

AUGUST 2025

# ECONOMIC & POLICY UPDATE

## E-NEWSLETTER VOL. 25 ISSUE 8

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### 2024 Family Living and Net Farm Income

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Over the last few years, farmers across the state had to sharpen their pencil when it comes to the farm budget. One part of the budget should be a family living cost. The average family living cost was \$100,358 or \$8,363 per month in 2024 for the 90 farms in the Kentucky Farm Business (KFBM) family living data set. Their average net farm income (NFI) for 2024 was \$23,088. Over the last several years, family living cost continued to increase steadily while NFI continues to decrease. From 2023 to 2024, family living costs rose on average \$11,836, while NFI decreased \$100,530 during that same time. Family living expenses include contributions, medical, life insurance, expendables (grocery, clothing, entertainment, etc.) and capital items (non- farm). To get a complete picture of family living, income and social security taxes need to be added, for 2024 that was an additional \$35,519.

From 2023 to 2024, non-farm income increased from \$39,653 to \$53,094. Bringing in much needed funds in a down NFI year. The average total income for farm families was \$76,182 for 2024. To get this amount, you combine NFI (\$23,088) and non-farm income (\$53,094). The average farm family in 2024 was short \$59,695 (total income \$76,182 minus total expense \$135,877). Having a very low NFI for 2024, which was projected going into the year, and the relatively high family living cost, other fund sources had to be utilized to cover family living cost in 2024. Examples of other fund sources, savings/investments, sale of assets, or borrowing money to help cover the difference.

As we head into harvest 2025 and looking forward to 2026, farmers need to keep those pencils sharp! With grain prices not above break even for most and the continuous climb of cost of living, 2026 can come with huge challenges for some. Discussing family living costs can be difficult and stressful for everyone. However, that doesn't mean these tough conversations need to be put on the back burner. Just like a good farm budget needs to be written down and looked at throughout the year, so does the family living budget!

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**Recommended Citation Format:**

Hardin, T. “2024 Family Living and Net Farm Income.” *Economics and Policy Update* (26):8, Department of Agricultural Economics, University of Kentucky, August 2025.

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