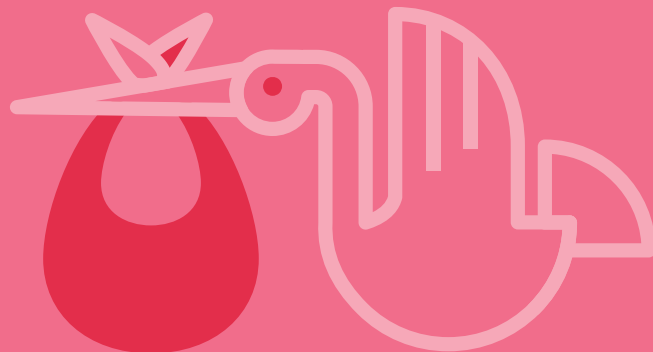


What to Expect (Financially) When You're Expecting

**Tips to help you navigate financial considerations
involved in starting a family.**



2021 EDITION





Planning to start a family soon?

Congratulations!

There's so much to think about during this special time. After all, this is one of the biggest decisions someone can make, and it is likely to impact on most aspects of your life.

When it comes to the financial side of this equation, there's lots to consider – how a new baby will change your income and expenses, what type of home you might need, what items you need to buy – the list can seem overwhelming. The tips and checklists in this guide may help to create some clarity around the planning process when it comes to your finances.

Finances: Preparing yourself for a bundle of joy

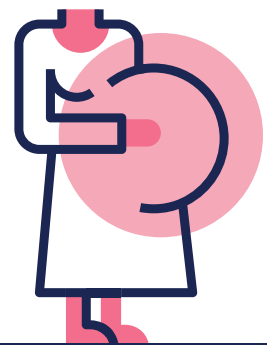
Canstar's Group Manager, Research and Ratings, Mitch Watson, says anyone thinking about starting or expanding their family might like to talk about:

1. Family planning

If you are experiencing difficulties conceiving, are you open to consider investing in an assisted technology such as in vitro fertilisation (IVF)? Would adoption or surrogacy be an option? Given that some of these decisions could have financial implications, it might be a good idea to talk about these issues in advance, and how you might cover the associated costs. You might also like to consider how you might fund these costs.

Read more:

[How much do fertility treatments including IVF cost in Australia?](#)



2. Maternity leave and work changes:

Questions to think about could include:

- Do you (and your partner, if co-parenting) have access to parental leave benefits? If so, for how long and how much?
- Will you (one or both of you) stay home to care for the baby in those first few weeks after birth, and for how long?
- Would you be eligible to receive any government financial assistance?
- If you choose to return to work, what child care arrangements could you access? How much might these cost? How would the logistics work?
- What impact would any period of reduced income have on your lifestyle? How would that income stack up against your living expenses, such as home loan repayments or rent, when you factor in that there will also be another mouth (or possibly more than one if you have twins or triplets) to feed? How can you adjust your budget?



3. Parenting needs:

Looking ahead to your life as a parent, what are your lifestyle priorities? If you have a partner, it could be a wise idea to start considering these big decisions early on (and while you have more time available). Topics could include how many children you'd like, and if you might need to find a new home to accommodate your family. Do you think you'd like to send your children to private schools? Are regular family holidays a priority? Will there be other expenses, such as having to buy a car? How do you feel about potentially major changes to your routine and lifestyle? These discussions could help guide your saving needs into the future.

Helpful articles:



Choosing the right budgeting approach for you

[Read more](#)

6 steps to creating a family budget

[Read more](#)

70 tips to cut expenses

[Read more](#)

Pregnancy care: Public or private?

Before you or your partner fall pregnant, it's a good idea to decide whether you'd prefer to go through the public or private hospital system for your pregnancy, birth and post-delivery recovery.

Public:

Anyone with a [valid Medicare card](#) is able to access free or subsidised healthcare, and this includes pregnancy and birth.

Typically, the public system does not allow a patient to select their medical providers or hospital, but, in some cases could allow the patient to elect a specific type of delivery, such as a homebirth or waterbirth.

However, there could still be some out-of-pocket expenses involved, such as for pathology tests or scans. If you go to see a GP as part of your care plan, you could also be charged a gap fee each visit.

