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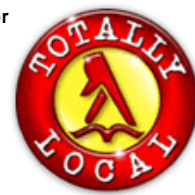
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Making Cents: Baby brings new finance challenges

By **John P. Napolitano**
GateHouse News Service
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You're having a baby? Congratulations. I hope you're ready for some changes. Here are a few finance-related ideas to think about before the mad dash to the delivery room.

Try to avoid going deep into debt when putting money aside and purchasing the seemingly endless list of diapers, toys, baby clothes, home furnishings and car seats. Many people over-prepare. Make a list and stick to it.

For those who have a nose for bargains, there are quite a few out there to help set the stage for a newborn. Take a look at "Baby Bargains" by Alan and Denise Fields.

Make sure you have solid life insurance and disability insurance policies. Don't skimp with life insurance. With all of the changes brought on by your new child, the last thing your surviving spouse needs is financial worry.

The same goes for disability insurance - make sure you have enough to do the whole job, not just part of it. In case your employer doesn't have you covered, you should buy your own.

During this time of belt tightening, many working parents face the added pressure of shrinking maternity-leave pay and comp time. Only a shade over 15 percent of employers offer full pay for childbirth leave, down from 27 percent 10 years ago. The average maximum length of job-guaranteed leaves for new mothers and dads shrank, too. The lesson? If family help is not available, put away money for help in the house.

Do not give in to the temptation to put college savings ahead of retirement. Many loan programs and scholarships exist for college. The same cannot be said for your golden years. Only after putting away a solid percent of your income should you think about contributing to a college fund.

Set up a direct deposit savings account which draws from checking, and plan to dedicate anywhere from \$1,000 to \$1,800 for new baby costs. Start this as soon as you are pregnant to get used to a tighter budget.

Re-examine your cash flow. Make sure that you can cover the costs of being a parent and consider planning for mom to be out of work. Many moms never make it back to work, and even more end up with a longer leave from employment than originally anticipated.

John P. Napolitano is the CEO of U.S. Wealth Management in Braintree, Mass. He may be reached at jnap@uswealthcompanies.com. For online discussion and more information, go to www.makingcentsblog.com.

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