



## How Much is That Baby in the Window?

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When you are looking at your newborn baby through the glass in the hospital nursery, we hope that you had put some thought into how much a baby costs each year. Have you adjusted the family budget to include the additional expenses of a child? The unfortunate fact is that the majority of people have not really thought about the cost or attempted to budget accordingly.

The US department of Agriculture reported that the yearly cost of raising a child varies depending on the child's age and the household income. The report states that the yearly cost through age 17 (not including college education) will range from \$6,490 to \$7,560 for low-income families, \$9,030 to \$10,140 for middle-income families and \$13,410 to \$14,670 for high-income families.

For most of us, having a child will cost anywhere from \$500 to \$950 per month. This sudden increase in expenses can put a tremendous strain on anyone's personal finances. You should take the initiative to prepare ahead of time. Even an unplanned pregnancy gives approximately 9 months for a family to prepare before the baby comes. That should be plenty of time to develop a budget and work out any problems related to that budget.

It is surprising how many people have no idea of the additional month in and month out costs associated with a child. This is one of the major reasons why both parents in a two-income household will continue to work after the baby is born.



If you do not have a workable budget pre-pregnancy, then it is imperative that you take the nine months to do so. Followings is a list of the first couple steps to take:

Audit your expenses

Determine where you can save money

Decide on what you need to cut back on

Doing this before the baby is born will allow you the flexibility to determine if you need to go back to work and time to enjoy your new baby without the financial pressure. Prior planning and budgeting will go a long way in giving you “Financial Peace of Mind”.