

The  
30-Minute  
Money Plan  
*for* Moms



HOW TO MAXIMIZE  
YOUR FAMILY BUDGET  
IN MINIMAL TIME



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**The 30-Minute  
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## Chapter 1

# What It Costs to Raise Your Kids Each Year

**Y**ou knew what to expect during practically every second of your pregnancy thanks to the deluge of books and (mostly unsolicited) “advice” that your mom and all her friends lorded upon you. Seriously, how many home remedies does one person need for stretch marks—especially considering none of them really work? You’ve practically memorized every childhood developmental milestone due to those stacks of “informational” pamphlets your overzealous pediatrician dumps on you. Frankly, they do more to send your anxiety levels through the roof—if she hasn’t taken her first step at fourteen months and one day, will she be okay?!—than actually help you parent. Plus, thanks to all that practice you’ve been getting, you’re now a total pro at looking like the picture of Zen, even as your child throws an Oscar-worthy, waterworks-filled tantrum in the grocery store. You know what I’m talking about: flinging herself on the dirty floor, fists flying, legs kicking, screaming she hates you because you won’t buy her Fruity Pebbles. We’ve all been there!

But here’s something you probably don’t know, but should: what it will really cost you to raise that child (flying fists and all) through high school. Do you know what you will spend on food, clothing,

childcare, education, and other essentials when he's a newborn versus an elementary school kid or older? What about the costs of all those extras you want for him, be it extracurriculars like music classes or his own bedroom in a home in a great school district? You may think you'll just wing it. After all, if you can get through college that way, can't you do the same with parenting? But I've seen many a mom accrue a pile of debt—and a bunch of gray hair!—while others have to work 24/7, just to pay for all the stuff they need. Because here's the thing: If you don't have a clue what these things will cost you (and they change a lot as your child gets older), there's almost no chance you can make a solid budget and start saving enough so you can afford to give your little munchkin the best life you can. Before you go there, the credit card is not a good answer. Getting an insane Visa bill in the mail when you're just barely skating by on eight hours of sleep—that's total, in the past two days!—is more than enough to send you sobbing into your pillow, again. Without a budget and a pile of savings, you risk going into debt and having to work well into your eighties (gulp!) or forgoing things you want (hello, finally seeing Bora Bora!) to pay it all off. If you think I'm exaggerating that you'll need to budget and save for your child's expenses, consider this: The average mom spends over \$12,000 more per year—and this can ratchet up as the kids get older—once she has a child.

Before you start feeling like the worst mother in the world for not knowing and budgeting for these costs, you need to know: It's not your fault. There isn't a single source—not a media article, not an online calculator, not a book—that gives you accurate estimates of what it will cost to raise a child in each year of his life. Seriously, the best estimates out there come from the government, but thanks, in part, to the fact that their costs for childcare and education are way off for some of us, those numbers aren't even that helpful.

No one is giving moms an accurate answer to one of the biggest

financial questions of their lives: How much will it cost me, each year, to raise a child? So I did a ton of research, calculations, and interviews to finally answer that question. I'm going to show you the kinds of costs that arise when you have a child and what the average mom spends on each. This will help you figure out what you should budget for each and whether your current spending is too high.

## **The Budget Breakdown: The Extra Money You'll Shell Out When You Have a Child**

My friend came to me the other day with a dilemma. She and her husband had profited six figures when they sold the apartment her husband owned before they were married. They had hoped to keep this money in savings for a down payment on a house, but each month, they found themselves spending it—and she wasn't entirely sure why. "I'm not buying anything crazy," she said to me, which, as it turns out, was true. Their one-year-old son wasn't wearing designer clothes, except for a few fab (but free) hand-me-downs from her stylish friend in L.A.; he wasn't in some fancy-pants daycare. She was staying home with him for a year, which they'd budgeted for, and she barely used babysitters.

After a lengthy conversation about her spending, I learned that now that they had a child, they simply had significantly higher costs of living. They'd upgraded from their one-bedroom apartment rental to a two-bedroom (an extra \$1,000+ a month), and between that, and the diapers (more than \$500 over the course of her son's first year), food (more than \$1,000 for the year even though she was breastfeeding him, too), and other extras, they were spending roughly \$17,000 more than they were before the birth of their son.

