

# WHAT DOES IT COST TO RAISE A CHILD?

## A GUIDE TO ADDRESSING FREQUENTLY ASKED QUESTIONS

### DO YOU KNOW WHAT A BABY COSTS?

- Car Seat = \$30-\$180
- Crib = \$100 - \$500
- Crib Mattress = \$30 - \$230

#### Monthly Expenses

- Diapers = \$60 - \$80
- Formula = \$170 - \$215
- Day Care = \$250 - \$1,250
- Food = \$57
- Clothes = \$60
- Toys/DVD/Books = \$35

Birth expenses *without* insurance and no complications during birth range from:

- ◆ \$9,000 to \$17,000 for a natural birth
- ◆ \$14,000 to \$25,000 for a cesarean section

Birth expenses *with* insurance and no complications during birth range from:

- ◆ \$500 to \$3,000 depending on your insurance plan

Usually the baby receives a separate bill for their hospital stay and care:

- ◆ \$1,500 to \$4,000 for a healthy baby delivered at term

Costs for a premature baby with complications in neonatal intensive care can reach **tens** of thousands of dollars.

## Average Expenditures From Birth to Age 18

According to the United States Department of Agriculture (USDA) report, *Expenditures on Children by Families, 2009* an estimated cost to raise a child from birth to 18 varies by household composition, i.e. (two parent or single household), number of children in the household and the level of income.

Households with before

-tax income less than \$56,670 will spend \$160,410 from birth to age 18. Households with an income between \$56,560-\$98,120 are reported to pay \$222,360 and a family earning more than \$98,120 will spend \$369,360.

An average expense per year for moderate income families in 2009 is a 22 percent

increase compared to a 1960 moderate income two parent family.



## Family Expenditures on a Child, by Single-Parent and Two Parent Households

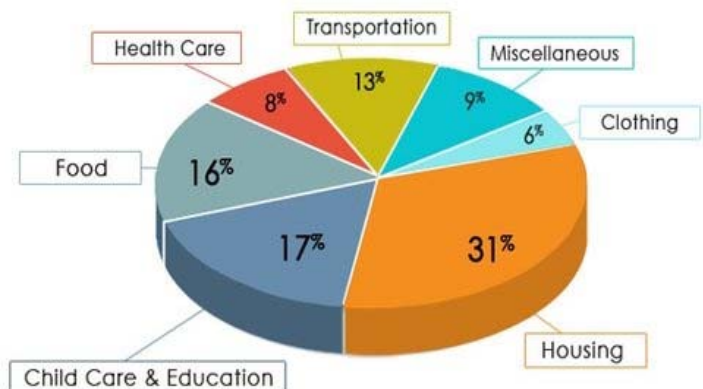
Expenses on a child in single-parent families generally follow the same pattern as expenses on a child in two parent families.

Total expenditures on a child up to age 18 were, on average, 7 percent lower in single-parent households than in two parent households. Average income for single-parent families in the lower income group was \$25,130, compared with \$36,250 for two parent families. Because single-parent families have one less potential earner, their total household

income is lower and child-rearing expenses

consume a greater percentage of income.

Expenditure shares on a child from birth through age 17 as a percentage of total child-rearing expenditures,<sup>1</sup> 2009



<sup>1</sup>U.S. average for the younger child in middle-income, husband-wife families with two children. Child care and education expenses only for families with expense. Source: USDA

## Dual-Parent Family

Age of Child	Housing	Food	Transportation	Clothing	Health	Child care/ Education	Misc.	Total
Before-tax income: up to \$39,100								
0 to 2	2,500	910	780	370	460	840	630	6,490
3 to 5	2,470	1,010	750	360	440	820	680	6,630
6 to 8	2,380	1,300	880	400	510	560	680	6,710
9 to 11	2,150	1,560	950	450	560	340	720	6,730
12 to 14	2,400	1,640	1,070	750	560	240	900	7,560
15 to 17	1,940	1,780	1,440	660	600	400	660	7,480
<b>Total</b>	<b>41,520</b>	<b>24,600</b>	<b>17,610</b>	<b>8,970</b>	<b>9,390</b>	<b>9,990</b>	<b>12,720</b>	<b>124,800</b>

