

2002 ANALYSIS OF FAMILY LIVING EXPENDITURES							
Farm Management Association, NW							
Age of Oldest Child	Pre-School	Grade School	High School	Over 18	Couples	Singles	Average
No Families	9	20	11	29	53	5	127
Avg. Family Size	3.6	4.5	4.6	4.3	2.1	1.0	3
Operator Age	30.6	38.8	45.2	48.8	60.8	57.6	51.0
INCOME							
Misc Taxable Income	5,911	3,982	3,094	7,834	12,697	429	8,419
Non Farm Business Exp	9,246	2,623	2,012	7,014	2,164	904	3,783
Net Non Farm Business	-\$3,335	\$1,359	\$1,082	\$820	\$10,533	-\$475	\$4,636
Non-Taxable Income	3,670	8,414	29,724	2,708	12,676	6,890	10,339
Wages	30,629	11,192	19,677	12,057	15,314	4,414	14,955
Rent/Royalties	12,376	2,122	1,314	2,429	8,847	4,523	5,750
Dividends/Interest	138	848	2,083	1,144	1,938	8,534	1,730
NON FARM INCOME	43,480	23,935	53,879	19,158	49,308	23,886	37,410
NET FARM INCOME	-24,513	12,922	-232	8,078	-25,338	-8,173	-8,773
TOTAL NET INCOME	\$18,967	\$36,857	\$53,647	\$27,237	\$23,971	\$15,713	\$28,636
FAMILY LIVING EXPENSES							
Food Purchased	5,082	7,590	7,289	7,048	4,993	2,562	5,981
Household Operations	5,684	4,681	5,876	3,656	3,579	1,706	4,045
House Upkeep & Repairs	3,620	1,390	1,772	1,729	1,354	96	1,593
Furniture-Equipment	2,394	1,555	1,616	1,103	1,077	286	1,267
Personal-Recreation	5,336	8,963	6,566	5,781	4,811	1,271	5,736
Education	105	828	881	3,121	389	103	1,093
Child Care	1,312	577	49	3	0	0	189
Clothing	1,478	1,724	1,923	1,831	1,082	386	1,428
Gifts	817	1,367	978	1,413	2,819	465	1,875
Contributions	501	3,742	1,692	1,229	3,405	1,441	2,530
Doctor-Other Medical	2,758	3,630	2,485	4,524	3,985	1,746	3,747
Health Insurance	1,336	3,781	5,657	3,603	3,503	1,065	3,507
Life Insurance	692	3,447	2,038	2,630	2,652	513	2,496
Auto Expense	1,310	2,205	1,640	2,404	1,173	1,123	1,665
Utilities-Telephone	1,760	1,974	1,405	2,497	2,048	1,619	2,046
Personal Interest	483	639	1,411	531	437	5	561
TOTAL FAMILY LIVING	\$34,669	\$48,093	\$43,278	\$43,101	\$37,308	\$14,387	\$39,757
OTHER NON FARM EXPENSE							
Income & Self Employment Tax	7,057	9,751	10,130	8,285	9,586	7,479	9,100
Non Farm Capital Purchases	664	444	1,140	360	5,035	108	2,403
TOTAL NON FARM EXP	\$42,390	\$58,288	\$54,548	\$51,746	\$51,928	\$21,973	\$51,260
CASH SURPLUS AFTER:							
ALL Income Sources	-\$23,423	-\$21,431	-\$901	-\$24,509	-\$27,958	-\$6,260	-\$22,623
Net Farm Income	-\$66,903	-\$45,366	-\$54,780	-\$43,667	-\$77,266	-\$30,147	-\$60,033

