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What Is The Cost Of Raising A Child Today? Part 2

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A weekly question/answer column

What Is The Cost Of Raising A Child Today?

Liz Gorham answers:*

Part 2

U.S. Department of Agriculture estimates on costs of raising a child do not predict exactly what a particular family will spend but indicate trends.

- Urban families in the West spend more on their children than families in other parts of the U.S. (urban midwest and rural areas have the lowest child-rearing expenses).
- Households with one child spend an average of 24% more on the single child, and those with three or more children spend an average of 23% less on each child.
- The older children are, the more they cost.
- The more income parents have, the more they spend on their children.
- The lower the income of a family, the larger the percentage of income spent on children.
- Single parent households generally have lower incomes, but for the younger child in a two-child household, child-rearing expense patterns are much the same for single and two-parent families.
- For families with children, the trends in spending demonstrate the importance of financial planning and budgeting. We know that the expense of raising a child grows as the child gets older.
- Parents must be on the alert for ways to save money by practicing good consumer skills. In addition, they may consider upgrading their skills to improve their earning power.
- Parents should consciously set financial priorities, plan their spending in advance of purchase and review the adequacy of their life and disability insurance. These are but a few of the financial management skills to be sharpened through the “Money 2000 Program” sponsored by Utah State University Extension. For assistance in setting up a plan for savings and/or debt reduction, contact your local USU Extension county agent to enroll in the “Money 2000 Program.”

Access the 1997 report of “Expenditures on Children by Families” on the web at: <http://www.fns.usda.gov/fncs>. For more information, contact your local USU Extension county agent.

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