If you are considering buying a home for your growing family, you may also like to consider hospital catchments. Popular public maternity hospitals, such as the Mater Mothers' Hospital in South Brisbane, Queensland, publish the catchment where you need to live to be eligible to receive public maternity care services.

Read more:

[What is the difference between Medicare and private health insurance?](#)



Private:

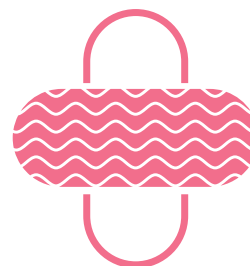
If you would rather go private, you can opt to pay for the costs involved yourself, or to invest in private health insurance.

A major benefit of having private health insurance hospital cover that includes pregnancy services (obstetrics) is that it typically allows prospective parents to choose their own healthcare providers, such as an obstetrician, midwife, and fertility specialist, as well as the hospital in which they would like to deliver their baby (or babies). With extras cover, mums-to-be may be able to claim for things like remedial and pregnancy massages, physiotherapy and chiropractic care.

If you do not already have private health insurance, it's important to note that there are waiting periods before you can claim pregnancy and birth costs. This is commonly up to 12 months. You may like to plan ahead with your private health insurance to ensure that you meet eligibility requirements, if you are planning an upcoming pregnancy.

Read more:

[Private health insurance for pregnancy](#)



Given pregnancy cover can come at a significant cost, it's important to compare providers and make sure you get the most bang for your buck too. For example, consider if you should have a separate policy for your partner, so you aren't paying for an unnecessary higher level of obstetrics cover for them too. There are [family health insurance policies](#) and [couple health insurance policies](#) available. [Canstar research](#) shows that for policies including obstetrics, the cost difference for moving from a couple to family policy is \$7 per year on average.

Compare health insurance policies with pregnancy cover

If you already have health insurance, you will need to check whether your pregnancy and birth-related costs will be covered, and if there are any excesses or caps for the various expenses. You may also like to investigate what level of hospital and extras cover would be most appropriate for your needs, and if changing your level of cover means you will have to serve any additional waiting periods.

It is also important to be aware that your existing policy may not include cover for your baby once it's born. Adding hospital cover specially for your baby onto your existing policy could help cover costs if an issue arises after birth that requires medical treatment in hospital. This could include, for example, if a baby needs to spend some time in a humidicrib, or if your baby is born prematurely and requires special treatment. It's a good idea to check with your health insurer as early as possible.

Read more:

[Health insurance for kids: how it works and how much it costs](#)

**Out-of-pocket costs:**

The Australian Government's [Medical Cost Finder tool](#) can help you to work out an estimate of out-of-pocket costs if you decide to buy health insurance and have your baby in a private hospital.

It states that between 40% and 71% of new mothers pay no out-of-pocket costs when it comes to birthing procedures.

Of those who do, the out-of-pocket expenses are between an average of \$350 and \$420, according to the results presented in the tool.

It's important to note that this is just for the birth, and not for the prenatal care period such as regular obstetrician appointments and scans. There might also be extra hospital costs. Talk to your healthcare provider and your health fund about what out-of-pocket costs could be involved.

[Read more](#)

How much do babies cost?

Babies can be adorable, but they also come with an ongoing financial cost, in addition to the expenses of bringing them into the world in the first place.

Analysis from consumer research website [Picodi.com](https://www.picodi.com) suggests that a baby, in its first year of life, could cost its parents between \$5,500 and \$9,000.

Expenses during pregnancy and baby's first year

	Basic kit cost	Expanded kit cost*
Food (starting from 6 th month)	\$915	\$1,097
Baby's clothes	\$754	\$1,131
Baby care products	\$791	\$1,059
Baby transport	\$868	\$1,748
Hospital bag	\$119	\$369
Mum's clothes and accessories	\$700	\$985
Home improvements and fittings	\$1,375	\$2,690
Total	\$5,522	\$9,079

Source: Picodi.com

*The expanded kit includes extra and/or more expensive products.

Prices for May 2020.