If that \$17,000 figure seems crazy to you, you'd better sit down for this part (and take a large gulp of wine while you're at it!). Moms

who have a baby in daycare might spend an additional \$19,000 or more per year (roughly \$1,600 per month) on all the costs associated with raising a child, which include food and clothes for the kids, family-related transportation, an extra bedroom, childcare, education, health care, and miscellaneous stuff moms buy like goodies at the drugstore for the kiddies. Meanwhile, stay-at-home moms might spend an average of about \$10,000 extra per year (\$800 per month). Yes, that crazy discrepancy in cost between moms relying on daycare and stay-at-home moms is because daycare is ridiculously expensive with an average price tag of roughly \$9,500, and it can go way higher. No joke, daycare now costs more than in-state college tuition in twenty-four states in the U.S., which means you'll pay someone more to watch your child sleep, poop, and scream than you will to shape their minds for a career!

The good news: Post-daycare, you'll get some relief. Once your child goes to school, expect to spend about \$12,000 extra per year (\$1,000 per month) per child when she's in elementary school, more than \$13,000 a year (nearly \$1,100 per month) extra in middle school and nearly \$14,000 (nearly \$1,200 a month) in high school. Does that help explain why your savings account is looking, um, pathetic these days? These numbers assume you have/will have two kids and are married. Parents with only children tend to spend a little more (roughly 25 percent more) and parents with three or more kids tend to spend a little less (roughly 25 percent less) per child. Single parents tend to spend a little less than married parents, as well.

While those numbers may be interesting to moms, some of the items that are included in those all-in tallies may not apply to your situation. For example, you may have gotten enough clothes for free from friends to last your little one through his first year, in which case the figures above wouldn't be that helpful to you, since they include the cost of clothing. That's why in this section I'm breaking

out each of the eight costs associated with raising a child and tallying what you'll likely spend on each (based on what the average mom spends). We'll also look at how this changes as your child gets older. This can help you figure out what you might spend so you can start to budget accordingly. It's also a good guideline to see if there's an area where you've been spending too much. We'll also look at how costs differ between cities, since where you live is also a big factor.

### *Additional Cost #1: Food for the Kids*

Assuming you don't habitually lose control in Whole Foods (seriously, how did that \$9 hemp-and-flaxseed trail mix end up in your cart?) or treat GrubHub like your personal chef, you can expect to spend about \$1,600 to \$1,700 per year for food per kid for kids under about age four. These figures are what the average mom living in the U.S. spends, so they're a good gauge of whether your spending is too high and can help you make a clear budget going forward. For kids in elementary school, expect to spend about \$2,300 to \$2,700, for middle schoolers and high schoolers \$2,800 per year, or more. This means that while you have young kids, you might only be shelling out \$30 or so a week on food, but as they get older, these weekly expenditures can easily top \$50.

### *Additional Cost #2: An Extra Bedroom*

For many moms the additional cost of an extra bedroom is a non-negotiable expense. You love your child, but need plenty of separation from him post-7:30 p.m.! But it's going to cost you. The bulk—roughly 30 percent—of what it costs to raise a child is usually in the housing. What's more, according to ATTOM Data Solutions, the average cost for a home in a good school district is more than

70 percent higher (at around \$343,000 across the nation; and way higher in pricey cities) than the average home for the U.S. overall, and that doesn't include potentially sky-high property taxes. For moms, this means that, in some cases, it can be more affordable to send your child to a private school than a public school (we'll talk more about this in Chapter 7).

The costs for an additional bedroom—either to rent or to buy a place with one—vary widely depending on where you live, and can range from just a few hundred extra bucks per month to \$2,000 extra or more per month (I'm looking at you New York City and San Fran!).

What will it cost you personally? Because housing differs so much from city to city, you'll need to do your own calculations for your budget. If you plan to move to a good school district, first, look on sites like [SchoolDigger.com](http://SchoolDigger.com) and [GreatSchools.com](http://GreatSchools.com) to find school districts that get good ratings. Then search on [Trulia.com](http://Trulia.com) or [Zillow.com](http://Zillow.com) for properties with the space you need in those districts to get an idea of prices. Compare the monthly cost you currently pay for your home to prices for the other homes you're thinking about buying. [Bankrate.com](http://Bankrate.com) has a great mortgage calculator that can tell you what you'll pay each month for homes at different price points. Don't forget to consider things like property taxes, which can be extremely high in a good school district.

