



# Baby Budgets

*Dear Dr. Per Cap:*

*Our first child is due soon and we went shopping the other day. Cribs, strollers, and diaper bags aren't cheap. Any tips so our baby doesn't break the bank?*

*Signed,*

*Expecting Parents*

Dear Expecting Parents

Congratulations!! Here's to lots of health, wealth, and happiness.

Now let's get to business. Yeah, baby supplies are insanely expensive. In fact here's something many parents don't know. New or expecting parents are gold mines to stores and retailers. A survey conducted about ten years ago revealed the average parent spends almost \$7,000 on baby items before a child turns one-year-old.

Businesses are also keen to the fact that major life changes are a great time to win new customers. A little lifestyle disruption allows people to be more easily influenced by advertising and marketing. Of all life changes bringing a cute little bundle of joy into the world is the biggest one for most of us.

That's why businesses spend tons of money and resources tracking purchase histories and other shopper data to identify and market to pregnant consumers. For example, Target knows if a person starts loading up on vitamins like calcium and zinc, unscented soap, cotton swaps, and hand towels – there's a really good chance someone is either pregnant or a corner man for an upcoming Logan Paul fight. For real they've got it down to a science.

Well before your due date sit down and create a detailed budget for all of your baby's upcoming expenses. Just like any budget create two categories for fixed expenses that don't change, like child care or higher health insurance premiums, and flexible costs you can control – lotion, blankets, toys, etc.

Also, don't forget to set aside a little extra cash for mom and dad. An occasional massage, take out meal, or new streaming service can be a nice stress reliever for an overworked parent.

Often a big extended Native family will want to pitch in which is great. However, you might want to politely offer suggestions for what types of purchases you need so you don't wind up with a closet full of diapers but no wipes or baby powder to freshen up a sore bottom. Yep, been there.

Also pace yourself. For example, strollers are really useful and every family wants a cool one but you won't need one until the baby is a few months old. Save money by holding off on those items you won't need right away.

Then there's some stuff you just don't really need no matter how many ads mysteriously pop up on your phone - like changing tables. When our daughter was born we got a fancy cabinet with a built on changing table, but turns out a bed or couch was a lot more practical and easier to use. Those little plastic baby bathtubs are a non-essential item too. We found the regular tub worked just fine as long as the caregiver was attentive.

Bottom line – don't be afraid to economize on your newborn or feel pressured to overspend. Parenthood is a marathon not a sprint.

***Ask Dr. Per Cap*** is a program funded by First Nations Development Institute with assistance from the FINRA Investor Education Foundation. For more information, visit [www.firstnations.org](http://www.firstnations.org). To send a question to Dr. Per Cap, email [askdrpercap@firstnations.org](mailto:askdrpercap@firstnations.org).