However, the cost can vary depending on your choice of product and whether you view certain items as essential. For example, a bouncy seat might be seen as a luxury in some households or as a non-negotiable lifesaver in another.

Some items, such as prams, are essential and can be pricey, with a Canstar Blue survey revealing that [parents spend on average \\$486 on a new pram](#) for their little bundle of joy. That's a big bundle of cash!

But remember, 'brand new' is not the only option. Many of the things your baby needs can be bought second-hand from op shops, on sites such as Gumtree – or even donated for free from friends and family with kids who are growing out of the baby stage. It is always best to check the items you are using meet Australian mandatory standards. This is particularly important when it comes to car seats, as [strict laws around safety standards apply](#).

Canstar Blue can help you make decisions about which baby products to buy, based on the recommendations of thousands of other new parents. Canstar Blue's Home & Lifestyle Editor, Megan Birot, explains: "We surveyed mums and dads of babies and toddlers to find out what brands they rate best for overall satisfaction and value for money in each of the key product categories, from cots and prams to nappies and dummies". You can research products and read other parents' feedback [here](#) and even see what they think of the [baby shop chains](#) that sell many of these products.

The good news is that the set-up costs of having a child usually decrease with each one you have, since you are likely to already have those initial items sorted, such as the cot and pram.

However, there are also ongoing costs involved with being a parent. The minimum average cost of raising a young child (six-year-old girl) ranges from almost \$150 to \$180 a week, according to the [Australian Institute of Family Studies](#).^{*} And costs tend to rise as the child gets older.



^{*} The AIFS report of 2018 included 2016 figures of \$140 for unemployed families and \$170 for low-income families, which, when adjusted for inflation to the current period, equals \$147.80 and \$179.47 respectively.

Pregnancy and beyond

Here's a handy checklist of items you may – or may not – need to spend money on when preparing to welcome a new family member into the world. Where Canstar Blue offers consumer satisfaction ratings on a product category, we've embedded a link to make it easier for you to research items.

Pregnancy

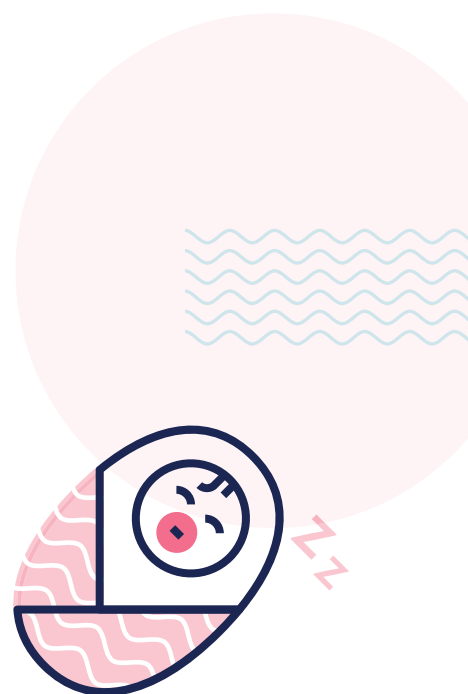
- ☐ Health insurance
- ☐ Other medical expenses (minus applicable Medicare or private health refund), such as GP, specialists, scans, tests
- ☐ Allied health services (minus applicable Medicare or private health refund), such as massage or physio
- ☐ Prenatal vitamins
- ☐ Maternity/larger sized clothing (may include footwear)
- ☐ Maternity wear aids such as a belly band or pants extender
- ☐ Skin products, such as stretch-mark cream and moisturisers
- ☐ Sleep aids, such as a body-length pillow or a new mattress

For labour

- ☐ Labour aids (if applicable), such as a birthing ball, back massager, music, aromatherapy oils
- ☐ Special sustenance, such as sports drinks or lollies for energy
- ☐ Nursing bra
- ☐ Maxi pads (if not provided)
- ☐ Slippers and/or bedsocks (non-slip is best)
- ☐ Dressing gown or jumper (in case the ward is cold)

