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## **Anticipating Baby The Unexpected Costs of Starting a Family**

By Jenn Director Knudsen

**"On average, it is said that roughly \$8,000 is spent on a baby in its first year of life," says Christine K. Walker, author of *The Smart Mom's Guide to Staying at Home: 65 Simple Ways to Thrive, Not Deprive, on One Income* (Trafford Publishing, 2004) and a mother of three children.**

And that's once your new son or daughter is born. Hospital costs – for the birth and immediate postpartum and baby care – may further whittle away at your wallet.

### *Here Comes Baby*

A 2004 survey by Aetna and the Financial Planning Association found that expectant mothers spend more time decorating their baby's room than evaluating the details of their health plans. "[M]ore than 20 percent say they are most focused on shopping for baby accessories and furniture, and nearly one quarter say they are most focused on reading baby-related books and magazines," according to the survey analysis.

Yet experts caution that not all births are routine nor, unfortunately, are all babies born healthy; some require immediate medical intervention or even a neonatal intensive care unit (NICU) stay.

Children under 1 year of age make up only 1 percent of the U.S. population, but they account for approximately 13 percent of all hospital stays, according to a fact book put out by the U.S. government's Agency for Healthcare Research and Quality (AHRQ). The AHRQ also finds the vast majority of these stays are newborn infants, and that neonates account for seven times more hospital stays than any other pediatric age group (children through age 17).

### *Insuring Your Future*

Jennifer Shu, instructor of pediatrics at Dartmouth Medical School and co-author of *Heading Home With Your Newborn: From Birth to Reality* (American Academy of Pediatrics, 2005), had a problem-free pregnancy. Her delivery, however, was not so. She needed an episiotomy, vacuum, forceps and emergency C-section. Then, once her son was finally born, he developed jaundice and was sent home with bilirubin lights to goad his immature liver into normal function. "I had everything for one baby," says Shu.

She also had terrific insurance. "When I had my son, I paid nothing at all," says Shu.

But not everyone is as fortunate as Shu.

Kelly Johnson, a preschool teacher in Beaverton, Ore., also had good coverage but she still had to pay. She doled out a \$150 co-pay for routine visits to her obstetrician during pregnancy and the vaginal delivery of her son. And for her and her new son's 48-hour hospital stay, Johnson owed an additional \$350.

Insurance benefits vary from company to company and even state to state. And hospital costs – those passed on to insurance companies before you're billed – vary widely, too.

Shu gave birth in Denver, lived for a stint in San Francisco and now practices in New Hampshire. She says her health care costs have changed with her address. "So it's important to ask [your insurance company about its benefits] so you don't get surprised by a big bill," she says. "It's just better to be informed in advance."

Shu says Children's Hospital at Dartmouth, where she is director of the normal newborn nursery, charges \$1,700 for "an uncomplicated newborn stay," which doesn't even include costs for Mom.

Yet should a newborn need additional medical attention – perhaps for respiratory problems, an infection, a birth defect – average costs run to \$13,000. Caring for a premature baby would cost even more.

Shu recommends expectant parents create an emergency savings fund that would include money – at least \$1,000 – for unforeseen hospital and newborn costs not covered by insurance.

### *Funding the Feedings*

Many expectant mothers plan to breastfeed. But nursing isn't always easy or automatic, and many mothers may need to purchase some formula, if not a ton of it.

For the nursing mother who needs extra help, services are available. But they'll cost you. For example, rates for International Board Certified Lactation Consultants (IBCLCs) in the Chicago area are \$150 to \$200 for a home visit, says Katy Lebbing, manager of the Center for Breastfeeding Information and a member of the Education and Member Services Department of La Leche League International, based in Schaumburg, Ill. "When it is a critical time, such as right after birth, mothers are generally seen in their homes," says Lebbing, adding that office visits cost less.

As with insurance companies, home visits by a professional for the nursing mother also vary from region to region. Lebbing says costs can range from \$75 to \$250.

### *Breastfeeding Resources*

For additional information on breastfeeding and expert sources for mothers seeking intervention, Lebbing recommends visiting the International Lactation Consultant Association; the International Board of Lactation Consultant Examiners; and La Leche League.

Formula costs differ depending on the brand and type (such as powder, premixed, hypoallergenic) but can be quite high overall. Shu says the average cost of ready-to-feed formulas is 25 cents an ounce. If your baby consumes 20 ounces a day of that kind of formula for one year, you'll pay nearly \$2,000.

**And Walker says some specialized formulas for medical conditions can run upwards of \$50 a can. She says parents can take action to lower their formula costs. "The first thing to do is ask for as many samples as you can before you leave the hospital," she recommends. Then, hit up your pediatrician; they often have samples on hand. She further recommends contacting formula manufacturers directly. "Often, these companies will budget for donating cases of formula to those parents who are having a hard time paying for it," such as parents of multiples, says Walker.**

### *Baby Stuff*

Feeding your newborn may be expensive, but feeding paraphernalia doesn't have to be. In fact, you can skip some things, such as bottle warmers and bottle coolers, Shu says. She adds that diaper-wipe warmers and even diaper pails with "odor systems" are unneeded, more costly items. "There are definitely places where you can cut out non-necessities," she says.

**"In this day and age, there's simply no reason for anyone to pay full retail price for anything," Walker says. "From online discounters to local resale shops, the second-hand baby merchandise is definitely the way to go [for baby items]."**

With one caveat: You must be cautious when purchasing safety-related items such as car seats secondhand. Check the U.S. government's Consumer Product Safety Commission's website for recalled or old items.

Johnson bought her son's changing table and Baby Bjorn at a resale shop. She bought his bedding on clearance at K-Mart. And though she buys name-brand clothing for her baby, she only purchases clearance items.

Savvy expectant parents also should register for the big-ticket items or purchase floor models. That's how Heather Jones, a San Jose, Calif.-based marketing consultant, saved money when furnishing the nursery for her newborn son. "I also borrowed a breast pump from a friend, also knowing that no one would want to spend \$200 on such a non-cute baby gift," she says.

Jones was dumbfounded to learn one "decent" nursing bra cost up to \$50, so she saved a bit by scrimping on a non-descript diaper bag for \$24. "I know there's a big fashion statement to be made with baby bags these days," Jones says. "But, really, what's wrong with a plain vinyl bag or a decent backpack?"

Stacie Young, a new mom from San Diego, Calif., also was "overwhelmed" by the "rampant commercialization" of having a baby. She got lots of good tips from friends and from *Baby Bargains: Secrets to Saving 20% to 50% on Baby Furniture, Equipment, Clothes, Toys, Maternity Wear and Much, Much More!* (Windsor Peak Press, 2005) by Alan and Denise Fields.

Clearly, your new baby doesn't need everything. He just needs a warm place to feel safe and loved; a constant supply of food; and parents well-versed in the expected – and perhaps shocking unexpected – costs of bringing a baby into the world and caring for it.