

# money matters

Here's what your wallet can expect now that you're expecting.

Plus, smart tips on how to save, invest, and plan. BY HALLIE GOODMAN



*fyi*

Maternity pay is rarely 100 percent of your salary.

## the cold, hard numbers

### **\$ BIRTH**

Delivering a baby at a hospital will cost a whopping **\$8,000**.

### **\$\$ YEAR ONE**

You'll spend **\$16,290** in the first year alone on everything from diapers to doctors.

### **\$\$\$ UP TO AGE 17**

Raising a child will set you back a staggering **\$298,680**.

### on the home front

To make room for baby, you need to have a great mortgage, which means having great credit. Think it's too late? Don't! You can raise that score in six months. The fastest way? Pay down all your credit cards to below 35 percent of their limits.

### breast vs. bottle

Though you might think it's best to decide in advance, it could be a waste of both time and money. "You can't plan your experiences no matter how hard you try," says financial expert Brett Graff. You may have to change strategies at the last minute. "Don't waste your money on paraphernalia you won't need," she explains.

### when the best isn't worth it

"Nothing but the best is great as long as you're talking about health care, safety, or nutrition," says Graff. "But not if you're talking about a onesie from France." You should take a second to differentiate. Just like anything else, there will be times when it pays not to spend.

### time management

Try to log extra hours and goodwill at work now while you still can. Since you'll be missing work when you attend prenatal appointments each month, try scheduling them in the a.m. since the wait is shorter; then stay late to make up for it. Stockpile those sick or vacation hours for a rainy day (think: possible bed rest).

### nanny, granny, sitter, day care?

Do your due diligence. "You aren't going to just stumble upon the best value," says Graff. "You'll have to investigate." Many companies offer partial reimbursement for child care expenses, so put a call in to HR. The IRS also offers help, allowing you to pay some of your child care costs using pretax dollars, but this will depend on your income level.

### work status

When crunching the numbers to see what makes the most sense for you—working full-time, part-time, or staying at home—look beyond the straight math. It's not just your salary minus the cost of child care. And there are other things to factor in. Does your company pay your cell or BlackBerry bill? What about your health

insurance? On the flip side: How much do you spend on your professional wardrobe or transportation to and from the office?

### the right insurance

Many new parents jump on life insurance because it's inexpensive, but Graff says that purchasing disability insurance is far more important. If you wind up on bed rest or have some complications that will make it impossible to get back to work right away, disability could be an absolute lifesaver.

**The Bump expert: BRETT GRAFF**, former government economist who now helps families get fiscally fit

ps

**"Keep in mind that all of these figures exclude two very important costs," says Graff. Number one: "The cost of lost opportunity. A majority of people don't work as much after they've had a child." Number two: College tuition. "And let me tell you," she warns, "if you thought that your stroller was expensive..."**