

Financial Ratings Series

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& Grey House Publishing

Financial Literacy: Planning for the Future
Financial Planning for Major Life Events
**Living Together, Getting
Married & Starting a Family**

2018



GREY HOUSE PUBLISHING

Financial Literacy: Planning for the Future

Financial Planning for Major Life Events: Living Together, Getting Married & Starting a Family



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2018 Edition





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Welcome!

Grey House Publishing and Weiss Ratings are proud to announce the second series of guides in their popular *Financial Literacy* series, *Planning for the Future*. Each volume in this series provides readers with easy-to-understand guidance on how to manage their finances. This new eight-volume set provides helpful guidance for readers who are ready for the next step in their financial planning—starting a family, buying a home, weighing insurance options, protecting themselves from identify theft, planning for college and so much more. Designed as a complement to *Financial Literacy Basics*, *Financial Literacy: Planning for the Future* takes readers even further towards their financial goals.

Written in easy-to-understand language, these guides take the guesswork out of financial planning. Each guide is devoted to a specific topic relevant to making big decisions with significant financial impact. Combined, these eight guides provide readers with helpful information on how to best manage their money and plan for their future and their family's future. Readers will find helpful guidance on:

- Financial Planning for **Major Life Events: Living Together, Getting Married & Starting a Family**;
- **Buying a Home** for the First Time & Mortgage Shopping;
- **Insurance Strategies** to Protect Your Family;
- Making the Right **Healthcare Coverage** Choices;
- Protect Yourself from **Identify Theft**;
- Steps for **Career Advancement**;
- Saving for Your **Child's Education**; and
- **Retirement Planning** Strategies & the Importance of Starting Early.

Filled with valuable information alongside helpful worksheets and planners, these volumes are designed to point you in the right direction toward a solid financial future, and give you helpful guidance along the way.

Planning for the Future: Financial Planning for Major Life Events, Living Together, Getting Married & Starting a Family

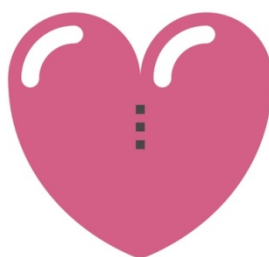


Big Life Events Means Big Financial Decisions

Forming a relationship with another person—living together, getting married, starting a family—are major life events, and each step along the way has major financial implications.

Your personal situation, of course, will be different from others, and you might choose to spend more or less time, or no time at all, in each of these phases depending on your circumstances and your relationship goals.

This guide offers some helpful advice on how to navigate the significant financial intersections at each of these phases of your relationship.



Some Interesting Marriage Statistics

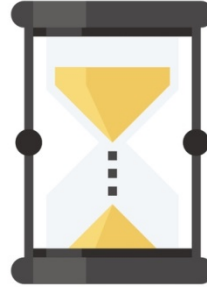
Pew Research has collected some interesting statistics regarding love and marriage today¹:

- Love tops the list of Americans' reasons to marry. 88% cited love as a very important reason to get married.
- Half of Americans ages 18 and older were married in 2016. Americans, however, are staying single longer. According to the U.S. Census Bureau, in 2017, the median age at first marriage had reached its highest point on record: 29.5 years for men and 27.4 years for women.

¹ Geiger, Abigail and Gretchen Livingston. *8 facts about love and marriage in America*. Feb. 13, 2018. <http://www.pewresearch.org/fact-tank/2018/02/13/8-facts-about-love-and-marriage/>



- The number of U.S. adults cohabiting with a partner is growing. The number of Americans living with an unmarried partner reached roughly 18 million in 2016, up 29% since 2007.
- Remarriage is on the rise. In 2013, 23% of married people were married before, compared to just 13% in 1960.
- 17% of newlyweds were married to someone of a different race or ethnicity in 2015, compared to 3% in 1967.
- Public support for same-sex marriage has grown in the past 10 years. In 2017, more favored (62%) than were opposed (32%) to same-sex marriage.
- Nearly 40% of married people are members of a different religious group or identify with a different political party than their significant other.
- More than 15% of American adults have used online dating sites or mobile dating apps. Nearly 60% say it is a good way to meet people.



The Trend: Waiting to Get Married

In 1960, 59% of people between the ages of 18 and 29 were married.² Decade by decade, that number has shifted significantly downward. In 1980, reflecting trends among baby boomers, the figure was 40%. In 2000, it was 32%. And in 2015, it was only 20%.

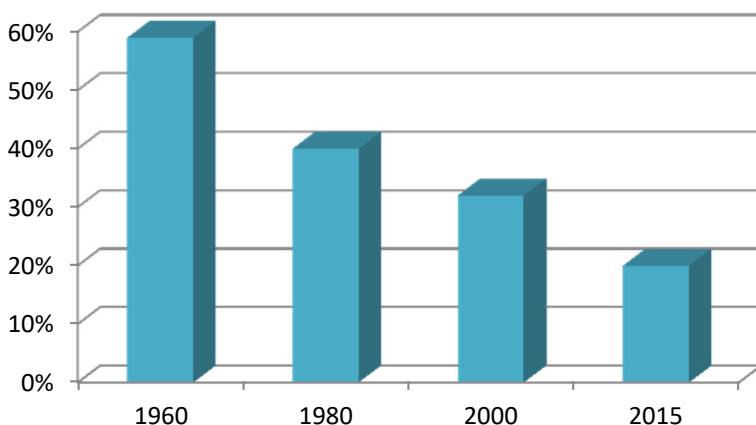
Why are people waiting to get married? There are some trends that might explain it:³

- More people are living together, either before, or instead of, getting married.
- People are living alone for longer periods of time.
- More people are going to college, and more women are starting their careers prior to getting married or having children.

² Cohn, D'Vera. *Marriage Rate Declines and Marriage Age Rises*. Pew Research Center. Dec. 14, 2011.
www.pewsocialtrends.org/2011/12/14/marriage-rate-declines-and-marriage-age-rises/

³ Lundberg, Shelly and Robert A. Pollak. *Cohabitation and the Uneven Retreat from Marriage in the United States, 1950–2010*, October 2013.
<http://www.nber.org/papers/w19413>





■ Marriage among people between the ages of 20 and 30 has declined since 1960.

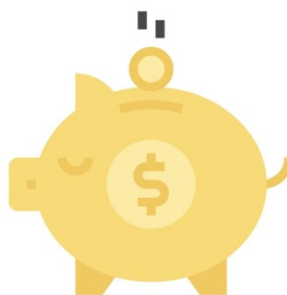
- People are less likely to get married because of an unplanned pregnancy.

Certainly, alternative arrangements are on the rise – things like cohabiting, domestic partnerships, group houses, and single parenting.

Regardless of your situation, whether you are living together now, or planning on living together or getting married in the future, there are financial planning discussions that are important to have before you make any changes to your relationship status or living arrangements.

Remember, too, that one arrangement often slides into another: nearly two-thirds of marriages occur between people who have already lived together for at least 2 ½ years, and about half of these couples – if they are under the age of 30 –

merged their finances before they tied the knot.⁴



Getting Cozy: Entering into a Financial Relationship

Personal money matters might seem like an area in which there should be clear consensus about efficiency and good sense. To some extent this is true, but here's the rub: people value the stuff that money buys differently. You might think it's foolish to spend five dollars a day on a coffee drink while your partner thinks it's a necessity.

As the saying goes, slow and steady wins the race. Think carefully about moving in together and merging your

⁴ Malcolm, Hadley. "Half of Millennials Merge Finances Before Marriage." *USA Today*, Sept. 30, 2015.



finances. Talk about it. Having a frank conversation about the financial implications of living together might help avoid conflicts about money matters down the road.

A recent survey from the National Foundation for Credit Counseling shows that more than two-thirds of engaged couples are uncomfortable when it comes to talking about money with the person they are planning to marry.

The FDIC has put forward some interesting ways to start the conversation:

- Before moving in together or exchanging wedding vows, **have a candid discussion about your finances.** Be open and honest about matters that could be a source of friction in the future, such as major outstanding debts from student loans or credit cards.
- Some experts suggest that both of you **order your latest credit reports and then, together, sit down and review them** to avoid major surprises. Credit reports include information on debts outstanding and, for example, whether someone has filed for bankruptcy. By federal law, you can receive one free copy of your credit report every 12 months from each of the three

nationwide credit reporting companies; visit www.AnnualCreditReport.com or call toll-free 1-877-322-8228.

- **Set short-term and long-term financial goals.** Figure out how much money each of you should be able to spend for "fun" and how much you should set aside for important goals, perhaps to buy a home. Financial advisors suggest that young couples consider preparing and following a monthly budget.
- **Understand the risks and responsibilities of jointly held accounts.** If a husband and wife are co-owners of a credit card and one of them goes on a spending spree, the other spouse may be held responsible for paying the bill. Likewise, irresponsible use of a jointly owned credit card by one spouse would be reported on both of their credit histories, and that could damage the "innocent" partner's chances of getting a good loan or credit card in the future. And when two people use the same checking account, they should share one checkbook and record all transactions, because otherwise they risk losing track of their balance and paying charges for insufficient funds.





What to Talk About When You Talk About Finances

Finances are one of the major reasons some relationships falter. This is why advisers recommend talking about money matters as much as possible before committing, as uncomfortable as that might be.

You might prefer never to mention to the person you're dating that you have \$30,000 in credit card debt, or that you defaulted on a student loan. But if it's hard to talk about now, imagine how uncomfortable it would be to bring it up out of the blue after you're married. Some advisers recommend meeting with your partner with documents in hand: credit reports, credit card statements and other bills, investment statements, etc.

How to proceed with the money talk will depend, of course, on your own circumstances. You might have a financial planner or lawyer to consult. If you do not, you should at least get *yourself* involved, even if it might be awkward.

When you talk, you'll want to arrive at a common understanding regarding these questions:

What are the expenses?

If you're already living together, then you've probably already addressed this to some extent. If you are planning to move in together, you'll want to be on the same page and have clarity about your household expenses. Make a list of common expenses. This should include things you can't avoid, like rent, but should also include discretionary expenses. How much are you spending (or budgeting to spend) on vacations and eating out?

Finally, you should each make a list of your own personal expenses. This would include things like expenses for hobbies and entertainment, personal care and grooming, and personal bills like credit cards or student loans.

One way to organize and account for monthly expenses, both joint expenses and personal expenses, is for each partner to write down all of their purchases in a month and review that information together, to avoid any surprises.

