

Redbook Magazine/Visa Inc. Baby Budgeting Survey

Survey of 1,000 parents, 500 expecting and 500 new, conducted between September 6-16, 2005

Family finances rate as one of the top challenges for both new and expectant parents.

Which ONE of the following do you think will be the greatest challenge to you as a new parent? Which ONE of the following has been the greatest challenge to you as a new parent?

<u>Expecting Parent</u>	<u>New Parent</u>	
22	23	Family finances
20	24	Having time for my spouse and our marriage
19	15	Getting enough sleep
18	10	Balancing career and family
12	4	Providing the appropriate care for your child
8	21	Having time for me
-	3	None of the above

New and expectant parents are not as financially prepared as they think they are:

How financially prepared do you think your household is for having a child to care for? How financially prepared do you think your household was for having children?

<u>Expecting Parent</u>	<u>New Parent</u>	
76	59	Total Prepared
24	41	Total Not Prepared
19	13	Very prepared
56	46	Somewhat prepared
20	31	Not very prepared
4	10	Not at all prepared

New and expectant parents have different expectations about what "financially prepared actually is, which may explain why less than half of both expectant and new parents created a family budget for their new baby.

Which of the following have you already done in anticipation of your child's arrival? Which of the following have you done since the birth of your youngest child?

Expecting Parent		New Parent
75	n/a	went shopping for baby clothes, a crib, car seat, baby toys, diapers or other baby supplies
69	n/a	come to a decision on a name or names
64	62*	had a discussion with your partner about parental roles and responsibilities that you will each assume
46	47	created a new family budget that accounts for (the arrival of your child/the additional child)
43	n/a	taken a birthing class
42	55	bought a new camera or video camera
40	n/a	attended a baby shower held for you
31		investigated the cost of day care in your area
30	44	bought a larger car
29	34	looked into college savings plans for your child
29	36	bought or rented a home with more space
28	27	begun saving for your child's college education (put money into a college savings plan for your new child)
21	24	added to you or your partner's life insurance
15	16	bought life insurance for the first time
2	9	None of the above

*Note: data repeated here for parental roles discussion, from next question.

87% of expectant parents surveyed anticipate that baby expenses will increase their stress level.

Expenses for the baby will...

Expenses for my child...

<u>Expecting Parent</u>		<u>New Parent</u>	
18	14		increase(d) my stress level a lot
39	32		increase(d) my stress level somewhat
30	35		increase(d) my stress level a little
13	19		did not increase(d) my stress level

Expecting parents dramatically underestimated the out of pocket costs associated with hospital delivery.

Approximately, how much do each of the following cost? Please round to the nearest dollar amount, no decimals. \$_____

28. out of pocket costs for a normal hospital delivery

<u>Expecting Parent</u>		<u>New Parent</u>	
28	24		\$0
6	6		\$1 - \$99
8	5		\$100 - \$199
13	12		\$200 - \$499
16	14		\$500 - \$999
10	9		\$1000 - \$1499
3	5		\$1500 - \$1999
15	25		\$2000 or more

\$776 **\$1192 MEAN**
\$300 **\$500 MEDIAN**

New parents as big spenders

Which of these did you splurge on and spend more than you needed to in order to get a great product?

**New
Parent**

44	car seat
36	stroller
25	professional baby photos
24	crib
23	clothing
21	toys
17	video camera
15	none of the above

Every day expenses a big worry for many expectant parents.

What is your biggest financial worry when it comes to your child/children?

**Expecting
Parent**

**New
Parent**

48	33	everyday expenses
23	33	saving for college
11	11	the cost of medical care
9	10	the cost of day care
2	7	school costs
7	6	no worries

While expecting parents think the impending birth of their child will be a source of strength, new parents have a more mixed view.

44. Do you think your new role as parents will...
Has your new role as parents...

Expecting New

Parent Parent

36 **48** **Total Cause(d) Tension**

59 **43** **Total Strengthen(ed)**

11	12	cause(d) a lot more tension in your relationship
26	35	cause(d) a little more tension in your relationship
36	25	strengthen(ed) your relationship somewhat
23	18	strengthen(ed) your relationship a lot
5	9	none of the above