

## Managing Farm-Family Living Expenses

*In farming and ranching, business expenses are often tied closely with living expenses, making tracking and budgeting for family living expenses difficult. However, even with the difficulties, it is important to monitor living expenses, especially in times of low commodity prices and rising costs.*

### What are living expenses?

Food (Groceries and dining out)

Housing

- Rent or Mortgage
- Property Taxes

Utilities

- Phone
- TV
- Internet
- Electricity/Gas

Monthly Payments

- Car Payments
- Personal Loans
- Student Loans

Vehicle

- Fuel/Maintenance
- Registration

Clothing

Education

Insurance

- Property
- Life

Medical (Health/Vision/Dental)

- Insurance Premiums
- Out of Pocket Costs
- Prescriptions

Personal Care

- Gym Memberships, etc.

Entertainment

Savings

- Personal
- Retirement

Other Expense

- Childcare/child support

### Tips for Budgeting Farm-Family Living Expenses

1. **Pay yourself a salary** - Keep yourself from over spending by writing yourself one check to cover your living expenses for the month. Make sure it is an amount that your operation can afford.
2. **50-30-20**- This guideline suggests that you spend 50% of your after-tax income on necessities, 30% on luxuries, and 20% should be saved or invested.
3. **Include small “splurges”**- When you are developing a budget for the future, be sure to be realistic. If you include no luxury items, you will be less likely to continue using the budget after you break it once.
4. **Keep family and business separate**- Open a farm account and a personal account, keeping them separate will make it easier to track personal expenses and hold yourself accountable.
5. **Allocate a percentage to living expenses** – When assets are used for both business and personal uses, estimate a % to allocate to living expense. (I.e. vehicles, fuel, utilities, etc.)
6. **Create a routine**- By regularly recording your expenses, you are more likely to stay on budget, and can monitor if certain expenses are increasing.
7. **Avoid charging living expenses** - If possible, pay off credit cards balances monthly and do not increase credit card debt by overspending on living.
8. **Utilize technology** - There are numerous apps that aid in keeping up to date budgets. Intuit Mint and Pocket Guard are both highly rated and legitimate.



POCKETGUARD



# Sample Farm-Family Living Expense Budget

FARM FAMILY LIVING EXPENSE SUMMARY	MONTHLY	ANNUALLY
<b>Food</b>		
Groceries		
Eating Out		
<b>Housing (if payments are separate from farm expense)</b>		
Rent or Mortgage		
Property Insurance		
Property Taxes		
Other		
<b>Utilities</b>		
Electricity & Fuel (propane, natural gas, etc.)		
Phone (land line and cell phone)		
Internet		
Television		
Other		
<b>Car Payments (non-farm vehicles)</b>		
<b>Fuel (family vehicle use)</b>		
<b>Installment Payments</b>		
Personal Loans		
Credit Cards		
Student Loans		
Other		
<b>Clothing</b>		
<b>Gifts &amp; Charitable Contributions</b>		
<b>Recreation &amp; Entertainment</b>		
Family Vacations		
Kid's Activities		
Other		
<b>Education (tuition, personal development, etc.)</b>		
<b>Medical</b>		
Health Insurance Premiums		
Out of Pocket Medical Costs		
Prescriptions		
Long Term Health Care Insurance Premiums		
<b>Life Insurance Policies (do not include business policies)</b>		
<b>Personal Care</b>		
<b>Savings, IRA's and retirement contributions</b>		
<b>Child Care</b>		
<b>Other</b>		
<b>Other</b>		
<b>Other</b>		
<b>TOTALS</b>		