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When Creating 2025 Crop Budgets, Keep in Mind Family Living Costs

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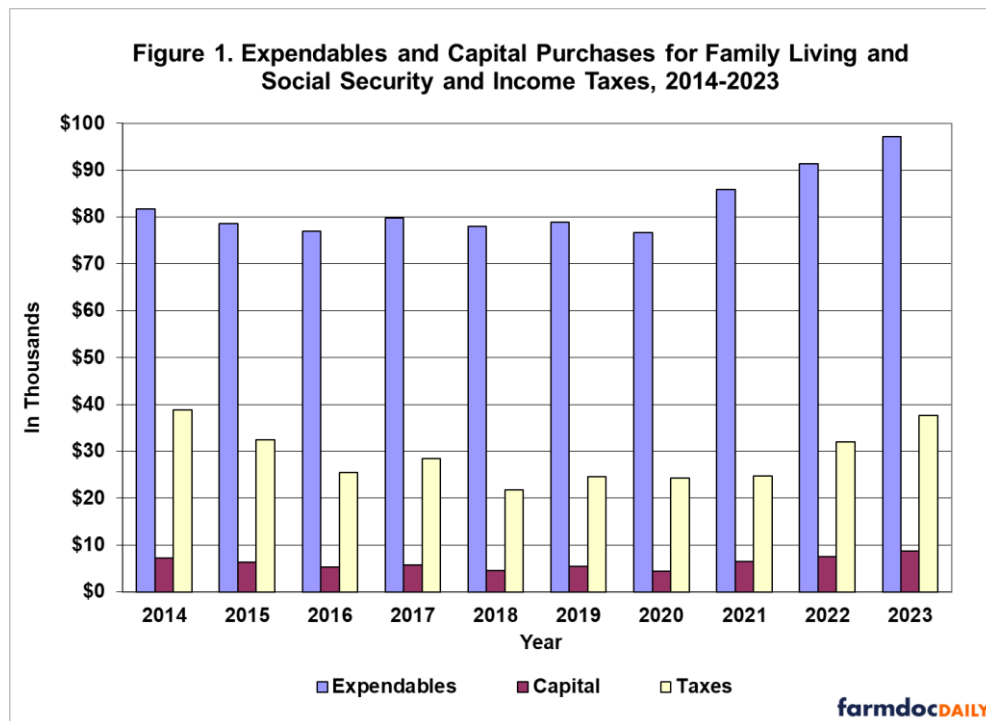
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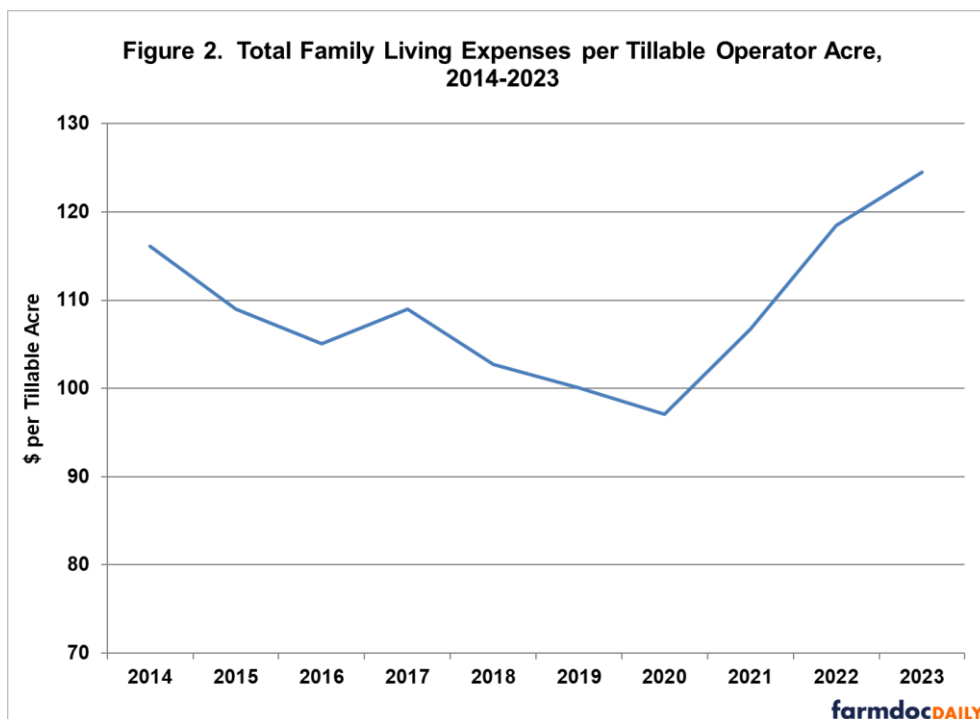
In 2023, the total noncapital living expenses of 1,345 farm families enrolled in the Illinois Farm Business Farm Management Association (FBFM) averaged \$97,100--or about \$8,000 a month for each family (Figure 1). This average was about 6 percent higher than in 2022. Another \$8,762 was used to buy capital items such as the personal share of the family automobile, furniture, and household equipment. Thus, the grand total for living expenses averaged \$105,862 for 2023 compared with \$98,833 for 2022, or a \$7,029 increase per family.



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Income and social security tax payments increased 17 percent in 2023 compared to the year before. The amount of income taxes paid in 2023 averaged \$37,673 compared to \$32,052 in 2022. Net non-farm income increased, averaging \$60,486 in 2023. Net non-farm income has increased \$20,810, or 52.4 percent in the last ten years.

In Figure 2, total family living expenses (expendables plus capital) are divided by tillable operator acres for 2014 to 2023. In 2014, all of the family living costs per acre averaged about \$116 per acre. This decreased to \$97 per acre in 2020 but began to increase to \$125 per acre in 2023. \$109 was the 10-year average of total family living expenses per acre. If we compare this to the 10-year average net farm income per acre of \$167, then 65% of the net farm income per acre is family living expenses. If we look at the average year over year change for the last ten years for family living per acre, the annual change was 0.4% per year. The five-year annual change per year would average 4.1%. Therefore, as you work on your crop budgets, keep in mind that a \$125 per acre family living is equal to 54 cents per bushel on 230 bushels per acre for corn.



When you take total family living expenses minus net non-farm income this equals \$53 per acre in 2023 and was \$49 per acre for the five-year average. This would be the part of family living that is covered by the farm income. In addition, there is another \$44 per acre in social security and income taxes to be covered by the farm in 2023. The five-year average for these taxes was \$34 per acre. 21 cents of the price on 230 bushels of corn per acre is equal to the 2023 family living cost that would be covered by the farm. If you added the amount of social security and income taxes that would be 36 cents of the price on 230 bushel of corn per acre.

More information about Farm and Family Living Income and Expenditures can be found [here](#).

The author would like to acknowledge that data used in this study comes from farms across the State of Illinois enrolled in Illinois Farm Business Farm Management (FBFM) Association. Without their cooperation, information as comprehensive and accurate as this would not be available for educational purposes. FBFM, which consists of 5,000 plus farmers and 70 professional field staff, is a not-for-profit organization available to all farm operators in Illinois. FBFM field staff provide on-farm counsel with computerized recordkeeping, farm financial management, business entity planning and income tax management. For more information, please contact the State Office located at the University of Illinois Department of Agricultural and Consumer Economics at 217-333-8346 or visit the FBFM website at www.fbfm.org.