

Hire my spouse or part-time help?

We let our full-time employee go to reduce farm expenses. My wife offered to quit her job (with health insurance) to work on the farm. It's either that or hire part-time help. What's the best option?

Mike Evanish: It's not possible to come up with "the best option" without more details. What did the full-time employee cost you? Was he or she covered by health insurance? What's your wife's current salary? What would be your cost to buy health insurance that you'd be giving up? Is your wife qualified to replace the full-time employee?

So my safe answer is obvious: Your wife continues to work away from the farm with benefits; you hire part-time help.

But to correctly answer your question, you need comparative budgets. One would present your current business and personal cash flow. The second would reflect hiring your wife and having to meet your own health care needs. Don't forget the employment taxes on her earnings.

A third budget would reflect hiring other part-time help. Don't underestimate costs or overestimate revenues. Again, don't forget the employment taxes. Then you'll have your answer.

Dale Johnson: Your wife should do the work that she likes to do. There could be stress in your marriage and business if she's working on the farm but would rather be back in her old job. But, of course, if she's unhappy with her work, this may be the opportunity for her to work where she wants to be.

Your wife working off the farm really diversifies your income streams and reduces risk. If you have a bad year on the farm, you can fall back on her job income. If she's making a good salary with benefits, she'll probably stay put.

Sometimes, employer-subsidized health insurance is a real benefit. Under the Affordable Care Act, you may have more insurance options. You'll need to compare those health care alternatives as part of your analysis of her quitting her job.

If your farm needs skills that neither of you have, you may be able to hire a part-time employee with those skills. What happens if you both want or need to take off for a couple of days, and there's no one to tend to important farm tasks? It's always nice to have a part-time employee to fill in.

Businesses naturally lose a little bit of labor efficiency by hiring full-time help. You'll be surprised how much you can improve your own efficiency to offset the

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employee you let go. You may not need as much part-time help as you expect.

George Mueller: Many who love farming get along just fine with the spouse working in a town job they love. The fringes of health insurance and a retirement plan add to that attraction.

There also are many good reasons for a wife staying at home. In farming, we're blessed to be in an occupation where the wife and children can be a part of a family team that works hard to make the business prosper. Not many other profes-

sions in our modern society have this option.

Opportunities to work as a family and teach a good work ethic will last in your children their whole lives.

If you have young children at home, perhaps that's the most important place for your wife to be. Either option has merit. But it's essential that your farm must be run efficiently and make enough money for a decent living. Once a profitable farm business is achieved, the determining factor is the life stage your children, if any, are in.

I wouldn't trade my youth of working on my uncle's farm each summer for anything in the world. If possible, be sure your children have that opportunity.

Glenn Rogers: Good health insurance benefits at low cost are difficult to come by these days. Closely study the short- and long-term costs of your wife switching jobs, and going from health insurance paid for by her employer to one where you provide the same health care benefits. Look at the benefits to your spouse staying on the farm versus working off the farm.

Sometimes, there are stress relievers or stress enhancers with working off (or on) the farm. Working side by side with your spouse can be a great thing as you may complement each other. Or in some cases, it can be a stress enhancer as the work and atmosphere may be different than expected. And remember, the work may be different than what she's used to. The mental and physical adjustment may take months, not weeks.

It's good for the business when the wages and benefit package are tax deductible. You keep it all in the family, and no



one will work longer hours, harder and for less pay than family. But is this what you and your spouse are really striving to do in the long term?

The long term may be a farm that's larger, with more employees, greater acreage, more livestock or more marketable products. So, are you hiring the right person for the long term?

Finally, is your spouse the right person for the job or is she a temporary "fix" to get through the financial downturn? Look to the long term and recognize that short-term financial setbacks occur all the time.

There are a lot of advantages and disadvantages of part-time help. Finding and keeping the right employees is always difficult. They — and you — must know the short- and long-term goals of the farm, your mission and how they fit into the overall operation.

Evaluate where you are relative to those goals and your mission. Sometimes that means bringing in an outside adviser to help you out — a farm financial adviser, perhaps an Extension agent.

That outside adviser may be a contractor who is doing a job for you, but asks the right questions and maybe makes the right suggestions that "click" with you. That happened to me a few days ago. The answer was right in front of me; I just couldn't see it.

They said it



"Without more facts, the safe answer is to hire part-time help."

Mike Evanish,
Pennsylvania Farm Bureau



"If your wife likes her job, I'd be very reluctant to let her quit."

Dale Johnson,
University of Maryland



"If you can get by with part-time help and your wife enjoys her job, continue to enjoy the fringe benefits she brings home."

George Mueller,
Clifton Springs, N.Y.



"My tendency is to look at part-time help. But, as always, the devil is in the details."

Glenn Rogers,
University of Vermont

Got a question? Our experts await

OUR Profit Planner panel would like to hear your questions. The panel consists of Michael Evanish, farm business consultant and business services manager of Pennsylvania Farm Bureau's Members' Service Corp.; Dale Johnson, Extension farm management specialist at University of Maryland; George Mueller, dairy farmer from Clifton Springs, N.Y.; and Glenn Rogers, University of Vermont Extension professor emeritus and ag consultant.

Send your questions to Profit Planners, American Agriculturist, 5227B Baltimore Pike, Littlestown, PA 17340. Or email them to john.vogel@penton.com. All are submitted to our panel without identification.