2026 · WHAT ISSUES SHOULD I CONSIDER WHEN HAVING (OR ADOPTING) A CHILD?

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CASH FLOW ISSUES	YES	NO
Do you need assistance to determine how much it will cost to raise a child? If so, consider the possible healthcare, childcare, and college education costs.	☐	☐
Do you need help with your new budget? If so, consider the following: ■ You may need to review your budget to find areas to save on current expenses, while appropriately increasing or adding new expense categories to accommodate your growing family. ■ You may need to reassess your long-term financial goals to align with your updated cash flow. ■ You may need to increase your emergency fund to account for any new expenses and potential liabilities.	☐	☐
Will you and/or your partner take maternity/paternity leave? If so, consider how this will impact your cash flow and savings.	☐	☐
Do you or your partner plan to stay home to raise children? If so, consider the following: ■ The impact on your cash flow, savings, and overall financial plan. ■ The impact on your emergency fund due to living on one income. ■ The possible impact on employer benefits such as health and life insurance.	☐	☐
Will you need professional childcare services to support your family? If so, consider the cost of daycare or a nanny and the impact on your household budget.	☐	☐
Do you need to check to see if your employer offers any benefits (adoption expense reimbursements, childcare subsidies, maternity/paternity leave)?	☐	☐
Beyond what you have saved, do you need additional cash to cover any costs related to having (or adopting) a child? If so, consider taking a distribution up to $5,000 from an eligible retirement plan, within one year of having (or finalizing the adoption of) a child. The distribution (which can be repaid for up to three years) may be taxable as ordinary income, but there is no 10% penalty.	☐	☐

ASSET & DEBT ISSUES	YES	NO
Do you expect your child to receive cash gifts? If so, consider opening a custodial account (UGMA or UTMA) and possibly a 529 account.	☐	☐
Does your employer offer a Dependent Care Flexible Spending Account? If so, you may contribute up to $7,500 to the account, and it can be used to pay for qualified childcare expenses. However, be mindful that contributions to a dependent care FSA may impact your ability to claim the child and dependent care credit.	☐	☐
Do you have an HSA? If so, you may be able to contribute $4,400 ($8,750 for family) and an additional $1,000 if you are age 55 or over. See "Can I Make A Deductible Contribution To My HSA?" flowchart for details.	☐	☐
Will you give (or have you given) birth to a child in 2025 or later? If so, remember to claim the $1,000 government credit (i.e., deposit) by opening an approved Trump Account before the child turns 18, as the credit isn't automatic.	☐	☐

INSURANCE PLANNING ISSUES	YES	NO
Do you need to add your child to your health insurance policy? If so, you generally have 30 to 60 days to do so.	☐	☐
Do you need to find a doctor or pediatrician in your insurance network?	☐	☐
Do you need to review life insurance and disability coverage? If so, consider increasing the amount of coverage you carry (to fund future child-related expenses such as college costs).	☐	☐

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TAX PLANNING ISSUES	YES	NO
Is your MAGI below $200,000 (Single) or $400,000 (MFJ)? If so, you may qualify for the full Child Tax Credit. The credit is worth up to $2,200 per qualifying child, and phases out after you reach the above threshold.	☐	☐
Do you have child or dependent care expenses that were required in order for you and your spouse (if applicable) to work or search for work? If so, you may be eligible for the Child and Dependent Care Tax Credit (subject to phaseout restrictions).	☐	☐
Is your MAGI below $305,080, and did you adopt a child? If so, you may be eligible for the Adoption Tax Credit, which is worth up to $17,670 (subject to phaseout restrictions). Be mindful that the Adoption Tax Credit is refundable up to $5,120, and unused portions of the credit may be carried forward for five years.	☐	☐
Do you need to update how much is withheld from your paycheck? If so, consider updating your W-4.	☐	☐

LONG-TERM PLANNING ISSUES	YES	NO
Do you want to start saving for your child's education? If so, reference "What Issues Should I Consider To Fund My Child's College Education?" checklist.	☐	☐
Do you want to start saving for future expenses for your child (such as an automobile, wedding, etc.)?	☐	☐
Do you need to update your estate plan? If so, consider the following: ■ Update your estate plan to create trusts and appoint trustees in order to protect your children and manage their assets during their minority and beyond. ■ Update beneficiary designations (primary and contingent) to ensure that your partner and children benefit and are properly protected (e.g., with trusts). ■ Appoint a guardian for the child if something were to happen to you and your partner during their minority.	☐	☐

OTHER ISSUES	YES	NO
Are there any state-specific issues that should be considered? If so, be mindful that some states offer state tax benefits (e.g., state-level Child Tax Credits, 529 contribution deductions or credits, state-level adoption tax benefits, etc.).	☐	☐

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