What are your goals?

Some people don't think about more than wanting to get out from under debt, and others are determined to become millionaires by the time they are 35. You probably already know as much about the person you are coupling with, but what about his or



her thoughts about home ownership or retirement plans?

What's the share?

Keep in mind that there is no right way or wrong way to determine how to split your household expenses. But, the right thing to do is to talk about it and come up with a plan that you both agree with. The wrong thing to do is to avoid the conversation, which can blow up over time.

If one of you earns significantly more than the other, then you'll have to come to terms with the implications of this. If you divide your expenses into your shared and individual expenses, you will need to be in agreement about how to split the shared expenses.

Here are some examples of ways to split your expenses:

- Keep personal expenses separate, but each partner pays for half of the major household expenses, like rent and utilities. Each partner can maintain their own bank account for their personal expense, but each would contribute to a joint checking account to pay for the major expenses.
- You might want to divide the major expenses into "I pay for this, you pay for that" columns.

This can be tricky, however, if your rent is quite a bit more than your other shared expenses.

- If one partner makes a lot more than the other, you could divide the shared expenses proportionately to how much each person makes. This can also be tricky, as one person might feel that they are carrying more of the household expense burden.

In any of these scenarios, talk about it with your partner and come up with a plan that you can both agree to. Plan to have this conversation every so often, to make sure that the current plan is still working for each partner.

Who's the money manager?

For some couples, the answer is "both of us," where every decision about money will be shared all the way down to routine money management. If this is the case in your relationship, you might create a spreadsheet with Google docs that tracks all of your combined expenses so that each of you can dive in regularly.

For other couples, one person assumes the role of money manager, and that person is in charge of making sure the bills are paid on time each month. Or, in other cases, one person might be in charge of paying the rent and the other person is in



charge of paying the utilities and grocery expenses.

Regardless of who is in charge of what task, how you decide to divide up your expenses and whether or not to throw all of your money together into a truly shared pot, this is a very individual thing. What matters is that you think about whether you're on the same page, and, if not, how to get there.

What's the long-term strategy?

You will want to come to some sort of agreement about the role of debt and the importance of a plan for paying it off. Again, there is wide room for varying ideas and opinions. If you have credit card debt or student loan debt to pay off, make that part of your long term goal. Other long term strategies might include saving for a home, saving for your child's education, or saving for retirement. It's important to know what your goals are, individually and as a couple, in order to proceed according to your individual and shared goals.

Having these conversations can be hard, but knowing where your partner stands and how your personal goals might differ can help you determine what is the best path forward towards your financial goals, together. Open and honest communication can go a long way towards avoiding conflicts over money matters in the future.

Make a Plan

There are two things that most advisers say couples should do early on: start an emergency fund and initiate a savings plan.

- **Emergency fund.** Advisers typically recommend having enough set aside in an emergency fund to cover your expenses for about four to six months. You should create an emergency fund sooner rather than later – before you need it. And don't dip in!
- **Savings.** Discuss the savings strategies that you each already have. If your employer offers a retirement savings plan, are you both using your companies' matching contributions wisely? What is your joint savings plan going forward?

What's your monthly budget going to look like?

If you are already living together, then you've already addressed this to some extent. You should devise, together, a budget for yourselves and plan on tweaking it as needed. In conjunction with this, many couples decide to set up regular money meetings, once a week or once a month.





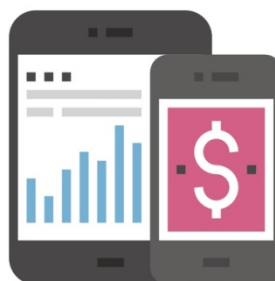
Merging Your Finances

One way to ease into a financial union with your partner is to begin merging your finances *before* you get married. Indeed, half of people under the age of 30 report doing this⁵. Remember that nearly two-thirds of young people report living together for at least two years before tying the knot.

If you are planning on living together, either before, or instead of, getting married, there are some things to keep in mind:

- When merging finances, it's easy to establish a joint bank account for shared household expenses, or obtaining a credit card in both names. There can be risks associated with joint accounts, however. If you break up, your partner could take all of the money out of your joint account. Or, if your partner misuses your joint credit card, you can be responsible for paying it all back. With these things in mind, you might want to wait a while before you decide to open a joint account.

- Think twice before buying things together, like a car or a house. If the relationship ends, these large purchases, and the debt they come with, can be hard to untangle.
- Keep personal debt personal, meaning your individual credit card or personal debt should remain your responsibility.
- Co-signing a loan for your partner might not be a good idea. Co-signing a loan means that you are equally responsible for paying back that loan. If the relationship ends, you could be responsible for paying back the loan if your partner defaults.



Splitting Up Expenses

There are several ways that couples can divide up their expenses. Keep in mind that each situation is unique, so there is no right way or wrong way to proceed. The important thing is to talk about it, make a plan that you both can agree to, and later, revise your plan if necessary.

Before making a decision on how you're going to divide up your expenses, the first step is to figure out

⁵ Malcolm, Hadley. "Half of Millennials Merge Finances Before Marriage." *USA Today*, Sept. 30, 2015. www.usatoday.com.



what your expenses actually are. A simple way to do this is for each person to write down all of their expenses in a month. Divide these items into **my** expenses, **your** expenses and **our** shared expenses, then you can decide on how you're going to split up the "our shared expenses" column.

Half and Half

Many couples take a 50/50 approach to dividing up their household expenses. If your monthly household expenses, including rent, utilities, high-speed internet, cable, cell phone, grocery bills, eating out at restaurants, etc., is an average of \$2,000 a month, each person would contribute \$1,000 a month, or \$250 a week, towards these expenses.

Some couples keep track of every expense, and divide that in half. In some ways this sort of thing is easier than ever with money transferring apps like Venmo, but many couples feel that it's too laborious to keep track of every expense this way. So, they estimate what their total shared monthly expenses will be and contribute half accordingly.

Income-Based Division

Other couples adopt a different approach to sharing expenses, that takes into account the amount each person makes. If one person makes significantly more than the other, the

couple might decide to split up the expenses accordingly. For example, if John earns 65 percent of the household's income, then John would be responsible for 65 percent of the monthly rent. If John's partner, Jane, only earns half as much as John, then it could be difficult to share the expenses strictly down the middle.

Divide the Bills

Some couples choose to divide up the bill responsibility, where one person might pay the monthly rent, and the other pays for the other shared expenses, like the cable bill, cell phone, and grocery bill.

In some cases, members of a couple will be differently employed. If one earner is a freelancer, a graduate student, works part-time, or recently quit his or her job to be a full-time parent, then it might be necessary to remain quite flexible with your arrangements for expense-sharing from month to month or from year to year because that person's situation and income will be subject to many changes.

In all cases, having a conversation about shared expenses, and reviewing it often is a good way to avoid conflicts and potential resentment.





Financial Priorities and Life Goals

Sometimes it's only when they're

confronted with the money habits of their partner that people really begin to think about their *own* habits – or about their own interest (or lack of interest) in financial planning. It can be an uncomfortable experience. Remember that you probably aren't going to resolve everything in one big meeting.

As with the rest of your relationship, grow into it. Build trust.

You might each think up a list of the things that you want or feel that you need, and then compare notes. How important is it to you to take an annual vacation? How important is it to your partner?

You can do the same with mid-term and long-term financial goals. If you've never thought that far ahead, now is the time. Where do you hope to be in ten years, and are you on track? What about in twenty-five years or when you retire?

Here are some things to consider when planning your long terms goals:

- Savings
- Paying Off Debt

- Homeownership
- Auto Purchases
- Retirement
- College Savings
- Vacations & Other Entertainment
- Wedding





How Much Does a Wedding Cost?

In 2017, the national average cost of a wedding was \$33,391, according to The Knot 2017 Real Weddings Study⁶, and that doesn't include the cost of the honeymoon!

According to The Knot's study, here is a breakdown of average wedding costs:

- Venue \$15,163
- Wedding Dress \$1,509
- Groom's Attire \$280
- Wedding Cake \$540
- Engagement Ring \$5,764
- Ceremony Site \$2,311
- Ceremony Musicians \$761
- Catering (per person) \$70
- Rehearsal Dinner \$1,285
- Transportation \$830
- Photographer \$2,630

- Wedding Planner \$1,988
- Reception Band \$4,019
- Reception DJ \$1,231
- Florist/Décor \$2,379
- Favors \$252
- Videographer \$1,912
- Hair/Makeup \$966
- Invitations \$408

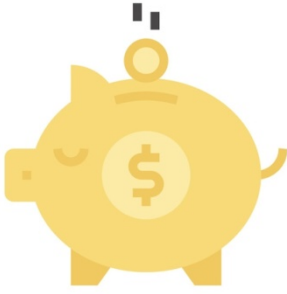
In 2017, the average cost per guest was \$268, an all-time high, a \$74 increase from 2009.

On average, the cost of a wedding was shared between the bride's parents, the groom's parents and the bride and groom themselves.

- Bride's Parents: Paid 44.5%
- Groom's Parents: Paid 12.7%
- Bride & Groom: Paid 41.1%

⁶ Seaver, Maggie. The National Average Cost of a Wedding is \$33,391.
<https://www.theknot.com/content/average-wedding-cost-2017>





Budgeting for Your Wedding

The amount of money that you budget for your wedding depends largely on a couple of factors⁷:

- How much you and your partner have saved.
- How much your parents, or your partner's parents, are willing to contribute. Don't assume that they will, but be sure to ask the question.
- How much you can contribute from your current salary.

By adding up these amounts, you'll be able to estimate how much you can afford to spend on your wedding.

Some couples elect to delay their wedding day to give them extra time to save.



Keep Track of Your Expenses

As with any big financial goal, keeping track of your expenses is important. Get started by creating a spreadsheet for each wedding expense. A sample list is on the next page.

For each item, allow room for the expense estimate and the actual expense, so you can keep track of savings or overages.

Leave room in your budget for tips, additional vendor fees, and extras that you might not have planned for.

Do your research. There are many wedding planning websites, magazines and books that offer guidance on what you can expect to pay for each expense item. The more that you can arm yourself with good information, the less likely you will be to overpay.

Keep your total budget in mind. Once you have gone through your initial estimates, add them up and see how they compare with your total budget. If you are under budget, that's great. If you are over budget, you'll want to find ways to reduce costs so you can stay within your budget.

