

Raising

BABY on a BUDGET

Financial Tips and Planner

The New York State Consumer Protection Board (CPB) congratulates you on becoming a parent. While you are enjoying this special time with your little one, we encourage you to take the time to make and stick to a budget to help accommodate some of the extra financial responsibilities you will incur.

Here are some helpful tips to get your started:

Talk to people with experience. Before buying all new baby equipment (such as strollers, cribs, and car seats) talk to friends and relatives whose children have outgrown these items. You can also find used items at consignment shops and yard sales. However, make sure that any used items have not been recalled by checking at: www.recalls.gov. Even if your friends and family do not have hand-me-downs, they probably have more than a few cost-cutting ideas from their own experience that they would be happy to share.

Calculate your expenses including new recurring expenses. Items such as formula, diapers, clothing, day-care, medical costs that are not covered by insurance and other new expenses resulting from the addition to your family will make a big difference in your finances.

Figure out whether or not one parent can stay home with the baby. While a stay-at-home parent will reduce the family's total income, two working parents can also cause an increase in expenses. Staying home saves money that would have been spent on transportation, day care, and even taxes. Be sure to look at the whole financial picture before making decisions about employment and child care.

Check your health insurance. Be aware of what level of coverage is offered for your baby and what costs will not be covered. In addition to any increases in your health insurance premiums, you should include any items not covered by your plan in your budget.



Look into government-sponsored health insurance programs. If you do not have health insurance for your child or your current insurance is very limited, New York State government programs such as Children's Medicaid or Child Health Plus offer great alternatives. You can access information at the website of the New York State Department of Health:
<http://www.health.state.ny.us/nysdoh/chplus/index.htm>.

Check out other State-sponsored programs offering assistance. The Women, Infants and Children program (WIC) is a special supplemental food program providing nutritious foods, milk, juice, formula, and other items to low-income pregnant or breastfeeding women, infants and children up to age 5. You can find more information at: <http://www.health.state.ny.us/prevention/nutrition/wic/>.

Change your tax status. Adding a child may entitle you to certain tax breaks and credits. While this all depends on your individual financial status and income, planning for these tax changes should be part of your budgeting process. You might want to consult with a professional to make sure these benefits are properly calculated.

Start saving for college now. While it might seem like a long time until your baby will be going to college or to an institution of higher learning, the sooner you start saving the more effective your savings will be. There are many government plans offered and some will accept donations from relatives as well as parents. You can find more information at: <http://www.osc.state.ny.us/pension/collegesavings.htm>.

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