

Money Matters for New Parents

Becoming a new parent is one of the most exciting things that can happen in your life. It can also be very disorienting as you try to take care of a new human, manage your relationship with your partner, and adjust to your new role and identity. During pregnancy, parents are consumed with visits to the doctor's office and reading baby book after baby book. But something that is often overlooked is how your little bundle of joy will impact your financial outlook. Here are some key things to think about:

Budgeting

Babies are expensive! Yes, they are cute, but there are financial obligations that come with parenting. According to the book *Baby Bargains*, parents spend more than \$6,200 in the first year on food and gear alone. But you can definitely get by for way less. The book recommends this more reasonable budget:

- Crib, mattress, dresser, rocker: \$1,280
- Bedding, decor: \$200
- Baby clothes: \$340
- Diapers: \$300
- Maternity/nursing clothes: \$540
- Nursery items, high chair, toys: \$225
- Baby food/formula: \$350
- Stroller, car seat, carrier: \$200
- Miscellaneous: \$500

TOTAL = \$3,935

Notice that this budget does not include some high cost items, such as childcare. If you require childcare, keep in mind that prices can range anywhere from \$400 to \$2,000 per month depending on location.

Medical bills are not included in on this budget either. In order to understand the costs of delivery and follow-up visits, make sure to contact your healthcare provider and your health insurance company. Make sure you understand exactly what is and isn't covered by your insurance. Prices and coverage vary widely.

Ways to Save

There are lots of ways to cut back on costs. Some are time-consuming, while others are incredibly simple. When you combine all of these tips and tricks, you will see some massive savings.

Breastfeed if possible. While breastfeeding may not be for everyone, there are a lot of benefits if you can make it work. First, most doctors recommend breastfeeding over formula for the baby's health. Breastfeeding is less expensive than formula. You can save at least \$1,400 in the first year of your baby's life.

Shop at resale stores. Babies grow out of their clothes very quickly, so it can be a budget buster. To cut back on costs, shop at thrift-stores or resale shops. You will be able to find pre-worn clothes at a fraction of the cost of retail. You can also find a lot of cute stuff!

Borrow From Friends: If you have friends or family who have kids, they will likely have more expensive items (like cribs and bassinets) just lying around their house. Borrowing for a year or two will save you money and them storage space – a win-win!

Make your own baby food. Here's a secret: baby food is just mashed up fruits and veggies. Rather than spend money on marked-up prepackaged baby food, mash up some sweet potatoes and avocado and a fraction of the cost. Your little one won't know the difference, and you'll save a lot of money!