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A Father's Day Financial Checklist for New Dads

SeaTac, Washington (June 17, 2021) — You've dreamed of being a dad and now the day is here.

Although you're sleep deprived and navigating the new world of parenting, you're probably also thinking about money and how to plan for the short- and long-term milestones of raising a child.

The Northwest Credit Union Association has eight tips to keep your finances on track:

1. Revise your household budget.

In 2017, the USDA updated its Expenditures on Children by Families report and found that the cost of raising a child from birth to age 18 is \$233,610 for a middle-income family (married with two kids) — around \$12,980 per year. Adjusting for inflation and cost of living adjustments, that figure now hovers around \$284,750. Broken down, it's about \$1,300 per month. Take a deep breath and realize that planning ahead with a revised budget will help you afford new expenses, such as diapers, baby food, childcare, clothing, and medical care.

2. Reduce expenses.

Chances are you spent money on things you won't have time for once you become a parent. Cancel unused magazine subscriptions and cut down on unnecessary TV or streaming services. Analyze your grocery lists and pump-up meal planning to avoid food waste. Shop thrift stores for baby clothing and other necessities — often you'll find new items with the price tags still attached.

3. Invest in good insurance.

Now that you have a dependent, good insurance is a must: health, life, and disability. Depending on the policy, life insurance can allow you to save for long-term events, such as tuition, paying off the mortgage or a wedding. Disability insurance can help if one or both parents become disabled due to illness or injury. Your employer may offer disability insurance, so be sure to check that it will be enough to pay for essential expenses, such as mortgage, childcare, household expenses, and other debt for a reasonable time period.

4. Build up your emergency fund.

As everyone learned during the COVID-19 crisis, it pays to have a financial cushion. Try to have six to 12 months of living expenses saved up in case you change jobs or lose income. This safety net provides security while you're job-hunting or if the family has to live on one parent's salary.

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5. **Start saving for college now.**

The old saying goes, there's no time like the present, and it's especially true when saving for long-term expenses like college. Secure your child's academic future by opening a College Savings 529 account with your credit union. Money invested in a 529 account can be invested and grow tax-free and each parent (or grandparent) can contribute up to \$15,000 per year. You also don't have to pay taxes on withdrawals if used for education purposes.

6. **Automate your monthly bills.**

Your mind is awl with all the details of having an infant, plus you're just plain tired. Setting up automatic loan and bill payments can take the pressure off one household duty and ensure everything is paid on time, saving you a hassle in potential missed payments and credit card interest rate increases.

7. **Ask financial experts for advice.**

Take advantage of the financial planning services offered by your credit union. You can schedule meetings to learn more about home buying, credit scores, retirement savings, and more. There are also online tools and calculators for home budget analyses, debt consolidation, equity loans, savings goals, and mortgage qualifiers.

8. **Update your will and estate planning documents.**

It's no fun to think about writing a will, but you want to make sure your child is provided for, no matter what. A will allows you to choose a guardian for your child in case of an untimely death of both parents. Update your beneficiary designations to include your child as a second beneficiary of your investments and life insurance policies.

Congratulations to all the first-time parents. Contact your credit union to learn more about budgeting tools, financial education opportunities, savings programs, and affordable credit options.

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The [Northwest Credit Union Association](https://yourmoneyfurther.com) is the trade association representing more than 175 not-for-profit, cooperative credit unions in Idaho, Oregon, and Washington, and their 8.1 million consumer members. As not-for-profit cooperatives, credit unions look out for their members' financial well-being. Everyone should open their eyes to a credit union. For more information, please visit: <https://yourmoneyfurther.com>