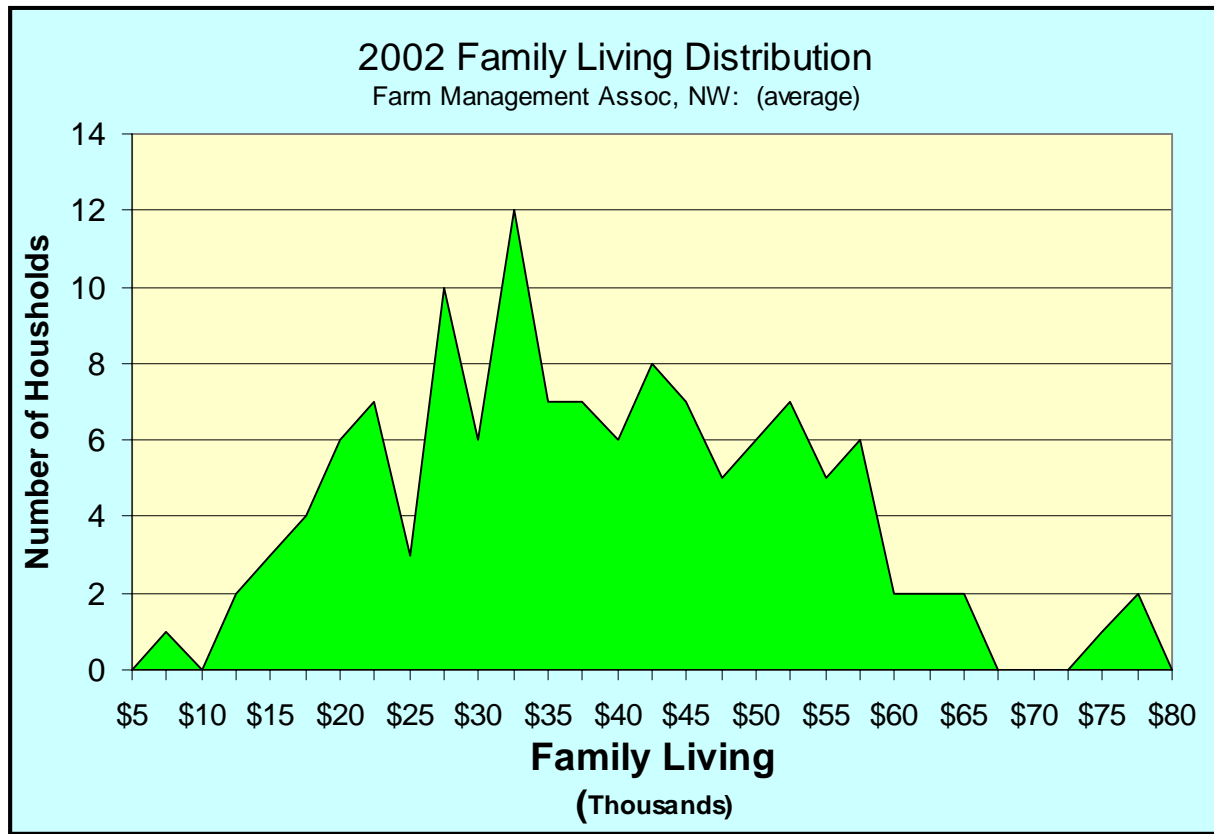


Figure 39

The average family living expense was \$39,757 before taxes and life insurance premiums, for the 127 households that have provided the association with family living data. Family living has been increasing over the years despite the current farm economy. It is \$2,488 higher than 2001 and ranges in Figure 39 from about \$7,500 to just under \$80,000.

Most of the households displayed in Figure 39 have family living expenditures within \$22,000 to \$57,000. Even if the family living expenditures are within a fairly small range, it is interesting to point out the difference in components depending on the age of the kids. Families with younger kids tend to spend twice as much, as a percentage, of their total family expenditures in acquiring/fixing elements for their homes. Child-care expense is replaced by education expense as the age of the oldest child increases.

In a drought year, non-farm income plays an important role in the day-to-day finances of the farm households. Non-farm income provided 130% of the available income for families in the Family Living summary. This is because the average net farm income was -\$8,773 for the 127 farms represented in the family living summary. The non-farm income was still \$11,000 short of covering the total family living expenditures. The following table also emphasizes the importance of non-farm income in the current situation. Households with a full time non-farm wage (greater than \$13,000 from wages for the year) were able to show an average positive change in earned equity of \$22,596 in 2002. For the other households with either part time wage income or no wages, the situation is more difficult because they are showing a change in earned equity of -\$17,120 and -\$17,458 respectively.

