



Balancing your budget while raising a child

You will use this tool along with the video learning module: Balancing your budget while raising a child. In this exercise, you will consider how your household income will be affected by your growing child's/children's needs.

To help you get started, you may want to consider the following. These are some of the ways that parents have told us they experienced a drop in available money:

- Parental leave from work, e.g.:
 - Primary caretaker takes longer leave from work.
 - Extra time taken off work by the other parent in addition to regular vacation days.
 - One or both parents continue to work but there is a reduction in the amount of work and income.
 - Costs of extra days off work due to sick child.
 - Government parental leave payments do not totally replace regular income of employment, and not all employers provide a top up.

Exercise – create your personal list of income reduction.

Complete this exercise together.

	Regular Income	Expected Income	Difference
Parent 1			
Parent 2			
TOTAL			

The total difference will tell you the gap in income you need to manage. You will input this amount into your **Personal Plan**.

What we've heard from parents:
"We knew daycare was going to be expensive so we budgeted carefully for it. What we didn't calculate was late pick-up fees. A traffic jam that made me 15 minutes late cost me \$80. It took a bite out of our budget."



Balancing your budget while raising a child: Growing child expense list

You will use this tool along with the video learning module: Balancing your budget while raising a child. In this exercise, you will consider the costs of raising a child.

According to the Centre for International Statistics at the Canadian Council on Social Development, it costs on average about \$10,000 per year to raise a child. We asked parents to share their experience and below are some of the costs they told us about:

Child Gear:

Clothes	Tricycle
Books	Toys
Larger car seat	Diapers
Larger stroller if more than 1 child under 2 years	

Growing Family Needs:

Larger home or apartment	Family/play room for kids to play safely
Big kids' bed and other furniture	Food costs

Child care:

Daycare costs:	Child-sitting costs
• enrollment,	Nursery school costs
• late pick-up fees	Extracurricular programs (i.e. music, dance, sports)
• deposit to get on wait list before your child starts daycare	

Family Fun:

Vacation	Movies and DVDs
“Staycation” – including activities like visiting museums and gymboree	
Games (computer, online and old-fashioned board games)	

Your child's future:

RESP savings	Other savings
Additional education and lessons beyond daycare or kindergarten	

Exercise – create your personal list of necessary child items.

Create this list together. It will provide a reality check on how much money you will spend annually.

ONE-TIME COSTS	Cost
Item	
Tricycle	
Toys	
Larger Car Seat	
Big Kids' Bed and Other Furniture	
Larger Home	
Family/Rumpus Room for kids to play safely	
Vacation	
ONGOING EXPENSES	Cost per Month x 12 Months
Item	
Clothes	
Books	
Toys	
Food Costs	
Daycare Costs	
Child-sitting costs	
"Staycation" (visiting museums, Gymboree)	
Vacation	
Movies and DVD's	
Games (computer, online and old-fashioned board games)	
RESP	
Other Savings	
Additional education and lessons beyond daycare or kindergarten	
Diaper costs up to 2-3 years of age	
TOTAL	

When you have completed this list, you will use it to prepare your **Personal Plan**.



Balancing your budget while raising a child: Personal Plan

You will use this tool along with the video learning module: Balancing your budget while raising a child.

Setting your goal

At this point you should have completed two tools: **Income Reduction List** and **Child's Expense List**. The information from those tools will form the basis of your **Personal Plan**.

Add together the amount that your income will be reduced and the list of your child's expenses. Your personal Total will tell you how much extra money you need to cover the costs of your child in the first year. Don't worry, this is a reality check and many parents have told us that they feel shocked when they look at the total. The important thing is that you've done this work and now you are prepared to find ways to accommodate the impact your growing family has on your finances.

Income Reduction List Total	\$ _____
Child Expense List Total	+ \$ _____
Our Financial Needs	= \$ _____

Finding the money

Parents have told us that they have covered the costs of their children in several ways:

- Trimming the fat from their budget – by making the easy cuts
- Fine tuning their annual budget – by making tweaks to regular expenditures
- Using savings
- Rethinking how funds are spent on family fun (i.e. free community family events and/or using Comfort, Play & Teach and all the activities available at www.investinkids.ca)

Other ways to save:

- Use hand-me-down clothes and toys from family and friends

Keep in mind that any used toys or baby gear should be checked to be sure they meet current Health Canada Product Safety standards (for more information check: <http://www.hc-sc.gc.ca/cps-spc/child-enfant/index-eng.php>).

If you already have an annual budget, pull it out and review it together. Find items that you both agree could be sacrificed or reduced. If you don't have a written household budget, it's never too late to start.

Personal Plan

Here is a worksheet that has some regular household items that parents have shared with us that you can use as thought-starters. It's a good idea to pull out bills, receipts and credit card statements to help you remember your personal expenses.

Once you have created your Personal Plan, you can use this for your ongoing Reviews.

Expenses	Our monthly expenses	Expenses we want to decrease	Plan	Review—Are we meeting our goal?
Baby Expenses				
Your personal Child Expense Costs, from your Growing Child Expense worksheet				
Housing				
Mortgage or rent				
Insurance Home				
Phone				
Electric				
Cable TV				
Internet				
Property tax				
Maintenance or repairs				
Supplies, Other				
Transportation				
Bus/taxi fare				
Car Insurance				
Licensing				
Fuel				
Maintenance				
Parking				
Car Payments				
Food				
Groceries				
Dining out				
Snacks, Lunch, Takeout, Other (i.e. coffee, tea)				
Personal care				
Medical				
Hair/nails				
Clothing				
Dry cleaning				
Health club				
Organization dues or fees				
Other				
Entertainment				
Multimedia				
Concerts				
Sporting events				
Cinema				
Travel				
Other				
Bank				
Banking fees				
Credit card				
Special savings (travel, etc.)				
Taxes				
Other Expenses				
Pets				
School (Tuition, loans, textbooks, etc.)				
Other				