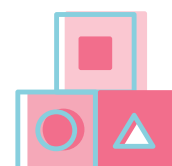
After baby's born

- ☐ Comfortable post-labour clothing for mum
(amount depends on length of hospital stay)
- ☐ Baby clothes (size 0000 or 000 is typical for a newborn, but it can vary considerably)
- ☐ Swaddles (if you will use them)
- ☐ Feeding aides, such as a breast pump, nipple guards and cream, breast milk storage bags, [baby bottles](#), etc (if using)
- ☐ Formula, baby bottles, bottle warmer, steriliser, etc (if using)
- ☐ Nursing pads
- ☐ [Car seat](#) or baby capsule for the trip home



Bringing baby home

- ☐ Baby clothes in various sizes (or buy appropriate sizes as the baby grows, include items that can be layered on the baby to regulate temperature)
- ☐ Baby socks, mittens, head covering
- ☐ Nappies – [disposable](#), reusable or a nappy service
- ☐ Disposable liners and nappy pail for cloth nappies
- ☐ [Baby wipes](#)
- ☐ Crib or [cot, bassinet](#) etc
- ☐ Mattress for crib
- ☐ Waterproof mattress protectors
- ☐ Fitted crib/cot sheets
- ☐ Special sleeping bag/wraps/swaddles (if using)
- ☐ Baby blankets of different weights
- ☐ [Pram or stroller](#) (check suitability for newborns), [baby carrier](#)
- ☐ Soft washcloths
- ☐ Towels (e.g., hooded baby towels)
- ☐ [Baby wash products](#) (e.g., lotion or oil, body wash, shampoo)
- ☐ Baby moisturiser or lotion
- ☐ Changing table and mat
- ☐ Washable, waterproof changing table cover
- ☐ [Nappy cream](#)
- ☐ Baby rocker or [bouncer](#)
- ☐ Crib/cot mobile
- ☐ Extra furniture, such as feeding chair and storage



Settling in and beyond

- ☐ Burping cloths
- ☐ Pacifiers / dummies (if using)
- ☐ Baby bag for outings
- ☐ Portable nappy change items (foldable change mat, cream, rubbish bags, hand sanitiser, baby wipes, change of clothes for baby)
- ☐ High chair
- ☐ Bibs (washable)
- ☐ Baby nail clippers
- ☐ Baby thermometer
- ☐ Baby monitor
- ☐ Tummy time mat or similar
- ☐ Baby spoons, bowls, plates and cups
- ☐ Baby swing





Think outside the box

Aside from the common baby-related costs that initially come to mind, there are a few 'out of the ordinary' items you may want to factor into your budget.

For example, some new parents like to slap on a new coat of paint in the nursery before bub arrives, or decide to repaint the whole house while they are at it. Or you may find the carpet in your old spare room was fine for the occasional visitor, but doesn't quite cut it for the soft head of a clumsy baby in your new nursery.

The [average cost of a professional painter](#) is about \$15 – \$45 per square metre (according to tradie listing website Hipages), depending on the type of paint you choose, ceiling height, window detail, etc. If you'd prefer to do it yourself, it can still set you back anywhere between \$200–\$300 per room, depending on the paint you choose.

Meanwhile, [carpeting](#) can range greatly from \$20 – \$250-plus per square metre, depending on the quality of the carpet, height of the underlay, ease of the job and so on (according to quote-matching website OneFlare).

Another popular pre-baby renovation is the installation of [air conditioning](#), [heaters](#) and [fans](#). Babies are said to sleep better between 20–22.2°C, and have more trouble regulating their body temperatures than adults do.

There are a number of choices when it comes to air conditioning that can affect the total price. [Split system air cons](#) could be a great option for small areas, but could potentially lack the power to affect larger spaces – this is reflected in their relatively cheap purchase price, from around \$1,000–\$2,000.

Ducted air conditioning for a standard four-bedroom, single-storey home will cost around \$11,000-plus, according to Hipages. Large, multiple storey households can expect to pay considerably more – anywhere from \$15,000 to \$30,000. Installation would be an extra cost.

You also need to keep in mind the [running costs of air conditioning](#), which can be significant.

If you're in a more moderate climate and don't need the heating option, ceiling fans could be a more affordable option. You can expect the [installation of a basic ceiling fan](#) to set you back between \$130 and \$300, according to Hipages, or you can pick up a pedestal fan from Bunnings for about \$40.