Before-tax income: \$39,100 to \$65,800								
0 to 2	3,380	1,090	1,160	430	610	1,380	980	9,030
3 to 5	3,350	1,260	1,130	420	580	1,530	990	9,260
6 to 8	3,260	1,600	1,260	470	660	980	1,030	9,260
9 to 11	3,030	1,890	1,330	520	720	640	1,250	9,190
12 to 14	3,280	1,900	1,450	870	720	470	1,250	9,940
15 to 17	2,820	2,110	1,840	780	770	810	1,010	10,140
<b>Total</b>	<b>57,360</b>	<b>29,550</b>	<b>24,510</b>	<b>10,470</b>	<b>12,180</b>	<b>17,430</b>	<b>18,960</b>	<b>170,460</b>

## Single-Parent Family

Age of Child	Housing	Food	Transportation	Clothing	Health	Child care/ Education	Misc.	Total
Before-tax income: up to \$39,100								
0 to 2	2,240	1,010	730	330	220	530	380	5,440
3 to 5	2,550	1,060	640	350	330	720	500	6,150
6 to 8	2,710	1,340	740	410	390	650	670	6,910
9 to 11	2,600	1,550	530	420	490	310	540	6,440
12 to 14	2,600	1,550	620	710	520	400	520	6,920
15 to 17	2,760	1,690	970	830	520	300	600	7,670
<b>Total</b>	<b>46,380</b>	<b>24,600</b>	<b>12,690</b>	<b>9,150</b>	<b>7,410</b>	<b>8,730</b>	<b>9,630</b>	<b>118,590</b>

Before-tax income: \$39,100 and up								
0 to 2	4,820	1,560	2,220	470	510	1,290	1,580	12,450
3 to 5	4,820	1,650	2,130	500	690	1,620	1,690	13,410
6 to 8	5,290	1,980	2,240	570	790	1,510	1,870	14,250
9 to 11	5,180	2,380	2,030	580	950	880	1,740	13,740
12 to 14	5,190	2,380	2,110	950	1,000	1,260	1,720	14,560
15 to 17	5,340	2,470	2,290	1,090	990	1,030	1,800	15,010
<b>Total</b>	<b>92,850</b>	<b>37,110</b>	<b>39,060</b>	<b>12,480</b>	<b>14,790</b>	<b>22,770</b>	<b>31,200</b>	<b>250,260</b>

## The Cost of Raising Children

The tables show the estimated annual costs of raising a child, based on a survey by the U.S. Department of Agriculture. The tables show costs based on a family with two children on a per-child basis. If you're a single-parent family, use the Single-Parent Family table.

The data comes from the Consumer Expenditure Survey by the U.S. Department of Labor, conducted from 1990-92. The figures have been updated to 2001 dollars using the Consumer Price Index.

The USDA ends its cost survey when a child legally becomes an adult at age 18. It does not include any estimates for sending your children to college nor does it offer any cost estimates if your child remains in your home as a dependent after the age of 18. The College Board reports that in the See the footnotes<sup>1</sup> below for further information.

Source: U.S. Department of Agriculture. Estimates are based on 1990-92 Consumer Expenditure Survey updated to 2001 dollars using the Consumer Price Index.

<sup>1</sup> The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so a family of two would then double the total cost. Thus, a family with two children and an income of less than \$39,100, could expect to spend somewhere around \$249,600, for two children by the time they each had reached age 18. If you have only one child, the USDA assumes you'll spend slightly more on that child and suggests multiplying the total expense for the appropriate age category by 1.24. If you have three or more children, the USDA assumes you'll spend slightly less per child. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.77. For expenses on all children in a family, these totals should be summed.