⁷ James, Katie, Sandy Malone & Alexis Dent. The 5 Crazy Easy Steps to Create Your Wedding Budget. December 30, 2017 <https://www.brides.com/story/5-steps-to-wedding-budget>



Wedding Budget Planner

Total Wedding Budget: _____

Wedding Expense	National Average ⁶	Your Estimated Cost	Your Actual Cost
Venue	\$15,163		
Wedding Dress	\$1,509		
Groom's Attire	\$280		
Wedding Cake	\$540		
Engagement Ring	\$5,764		
Ceremony Site	\$2,311		
Ceremony Musicians	\$761		
Catering (per person)	\$70		
Rehearsal Dinner	\$1,285		
Transportation	\$830		
Photographer	\$2,630		
Wedding Planner	\$1,988		
Reception Band	\$4,019		
Reception DJ	\$1,231		
Florist/Décor	\$2,379		
Favors	\$252		
Videographer	\$1,912		
Hair/Makeup	\$966		
Invitations	\$408		
Extras (allow 5-15% for unplanned-for expenses)			
Other: _____			
Other: _____			
Other: _____			
Other: _____			
TOTAL:			

If you need more room, an Expanded Wedding Budget Planner is included in the Appendix of this volume.





Ways to Cut Wedding Costs

Make a List of Your Priorities. Make a short list of what you want to focus on.

Maybe it's the dress, maybe it's the cake, maybe it's the shared experience with your guests. When you know what your top priorities are, you can make sure that your biggest spends are towards your top priorities. Items not on your top priority list are areas where you might find some savings.

Change the Venue. The venue is often the biggest wedding expense. A creative or off-beat venue might be a way to add your own personality to your event for a lower cost. Some lower-cost venue ideas include: your local courthouse or city hall; an at-home wedding at your home, or that of a friend or family member; national, state and city parks; beaches; libraries, art galleries and museums; aquariums and zoos; restaurants; on a boat; a home rental (check out Airbnb) or a bed & breakfast; theatres; and schools, colleges or universities.

Revise the Guest List. Inviting fewer guests might get you to the budget number you're shooting for.

Off-Peak Savings. You may be able to save on your venue if you plan your

event on a Friday or Sunday. A Saturday event is the most popular, so it costs the most. Sometimes winter months cost less, too.

DIY. There are many things that you might want to consider doing yourself, or counting on a friend or family member to do. Addressing the invitations yourself, or having a family member assemble the favors are just some examples of ways you can save.

Have Talented Family Members or Friends? If you have a friend or family member who is a talented photographer, musician, or has other skills you can use, don't be afraid to ask. Don't assume that they will be willing to participate, but it can't hurt to ask. Make sure, though, before you ask, if that is really the route you want to go.

Ask Vendors about the Details. Make sure that you review contracts carefully to make sure you're not missing any fees or charges. Ask vendors about ways to bring costs down.

Bundle. Ask your vendors if you can get a discount if you bundle several services. For instance, ask your photographer if they provide videography services. You might be able to get a discount if you book both services together. Similarly, you may be able to save if you have the ceremony and the reception at the same venue.



Do Your Research. You may be able to save on almost all of your expenses just by shopping around. Searching online for “ways to save on my wedding,” yields many results. You will be surprised on the many creative ways people have saved money while still having a memorable and amazing wedding day.

Hire Your Own Vendors. Ask your venue if they require you to use their vendors. If they do, ask how much and compare those prices against what it would cost with your own vendors at another location.

Think Beyond a Traditional Sit-Down Dinner. Serving hors d’oeuvres after an evening wedding, or serving brunch after a morning wedding can be far less expensive than a traditional sit-down dinner.

Save on Your Wedding Dress. There are a number of options to cut the cost of a wedding dress. Search for last-season sales and deals on floor samples. Consider renting a dress or buying a used dress. You can also have your local dress shop or seamstress make your dress. The style of the dress can matter too. If you’re looking to save, consider a dress that has a simple shape, or less beading. A corseted back will need few, if any, alterations. Keep an eye out for closeouts, coupon codes and special discounts.

Don’t Go Into Debt. Resist the temptation to put charges on your credit card. You don’t want to start your married life with a pile of unpaid debt. Instead, keep your budget in mind and don’t go over it. If you do need to put charges on a credit card, look for a credit card with 0% interest for 12 or 15 months.

With a little bit of creative thinking and lots and lots of research and planning, there are an unlimited number of ways to save on your wedding. You’ll be able to plan a day that you and your guests will remember, all while staying under budget.





The Legal and Financial Benefits of Marrying

Regardless of attitudes about the institution of marriage, there are many legal rights and protections as well as financial benefits that come with it.

There are, in fact, **1,138 discrete rights and protections** afforded by the federal government alone, a figure tallied since the movement for same-sex marriage.

For some people, regardless of orientation, the decision to enter a marriage rather than live in a domestic partnership is made significantly on the basis of these benefits and protections.

They include tax benefits, access to government benefits like social security, and employment benefits like coverage on your spouse's health insurance.

A list of important benefits and rights linked to marriage:

- **Employment benefits** including health insurance through your spouse's workplace insurance plan; family leave; retirement options like pensions for a deceased spouse;
- **Tax benefits** include filing joint returns for a lower rate and access to certain tax credits;
- **Inheritance rights** and other estate benefits, including access to estate trusts only available to married couples;
- **Social security, Medicare, disability, and veteran's benefits** based upon your spouse's employment and military service;
- **Medical benefits** include automatic visitation rights when your partner is in critical care or during restricted visiting hours and making medical decisions for your partner if he or she is unable to do so;
- **Housing benefits** include automatically being able to renew a lease that was signed by your spouse;
- **Family benefits** include the right to receive a portion of the property if you divorce, child support and other rights;
- **Special rates** and plans are offered to married couples by many companies, including special rates for health plans, auto insurance, homeowners' insurance, and others;



- Immigration rights, and many more.

Following the Supreme Court decision in *Obergefell v. Hodges* in 2015, all of the federal and consumer benefits that are afforded to heterosexual married couples must now also be given to gay married couples. This includes equal access to special consumer offers, rates, and benefits.

About Taxes

Married couples will almost always qualify for lower tax rates when they file jointly. Sometimes, however, you might want to file separately anyway. For example, if one partner is self-employed, then the other might not want to be involved in what is essentially the tax situation of their partner's business. If that partner owes taxes, for instance, you might not want to pay them with the refund you would otherwise be set to receive.



Prenuptial Agreements

Prenuptial agreements are often promoted by the legal industry

and talked about in celebrity news. In general, a prenuptial agreement is meant to override what would be the normal course of things in the case of a divorce.

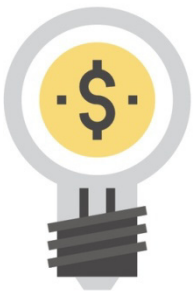
A prenuptial agreement might make sense in your situation if you want to:

- Keep finances separate
- Define separate property
- Define marital property
- Establish pre-marital debt
- Establish support for children from prior marriages
- Keep property in the family
- Define who gets what in a divorce
- Clarify financial responsibilities during the marriage

There are a number of rules regarding prenuptial agreements that you should be aware of, if you're thinking about one:



1. Failure to disclose fully one's assets in a prenuptial agreement is a sign of bad faith that can be used to void the agreement.
2. A prenuptial agreement signed very shortly before the wedding is also subject to being voided later; it will look as though it was coerced at the last minute.
3. Both parties should have their own separate legal counsel. Again, courts are on the lookout for prenuptial agreements that may have been entered into without both parties as truly equal signatories.
4. If the agreement is inequitable or favors one person unfairly, it may not be enforceable in court.



Tips for Domestic Partners and Single Parents

Despite the recent progress on this issue, couples (regardless of orientation) who have entered into civil unions and domestic partnerships still only receive restricted protections and benefits. None of the marriage rights under the federal law apply to

couples joined in civil unions or domestic partnerships; this is because these forms of coupling are only recognized at levels of government below the federal level, usually local and city governments. For example, if you and your partner are joined in a civil union or domestic partnership, you cannot file a joint federal income tax return, etc.

Financial advice for families used to assume that the audience was largely “traditional families” made up of two married heterosexual parents with children at home—today, that assumption is unrealistic. In 1970, according to the United States Census, 40% of households were traditional. Today, *that figure is only 20%, and the trend continues.*

Because so many of the tax and other structures that impact family financial planning still assume a traditional family, it can be quite difficult for nontraditional families to find the information they need. Only about 30% of nontraditional families reported feeling financially secure in 2014, according to a survey by financial services firm Allianz. This compares to 41% of traditional families. A good financial planner can help – but only if he or she is keeping up with changing demographics.

Domestic Partners. About half of all large companies (500 or more employees) now offer domestic partnership benefits. This is up from

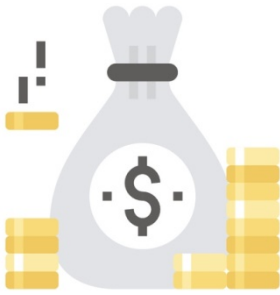


1/3 in 2010. Many jurisdictions have strong laws in place recognizing domestic partners and civil unions. The District of Columbia is one of them. But domestic partners are not eligible for some significant benefits that are given to their married peers. Domestic partners aren't eligible for survivor benefits from social security or most retirement plans; they are not eligible for a tax break on inheritances when one partner dies and bequeaths property to the other.

What can couples in a domestic partnership arrangement do? Planners recommend registering your civil union if possible, then ensuring that your partner has power of attorney and can make healthcare and financial decisions. For inheritance purposes, make wills. You can also create a living trust with an attorney; this will make it harder for blood relatives to contest your will.

Single Parents. The biggest financial planning issue for single parents is likely to be balancing their retirement needs with their children's needs – like college savings – on a reduced household income. If you are a single parent, most planners recommend not neglecting your retirement savings. There are options available for college, like in-state tuition and student loans. If you retire with zero dollars saved, there really aren't other options.



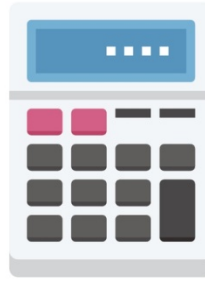


Parenthood: The Financial Impact

From diapers and doctors to the cost of college tuition, having children comes with sizable expenses. The U.S. Department of Agriculture estimates that a middle-income household currently spends a total of more than \$233,000 on raising a child.⁸

That's an average of \$13,705 per year for 17 years, and that does not include the cost of a college education.