### *Additional Cost #3: Clothes and Shoes for the Kids*

On average, moms in America spend between \$600 to \$900 per year per child on clothes and shoes. Included in these figures for those with younger kids are diapers, which make up the bulk of your clothing costs in the early years at roughly \$550 annually. If you're hooked on Zulily or Little Rue, you might spend way more, and less if you've got a huge network of friends donating clothes and shoes



to you (which is super nice, but does tend to make you seriously question some people's taste...). The figures rise as your kids get older because clothing gets more expensive in larger sizes and your kids want and need more of it, including uniforms for sports and extracurriculars—and heaven help you if you have a teenage girl!

### *Additional Cost #4: Childcare*

The last time I babysat for someone else's child (which admittedly, was about twenty years ago), I made about \$4 an hour and the only real perk of my job was that I could raid the family's pantry and watch hours of TV once the kids went to sleep. Oh how times have changed! The going rate for a babysitter these days is now about \$10 an hour and in many places a lot more. Experts say it's because parents expect more of their sitters these days. Gone are the days of the pantry raid, here to stay are babysitters with CPR training.

Daycare has its own heart-stopping cost: In some states, the average cost is around \$8,000 per year for full-time daycare for an infant, in others it's more than \$18,000. Because daycare and babysitting costs vary a lot depending on where you live, Chapter 5 has detailed estimates on what you might spend.

### *Additional Cost #5: Transportation for the Kids*

I know you may hope that a sleek new Mercedes SUV is your future mom mobile, but I'm telling you: Just say no! I'm saying this not only because it's pricey, but also because, well...kids! Seriously, I don't know how they do it, but they can—and will—manage to get food wedged into every crevice, draw on the seats, spill chocolate ice cream and other unidentifiable substances on the carpet, and otherwise destroy a perfectly lovely automobile one messy day at a time. Plus, you'll be schlepping them everywhere—dance, tennis,

soccer, art, you name it!—and that SUV will be guzzling gas (and thus your hard-earned cash) as you go. Because transportation costs for the average mom make up about 15 percent of the cost of raising a child—an additional \$1,800 to \$2,300 extra per year—you’re going to want to save money in every way you can.<sup>1</sup>

### *Additional Cost #6: Education*

When I was a kid, my mom just hustled me off to school with some pencils and a hot-pink-and-black Trapper Keeper (have I dated myself yet?) and called it a day. But teachers today send home huge lists of supplies that moms feel obligated to buy. Add in the costs of technology, and we’re spending way more than our parents ever did. All told, this means that parents with kids in public school should budget a minimum of roughly \$500 per year for younger children for education-related expenses, \$700 for middle schoolers, and \$900 or more for high school students; these figures could go much higher depending on your child’s needs. These figures don’t include extracurriculars, which we talk about below, or the new clothes your kids will be begging for as soon as they see what the cool kids are wearing on the first day of school (so much for all those clothes you bought them in July!). If you’re thinking about private school, check out Chapter 7.

### *Additional Cost #7: Health Care for the Kids*

Expect to spend a minimum of around \$1,100 to \$1,300 per year on health care costs for your child that aren’t covered by insurance—things like prescription drugs and premiums that your employer

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<sup>1</sup> For a two-parent, two-child household about 15 percent of your total transportation costs—including everything from gas to insurance to car wear-and-tear to car payments—are related to the kids, according to Census Bureau data.

doesn't pay. When you have a teenager, these costs go up: You can blame braces or other orthodontia for that. Data from American Express found that parents of middle-school kids spend an average of roughly \$1,000 a year on braces. Of course, this can vary widely, depending on your child, of course, but also on your insurance plan, so call your HR department or insurance company to discuss your plan options, deductibles, and premium costs.

### *Additional Cost #8: Miscellaneous Items for the Kids*

Moms should budget around \$850 to \$1,100 or more per year for random stuff—everything from toothbrushes to sports equipment—and in general, you can expect to spend less on this kind of stuff when the kids are little and more as they get older. One big factor that can drive up the costs in this category is what extracurriculars your kids participate in. On average, parents will spend roughly \$450 per year on extracurriculars—and far more (as in, you can add an extra zero to that number) if your child participates in pricey sports. You'll find more details on this in Chapter 7. Another thing that can make this way more expensive is if you take the kids on a fun trip; I'll discuss travel savings in Chapter 9.

## **Meet the Mom Who Spends Less Than \$20 a Week Raising Her Child**

I've been following finance blogger Liz Frugalwoods for a couple years now, and I must admit that when I heard she'd had a baby in late 2015, I thought to myself: *Her frugality is going to change.* She's going to see that baby's face and start buying adorable clothes, educational books, organic everything. And no longer are she and her hubs going to retire in their thirties, as they'd planned.

