

MONEY WISE

VALUING PEOPLE. VALUING MONEY.
MANAGING IN TOUGH TIMES INITIATIVE



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THIS MONTH'S TOPIC: PREPARING FINANCIALLY FOR BABY

If you are expecting a baby or maybe a new grandchild, congratulations are in order! Preparing for your little one's arrival is an exciting time that requires a lot of decision making. These decisions range from which baby gear to buy to child care arrangements. By now, you have probably realized that each of these decisions comes with a price tag. In order to make the most of your pregnancy and the upcoming arrival of your baby, it is a good idea to make financial preparation your top priority. Below are some financial considerations that you should keep in mind when preparing for your baby's arrival:

- **Family budget.** If you are not already living on a budget, now is the time to sit down and create one. Having a baby will impact your monthly spending. It is important that you have an idea of where your money is going and how the arrival of your baby will impact your current and future financial situation. Be sure to keep expected expenses like diapers as

well as unexpected expenses like unscheduled doctor's visits in mind.

- **Buying for mom.** It is easy to forget that, in addition to buying for baby, you will also have to make special purchases for mom. For some purchases, such as maternity clothing, consider shopping at consignment and discount stores to get the most for your money.





- **Research.** Before buying for your baby, it may be a good idea to seek out the advice of your friends and family who have had children in the past few years. You will get a good idea of which baby gear you will definitely need as opposed to which gear you can wait on. Friends and family can also help prepare you for what to expect financially for things like diapers and childcare.
- **Buying for baby.** Before buying, check with family and friends to see if they have any gently used baby clothing or gear that they may be willing to give you. Babies grow so quickly that most clothing and accessories have very little wear. Also, consider shopping at local consignment stores to save money.
- **Spread out your spending.** A typical pregnancy lasts 40 weeks – take advantage of those 40 weeks and spread out your spending! At the beginning of your pregnancy, make a list of all anticipated expenses related to the pregnancy and the birth of your baby including medical bills, unpaid time off for maternity leave, and baby gear. If possible, sum those expenses and set aside a certain amount of money each month to cover those costs.
- **Know what is covered.** Contact your insurance company and doctor's office to figure out what

you will be responsible for paying and when your payments will be due. Each doctor's office has their own policies. For example, your doctor's office may charge a flat fee for all appointments and delivery or may charge separately. Calling your insurance company to ask what pregnancy costs will be covered as well as what your co-pays, deductibles, and out-of-pocket costs will be helps you to make sure that you are able to cover all expenses as they occur.

Remember, while it may be tempting to buy every cute onesie you see, preparing financially for your baby must be your top priority. Being financially prepared for your little one's arrival will guarantee that you are able to avoid debt and stress so that you may enjoy every precious moment with your baby.

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