
Having a baby

Budgeting for you and your child



Having a baby is one of the most exciting times in your life. While nothing can quite prepare you for the changes about to happen, one area that you can get a handle on is your finances.

- [Have a money conversation with your partner](#)
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Have a money conversation with your partner

Talking about the changes that will happen to your family after you have a baby is really important and these conversations should include money.

Some of the things to discuss may include:

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- How do you want your family to function after your baby is born? For example, who is going to be the primary care giver? Is the primary care giver going to work? Answers to these questions will be informed by your own values and your current financial commitments.
 - Do you need to change how you manage your day to day spending and saving?
 - Do you need to reevaluate your goals and priorities including financial ones? Should you delay major purchases or try and reduce your debt?

Single and having a baby

If you are having a baby and you are single, it's important to research and plan for your life changes as soon as possible. There are important decisions to make about how you want to arrange your life after you have your baby that will impact on your finances. For example, do you want to care full time for the baby for a period, or work part time or full time?

Prepare during pregnancy

Being pregnant can be an emotional rollercoaster, especially your first time. There are many new things to learn about and you will probably want to know all about the baby growing inside you, as well as what you need to prepare before the baby arrives.

It's important to budget for any associated costs during pregnancy. These may include:

- Doctor and hospital bills
- Scans and special medical tests
- Maternity clothes
- Baby clothes and equipment
- Extra savings (if you can) for after the baby is born

It's probably a good idea to talk to people who have children to find out what cost saving ideas they have before you go out and buy all the latest baby equipment.

Manage your income while you are caring for your baby.

[Parental leave calculator](#)

Working part-time or taking time off paid work to have a baby can also affect your super.

Work out ways to improve your super balance while taking time off paid work.

[Career break super calculator](#)

Budget for your new family

Start your budget with your current income and expenses. If you don't know where your money goes, try [tracking your spending](#) for 2 weeks, then put the details in our budget

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planner. Add the extra expenses you'll have once the baby arrives (nappies, baby food, nursery equipment etc) and make adjustments for any changes to your income if you or your partner take time off work.

Ask your employer about your paid leave entitlements like maternity leave, recreation or annual leave, long service leave or unpaid leave.

To keep costs under control, think about buying second-hand goods. Check online, at specialist second-hand baby stores, garage sales and charity shops. Find out the retail price of new items so that you get a good deal. Family and friends might also have items they can lend you or hand-me-downs they can give you.

Try to keep your bank balance healthy by sticking to your budget.

Government help

You could be eligible for government benefits such as [Parental Leave Pay](#), [Family Tax Benefit](#) or [Dad and Partner Pay](#).

Depending on your income and assets, you may also be entitled to other benefits such as Child Care Benefit, Parenting Payment, Rent Assistance or a Health Care Card. Try to incorporate these benefits into your budget. You can phone the Department of Human Services on 13 61 50 for an estimate of [payments for your family](#).

Child care

Smart tip

Child care will be one of your biggest expenses if you or your partner return to work.

Before you go back to work, update your budget with changes to your income and childcare expenses. This will help you decide if returning to work will benefit you financially.

Contact the [Department of Human Services](#) to see if you're eligible for the Child Care Benefit or Rebate to help you pay for child care.

Here are your child care options:

- **Partners, relatives or friends:** A great option if you are lucky enough to have this support.
- **Childcare centre or family day care:** Costs, conditions and waiting periods vary. Contact several to compare them and see where places are available. Your local council may also have information.
- **Workplace childcare:** Some companies offer onsite child care.

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- **Nannies:** For some people, a nanny is a viable option. The Department of Human Services can assess if you are entitled to Government assistance for in-home child care.

Your child's legal protection

Do you have a [will](#)? Think about asking someone to be the guardian of your child if you and your partner should die and name this person in your will.

The way you spend money will change when you have children. Getting your finances under control will give you peace of mind and allow you to relax and enjoy being a parent.

Saving for your children's education

Preparing for higher education

You want your children to have the best education possible, yet school and university expenses and fees can be costly. The money you spend on your kids' education could be one of your family's biggest expenses.

Starting to save early will help your children have a high-quality learning experience.

- [Work out how much money you need](#)
- [Saving options](#)
- [Talk to your children about saving](#)

Work out how much money you need

How much money you need will depend on whether you want your children to go to public or private schools and whether they plan to go to university or college.

For example, if you send two kids to a private high school which costs an average of \$20,000 a year for each child, by the time they both graduate you will have spent \$240,000 on school fees. And that's not counting extras such as school uniforms, trips and sporting clinics.

Public schools are much cheaper but there are still extra tuition fees, textbooks, uniforms and school camps to pay for.

The cost of going to university or college can also vary. If your child is eligible for HECS-HELP (a government loan available to tertiary students) they can choose to defer payment of university fees. Even if they don't pay fees upfront, your child will have to pay for books and materials, union and sports fees and transport costs. Contact the university or college and find out how much each of these things will cost each semester, so you have an idea of how much money you will need to save. For more information about university fees and payment options see [studying](#).

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Work out how much to set aside for your upcoming school expenses.

[Savings goals calculator](#)

The earlier you start saving for your children's education, the better. Education costs are usually a long-term goal that can take more than 5 years to achieve.

Set, plan, track and manage your savings goals on the go.

[TrackMyGOALS](#)

Savings options

Smart tip

Never feel pressured to sign up to an education fund. If you are approached by a promoter you should ask for time to carefully read the documents, including the PDS.

To help you reach your goal, you could put your savings into:

- [Shares](#)
- [Managed funds](#)
- [Term deposits](#)
- [Savings accounts](#)
- [Investment bonds](#)
- [Education funds](#)

Before you decide to put your money into any of the saving options above you should consider your other financial obligations. For example, you might be better paying off your mortgage or paying down your debts first, before you start saving.

You should also find out more about [compound interest](#) and how it can help your savings to grow.

Education funds

Education funds are special funds to help save for children's education. If you are considering an education fund you should check the following to make sure these funds fit your long term financial plan.

Here are some questions to ask before you invest in an education fund.

- **Fees** - What fees will you be charged?
- **Contributions** - How much do you need to invest and how often do you need to contribute? Can other people, such as grandparents, also contribute?

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- **Investment options** - What investment options are available, and do the suggested timeframes for these options meet the timing of your children's education needs?
 - **Fund purchases** - What can you use the savings for, for example can you use them for primary, high school or tertiary studies? Do they cover expenses such as clothing, laptops and excursions?
 - **Access to funds** - What criteria need to be met before you can access your funds? What happens if your circumstances change, and you can no longer contribute to the fund - do you lose all that you have invested? How difficult it is to withdraw your money if your children's priorities change? For example, what happens if your children decide they don't want to do tertiary studies?

You should compare the features of an education fund with other investments such as term deposits and managed funds. In particular compare:

- Product fees, features and benefits
- How the fund is taxed compared to how other investments are taxed

Saver Plus

Saver Plus is a program to help families on low incomes develop a savings habit and improve financial skills. Saver Plus can help you set a savings goal and help you reach it. When you reach your goal, your savings are matched, dollar for dollar, up to \$500. Find out more about [Saver Plus](#).

Need assistance?

If you need help with a [financial plan](#) to save for your children's education, or if you need more information about education funds, consider getting [financial advice](#) from a qualified financial adviser.

Talk to your children about saving

Let your children know your savings plan. It's important they understand the benefit of long-term saving. You could even open a savings account and teach them to deposit their pocket money in it.

For more information see [teaching kids about money](#).

Education is important but expensive. There are many things you can do now to help secure your children's educational future.