Well, I couldn't have been more wrong. Frugalwoods has found a way to spend only about \$75 per month on her daughter Estelle, so of course, I got her on the phone all the way from Vermont so she could share her secrets with you!

The first secret is that she gets almost everything—clothes, books, toys, crib, car seat, high chair, you name it—for free. “It’s all hand-me-downs,” she says. I know you’re thinking to yourself, well, of course, hand-me-downs are the way to go to save money. But Frugalwoods takes it to a new level. She says that most people, once they are done having kids, want all the stuff out of their house. She takes the whole lot of it. “We take anything that is offered—and if we don’t need it, we pass it along,” she says. So she’d take a pile of stuff from family or a friend’s house, sift through it, and either take it for her daughter or donate it. Yes, this takes some time, but because it can save you hundreds of dollars, this approach can be worth it. She also gets stuff from the “Buy Nothing Project” ([BuyNothingProject.org](http://BuyNothingProject.org)), where people give and receive items to one another for free, which has chapters across the country. And she checks out books from her local library rather than buying them.

She says she’s doesn’t worry much if the clothes have stains or are boys’ clothes, pointing out that her daughter will likely get them dirty herself pretty quickly anyway. She also doesn’t fret over not having the latest toys for Estelle: She makes Estelle toys out of things like yogurt containers, and gets plenty of used items that she just cleans before giving them to her daughter. “At the end of the day, all that she wants is to be with us and to have that interaction,” Frugalwoods says. And when Estelle is older and asks for specific things, Frugalwoods says that she and her husband will “try to find the item for free or used (from a garage sale or thrift store), we’ll discuss whether it’s a need or a want, we’ll see if we can borrow it from a

friend (if it's a short-term use item), or [Estelle] can ask for it for her birthday or Christmas."

Of course, being a worried mom myself, I pointed out to her that experts say not to buy a used crib and car seat because it can be dangerous if they've been damaged or in an accident. She got around this, too: She got hers from a trusted, dear friend who assured her the items hadn't been in an accident or damaged in any way. She also checked online for both to make sure there had been no recalls associated with them.

Frugalwoods also only does free activities with Estelle, and she says that they're easy to find even though she lives in rural Vermont. She looks at local libraries and hospitals for events like storytimes and music hour and on local parents' Facebook groups. She also organizes playgroups herself.

So what does Frugalwoods buy? "Just consumables," she says—things like milk, food, medicine, diapers, and wipes. She periodically price checks these things, but doesn't do it each time she shops; she says that's simply too annoying (Go Liz! I totally agree). Here's what she spends money on: Organic milk from warehouse club BJ's (\$9 per month); food from various places including BJ's and Hannaford's (\$30 to \$50 per month); store-brand diapers from Walmart (\$17.50 per month; 12 cents per diaper); bulk wipes from BJs (\$6); baby Motrin (\$2 per month; replaces roughly every three months), diaper rash cream (\$4); and Vaseline (\$2). To save on food, she makes her own baby food and Estelle generally just eats what they eat beyond that.

Admittedly, because Liz and her hubby both work from home it does help shave costs, since they don't need to pay for childcare, and her husband's firm pays for the entirety of their health care. Still, I'm impressed by Frugalwoods's dedication to never buying anything new but consumables. She didn't even buy Estelle anything

for her birthday or Christmas, and says that once her daughter is old enough to want things for the holidays, she will probably still buy them used at garage sales.

For Frugalwoods, this is doing more than helping her and her husband save money, it's teaching Estelle an important life lesson. As Frugalwoods told me in an interview I did with her for MarketWatch: "I think it is teaching her to value things other than money, other than consumption . . . I want her to be focused on what she can do in this world, not what she can buy." What's more, the frugality is good for the whole family. "Our goal with our frugality isn't to save every dollar possible," she says, "it's to optimize and create efficiencies and only spend on the things that bring us lasting joy." Amen to that.