If you plan wisely, however, you can make the transition to family life without too much stress on your finances – although the same can't necessarily be said about your sleep!



Understand the Costs and Budget Accordingly

Basic supplies that you should consider buying before your baby arrives include a car seat (you'll need that to take your baby home from the hospital), diapers and wipes, a changing table, a crib, some baby clothes, and a baby monitor. These few things can cost you several hundred to several thousand dollars. That's just the beginning!

The monthly costs of raising a baby in the baby's first year vary widely. Costs depend on income levels, lifestyle, and also by region. **It isn't unusual for a family to spend in the ballpark of \$1,000 a month to pay for baby's needs during the first year and beyond.** This includes such things as diapers and food, healthcare, clothing, and housing. The number can go up considerably if you are a high-income earner.

There is quite a bit of data available on how much families are actually spending on costs associated with raising their children. Since 1960, the federal government has periodically published a report on exactly this topic. It's called *Expenditures on Children by Families* and it's published by the US Department of Agriculture (USDA). The report looks

⁸ "The Cost of Raising a Child." Jan. 13, 2017. United States Department of Agriculture.
<https://www.usda.gov/media/blog/2017/01/13/cost-raising-child>



at actual expenditures on raising children in three different income groups in the United States.⁹ The groups represent the lower, middle, and upper thirds of the income distribution. According to the most recent report:

- Two-parent families with total annual household income under \$59,200 spend approximately \$9,330 to \$9,980 a year on raising a child.
- For a similar household with before-tax income between \$59,200 and \$107,400, the annual expenses associated with raising a child range from \$12,350 to \$13,900.
- Families whose annual household income is over \$107,400 spend between \$19,380 to \$23,380 a year.

You can use these averages to get an idea what the costs of having a child will be like in your income bracket. It's important to know that the USDA doesn't include the cost of saving for your child's future, so if you want to begin budgeting an education savings plan right away, then add your savings plan to the numbers here. More information is provided on this topic

⁹ Lino, Mark, et. al. *Expenditures on Children by Families, 2015*. (Revised March 2017.) United States Department of Agriculture. www.cnpp.usda.gov/sites/default/files/crc2015.pdf

in *Planning for the Future: Saving for your Child's Education*, another guide in this set.

The category that consumes the most as a proportion of this spending is housing, and the percentage is pretty stable across all three income groups – about 26 to 33 percent. Making the move from a cozy one-bedroom apartment to a house with a nursery, for example, is no small expense!

A copy of the summary tables from the USDA's most recent Expenditures on Children by Families report is included in the Appendix of this volume.



Did you know?

The average child will go through more than 2,700 diapers in the first year.

Make a budget. A sample budget is provided on the next page. If you have a budget planned out, it can be easier to plan for your monthly expenses, your savings goals, your retirement goals, and for your child's education and future.



Sample Monthly Budget for a Household with Children

Month/Year: _____

Monthly Income

Wages	
Tips	
Other Income	
TOTAL MONTHLY INCOME	

Monthly Expenses

HOUSING

Mortgage/Rent	
Utilities (Electricity/Water)	
Insurance (Homeowner's, Renters, etc.)	
Other Housing Expenses (Cable, Internet, etc.)	

FOOD

Groceries/Household Supplies	
Restaurant and Other Food	

TRANSPORTATION

Public Transportation	
Vehicle Loan	
Gas for Personal Vehicle	
Parking, Tolls, etc.	
Maintenance & Supplies (oil, etc.)	

HEALTH

Vehicle Insurance	
Health Insurance	
Medicine/Prescriptions	
Other (Dental, Vision, Copays)	

PERSONAL

Laundry	
Clothing, Shoes, etc.	
Charitable Gifts, Donations, etc.	
Entertainment (Movies, etc.)	
Other (Haircuts, etc.)	

FAMILY EXPENSES

Childcare	
School Supplies	
College Savings Account	
Other Family Expenses	

DEBT & FINANCE

Life Insurance	
Debt (Credit Cards, etc.)	
Student Loans or Other Debts	

MISCELLANEOUS

Other	
TOTAL MONTHLY EXPENSES	

TOTAL MONTHLY INCOME	
- TOTAL MONTHLY EXPENSES	
=	

*Each individual's budgeting needs are unique. You can add in additional lines for other expenses to meet your needs.



Make a Budget for What You'll Need for Baby's First Year

FOOD

Baby Food _____

Formula _____

Breast Pump & Breast Milk Bags _____

SUPPLIES

Diapers & Wipes _____

Soap & Shampoo _____

Bath Tub _____

Towels & Washcloths _____

Lotion & Diaper Cream _____

Bottles & Bottle Brushes _____

High Chair _____

Bowls & Baby Spoons _____

Sippy Cups _____

Laundry Detergent for Sensitive Skin _____

Bulb Syringe & Baby Nail Clippers _____

TRANSPORTATION

Car Seat _____

Stroller _____

Diaper Bag _____

Baby Carrier _____

THE NURSERY

Crib & Mattress _____

Bedding _____

Wearable Blankets _____

Swaddling Blankets _____

Changing Pad or Table _____

Nursing Pillow _____

CLOTHES

Onesies _____

Shirts & Pants _____

Sweaters, Jackets & Zip-Ups _____

Hats & Mittens _____

Socks & Booties _____

Pajamas & Sleepers _____

Burp Clothes & Bibs _____

TOYS & ENTERTAINMENT

Pacifier _____

Bouncy Seat _____

Play Mat _____

Toys _____

Books _____

SAFETY

Baby Monitor _____

Safety Gates _____

Outlet Covers _____

Cupboard & Drawer Latches _____

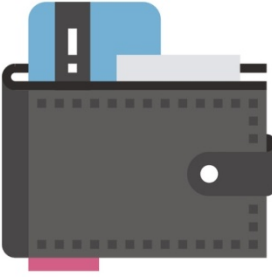
Toilet Seat Locks _____

Digital Thermometer _____

TOTAL FIRST-YEAR EXPENSES _____

*Each family's needs are unique. You can add in additional lines for other expenses to meet your needs.





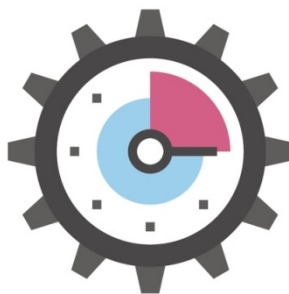
Ways to Save on Things for Baby

Here are just a few examples on ways to save on the things you'll need in your first year of parenthood.

- **Formula.** While breastfeeding is the most inexpensive, if you choose to use formula, consider using the powdered version, which can be considerably less expensive than ready-to-use cans. Generic or store brands can offer significant savings too. Your birthing hospital and your pediatrician can most likely give you samples, you just have to ask.
- **Diapers.** Cloth diapers can be less expensive in the long run, but they do require a bigger initial investment. If you opt for disposable diapers, don't stock up on newborn size diapers, they may only fit your baby for a short period of time. Later, buy in bulk for extra savings.
- **Baby Food.** Make your own baby food, it is far less expensive when you make it yourself.
- **The Nursery.** Check out your local consignment store for slightly used furniture. Look for items that do double-duty. Instead of a changing table, a dresser with a changing pad on top will save you money and space.
- **Clothes.** Ask your friends or family for hand-me-downs. Most parents are happy to find a new home for their slightly used baby clothes. Check out your local consignment shop, or consignment stores online, for used clothes for far less than brand new.
- **Books.** Visit your local library. You'll find numerous books that baby will love, at no cost.
- **Crib.** A crib that will later convert to a toddler bed will save you money in the long run.
- **Strollers.** Do your research first and make sure you test drive in the store. Ask other parents which models they prefer. This can be an expensive purchase and you'll want to make sure you shop around before you decide which is best for you.
- **Car Seat.** A convertible car seat, that is rear-facing for baby but can be switched to front facing for older children, might cost more up front, but you won't need to make a second purchase after a few months.



- **Borrow.** Ask friends or family members to borrow items that you'll only need for a very short time, like a bassinet.
- **Bottles.** Buy only a few bottles before your baby is born. If you stock up on particular brand, you might find out that your baby doesn't take to them. Once you find a brand that your baby prefers, then it's time to stock up. This is good advice for pacifiers and diapers too.
- **Shop Smart.** Do your research and shop around for good deals. Buy in bulk for extra savings. Look for coupons and closeouts. Ask other parents about the brands and items they prefer, their advice can save you from unnecessary or unsatisfactory purchases.



Parental Leave

The two things to consider here are: what's required by the law and what your employer offers. As of January 1, 2018, four states currently offer paid family and medical leave: California, New Jersey, Rhode Island and New York. These state programs are funded through employee-paid payroll taxes and administered through the state's disability program.

For most people, maternity leave or paternity leave will be some combination of paid leave that might be offered by your employer (if it's available), combined with vacation and sick time. Sometimes, too, short-term disability is available.



The Family and Medical Leave Act

In the United States, the Family and Medical Leave Act of 1993 (FMLA), was signed into law by President Bill Clinton.

The FMLA entitles eligible employees to take FMLA leave for the birth of a child, to care for the newborn child, to



adopt a child or accept a child into foster care. **An FMLA leave is unpaid.**

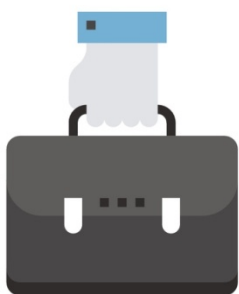
- Both mother and father are entitled to FMLA leave for the birth of their child, or placement of a child for adoption or foster care.
- An employee's entitlement to leave for a birth, adoption or foster care expires at the end of the 12-month period beginning on the date of the birth or placement.
- A husband and wife who are eligible for FMLA leave and are employed by the same covered employer may be limited to a combined total of 12 weeks of leave during any 12-month period.
- The mother is entitled to FMLA leave for any period of incapacity due to pregnancy, for prenatal care or for her own serious health condition following the birth of a child.
- The husband is entitled to FMLA leave if needed to care for his pregnant spouse who is incapacitated or to care for her during her prenatal care, or following the birth of a child if the spouse has a serious health condition.

- Circumstances may require that FMLA leave begin before the actual date of birth of a child. An expectant mother may take FMLA leave before the birth of the child, for prenatal care, or if her condition makes her unable to work, for example.
- Intermittent and reduced schedule leave may be used after a birth or placement to be with a healthy child only if the employer agrees. For example, an employer and employee may agree to a part-time work schedule after the birth or placement for bonding purposes.

