. This might be included in future studies in this area.

General Summary

In any complete farm business financial planning, provision must be made for the family living expenditures. It has been said that family living has the first claim on any farm income. Consequently, any plans that omit the living expenditures are not realistic. In order to include family living expenditures in the farm business plans, it is best to use the past experience as shown by records. If records are lacking, then estimates must be made.

Relatively little published information is available on the actual living expenses of farm families. This means that one is often handicapped by not having guides based on the experience of others. This small study of 42 Central New York farms, which were in farm business management projects, is a beginning step toward meeting this felt need.

The living expenses of this group of 42 farm families varied directly with the number of members in the household. Fifty-five percent of the families spent between \$600 and \$1,200 per person. Food was the largest single item and about half of the families spent between \$200 and \$300 per person in 1965.

There seemed to be several factors that were closely associated with the level of family living expenditures. These were examined in this study. A major item affecting living expenditures seemed to be the amount of income available. Another item related to living expenditures was the net worth of the family.

In several tables, a rather intriguing departure from a logically expected pattern seemed to emerge. The "middle group" behavior in tables 7, 9, and 10 would suggest that further studies might profitably be undertaken to ascertain whether this pattern would repeat itself. Should this prove to be the case, it might prove interesting to attempt to determine the cause or causes.

Good records of the individual farm family's living expenditures are the best source of data for use in farm business plans. Families should be encouraged to keep these records and use them in their farm business planning. The information presented in this study can be used as a general guide in making estimates when individual records are not available.



APPENDIX

It is presumed that the information in this publication will be used by farm families and persons counseling with them in thinking through farm business management problems. As previously pointed out, ascertaining farm family financial needs and objectives are key factors in establishing plans for the necessary organization and size of the farm business. In planning the farm business, one needs the best information available.

Recognizing that the data presented on the New York farm families does not represent a general sample or cover a large number of families, it was felt that family living expenditures accumulated in other states might prove helpful. Information from other states is also limited. However, a few examples were selected and are shown on pages 15 to 18.

Good information about family living expenditures is recognized by farm management men as a key factor in planning the farm business but in general is not readily available. It is hoped that this publication of the New York data, as well as that from other states, will stimulate further research on this subject utilizing more sophisticated sampling and statistical techniques which should in turn yield more useful data.

The data from other states include the following:

- A. 1965 Family Living Expenditures of Iowa Farm Families:
  - 1) Comparison by Years of Farm Family Living Expenditures, page 15
  - 2) Farm Family Living Expenditures by Size of Family, page 16
  - 3) Farm Family Living Expenditures by Age of Operator, page 17
- B. 1967 Annual Report, Southeastern Minnesota Farm Management Association:
  - 1) Household and Personal Expenses for Those Farms Which Kept Complete Accounts of These Expenses, page 18

The pattern of living expenditures of Iowa farm families from whom records were obtained during 1962 through 1965 is shown in the table below. In 1965, these families used 40 percent of their net income for living. The percent of the net income used for living in 1965 was the lowest since 1950 when 38 percent was used. The net income reported in this summary was computed on the accrual basis. Because the value of crop and livestock inventories increased during 1965, part of the higher income reported was not reflected in cash income.

COMPARISON BY YEARS OF FARM FAMILY LIVING EXPENDITURES

	1965	1964	1963	1962
Cash expenditures for living				
Food purchased	\$ 1,096	\$1,034	\$1,033	\$ 974
Clothing and personals	582	565	530	489
Household operations	464	439	407	421
Repairs	143	149	138	132
Health	424	387	376	345
Recreation	172	149	148	153
Education	130	122	122	135
Giving	300	258	266	270
Auto-operative	263	217	222	228
TOTAL cash living expense	\$ 3,574	\$3,325	\$3,242	\$3,147
Investments for living				
Home improvement	\$ 101	\$ 64	\$ 74	\$ 82
Home furnishing	262	216	172	203
Auto	175	122	101	172
TOTAL investments for living	\$ 538	\$ 402	\$ 347	\$ 457
Life insurance	432	410	391	358
TOTAL cash expenditures	\$ 4,544	\$4,137	\$3,980	\$3,962
Farm produce used	312	311	339	352
TOTAL used for living	\$ 4,856	\$4,448	\$4,319	\$4,314
Net farm income (accrual basis)	\$12,050	\$7,839	\$5,915	\$7,095
Available for income tax and investment	\$ 7,194	\$3,391	\$1,596	\$2,781
Size of family	5.0	5.0	5.1	4.8
Size of farm - acres	298	283	270	282
Percent owners or part owners	52%	46%	43%	38%
Number of families	219	195	187	183
Percent income used for living	40%	57%	73%	61%

SOURCE: Iowa State University, FM-1501

The effect of family size on living expenditures during 1965 is shown in the table below. Total expenditures rose as family size increased. Families with two or three members spent \$4,298 which was the lowest for all groups. The largest families averaged nearly eight persons and spent \$5,941. Family size differences influenced some expenditures more than others. Total food costs, including both purchased and farm raised food, ranged from \$1,020 for the small families to \$1,814 for the large families. In contrast, expenditures such as household operations, repairs, recreation, giving and auto-operative were not closely related to family size.