## **A City-by-City Look at the Costs of Raising a Child**

Freelance writer Linda Formichelli can easily list all the things she loves about Concord, New Hampshire: The incredible network of moms she met through a parents' meetup group; the 1900s home she and her husband bought and renovated; Concord's quintessentially New England downtown with its quirky longtime residents. So when Linda told me she'd decided to move, my first thought was *How could you?*

A big part of that decision came down to money: "I wanted to cut down on my hours at work so I could spend more time with my son," she explained to me. But the high cost of living in Concord prevented her from doing that. Each month, Linda shelled out nearly \$2,000 for her mortgage, \$500 for heating in the winter, and \$600 for two-day-a-week childcare. The massive amounts of snow didn't help matters, either—one winter it topped ten feet! So after a visit

with her parents, who had recently moved to Cary, North Carolina, Linda packed up her family and headed south—a move that she says saves her about \$18,000 per year. Her parents now help with childcare, her mortgage is roughly \$500 cheaper per month, and everything from taxes to health insurance to utilities costs less. While there are plenty of things Linda misses about Concord—the friends she’d made up there chief among them—she says she doesn’t regret her move, as she now works less and spends more time with her son. “Things were just so expensive in Concord,” she says. “It would have been harder to make that work.”

After hearing Linda’s story, I spent a few weeks dreaming of how my life might be different in a cheaper-than-New-York city like New Orleans (*Wouldn’t my daughter look so cute toddling around a little courtyard?*) or Atlanta (*Hi Mom, want to babysit every Friday and Saturday night?*). I know other moms would do it, too. After all, who hasn’t dreamed of packing up and moving to some inexpensive little town near the beach where you could far more easily manage your family’s life? Of course, I, like most of you, will probably never leave the city we live in. We all have jobs and friends and other ties to where we live.

Still, we all need to know what it will cost us to raise our children where we live, so we can budget accordingly. So here is what the average mom in different cities spends to raise her kids. Note that most of the variation is due to the differing costs of housing and childcare, and these costs include full-time daycare. These numbers also include all the costs we talked about above (but do not include college savings or private school costs—see Chapter 7 for those). If your city isn’t on this list, don’t worry, I’ve got you covered. My website has info for other cities, as well as urban regions (e.g., what people who live in say an average Midwestern city spend), and rural areas. My site also has costs without daycare. These numbers are

rounded off and are just rough estimates, of course, but are a great place to start figuring out how to budget.

How Much It Will Cost to Raise a Child Through Age 17 by City	
METRO AREA	TOTAL COST
Atlanta, GA	\$296,000
Austin, TX	\$293,000
Baltimore, MD	\$342,000
Boston, MA	\$436,000
Charleston, SC	\$296,000
Charlotte, NC	\$292,000
Chicago, IL	\$359,000
Cincinnati, OH	\$273,000
Cleveland, OH	\$297,000
Columbus, OH	\$274,000
Dallas, TX	\$298,000
Denver, CO	\$338,000
Des Moines, IA	\$273,000
Detroit, MI	\$284,000
Hartford, CT	\$364,000
Honolulu, HI	\$522,000
Houston, TX	\$286,000



METRO AREA	TOTAL COST
Indianapolis, IN	\$274,000
Jacksonville, FL	\$279,000
Kansas City, KS/MO	\$280,000
Las Vegas, NV	\$315,000
Little Rock, AR	\$264,000
Los Angeles, CA	\$420,000
Louisville, KY	\$266,000
Miami, FL	\$326,000
Milwaukee, WI	\$308,000
Minneapolis, MN	\$322,000
Nashville, TN	\$281,000
New Orleans, LA	\$284,000
New York (Manhattan), NY	\$634,000
Oklahoma City, OK	\$251,000
Omaha, NE	\$274,000
Philadelphia, PA	\$345,000
Phoenix, AZ	\$289,000
Pittsburgh, PA	\$281,000
Portland, OR	\$388,000
Providence, RI	\$353,000
Raleigh, NC	\$285,000
Richmond, VA	\$279,000

*(Continued)*

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METRO AREA	TOTAL COST
San Diego, CA	\$421,000
San Francisco, CA	\$530,000
Seattle, WA	\$429,000
St. Louis, MO	\$267,000
Tampa, FL	\$267,000
Tulsa, OK	\$263,000
Washington, D.C.	\$431,000

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Sources: Council for Community and Economic Research; Census Bureau; Child Care Aware; Care.com. Assumes a middle-income house and up and that this is/will be a two-parent, two-child household in an urban area. All figures are approximate.

If, after reading this, you've begun to drown your sorrows in wine (been there!), I totally get it. But I'm here to help: We're going to look at ways to save in each category I mentioned in this chapter. After reading the next nine chapters, you'll be able to shave \$1,000 or more off the total cost of raising your children each year.