In addition, many states have supplemented these basic requirements with their own. Twenty-five states have expanded upon the federal requirements in various ways.

If you're a father looking for leave, or if you are adopting a child, you might have fewer options. Check with your employer, or your state's department of labor, to find out what leave options are available to you for your specific circumstances.





Employers and Parental Leave

Maternity leave – and paternity leave, too – is an employee benefit that’s growing rapidly in importance. Some top United States corporations now offer generous leave to both mothers and fathers. It’s an issue that millennials, in particular, have strong feelings about.¹⁰

But how many companies today actually offer paid maternity leave? According to Paid Leave US, only 13% of employers offer any paid maternity leave, and the scales are tilted heavily in favor of corporate jobs. One in four new mothers return to work within ten days of giving birth.¹¹

As early as possible, find out what leave is available from your employer, and find out what protections are afforded by your state. If you can take unpaid leave, and you qualify under FMLA, then consider unpaid leave, if you can afford it and want to maximize your time off.

Begin early. Find out how much leave, vacation, and other time you will have available to take, and think about how much time you will want off before returning.

Prioritize. Your employer’s paid leave is the most valuable and counts first. If you qualify for short-term disability, which is offered in some states for new mothers, then count those days or weeks next. After that, you can begin to factor in your available vacation and sick leave, if you choose. The least valuable component in your calculation will be the twelve unpaid weeks under FMLA.

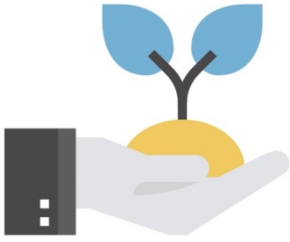
Consult with your Spouse or Partner. Have a conversation about what your leave options are, whether the leave options are paid or unpaid, so you can make some decisions on how long you would like to go on leave and whether or not your spouse or partner can take a leave as well. Some couples alternate their leaves, so the mother might take the first 12 weeks as a leave, and the father might take weeks 13 to 24 as a leave, to minimize childcare costs.

Once you’ve figured these things out, you will be ready to sit down with your employer’s human resources department or your boss and begin to hash out your plan.

10 Alsop, Ronald. “Millennials See Paternity Leave as a Priority.” *New York Times*, Nov. 28, 2017.
www.nytimes.com/2017/11/28/well/family/millennials-see-paternity-leave-as-a-priority.html

11 <http://paidleave.us/reports/>





Understand Your Health Insurance

The Affordable Care Act requires health plans to

cover both maternity care and childbirth. However, some older plans, so-called grandfathered health insurance plans, are not required to cover pregnancy care or childbirth. Check with your plan provider if you don't see the information handy in the Summary of Benefits. The Affordable Care Act also requires plans to cover preconception visits and prenatal care.

If you are going into this without insurance, or if, for some reason, your plan doesn't cover maternity care and childbirth, then prepare for sticker shock. The average hospital cost of an uncomplicated delivery is around \$10,000. And that's not counting the doctor visits and other costs leading up to or following childbirth.

You also need to know what kind of coverage your baby will have, so discuss it with your health provider. The baby will have several routine doctor visits in the first few weeks of life. Most insurance companies require you to call them within a few days of the delivery to add the child to your plan, but you technically have thirty days to do this by law. Your baby isn't added automatically.

Health insurance companies are required to provide the same coverage for adopted children as they do for biological children. The date your adoptive child is placed with you is the same as a biological child's birth date for insurance purposes.

When your baby is born, the hospital will file for the baby's social security number and give the information to you or give you the forms you need to file. The printed card won't arrive in the mail for some time. They also typically give you a birth record that is not an official, certified birth certificate. You'll need both a birth certificate and a social security card for your child later on when applying for things like passports, so make sure that you get these documents in order.



Update Documents and Make Decisions about Life Insurance

Soon after your baby arrives, you should review any existing wills, life insurance policies, and retirement plans. Consider any changes to the policies or plans that might make sense now that you are a family.



Should you name your minor child as the beneficiary of your life insurance policy? Generally, the answer is no. Life insurance companies, as a rule, won't pay out to minors. Instead, the court will designate a guardian, and the court-appointed guardian will be charged with handling the money until the child reaches the age of majority, which can be either eighteen or twenty-one, depending on your location.

Things are different if you've created a trust and designated a trustee, or if you've named an adult as the custodian for life insurance payouts through the Uniform Transfers to Minor Acts (UTMA), which provisions a kind of custodial savings account.

The more common solution is to name as the beneficiary an adult person whom you trust. Generally, this would be your spouse, but situations vary.

Also, if you don't already have a life insurance policy, now is a good time to think about purchasing one. You might consider buying a term-life plan, which is more inexpensive than permanent life insurance.

In the event of your death, the insurance could provide your family with funds equivalent to your earnings for a number of years – until your child reaches adulthood. Remember that a term life policy is in force for a limited period; when the term is over,

the policy is ended, and you won't get your money back. More information is provided on this topic in *Planning for the Future - Insurance Strategies to Protect Your Family* – another guide in this set.



Child Care & Education

On average, American families will pay \$37,377 per child on child

care and education expenses from age 0 to 17. Child care and education expenses consist of day care tuition and supplies; babysitting; and elementary and high school tuition, books, fees, and supplies.

A study by the U.S. Census¹² found that, "child care has become an important part of American life and American families. Increases in the number of working mothers, changes in family structure, and the desire to provide young children with educational opportunities have all driven up the demand for child care."

- Almost two-thirds of preschoolers are in some kind

¹² Laughlin, Lynda. 2013. *Who's Minding the Kids? Child Care Arrangements: Spring 2011*. Current Population Reports, P70-135. U.S. Census Bureau, Washington, DC.



of regular child care arrangement.

- Relatives regularly provided child care to almost half of the more than 20 million preschoolers in the spring of 2011.
- Nearly one-quarter of all preschoolers were cared for in organized facilities, with day care centers being the most common.
- In addition to school, relatives were regular contributors to the overall care of grade school-aged children.
- Since 1997, there have been no significant changes in the proportion of parents or relatives who served as primary child care providers for preschoolers.
- During this same period, there has been a slight increase in the use of organized care and a slight decrease in nonrelative care, particularly family day care.
- While the proportion of fathers providing primary child care has declined since 1993, fathers continue to play an important role in providing care for their children while mothers are working.

- Fathers were almost twice as likely to provide child care for children under 5 when the mother worked an evening or night shift.
- The cost of child care continues to increase. In spring 2011, families with children under 5 paid, on average, over \$9,300 a year for child care.
- Families in poverty spent a greater proportion of their monthly income on child care compared to families at or above the poverty level.
- The percent of family monthly income spent on child care has remained relatively constant between 1997 and 2011, at around 7 percent.

Some of the more common types of child care options for families are:

- Day Care Center
- Nursery/Preschool
- Grandparent
- Family Day Care
- Babysitter/Nanny





Start Saving for your Child's Future

The sooner you start a savings plan for your

child, the better. Remember that any investments will earn the highest returns over time. You should estimate how much you think your child's college might cost and look at options for saving.

What are your options? Common ways to set aside money for a child or a grandchild include:

A trust. The benefits of opening a trust include, above all, flexibility in defining the terms of the arrangement, including conditions for the distribution of the assets. By contrast, something like a 529 college savings plan requires that the assets be used only towards the cost of higher education, without paying a penalty, and under the rules established by the IRS. The downside to trusts for many families is that attorneys are needed to set up and administer them, which can be expensive.

UGMA and UTMA Accounts. UGMA stands for Uniform Gift to Minors Act, and UTMA stands for Uniform Transfer to Minors Act. These are so-called custodial accounts: the account is opened in the name of the child or beneficiary, and the parent or guardian has custody over the account until the child comes of age, usually when they turn either eighteen or twenty-one. At that point, control over the account switches entirely to the beneficiary. The interest earned in UGMA and UTMA accounts is taxed, unlike 529 savings.

529 College Savings Plan. These plans are growing in popularity. They are designed specifically for college savings, unlike trusts and UGMA/UTMA custodial accounts. 529 plans are flexible, easy to open, and they afford a number of great tax benefits.

For instance, if you saved \$20 a week in a 529 College Savings Plan, starting when your baby is born, you would have enough to pay for 50% of the tuition and fees for four years of college at an in-state public college.

You can learn more about savings plans for your child's education in the guide, *Planning for the Future: Saving for your Child's Education*.





Appendices

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Expanded Wedding Budget Planner

Total Wedding Budget: _____

Wedding Expense	National Average ⁶	Your Estimated Cost	Your Actual Cost
Venue	\$15,163		
- Room Rental			
- Deposit			
- Tables & Chairs			
- Parking Fees			
- Liability Insurance			
- Taxes & Services Fees			
- Security			
Wedding Dress	\$1,509		
- Alterations			
- Veil, Shoes, Jewelry			
- Dress Cleaning/Preservation			
Hair/Makeup	\$966		
Groom's Attire	\$280		
Wedding Cake	\$540		
- Delivery Fee			
- Additional Deserts			
- Preservation Kit for 1 Year Anniversary			
Engagement Ring	\$5,764		
- Wedding Bands			
- Wedding Ring Insurance			
- Engraving			



Ceremony Site	\$2,311		
- Church Donation			
- Officiant Fee			
- Marriage License			
- Ceremony Accessories			
Ceremony Musicians	\$761		
Catering (per person)	\$70		
- Service Staff			
- Plates, Silverware, Glassware			
- Tables, Chairs, Linens			
- Catering Staff & Gratuity			
- Setup & Cleanup Fees			
- Bar & Beverage Service			
- Bartender Fee & Gratuity			
Rehearsal Dinner	\$1,285		
Transportation	\$830		
- Bridal Party Transportation			
- Transportation to Reception			
- Shuttle Service for Guests			
- Valet Parking Services			
- Driver Gratuity			
Reception Band	\$4,019		
Reception DJ	\$1,231		
- Microphone for Toasts			
- Sound System & Speakers			
- Photo Booth			
- Dance Floor Lighting			



