

Cost of Kids

Chances are you already know it's expensive to raise a family in this day and age. But exactly how much will it cost you over the 20 years until your kids reach the age of maturity?

A recent analysis by the EverQuote organization estimated various costs for two parents plus a son and daughter. This included costs for items like housing, food, transportation, insurance, child care, vacations, toys and other common household expense items that come out of your budget.

Housing, including the purchase or rental of a house, repairs, property taxes, utilities, furnishings and appliances, was the number one expense, at an estimated \$449,300 over 20 years. Food was estimated to cost \$369,606, and the study noted that boys cost more to feed than girls. Personal federal, state and other taxes were estimated to cost \$315,240, followed by auto, homeowners, group health and other insurance totaling \$283,540.

Other items: Entertainment (pets, toys, hobbies and vacations): \$268,380. Transportation (vehicle purchases, gasoline, vehicle maintenance and driving to and from activities): \$207,440. Childcare (including after-school care, summer care, school supplies and musical instruments): \$186,994. Savings (a family emergency fund plus college savings for each child): \$102,596. Clothing and personal care products: \$78,400. Holiday gift spending: \$35,380. Medicine and medical supplies: \$22,286.

The grand total: \$2,3129,162. And you may have noticed that this didn't cover retirement savings, which would come to \$760,000 over 20 years if you did nothing more than saved the 401(k) maximum contribution of \$19,000 a year. That raises the cost to over \$3 million over the 20 years it takes to raise two children.

Source:

<https://www.everquote.com/cost-of-raising-family/>

By Bob Veres, publisher of Inside Information - the premier publication of financial industry trends and information for leading practitioners in the financial planning profession.