2002 ANALYSIS OF FAMILY LIVING RESOURCES & EQUITY CHANGE							
Farm Management Association, NW							
	Pre-School	Grade School	High School	Over 18	Couples	Singles	Average
Age of Oldest Child							
No Families	9	20	11	29	53	5	127
Average Age of Operator	30.6	38.8	45.2	48.8	60.8	57.6	51.0
HOUSEHOLD INCOME SOURCES							
Misc Taxable Income	5,911	3,982	3,094	7,834	12,697	429	8,419
Non Farm Business Exp	9,246	2,623	2,012	7,014	2,164	904	3,783
Non-Taxable Income	3,670	8,414	29,724	2,708	12,676	6,890	10,339
Wages	30,629	11,192	19,677	12,057	15,314	4,414	14,955
Rent/Royalties	12,376	2,122	1,314	2,429	8,847	4,523	5,750
Dividends/Interest	138	848	2,083	1,144	1,938	8,534	1,730
WAGE RESOURCES							
Average Full Time Wages*	\$36,813	\$25,540	\$30,884	\$26,247	\$42,545	\$15,719	\$33,311
Percent Full Time Households	77.8%	40.0%	63.6%	41.4%	32.1%	20.0%	40.9%
Average Part Time Wages**	\$2,568	\$2,269	\$0	\$2,841	\$5,158	\$6,351	\$3,159
Percent Part Time Households	22.2%	10.0%	0.0%	27.6%	34.0%	20.0%	24.4%
Percent with Wage Income	100.0%	50.0%	63.6%	69.0%	66.0%	40.0%	65.4%
Full Time Wage Households	7	8	7	12	17	1	52
Other Income	\$22,995	\$16,500	\$46,891	\$18,872	\$39,191	\$13,306	\$29,935
Wages	\$36,813	\$25,540	\$30,884	\$26,247	\$42,545	\$15,719	\$33,311
Net Farm Income	\$11,817	\$3,030	\$2,016	\$13,899	\$2,348	\$722	\$6,317
- Family Living Expense	\$37,384	\$37,854	\$45,717	\$38,385	\$33,397	\$21,992	\$37,210
- Taxes & Life Ins Prem	\$8,203	\$7,713	\$8,896	\$11,761	\$10,718	\$2,652	\$9,758
Net Earned Equity Change	\$26,038	-\$496	\$25,177	\$8,872	\$39,969	\$5,104	\$22,596
Part Time Wage Households	2	2	0	8	18	1	31
Other Income	\$3,321	\$15,516		\$13,368	\$29,470	\$263	\$21,785
Wages	\$8,988	\$9,077		\$4,261	\$4,871	\$6,351	\$5,299
Net Farm Income	\$246	\$1,564		\$873	\$1,488	\$0	\$1,206
- Family Living Expense	\$22,056	\$30,949		\$41,504	\$34,563	\$7,087	\$34,428
- Taxes & Life Ins Prem	\$6,157	\$12,530		\$7,445	\$13,503	\$453	\$10,982
Net Earned Equity Change	-\$15,658	-\$17,323		-\$30,447	-\$12,237	-\$926	-\$17,120
Households without W-2 Income	0	10	4	9	18	3	44
Other Income		\$15,452	\$7,421	\$7,394	\$65,289	\$14,422	\$33,391
Wages		\$136	\$65	\$65	\$38	\$0	\$65
Net Farm Income		\$2,509	\$2,004	\$3,293	\$2,667	\$1,266	\$2,603
- Family Living Expense		\$52,819	\$33,404	\$42,334	\$35,939	\$13,431	\$39,318
- Taxes & Life Ins Prem		\$17,721	\$17,896	\$12,871	\$12,406	\$12,284	\$14,200
Net Earned Equity Change		-\$52,443	-\$41,810	-\$44,453	\$19,648	-\$10,027	-\$17,458

