

# Having a baby? Get finances in order

by Jason Alderman ([www.practicalmoneyskills.com](http://www.practicalmoneyskills.com))

I wouldn't trade the experience of raising my two kids for anything, but I must admit that when my wife and I started planning our family, we had no idea how expensive it would be. According to a Department of Agriculture report, a typical middle-income family will spend over \$280,000 in inflation-adjusted dollars to raise a child born in 2009 until age 18 — and that doesn't include pre-natal care or college costs.

Take it from one who knows, you'll want to have "the money talk" well before the baby is born and you're bleary-eyed from lack of sleep. Here are a few budgeting tips:

Create a health budget. Before the baby is born, find out what benefits your insurance will cover taking into account monthly premiums, deductibles and copayments. For example, are prenatal exams, baby check-ups and immunizations covered? Ask what your share of delivery costs will be. If complications arise, such as needing a Caesarian delivery or premature baby incubation, costs could skyrocket.

Parental leave. Learn your employer's policies, since some require up to a year's employment before certain benefits like paid leave, short-term disability and unpaid leave kick in. In addition, the federal Family and Medical Leave Act allows up to 12 weeks of unpaid leave for births or adop-

tions, so check with your benefits department to see if you're eligible.

Know what things cost. We were amazed how many "things" our babies needed. Must-haves include a car seat (required by law), crib and bedding, stroller, diapers, baby formula, medical and grooming supplies, clothing and home baby-proofing. Add in things like a baby bathtub, baby monitor and safety gates and we're talking thousands of dollars before the kid is even crawling. Practical Money Skills for Life, a free personal financial management program run by Visa Inc., contains a handy calculator that can help estimate baby-related expenses ([www.practicalmoneyskills.com](http://www.practicalmoneyskills.com)).

Anticipate lost wages. When budgeting for living costs, factor in lost earnings that typically occur when a parent either temporarily leaves the workplace or chooses a job more open to flex hours or part-time work. Down the road, you'll also need to weigh the cost of child care versus returning to work.

Investigate tax advantages. Ask whether your employer offers health care and dependent care flexible spending accounts (FSAs). These accounts let you pay for eligible out-of-pocket medical and child care expenses on a pre-tax basis — that is, before federal, state and Social Security taxes have been deducted. This lowers your taxable income, and therefore, your taxes.

You could save hundreds or thousands of dollars on expenses you'd have to pay for anyway. And remember, you're typically allowed to change benefit coverage after having a baby, so you could probably add FSAs midyear.

Depending on your income, number of eligible dependents and other factors, the dependent care tax credit for federal income taxes may be preferable, although Dependent Care FSAs usually provide the greater tax advantage for most people, especially at higher incomes. IRS Form 2441 at [www.irs.gov](http://www.irs.gov) can help you calculate whether the tax credit is preferable. Or, ask your tax advisor which method is best for you.

Raising a family is one of life's most rewarding experiences. Just be sure you plan carefully for the financial bumps in the road.

## Free chat about Heart failure

Heart Failure: Important Things to Know and Do, is the topic of a 90-minute free presentation to be held Thursday, May 12, at 6:00 p.m.

Being told that you or your loved one has heart failure can be frightening. This presentation will include the basics of what heart failure is and what kinds of treatment options are recommended.

Pamela Michalowski, RN, BSN, will be the speaker at this talk at the Tuality Healthcare Education Center, 334 SE 8th Ave., Hillsboro. Those who plan to attend are asked to call 503-681-1700.

# Learn how to safely preserve food

"The most important part of safe and healthy food preservation is to obtain current, tested instructions and to follow them." Jeanne Brandt of OSU Extension Service reminds consumers. As the food preservation season nears, she encourages people to review their instruction books to make certain they are up-to-date and from a reliable source.

To help Oregonians access the most recent information related to all methods of food preservation, OSU Extension Service has placed all of their food preservation manuals online, along with links to other approved references. <http://extension.oregonstate.edu/fch/fo>

od-preservation

For consumers who desire hands-on instruction, OSU is offering a 4-part series of classes on Wednesday evenings in May. Topics are: Basic food preservation and jams/jellies; Canning fruits and pie fillings; Pressure canning meats and vegetables; Tomatoes and tomato products. Preregistration is required. Classes are \$40 each or \$150 for the series. They will be held at the OSU Food Innovation Center, 1207 NW Naito Parkway, Portland. For more information and to register, see <http://fic.oregonstate.edu/> or call 503-872-6680.

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