



Financially Prepare for Baby Checklist

a step-by-step guide on getting your finances
in order before baby arrives.

You see the positive pregnancy test and your heart starts beating with excitement. It is such a joyous time for you and your family. There is no need to start worrying about your finances. You have time to create a plan and start working towards a bit of financial security.

Let's Do This!

Step One:

Create an emergency fund of at least \$1,000 in case of a financial setback.

Step Two:

Start saving the amount of your insurance deductible. This needs to be in addition to your emergency fund. Most companies charge anywhere from \$500 to \$1,000 or more for a deductible. It's wise to have at least your deductible, maybe even two times that amount in the bank before having your baby.

Why two times your insurance deductible? Well most hospitals put the baby under the mother's patient number during the birth; however, if the baby is admitted into the NICU or kept for observation then they have their own patient id. Now you not only have the mother's deductible to pay, but also one for the newborn.

Step Three:

Create a diaper and wipes stockpile. Keep an eye out for any good deals on diapers or wipes. Diapers never expire and if you are able to start storing them now then it will save you in the long run.

Step Four:

Start budgeting for daycare now. If you're planning on sending your baby to a daycare or sitter during the day then you need to budget for it. Call around and get average prices. Once you have a price to go off of then you need to put it in your monthly spending. Start living like you are already paying that amount so when the cost comes you are already adjusted to it.

Tip: Let's say it will cost about \$400 a month for daycare. Actually physically remove that amount from your bank account each month and place into your savings. It will help build your emergency fund and savings amount even faster. Plus you will get used to that amount being paid.

Step Five:

Budget for other expenses that you know are coming. Besides daycare there will be other monthly expenses you need to be aware of. Such as diapers, wipes, formula, baby food, etc. So go ahead and start pricing those items out. This will give you a good idea of what you will be spending. You can take the extra amount and place into your savings account like Step Four, but now you will have a feel for where your money will be going.

Step Six:

Ask for the bigger items. I highly recommend asking for diapers, wipes and some of the bigger items at your baby shower. A lot of family members will go in on a larger-priced item like a crib or car seat. It's a great way to save some money on your end and they feel like they are getting something that will actually be used.

Step Seven:

Find out the increase to your medical insurance. If both spouses' employers offer medical insurance call the human resource department to see what the monthly cost will be to add your newborn. You can cost compare the fees and pick one that will be best suited for your budget.

Tip: Most insurance companies now have a provision that the newborn will be automatically placed under the older parent's insurance for the first 30 days. Especially if you are both covered by your employer's insurance. Ask the human resource department to make sure.

Step Eight:

Think outside the box. There are going to be so many expenses that come up within the first 6 months of having a baby. So try to think of every obstacle you're going to be facing. Here are a few:

- Make sure your car has been serviced and new tires are put on (if needed) to help save you money after the baby comes.
- Check with your work's maternity leave policy to see how long you're covered and if your pay is going to change if you take an extended leave.
- If planning to use formula then test your water to make sure it's safe for the baby. You can pick up water test at the local utility company or health center for your city. If it's not then you might need to budget in buying water on a regular basis.



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