Florist/Décor	\$2,379		
- Bouquets			
- Boutonnieres			
- Corsages for Mothers & Grandmothers			
- Ceremony Arrangements			
- Reception Centerpieces			
- Wedding Cake Flowers			
- Wedding Signage			
- Tent Rental			
- Lighting Rental			
- Candles			
- Delivery Fees			
Favors	\$252		
- Wedding Favors			
- Wedding Party Gifts			
- Spouse Gift			
- Parents Gifts			
- Welcome Baskets for out-of-town guests			
Photographer	\$2,630		
- Engagement Photos			
- Rehearsal Dinner Photos			
- Wedding Day Photos			
- Photo Albums & Prints			
Videographer	\$1,912		
- Highlight Reel			
- Feature Film			



Invitations	\$408		
- Engagement Party Invitations			
- Save the Dates			
- Wedding Invitations			
- Rehearsal Dinner Invitations			
- Envelopes			
- Postage			
- Wedding Ceremony Programs			
- Place Cards			
- Menu Cards			
- Thank You Cards			
Wedding Planner	\$1,988		
Extras (allow 5-15% for unplanned-for expenses)			
- Vendor Tips			
- Sales Tax & Service Charges			
- Wedding Insurance			
- Liquor License			
- Overtime Fees			
Other: _____			
Other: _____			
Other: _____			
Other: _____			
TOTAL:			



Expenditures on Children by Families, 2015

United States Department of Agriculture, Revised March 2017

<https://www.cnpp.usda.gov/sites/default/files/crc2015.pdf>

Table 1. Estimated annual expenditures on a child by married-couple families, overall United States, 2015

Age of child	Total expense	Housing	Food	Transportation	Clothing	Health care	Child care and education ^a	Miscellaneous ^b
Before tax income: Less than \$59,200 (Average = \$36,300)								
0 - 2	\$9,690	\$3,160	\$1,310	\$1,200	\$670	\$820	\$2,080	\$450
3 - 5	9,700	3,160	1,350	1,250	540	760	2,080	560
6 - 8	9,330	3,160	1,930	1,310	540	790	920	680
9 - 11	9,960	3,160	2,200	1,350	690	900	920	740
12 - 14	9,570	3,160	2,290	1,500	740	860	440	580
15 - 17	9,980	3,160	2,300	1,690	720	910	640	560
Total expenses	\$174,690	\$56,880	\$34,140	\$24,900	\$11,700	\$15,120	\$21,240	\$10,710
Before tax income: \$59,200 to \$107,400 (Average = \$81,700)								
0 - 2	\$12,680	\$3,680	\$1,580	\$1,790	\$750	\$1,180	\$2,870	\$830
3 - 5	12,730	3,680	1,690	1,840	600	1,110	2,870	940
6 - 8	12,350	3,680	2,280	1,900	600	1,130	1,710	1,050
9 - 11	13,180	3,680	2,680	1,940	780	1,280	1,710	1,110
12 - 14	13,030	3,680	2,780	2,090	860	1,240	1,430	950
15 - 17	13,900	3,680	2,790	2,270	830	1,300	2,090	940
Total expenses	\$233,610	\$66,240	\$41,400	\$35,490	\$13,260	\$21,720	\$38,040	\$17,460
Before tax income: More than \$107,400 (Average = \$185,400)								
0 - 2	\$19,770	\$5,460	\$2,210	\$2,590	\$1,110	\$1,580	\$5,170	\$1,650
3 - 5	19,790	5,460	2,320	2,640	940	1,490	5,170	1,770
6 - 8	19,380	5,460	2,960	2,690	940	1,440	4,010	1,880
9 - 11	20,700	5,460	3,570	2,740	1,180	1,800	4,010	1,940
12 - 14	21,050	5,460	3,560	2,890	1,310	1,740	4,310	1,780
15 - 17	23,380	5,460	3,720	3,070	1,280	1,820	6,270	1,760
Total expenses	\$372,210	\$98,280	\$55,020	\$49,860	\$20,280	\$29,610	\$86,820	\$32,340

Estimates are based on 2011-15 Consumer Expenditure Survey data (all data updated to 2015 dollars by using the Consumer Price Index—All Urban Consumers). For each age category, the expense estimates represent average child-rearing expenditures for each age (e.g., the expense for the 3-5 age category, on average, applies to the 3-year-old, the 4-year-old, or the 5-year-old). The Total expenses (0 - 17) row represents the expenditure sum of all ages (0, 1, 2, 3, ...17) in 2015 dollars. The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.27. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.76. For expenses on all children in a family, these totals should be summed.

^a Includes only families with child care and education expenses.

^b Includes personal care items, entertainment, and reading materials.



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<https://www.cnpp.usda.gov/sites/default/files/crc2015.pdf>

Table 2. Estimated annual expenditures on a child by married-couple families, urban Northeast, 2015

Age of child	Total expense	Housing	Food	Transportation	Clothing	Health care	Child care and education ^a	Miscellaneous ^b
Before-tax income: Less than \$59,200 (Average = \$36,000)								
0 - 2	\$11,240	\$3,770	\$1,360	\$1,200	\$960	\$720	\$2,740	\$490
3 - 5	11,220	3,770	1,390	1,240	810	670	2,740	600
6 - 8	10,850	3,770	1,990	1,300	810	690	1,570	720
9 - 11	11,520	3,770	2,270	1,340	1,000	800	1,570	770
12 - 14	11,330	3,770	2,350	1,490	1,080	760	1,260	620
15 - 17	12,120	3,770	2,370	1,680	1,050	810	1,840	600
Total expenses	\$204,840	\$67,860	\$35,190	\$24,750	\$17,130	\$13,350	\$35,160	\$11,400
Before-tax income: \$59,200 to \$107,400 (Average = \$83,000)								
0 - 2	\$14,220	\$4,380	\$1,620	\$1,780	\$1,030	\$1,060	\$3,490	\$860
3 - 5	14,270	4,380	1,730	1,830	880	990	3,490	970
6 - 8	13,920	4,380	2,340	1,890	880	1,020	2,320	1,090
9 - 11	14,760	4,380	2,740	1,930	1,090	1,160	2,320	1,140
12 - 14	14,820	4,380	2,850	2,080	1,200	1,110	2,210	990
15 - 17	16,040	4,380	2,860	2,270	1,170	1,170	3,220	970
Total expenses	\$264,090	\$78,840	\$42,420	\$35,340	\$18,750	\$19,530	\$51,150	\$18,060
Before-tax income: More than \$107,400 (Average = \$191,500)								
0 - 2	\$21,610	\$6,510	\$2,240	\$2,590	\$1,430	\$1,440	\$5,720	\$1,680
3 - 5	21,610	6,510	2,350	2,630	1,250	1,360	5,720	1,790
6 - 8	21,240	6,510	3,010	2,690	1,250	1,320	4,550	1,910
9 - 11	22,560	6,510	3,620	2,730	1,540	1,650	4,550	1,960
12 - 14	23,090	6,510	3,610	2,880	1,700	1,590	4,990	1,810
15 - 17	25,720	6,510	3,780	3,070	1,660	1,660	7,260	1,780
Total expenses	\$407,490	\$117,180	\$55,830	\$49,770	\$26,490	\$27,060	\$98,370	\$32,790

Estimates are based on 2011-15 Consumer Expenditure Survey data (all data updated to 2015 dollars by using the Northeast region Consumer Price Index—All Urban Consumers). For each age category, the expense estimates represent average child-rearing expenditures for each age (e.g., the expense for the 3-5 age category, on average, applies to the 3-year-old, the 4-year-old, or the 5-year-old). The Total expenses (0 - 17) row represents the expenditure sum of all ages (0, 1, 2, 3, ...17) in 2015 dollars. The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.27. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.76. For expenses on all children in a family, these totals should be summed.

The Northeastern region consists of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

^a Includes only families with child care and education expenses.

^b Includes personal care items, entertainment, and reading materials.



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Table 3. Estimated annual expenditures on a child by married-couple families, urban West, 2015

Age of child	Total expense	Housing	Food	Transportation	Clothing	Health care	Child care and education ^a	Miscellaneous ^b
Before-tax income: Less than \$59,200 (Average = \$35,100)								
0 - 2	\$10,340	\$3,710	\$1,340	\$1,190	\$840	\$740	\$2,020	\$500
3 - 5	10,340	3,710	1,370	1,240	700	690	2,020	610
6 - 8	9,970	3,710	1,960	1,300	710	710	850	730
9 - 11	10,590	3,710	2,230	1,340	860	820	850	780
12 - 14	10,240	3,710	2,320	1,490	930	790	370	630
15 - 17	10,610	3,710	2,340	1,680	900	830	540	610
Total expenses	\$186,270	\$66,780	\$34,680	\$24,720	\$14,820	\$13,740	\$19,950	\$11,580
Before-tax income: \$59,200 to \$107,400 (Average = \$80,300)								
0 - 2	\$13,340	\$4,310	\$1,600	\$1,780	\$910	\$1,090	\$2,780	\$870
3 - 5	13,390	4,310	1,710	1,830	760	1,020	2,780	980
6 - 8	13,030	4,310	2,310	1,890	760	1,050	1,610	1,100
9 - 11	13,850	4,310	2,710	1,930	950	1,190	1,610	1,150
12 - 14	13,700	4,310	2,810	2,080	1,040	1,140	1,320	1,000
15 - 17	14,510	4,310	2,830	2,270	1,010	1,200	1,920	970
Total expenses	\$245,460	\$77,580	\$41,910	\$35,340	\$16,290	\$20,070	\$36,060	\$18,210
Before-tax income: More than \$107,400 (Average = \$189,500)								
0 - 2	\$20,670	\$6,400	\$2,220	\$2,580	\$1,290	\$1,480	\$5,010	\$1,690
3 - 5	20,680	6,400	2,330	2,630	1,120	1,390	5,010	1,800
6 - 8	20,290	6,400	2,980	2,690	1,120	1,350	3,830	1,920
9 - 11	21,570	6,400	3,590	2,730	1,370	1,680	3,830	1,970
12 - 14	21,910	6,400	3,580	2,880	1,500	1,630	4,100	1,820
15 - 17	24,150	6,400	3,750	3,070	1,470	1,700	5,970	1,790
Total expenses	\$387,810	\$115,200	\$55,350	\$49,740	\$23,610	\$27,690	\$83,250	\$32,970

Estimates are based on 2011-15 Consumer Expenditure Survey data (all data updated to 2015 dollars by using the West region Consumer Price Index—All Urban Consumers). For each age category, the expense estimates represent average child-rearing expenditures for each age (e.g., the expense for the 3-5 age category, on average, applies to the 3-year-old, the 4-year-old, or the 5-year-old). The Total expenses (0 - 17) row represents the expenditure sum of all ages (0, 1, 2, 3, ...17) in 2015 dollars. The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.27. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.76. For expenses on all children in a family, these totals should be summed.

