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**FARM AND FAMILY LIVING INCOME AND EXPENSES FOR 2002**

In 2002 the total, noncapital, living expenses of 1,216 farm families enrolled in the Illinois Farm Business Farm Management Association (FBFM) averaged \$44,475--or \$3,706 a month for each family (Table 1). This average was 2.9 percent higher than 2001 and 4.5 percent higher than in 2000. Another \$4,380 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 \$48,855 for 2002 compared with \$48,097 for 2001, or a \$758 increase per family. The average amount spent per family for capital items was \$505 less, while noncapital expenses increased \$1,263 per family. The sample farms, which were mainly grain farms, were located primarily in central and northern Illinois.

**INCOME AND SOCIAL SECURITY TAXES PAID**

Income and social security tax payments decreased in 2002 compared to the year before. The amount of income taxes paid in 2002 averaged \$9,867 compared to \$11,475 in 2001. The amount of income taxes paid was at its lowest level since 1990. Medical expenses were higher in 2002 compared to 2001. In 2002, medical expenses averaged \$6,335. This is the first year medical expenses averaged over \$6,000. Medical expenses include out-of-pocket costs for health insurance along with doctor and hospital expenses.

In the table, the averages per farm for total family living expenses are divided into five categories for 1999 through 2002. The "expendables" category includes cash spent for food, operating expenses, clothing, personal items, recreation, entertainment, education, and transportation. This category also includes selected itemized deductions such as the personal share of real estate taxes. Cash spent for capital improvements exceeding \$250 is not included. The use of a rented house on an estimated 40 to 50 percent of the farms in this sample is not included, since these data cover only cash outlays.

For the complete narrative report, visit the management section at the farm.doc website:  
[http://www.farmdoc.uiuc.edu/manage/enterprise\\_cost/family\\_living\\_2002.PDF](http://www.farmdoc.uiuc.edu/manage/enterprise_cost/family_living_2002.PDF).

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Table 1. *Average Sources and Uses of Funds over a Four-Year Period*

	All records, average per farm			
	2002	2001	2000	1999
Number of farms in sample.....	1,216	1,175	1,087	938
Age of Operator.....	51	50	50	49
Number in family .....	3.2	3.3	3.3	3.4
Net Farm Income .....	\$ 32,168	\$ 29,678	\$ 49,960	\$ 38,091
<b>Source of dollars</b>				
Net nonfarm income .....	\$ 24,716	\$ 23,374	\$ 22,424	\$ 19,170
Money borrowed.....	198,884	194,479	172,889	185,424
Farm receipts.....	257,579	266,422	260,066	249,956
<b>Uses of dollars</b>				
Interest paid.....	\$ 17,194	\$ 19,297	\$ 19,213	\$ 19,585
Cash operating expenses .....	182,720	185,154	174,594	166,255
Capital farm purchases .....	29,699	30,557	29,877	23,232
Payments on principal .....	183,423	179,988	166,890	182,933
Income and Social Security taxes .....	9,867	11,475	10,998	11,046
Net new savings and investment.....	9,421	9,707	6,281	6,180
<b>Living expenses</b>				
Contributions .....	\$ 1,454	\$ 1,567	\$ 1,597	\$ 1,448
Medical .....	6,335	5,710	5,561	5,613
Insurance, life and disability.....	2,590	2,660	2,701	2,575
Expendables.....	<u>34,096</u>	<u>33,275</u>	<u>32,685</u>	<u>31,218</u>
Total noncapital expense.....	(44,475)	(43,212)	(42,544)	(40,854)
Capital .....	<u>4,380</u>	<u>4,885</u>	<u>4,982</u>	<u>4,371</u>
Total, living expenses .....	\$ 48,855	\$ 48,097	\$ 47,526	\$ 45,225
Percentage change, total noncapital living expenses.....	2.9	1.6	4.1	1.9

<sup>a</sup> Records were sorted into high- and low -third categories according to total noncapital living expenses.



Table 1 cont. Sources and Uses of Funds Sorted by Noncapital Living Expenses for Selected Illinois Farms

	Family of 3 to 5, 2002 <sup>a</sup>	
	High-Third	Low-Third
Number of farms in sample .....	201	201
Age of Operator.....	46	44
Number in family .....	4.2	3.9
Net Farm Income .....	\$ 38,420	\$ 29,920
<b>Source of dollars</b>		
Net nonfarm income .....	\$ 26,731	\$ 21,668
Money borrowed.....	311,407	164,021
Farm receipts.....	320,174	225,435
<b>Uses of dollars</b>		
Interest paid.....	\$ 21,245	\$ 12,949
Cash operating expenses .....	223,371	166,930
Capital farm purchases .....	40,460	26,745
Payments on principal .....	277,110	144,674
Income and Social Security taxes .....	11,660	7,058
Net new savings and investment.....	11,938	17,799
<b>Living expenses</b>		
Contributions .....	\$ 1,814	\$ 908
Medical .....	8,202	4,108
Insurance, life and disability.....	3,408	1,903
Expendables.....	<u>54,263</u>	<u>24,635</u>
Total noncapital expense.....	(67,687)	(31,554)
Capital .....	<u>4,841</u>	<u>3,415</u>
Total, living expenses .....	\$ 72,528	\$ 34,969

<sup>a</sup> Records were sorted into high- and low-third categories according to total noncapital living expenses.