Enjoying your Canstar experience?

Leave us a review on Google –
let other Australians know
we compare.

[Review now >](#)

Source: Additional costs researched by Canstar Editorial Team.

More resources:



Private Health Insurance For Pregnancy

[Read more](#)



Which health insurers cover remedial massage?

[Read more](#)



Pros And Cons Of Private Health Insurance

[Read more](#)



Health Insurance Sign-Up Offers Available

[Read more](#)



A Guide to the Private Health Insurance Rebate

[Read more](#)



Private health insurance and tax: How does it work?

[Read more](#)



Aussie parents review the best childcare centres

[Read more](#)



The top kids' clothing brands rated by mums and dads

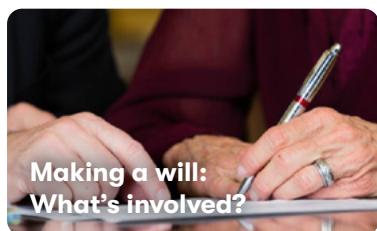
[Read more](#)



Flavour, ease of use, value for money: Baby food rated

[Read more](#)

Have you thought about:



Making a will: What's involved?

[Read more](#)



Investing For Your Child's Future

[Read more](#)



In the zone: What are school catchment areas?

[Read more](#)

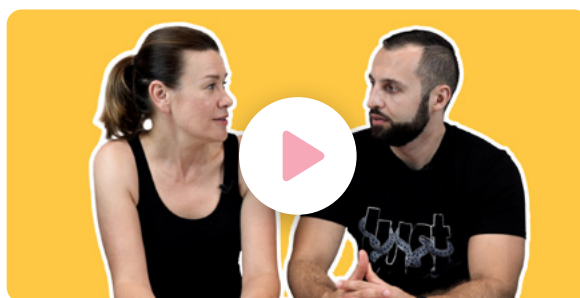
Watch new parents on their money conversations



How much does it cost to have a baby in Australia?



How to budget for a baby



Does salary matter when new parents decide who returns to work?

Want more
money videos?



Subscribe to our **YouTube channel** for the latest money tips, explainers and much more.

[Subscribe to Canstar >](#)



We hope this guide has helped you prepare for the next phase in your life. [Canstar](#), Australia's biggest financial comparison site*, has been helping Australians get their finances moving for more than 20 years. [Canstar Blue](#) has been helping Aussie consumers make better informed purchase decisions since 2010, covering more than 300 different goods and services. We invite you to visit us along your journey for tips, information, news and inspiration.

canstar.com.au • canstarblue.com.au

This advice is general and has not taken into account your objectives, financial situation, or needs. It is not personal advice. Consider whether this advice is right for you, having regard to your own objectives, financial situation and needs. You may need financial advice from a suitably qualified adviser. Consider the product disclosure statement (PDS) before making any financial decision. For more information, read [Canstar's Financial Services and Credit Guide \(FSCG\)](#), and read our [detailed disclosure, important notes and liability disclaimer](#).

Canstar is an information provider and in giving you product information Canstar is not making any suggestion or recommendation about a particular insurance product. If you decide to apply for an insurance product, you will deal directly with an insurance provider, and not with Canstar. Premiums and product information should be confirmed with the relevant insurance provider. For more information, read the product disclosure statement (PDS), [Canstar's Financial Services and Credit Guide \(FSCG\)](#), and read our [detailed disclosure, important notes and liability disclaimer](#).

The inclusions mentioned represent a selection of what is covered at the time of writing. Additional terms and conditions may apply to different features. Additional fees may apply to the product. Please ensure that you read the product disclosure statement to determine all the current options and inclusions for the product you are considering.

If you are seeking to replace an insurance policy, you should consider your personal circumstances, including continuing the existing cover until the replacement policy is issued and cover confirmed. Your current policy may have different features to products currently on the market. Please consider what features are right for you when comparing insurance products and refer to the provider for further details on a policy.

The information in this article is not legal advice, nor is it intended to be used as a substitute for obtaining independent professional advice. Please consult your legal practitioner, professional adviser or the relevant government or statutory authorities before making any decisions