The Western region consists of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

^a Includes only families with child care and education expenses.

^b Includes personal care items, entertainment, and reading materials.



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Table 4. Estimated annual expenditures on a child by married-couple families, urban Midwest, 2015

Age of child	Total expense	Housing	Food	Transportation	Clothing	Health care	Child care and education ^a	Miscellaneous ^b
Before-tax income: Less than \$59,200 (Average = \$37,600)								
0 - 2	\$9,460	\$3,010	\$1,220	\$1,120	\$820	\$800	\$1,970	\$520
3 - 5	9,460	3,010	1,260	1,170	680	740	1,970	630
6 - 8	9,060	3,010	1,820	1,230	680	770	800	750
9 - 11	9,690	3,010	2,080	1,270	840	890	800	800
12 - 14	9,310	3,010	2,160	1,420	910	850	310	650
15 - 17	9,660	3,010	2,180	1,610	880	900	450	630
Total expenses	\$169,920	\$54,180	\$32,160	\$23,460	\$14,430	\$14,850	\$18,900	\$11,940
Before-tax income: \$59,200 to \$107,400 (Average = \$81,700)								
0 - 2	\$12,370	\$3,500	\$1,490	\$1,710	\$890	\$1,160	\$2,730	\$890
3 - 5	12,420	3,500	1,600	1,760	740	1,090	2,730	1,000
6 - 8	12,030	3,500	2,170	1,820	740	1,120	1,560	1,120
9 - 11	12,830	3,500	2,550	1,860	930	1,260	1,560	1,170
12 - 14	12,680	3,500	2,650	2,010	1,020	1,220	1,260	1,020
15 - 17	13,470	3,500	2,670	2,200	1,000	1,280	1,830	990
Total expenses	\$227,400	\$63,000	\$39,390	\$34,080	\$15,960	\$21,390	\$35,010	\$18,570
Before-tax income: More than \$107,400 (Average = \$177,300)								
0 - 2	\$19,310	\$5,200	\$2,110	\$2,510	\$1,260	\$1,570	\$4,950	\$1,710
3 - 5	19,320	5,200	2,220	2,560	1,090	1,480	4,950	1,820
6 - 8	18,900	5,200	2,840	2,620	1,090	1,430	3,780	1,940
9 - 11	20,200	5,200	3,440	2,660	1,350	1,780	3,780	1,990
12 - 14	20,540	5,200	3,430	2,810	1,490	1,730	4,040	1,840
15 - 17	22,730	5,200	3,590	3,000	1,450	1,800	5,880	1,810
Total expenses	\$363,000	\$93,600	\$52,890	\$48,480	\$23,190	\$29,370	\$82,140	\$33,330

Estimates are based on 2011-15 Consumer Expenditure Survey data (all data updated to 2015 dollars by using the Midwest region Consumer Price Index--All Urban Consumers). For each age category, the expense estimates represent average child-rearing expenditures for each age (e.g., the expense for the 3-5 age category, on average, applies to the 3-year-old, the 4-year-old, or the 5-year-old). The Total expenses (0 - 17) row represents the expenditure sum of all ages (0, 1, 2, 3, ... 17) in 2015 dollars. The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.27. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.76. For expenses on all children in a family, these totals should be summed.

The Midwestern region consists of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

^a Includes only families with child care and education expenses.

^b Includes personal care items, entertainment, and reading materials.



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<https://www.cnpp.usda.gov/sites/default/files/crc2015.pdf>

Table 5. Estimated annual expenditures on a child by married-couple families, urban South, 2015

Age of child	Total expense	Housing	Food	Transportation	Clothing	Health care	Child care and education ^a	Miscellaneous ^b
Before-tax income: Less than \$59,200 (Average = \$36,500)								
0 - 2	\$9,680	\$2,890	\$1,360	\$1,260	\$790	\$770	\$2,220	\$390
3 - 5	9,710	2,890	1,400	1,310	660	720	2,220	510
6 - 8	9,320	2,890	2,000	1,370	660	740	1,040	620
9 - 11	9,960	2,890	2,270	1,410	820	850	1,040	680
12 - 14	9,650	2,890	2,360	1,560	880	820	610	530
15 - 17	10,110	2,890	2,370	1,750	850	860	890	500
Total expenses	\$175,290	\$52,020	\$35,280	\$25,980	\$13,980	\$14,280	\$24,060	\$9,690
Before-tax income: \$59,200 to \$107,400 (Average = \$82,000)								
0 - 2	\$12,540	\$3,360	\$1,620	\$1,850	\$860	\$1,120	\$2,970	\$760
3 - 5	12,610	3,360	1,730	1,900	720	1,050	2,970	880
6 - 8	12,240	3,360	2,340	1,950	720	1,080	1,800	990
9 - 11	13,080	3,360	2,740	2,000	910	1,220	1,800	1,050
12 - 14	12,980	3,360	2,850	2,140	990	1,180	1,560	900
15 - 17	13,900	3,360	2,870	2,330	960	1,240	2,270	870
Total expenses	\$232,050	\$60,480	\$42,450	\$36,510	\$15,480	\$20,670	\$40,110	\$16,350
Before-tax income: More than \$107,400 (Average = \$183,500)								
0 - 2	\$19,420	\$4,990	\$2,250	\$2,650	\$1,230	\$1,520	\$5,200	\$1,580
3 - 5	19,460	4,990	2,360	2,700	1,070	1,440	5,200	1,700
6 - 8	19,060	4,990	3,010	2,760	1,070	1,390	4,030	1,810
9 - 11	20,350	4,990	3,620	2,800	1,310	1,730	4,030	1,870
12 - 14	20,740	4,990	3,620	2,950	1,450	1,680	4,340	1,710
15 - 17	23,090	4,990	3,790	3,140	1,410	1,750	6,320	1,690
Total expenses	\$366,360	\$89,820	\$55,950	\$51,000	\$22,620	\$28,530	\$87,360	\$31,080

Estimates are based on 2011-15 Consumer Expenditure Survey data (all data updated to 2015 dollars by using the South region Consumer Price Index--All Urban Consumers). For each age category, the expense estimates represent average child-rearing expenditures for each age (e.g., the expense for the 3-5 age category, on average, applies to the 3-year-old, the 4-year-old, or the 5-year-old). The Total expenses (0 - 17) row represents the expenditure sum of all ages (0, 1, 2, 3, ..., 17) in 2015 dollars. The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.27. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.76. For expenses on all children in a family, these totals should be summed.

The Southern region consists of Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

^a Includes only families with child care and education expenses.

^b Includes personal care items, entertainment, and reading materials.



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Table 6. Estimated annual expenditures on a child by married-couple families, rural areas, 2015

Age of child	Total expense	Housing	Food	Transportation	Clothing	Health care	Child care and education ^a	Miscellaneous ^b
Before-tax income: Less than \$59,200 (Average = \$36,100)								
0 - 2	\$8,000	\$2,060	\$1,180	\$1,180	\$670	\$820	\$1,720	\$370
3 - 5	8,020	2,060	1,230	1,230	540	760	1,720	480
6 - 8	7,650	2,060	1,770	1,280	540	780	620	600
9 - 11	8,270	2,060	2,030	1,330	680	900	620	650
12 - 14	8,200	2,060	2,110	1,470	740	860	460	500
15 - 17	8,630	2,060	2,130	1,660	720	910	680	470
Total expenses	\$146,310	\$37,080	\$31,350	\$24,450	\$11,670	\$15,090	\$17,460	\$9,210
Before-tax income: \$59,200 to \$107,400 (Average = \$79,500)								
0 - 2	\$10,380	\$2,400	\$1,450	\$1,770	\$740	\$1,180	\$2,100	\$740
3 - 5	10,440	2,400	1,560	1,820	600	1,110	2,100	850
6 - 8	10,090	2,400	2,120	1,870	600	1,130	1,000	970
9 - 11	10,880	2,400	2,500	1,910	770	1,280	1,000	1,020
12 - 14	10,960	2,400	2,600	2,060	850	1,240	940	870
15 - 17	11,590	2,400	2,620	2,250	820	1,290	1,370	840
Total expenses	\$193,020	\$43,200	\$38,550	\$35,040	\$13,140	\$21,690	\$25,530	\$15,870
Before-tax income: More than \$107,400 (Average = \$156,800)								
0 - 2	\$14,940	\$3,560	\$2,080	\$2,570	\$1,080	\$1,590	\$2,510	\$1,550
3 - 5	14,970	3,560	2,190	2,620	920	1,500	2,510	1,670
6 - 8	14,600	3,560	2,800	2,670	920	1,450	1,420	1,780
9 - 11	15,880	3,560	3,380	2,720	1,150	1,810	1,420	1,840
12 - 14	15,970	3,560	3,380	2,860	1,270	1,750	1,460	1,690
15 - 17	17,000	3,560	3,540	3,050	1,240	1,830	2,120	1,660
Total expenses	\$280,080	\$64,080	\$52,110	\$49,470	\$19,740	\$29,790	\$34,320	\$30,570

Estimates are based on 2011-15 Consumer Expenditure Survey data (all data updated to 2015 dollars by using the Consumer Price Index for nonmetropolitan areas. For each age category, the expense estimates represent average child-rearing expenditures for each age (e.g., the expense for the 3-5 age category, on average, applies to the 3-year-old, the 4-year-old, or the 5-year-old). The Total expenses (0 - 17) row represents the expenditure sum of all ages (0, 1, 2, 3, ..., 17) in 2015 dollars. The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.27. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.76. For expenses on all children in a family, these totals should be summed.

Rural areas are places of fewer than 2,500 people outside a Metropolitan Statistical Area.

^a Includes only families with child care and education expenses.

^b Includes personal care items, entertainment, and reading materials.