* Full Time Wages = > \$13,000

** Part Time Wages = > \$500 and < \$13,000

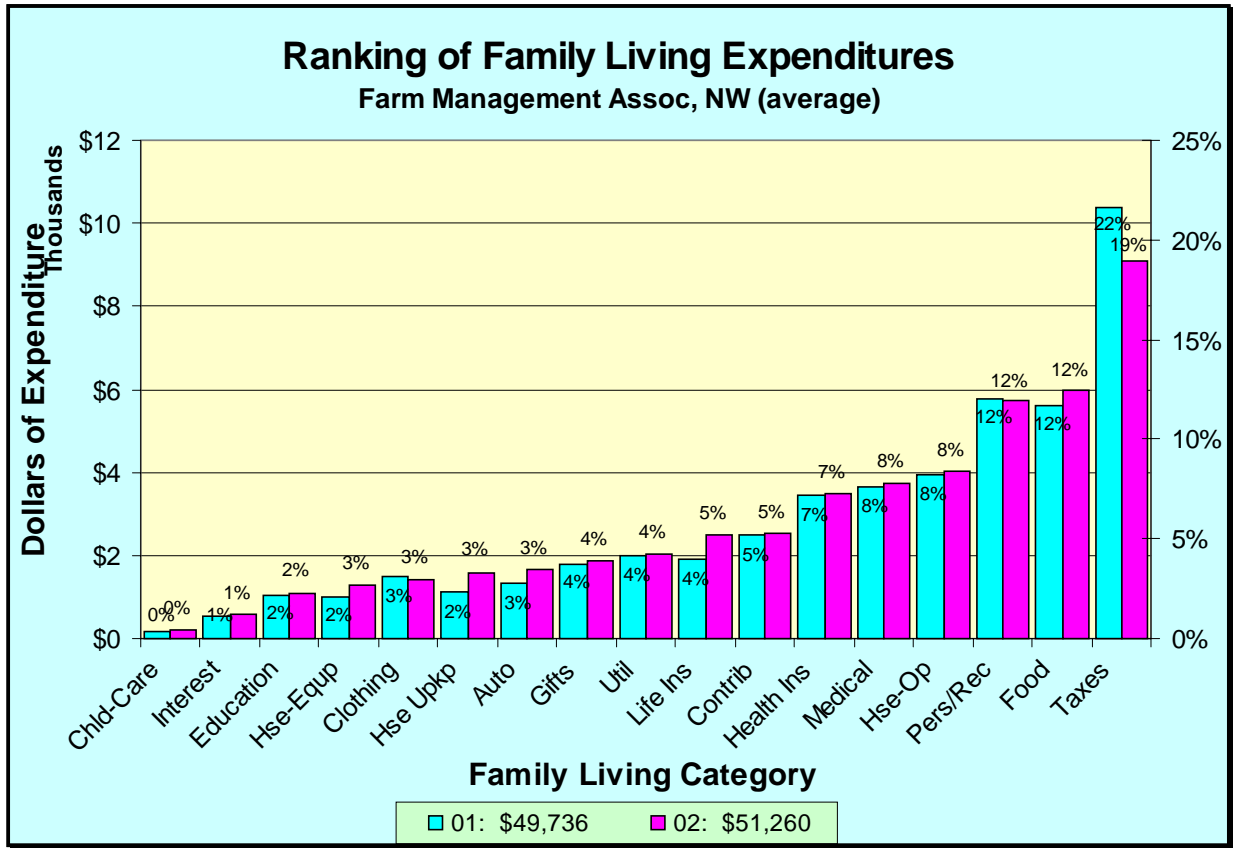


Figure 40

Figure 40 presents the distribution of the different family living expenditures. Income tax and Self Employment tax are the biggest category in that chart with 19% of the total family living expenditures. Food and recreational activities are about the same, each representing 12% of the total family living expenses. Health Insurance, Medical expenses and household operations expenses represent respectively seven, eight and eight percent of the family expenses. The different categories previously mentioned represent most of the expenditures with two third of the total family living expenditures. Health Insurance is continuing its constant increase with an average of \$3,507, which is a 2% increase from 2001.