

THE PREGNANCY CARE CENTER

Logo

Financial Planning for Baby

Budgeting and financial preparation for your growing family

Babies bring joy—and expenses. Planning ahead can help you manage costs and focus on your baby. Here's how to prepare financially.

Build your baby budget

List expected expenses in three categories 【106118583043469†L139-L163】: * **Ongoing costs:** diapers, bottles, wipes and clothing. * **One-time purchases:** car seat, high chair, crib and stroller. * **Long-term costs:** childcare, education, insurance and hobbies.

Draft a baby budget to track where and how you're spending. Use an online baby cost calculator to estimate costs and identify ways to save 【106118583043469†L174-L180】. Adjust your budget as your income or circumstances change.

Manage your finances

- **Claim your child as a dependent.** File a new W-4 form within 10 days of birth to claim your baby and lower your tax withholding 【106118583043469†L166-L170】.
- **Start collecting gear.** Compare cribs, car seats and other essentials and check recall information via the U.S. Consumer Product Safety Commission 【106118583043469†L182-L187】.
- **Make a will.** A will names a guardian for your child should something happen to you. You can draft one yourself using online tools 【106118583043469†L190-L199】.
- **Open a savings or college account.** Many banks allow you to open a child's savings account with a small deposit; ask friends and family to contribute on birthdays or holidays. Consider a 529 college savings plan for tax advantages 【106118583043469†L203-L209】.

Protect your family

- **Add your baby to your health insurance within 30 days** of birth or explore options through Healthcare.gov or the Children's Health Insurance Program【106118583043469†L211-L216】.
- **Plan for childcare.** Daycare centers, in-home providers or family members vary in cost and availability; explore options early【106118583043469†L220-L225】.
- **Use tax-advantaged accounts.** Contribute to a Flexible Spending Account or Health Savings Account if your employer offers one to pay for medical expenses with pre-tax dollars【106118583043469†L227-L233】.
- **Pay off debt.** Paying credit card balances each month frees up money for savings【106118583043469†L237-L241】.
- **Consider life insurance.** Life insurance provides financial security for your family; younger, healthier people often pay lower premiums【106118583043469†L243-L249】.

Planning ahead gives you peace of mind and allows you to focus on enjoying life with your new baby.

Sources

1. March of Dimes: "Budgeting for baby today and tomorrow"【106118583043469†L139-L249】.