



When Creating 2023 Crop Budgets, Keep in Mind Family Living Costs

Bradley Zwilling

Illinois FBFM Association and Department of Agricultural and Consumer Economics
University of Illinois

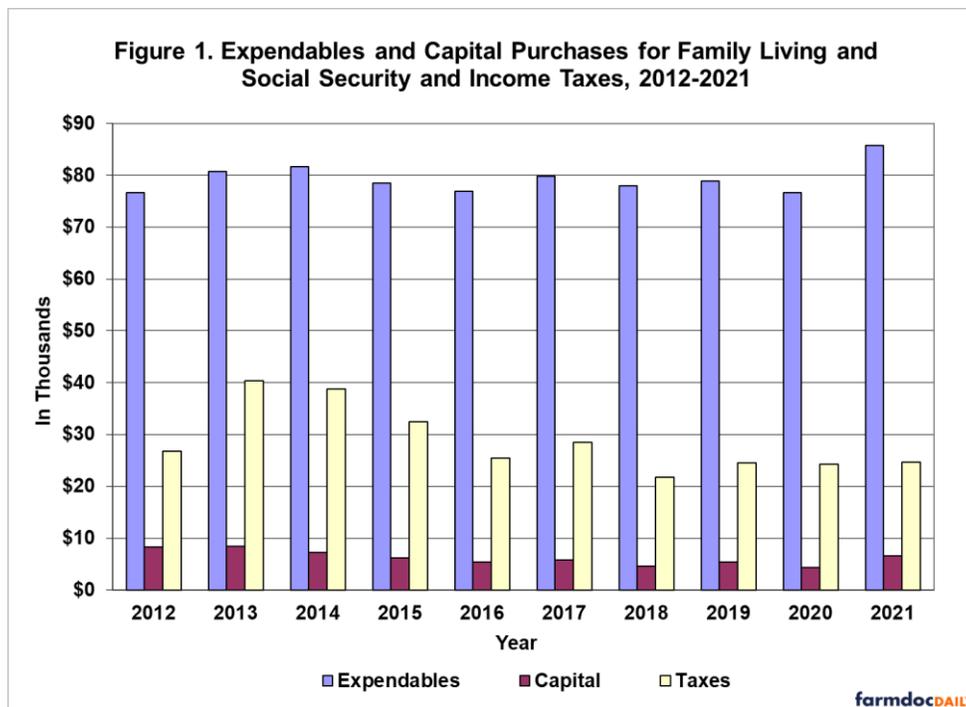
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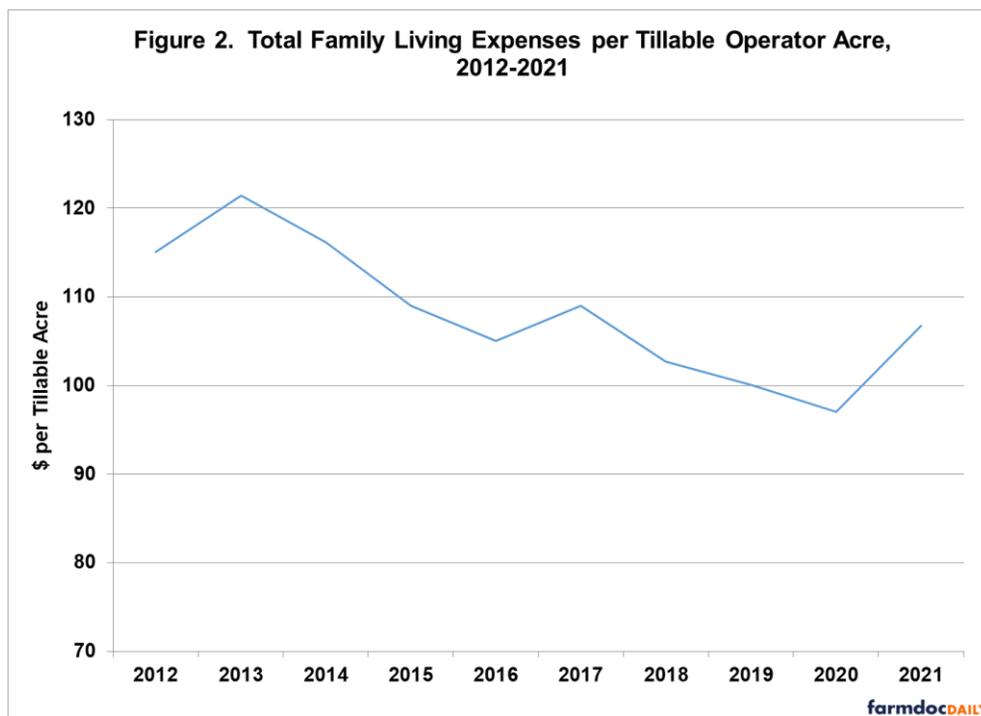
In 2021, the total noncapital living expenses of 1,213 farm families enrolled in the Illinois Farm Business Farm Management Association (FBFM) averaged \$85,828--or about \$7,200 a month for each family (Figure 1). This average was about 12 percent higher than in 2020. Another \$6,509 was used to buy capital items such as the personal share of the family automobile, furniture, and household equipment. Thus, the grand total for living expenses averaged \$92,337 for 2021 compared with \$81,026 for 2020, or a \$11,311 increase per family.



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Income and social security tax payments increased 1.8 percent in 2021 compared to the year before. The amount of income taxes paid in 2021 averaged \$24,654 compared to \$24,214 in 2020. Net nonfarm income increased, averaging \$51,409 in 2021. Net nonfarm income has increased \$14,631, or 39.8 percent in the last ten years.

In Figure 2, total family living expenses (expendables plus capital) are divided by tillable operator acres for 2012 to 2021. In 2012, all of the family living costs per acre averaged about \$115 per acre. This increased to \$121 per acres in 2013, but decreased to \$97 per acre in 2020 and then back up to \$107 in 2021. \$108 was the 10-year average of total family living expense per acre. If we compare this to the 10-year average of net farm income per acre of \$517, then 20% of the net farm income per acre is family living expense. However, that is due to a very high per acre net-farm income in 2021, so if we leave out 2021, then it would be \$139 leading to total family living expenses to be 77% of net farm income per acre. If we look at the average year over year change for the last ten years for family living per acre, the annual change was 0.1% per year. The five-year annual change per year would average 0.5%. Therefore, as you work on your crop budgets, keep in mind that a \$107 per acre family living is equal to a 54 cent per bushel price change on 200 bushels per acre for corn.



When you take total family living expenses minus net nonfarm income this equals \$47 per acre in 2021 and was \$48 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 \$29 per acre in social security and income taxes to be covered by the farm in 2021. The five-year average for these taxes was \$30 per acre. A 24 cent price change on 200 bushels of corn per acre is equal to the 2021 family living cost that would be covered by the farm. If you added the amount of social security and income taxes that would be a 38 cent price change on 200 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.

A video representation of this and other 2021 results can be found on the *farmdoc* YouTube channel at <https://go.illinois.edu/FBFM2021>.