



Financial Advice for New and Expecting Parents

Whether you're expecting a child, planning to have one soon or have just become a new parent, you're about to embark on one of the most rewarding journeys that life has to offer. It's also one of the most expensive: an average of \$12,500 per year until age 18.¹ That's \$225,000 per child, and it doesn't include the cost of post-secondary education. Planning for this is one way to be the best parent you can be.

Positioning your child, family and your future for success isn't as daunting as you'd think, but now is the time to do it. Babies are an exhilarating whirlwind, and time moves quickly. Laying a solid financial foundation before or shortly after baby joins your family will empower you as a parent as your child grows. It will also give you the peace of mind to put your focus where it should be: on your family.

Here are some important things to consider as you begin building or revising your financial plan:

Insurance Coverage

If something were to happen to you or your partner, would you be able to handle the financial burdens of being a single parent or losing one income? Having the right insurance in place mitigates this problem. You may already have group coverage from your employer, but insurance needs to evolve as your life and family grow. Many group insurance plans are limited, so find out if you're protected with **Disability, Critical Illness** and **Life** insurance. If not, it may be wise to consider the security that an individual policy provides, especially for the primary breadwinner in your family.

Education Savings

The cost of sending a child to university is projected to be \$153,000 by the year 2039.² That's a big number, so it makes good financial sense to start saving as soon as your baby is born. Registered Education Savings Plans (RESPs) are excellent savings tools created just for this purpose. As an added bonus, the **Government of Canada offers a 20% match** on the first \$2,500 you save every year until your child turns 17 with a lifetime maximum benefit of \$7,200 per child. The contributions aren't tax-deductible but any gains you make are tax-free.

Prepare A Will

Having an estate plan goes beyond just designating who will inherit your assets. It protects you and your loved ones while you are living and upon your death. Should anything happen to you and your partner, a proper will can also help ensure that your minor children will be cared for by the people you personally choose.

The good news is that you don't have to navigate these situations on your own. Financial advisors can help you put all these foundational pieces in place. They can also guide you with long-term investment plans to help ensure you can provide for your child without compromising your own financial security.

¹ *Financial Post: What Does It Cost to Raise a Child in Canada?*
² *Canadian Scholarship Trust Plan: Why save with an RESP?*

Need help budgeting around your child? We can help you today!

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