When all costs were included, the living cost per person declined from \$1,535 for the small families to \$782 for the large families. Although the larger families have higher total living expenditures, the cost per person is lower than in the smaller families.

FARM FAMILY LIVING EXPENDITURES BY SIZE OF FAMILY  
219 Iowa Farm Families, 1965

	Total Number in Family				
	2 or 3	4	5	6	7 & over
Cash expenditures for living					
Food purchased	\$ 778	\$ 962	\$ 1,071	\$ 1,398	\$ 1,319
Clothing and personals	464	503	529	710	793
Household operations	500	442	416	490	540
Repairs	136	101	152	142	210
Health	355	399	372	538	501
Recreation	222	143	147	216	175
Education	59	70	115	232	211
Giving	286	316	239	357	345
Auto-operative	276	270	252	224	309
TOTAL cash living expenses	\$ 3,076	\$ 3,206	\$ 3,293	\$ 4,307	\$ 4,403
New housing, auto, furniture and equipment	\$ 649	\$ 551	\$ 519	\$ 412	\$ 607
Life insurance	331	391	449	534	436
TOTAL cash living expenditures	\$ 4,056	\$ 4,148	\$ 4,261	\$ 5,253	\$ 5,446
Farm produce used	242	255	326	279	495
TOTAL income used for living	\$ 4,298	\$ 4,403	\$ 4,587	\$ 5,532	\$ 5,941
Net farm income	\$12,164	\$12,734	\$11,288	\$12,170	\$12,223
Percent used for living	35%	35%	41%	45%	49%
Acres per farm	335	283	291	313	286
Size of family	2.8	4.0	5.0	6.0	7.6
Living cost per person*	\$ 1,535	\$ 1,101	\$ 917	\$ 922	\$ 782

\* Includes farm produce used and life insurance

FARM FAMILY LIVING EXPENDITURES BY AGE OF OPERATOR  
219 Iowa Farm Families, 1965

	Age of Operator					
	27 and under	28 to 31	32 to 35	36 to 39	40 to 43	44 and over
Cash expenditures for living						
Food purchased	\$ 919	\$ 1,014	\$ 1,067	\$ 1,235	\$ 1,221	\$ 1,151
Clothing & personals	454	529	509	606	725	808
Household operations	512	449	439	463	434	502
Repairs	172	141	113	144	131	170
Health	321	349	453	461	493	517
Recreation & educ.	234	252	232	306	430	504
Giving	230	273	281	339	305	377
Auto	300	248	276	255	232	262
TOTAL cash living expenses	\$ 3,142	\$ 3,255	\$ 3,370	\$ 3,809	\$ 3,971	\$ 4,291
New housing, auto, furn. & equipment	\$ 559	\$ 619	\$ 401	\$ 561	\$ 652	\$ 464
Life insurance	226	394	470	478	525	521
Farm produce used	193	263	360	319	383	403
TOTAL income used for living	\$ 4,120	\$ 4,531	\$ 4,601	\$ 5,167	\$ 5,531	\$ 5,679
Net farm income	\$11,202	\$12,434	\$12,629	\$11,921	\$13,342	\$10,777
Persons per family	3.8	4.4	5.2	5.4	6.4	5.3

SOURCE: Iowa State University, FM-1501

HOUSEHOLD AND PERSONAL EXPENSES  
FOR THOSE FARMS WHICH KEPT COMPLETE ACCOUNTS OF THESE EXPENSES, 1967

Item	Average of 58 farms	12 high in return to capital and family labor	12 low in return to capital and family labor
Number of persons - family	4.7	5.3	3.1
Number of adult equivalent - family	4.0	4.3	2.6
- other*	.2	.2	.2
<b>EXPENSES</b>			
Food and meals bought	\$1,231	\$1,617	\$ 978
Operating and supplies	391	375	419
Furnishings and equipment	371	463	461
Clothing and clothing materials	434	680	261
Personal care and spending	131	139	115
Education	303	695	158
Recreation	217	277	292
Gifts and special events	186	261	160
Medical and hospital expenses	626	594	604
Church and welfare	375	466	342
Personal share of auto expense	248	250	247
Upkeep on dwelling	60	135	43
Personal share of tel. & elec. exp.	166	188	132
TOTAL cash living expense	\$4,739	\$6,140	\$4,212
Personal share of new auto	194	88	354
New dwelling	655	278	633
Taxes	670	1,542	302
Life insurance	635	847	545
Other savings and investments	643	2,159	694
TOTAL household & personal cash expense	\$7,536	\$11,054	\$6,740
Family living from the farm	\$333	\$428	\$207
TOTAL cash expenses and perquisites	\$7,869	\$11,482	\$6,947
<b>RECEIPTS</b>			
Return to capital and family labor	\$8,948	\$19,645	\$1,399
Income from outside investments	444	559	768
Other personal income	348	232	547

\* Hired help or others boarded

SOURCE: "1967 Annual Report, Southeastern Minnesota Farm Management Association. Economic Information Report R68-1. University of Minnesota.