



When Creating 2026 Crop Budgets, Keep in Mind Family Living Costs

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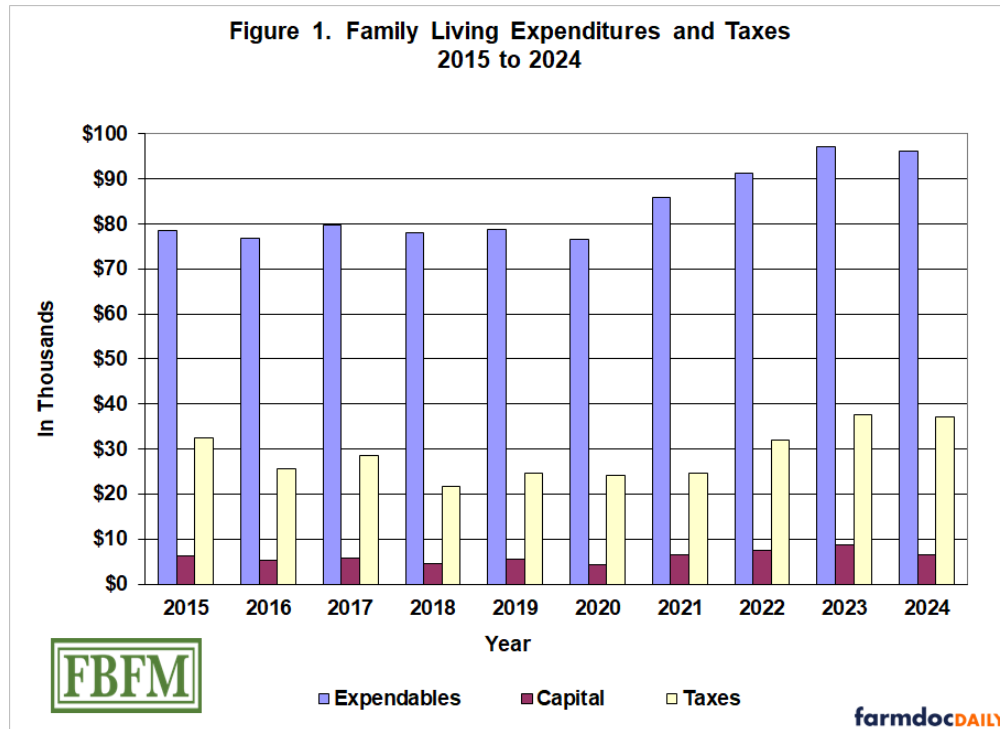
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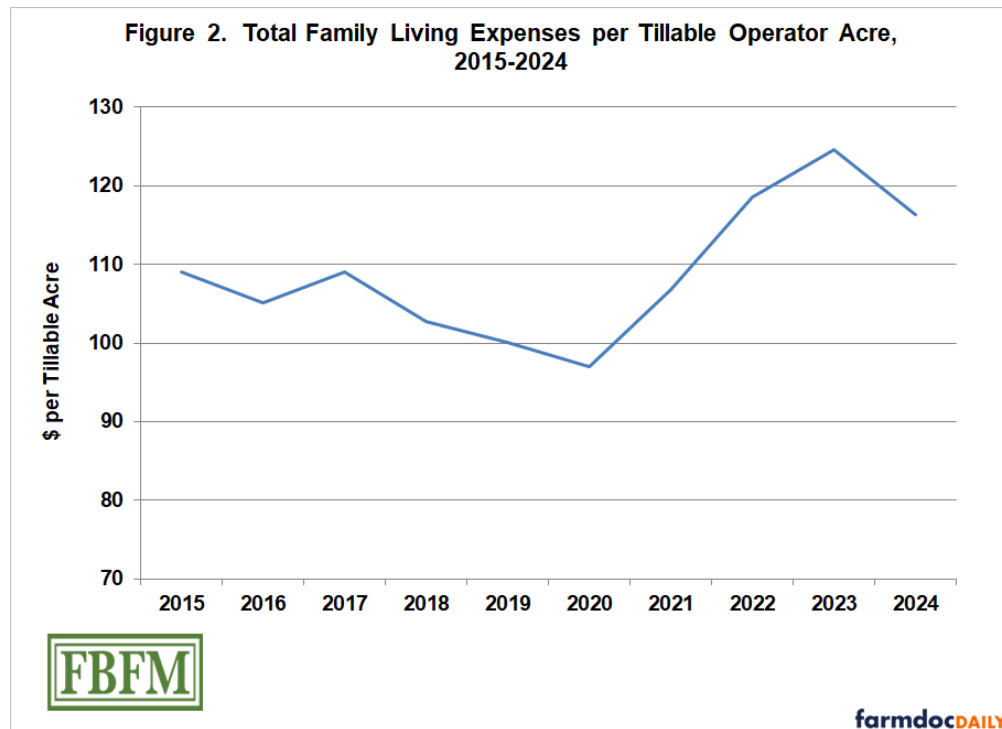
In 2024, the total noncapital living expenses of 1,354 farm families enrolled in the Illinois Farm Business Farm Management Association (FBFM) averaged \$96,114--or about \$8,000 a month for each family (Figure 1). This average was about 1 percent lower than in 2023. Another \$6,548 was used to buy capital items such as the personal share of the family automobile, furniture, and household equipment. Thus, the grand total for living expenses averaged \$102,662 for 2024 compared with \$105,862 for 2023, or a \$3,200 decrease per family.



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Income and social security tax payments decreased 1.2 percent in 2024 compared to the year before. The amount of income taxes paid in 2024 averaged \$37,279 compared to \$37,673 in 2023. Net non-farm income increased, averaging \$64,881 in 2024. Net non-farm income has increased \$24,219, or 60 percent in the last ten years.

Figure 2 shows total family living expenses (expendables plus capital) divided by tillable operator acres from 2015 to 2025. In 2015, family living costs averaged about \$110 per acre. This fell to \$97 per acre in 2020, then rose to \$125 per acre in 2023 before easing to \$116 in 2024. The 10-year average was \$109 per acre.



Over the same period, the 10-year average net farm income was \$154 per acre, meaning family living expenses accounted for 71% of the net farm income per acre. The average year-to-year change in family living costs per acre over the past decade was 0.21% while the five-year annual change was higher at 3.3%. To put this in context for crop budgeting, the 2024 family living costs of \$116 per acre is equivalent to 50 cents per bushel on 230 bushels per acre corn.

After subtracting net non-farm income from total family living expenses, the amount that must be covered by farm income was \$43 per acre in 2024, compared with a five-year average of \$48 per acre. In addition, farm income must also cover Social Security and income taxes, which amounted to \$42 per acre in 2024 (five-year average: \$36 per acre). In pricing terms, the 2024 family costs per acre that must be covered by farm income is equal to 19 cents per bushel on 230 bushels per acre. When taxes not covered by non-farm income are added, the requirement increases to 37 cents per bushel.

More information about Farm and Family Living Income and Expenditures can be found here: <https://farmdoc.illinois.edu/handbook/farm-and-family-living-income-and-expenses>

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.