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<https://www.cnpp.usda.gov/sites/default/files/crc2015.pdf>

Table 7. Estimated annual expenditures on a child by single-parent families, overall United States, 2015

Age of child	Total expense	Housing	Food	Transportation	Clothing	Health care	Child care and education ^a	Miscellaneous ^b
Before tax income: Less than \$59,200 (Average = \$24,400)								
0 - 2	\$9,090	\$3,360	\$1,610	\$710	\$400	\$610	\$1,940	\$460
3 - 5	9,310	3,360	1,550	880	290	690	1,940	600
6 - 8	8,800	3,360	2,010	840	320	630	980	660
9 - 11	9,550	3,360	2,230	940	450	750	1,030	790
12 - 14	10,110	3,360	2,390	1,000	500	790	1,320	750
15 - 17	10,540	3,360	2,350	1,080	460	850	1,790	650
Total expenses	\$172,200	\$60,480	\$36,420	\$16,350	\$7,260	\$12,960	\$27,000	\$11,730
Before tax income: More than \$59,200 (Average = \$99,000)								
0 - 2	\$16,500	\$5,500	\$2,430	\$1,570	\$550	\$1,140	\$4,000	\$1,310
3 - 5	16,740	5,500	2,390	1,730	420	1,250	4,000	1,450
6 - 8	16,370	5,500	2,900	1,700	450	1,160	3,150	1,510
9 - 11	17,800	5,500	3,510	1,800	630	1,390	3,330	1,640
12 - 14	18,740	5,500	3,540	1,850	730	1,450	4,070	1,600
15 - 17	20,190	5,500	3,500	1,940	680	1,530	5,530	1,510
Total expenses	\$319,020	\$99,000	\$54,810	\$31,770	\$10,380	\$23,760	\$72,240	\$27,060

Estimates are based on 2011-15 Consumer Expenditure Survey data (all data updated to 2015 dollars by using the Consumer Price Index—All Urban Consumers). For each age category, the expense estimates represent average child-rearing expenditures for each age (e.g., the expense for the 3-5 age category, on average, applies to the 3-year-old, the 4-year-old, or the 5-year-old). The Total expenses (0 - 17) row represents the expenditure sum of all ages (0, 1, 2, 3, ...17) in 2015 dollars. The figures represent estimated expenses on the younger child in a single-parent, two-child family. For estimated expenses on the older child, multiply the total expense for the appropriate age category by 0.96. To estimate expenses for two children, the expenses on the younger child and older child after adjusting the expense on the older child downward should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.26. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.78 after adjusting the expenses on the older children downward. For expenses on all children in a family, these totals should be summed.

^a Includes only families with child care and education expenses.

^b Includes personal care items, entertainment, and reading materials.



Consumer Expenditure Survey, 2015-2016

Region of residence: Average annual expenditures and characteristics

Item	All consumer units	Northeast	Midwest	South	West
Number of consumer units (in thousands)	128,993	23,492	27,708	49,467	28,326
Consumer unit characteristics:					
Income before taxes	\$72,156	\$79,079	\$68,594	\$64,783	\$82,775
Income after taxes	62,320	67,086	60,008	56,818	70,236
Age of reference person	50.7	52.1	51.0	50.7	49.4
Average number in consumer unit:					
People	2.5	2.4	2.4	2.4	2.7
Children under 18	.6	.5	.6	.6	.7
Adults 65 and older	.4	.4	.4	.4	.3
Earners	1.3	1.3	1.3	1.2	1.4
Vehicles	1.9	1.6	2.0	1.9	2.0
Percent distribution:					
Reference person:					
Men	47	48	48	46	48
Women	53	52	52	54	52
Housing tenure:					
Homeowner	62	60	66	65	57
With mortgage	36	32	39	35	37
Without mortgage	27	28	27	30	21
Renter	38	40	34	35	43
Race of reference person:					
Black or African-American	13	13	11	19	5
White, Asian, and all other races	87	87	89	81	95
Hispanic or Latino origin of reference person:					
Hispanic or Latino	13	11	6	13	23
Not Hispanic or Latino	87	89	94	87	77



Item	All consumer units	Northeast	Midwest	South	West
Education of reference person:					
Elementary (1-8)	3	3	3	3	4
High school (9-12)	32	33	33	34	25
College	65	64	64	62	71
Never attended and other	a/	a/	a/	a/	a/
At least one vehicle owned or leased	87	79	90	88	90
Average annual expenditures	\$56,648	\$59,876	\$54,989	\$52,350	\$63,045
Food	7,113	7,018	7,076	6,671	7,978
Food at home	4,032	4,031	4,052	3,776	4,447
Cereals and bakery products	521	550	529	483	556
Cereals and cereal products	172	191	170	155	188
Bakery products	349	359	359	328	368
Meats, poultry, fish, and eggs	893	902	883	866	940
Beef	244	220	274	237	249
Pork	167	164	167	171	163
Other meats	122	141	130	109	121
Poultry	172	184	153	170	183
Fish and seafood	128	137	106	120	154
Eggs	60	57	52	59	70
Dairy products	411	433	429	363	458
Fresh milk and cream	139	144	139	130	152
Other dairy products	272	289	290	234	306
Fruits and vegetables	776	826	747	700	890
Fresh fruits	286	306	281	247	340
Fresh vegetables	250	275	233	217	304
Processed fruits	108	118	100	101	120
Processed vegetables	131	127	133	136	126
Other food at home	1,431	1,320	1,465	1,363	1,603
Sugar and other sweets	152	130	162	138	181
Fats and oils	111	118	106	108	117
Miscellaneous foods	730	646	778	681	836
Nonalcoholic beverages	384	369	372	394	389
Food prepared by consumer unit on out-of-town trips	54	56	47	41	80
Food away from home	3,081	2,986	3,024	2,894	3,531
Alcoholic beverages	499	564	507	404	602



Item	All consumer units	Northeast	Midwest	South	West
Housing	18,648	21,140	17,188	16,741	21,334
Shelter	10,936	13,165	9,724	9,191	13,321
Owned dwellings	6,253	7,722	6,028	5,314	6,893
Mortgage interest and charges	2,874	2,784	2,624	2,581	3,706
Property taxes	1,942	3,346	1,994	1,325	1,802
Maintenance, repairs, insurance, other expenses	1,437	1,592	1,411	1,408	1,386
Rented dwellings	3,919	4,502	3,010	3,176	5,622
Other lodging	764	941	686	701	805
Utilities, fuels, and public services	3,885	4,102	3,778	3,938	3,714
Natural gas	388	607	556	224	326
Electricity	1,452	1,339	1,294	1,727	1,219
Fuel oil and other fuels	101	303	87	48	39
Telephone services	1,389	1,457	1,330	1,380	1,407
Residential phone service, VOIP, and phone cards	316	442	300	299	256
Cellular phone service	1,073	1,015	1,031	1,081	1,150
Water and other public services	555	395	511	558	725
Household operations	1,346	1,569	1,149	1,250	1,523
Personal services	442	648	373	382	442
Other household expenses	905	921	776	868	1,081
Housekeeping supplies	658	612	697	654	663
Laundry and cleaning supplies	158	136	171	160	159
Other household products	365	342	391	366	360
Postage and stationery	134	134	135	128	144
Household furnishings and equipment	1,824	1,691	1,840	1,709	2,113
Household textiles	107	105	107	94	128
Furniture	481	452	500	460	524
Floor coverings	19	31	21	12	19
Major appliances	276	245	297	286	262
Small appliances, miscellaneous housewares	120	122	127	101	146
Miscellaneous household equipment	821	737	789	755	1,034
Apparel and services	1,824	1,870	1,680	1,684	2,161
Men and boys	424	453	428	383	468
Men, 16 and over	327	360	321	287	373
Boys, 2 to 15	97	93	106	96	95
Women and girls	681	705	621	621	821
Women, 16 and over	583	615	523	533	700
Girls, 2 to 15	98	90	98	87	121
Children under 2	75	55	85	78	75
Footwear	371	373	330	357	431
Other apparel products and services	274	284	216	246	367



Item	All consumer units	Northeast	Midwest	South	West
Transportation	9,275	8,574	9,077	9,447	9,747
Vehicle purchases (net outlay)	3,815	3,132	3,692	4,346	3,574
Cars and trucks, new	1,802	1,416	1,559	2,146	1,760
Cars and trucks, used	1,950	1,690	2,063	2,128	1,745
Other vehicles	62	25	69	72	69
Gasoline and motor oil	1,999	1,709	1,971	2,034	2,205
Other vehicle expenses	2,820	2,803	2,881	2,624	3,113
Vehicle finance charges	221	172	218	253	209
Maintenance and repairs	843	783	847	790	980
Vehicle insurance	1,114	999	1,108	1,128	1,188
Vehicle rental, leases, licenses, and other charges	642	850	709	453	736
Public and other transportation	642	930	533	444	855
Healthcare	4,477	4,492	4,788	4,271	4,523
Health insurance	3,069	3,198	3,178	2,971	3,026
Medical services	815	759	956	706	913
Drugs	444	397	495	452	418
Medical supplies	150	137	158	141	166
Entertainment	2,878	2,768	2,946	2,672	3,260
Fees and admissions	667	747	643	503	908
Audio and visual equipment and services	1,084	1,094	1,061	1,099	1,073
Pets, toys, hobbies, and playground equipment	697	652	806	637	734
Pets	556	532	647	503	580
Toys, hobbies, and playground equipment	141	119	160	134	154
Other entertainment supplies, equipment, and services	430	275	435	434	545
Personal care products and services	695	707	680	629	811
Reading	116	112	119	93	156
Education	1,322	1,985	1,284	997	1,376
Tobacco products and smoking supplies	343	343	415	362	242
Miscellaneous	915	939	1,002	705	1,179
Cash contributions	1,950	2,258	1,718	1,807	2,173
Personal insurance and pensions	6,591	7,107	6,509	5,869	7,504
Life and other personal insurance	327	389	344	291	323
Pensions and Social Security	6,263	6,717	6,165	5,577	7,181



Item	All consumer units	Northeast	Midwest	South	West
Sources of income and personal taxes:					
Money income before taxes	\$72,156	\$79,079	\$68,594	\$64,783	\$82,775
Wages and salaries	55,868	62,002	53,942	50,506	62,029
Self-employment income	5,321	4,678	3,831	4,204	9,263
Social Security, private and government retirement	7,901	8,880	7,937	7,671	7,457
Interest, dividends, rental income, other property income	1,744	1,901	1,625	1,289	2,526
Public assistance, Supplemental Security Income, Supplementary Nutrition Assistance Program (SNAP)	543	680	512	473	582
Unemployment and workers' compensation, veterans' benefits, and regular contributions for support	438	529	429	364	502
Other income	340	410	317	277	415
Personal taxes (contains some imputed values)	9,836	11,993	8,585	7,966	12,539
Federal income taxes	7,742	9,190	6,500	6,470	9,977
State and local income taxes	2,022	2,732	2,018	1,409	2,507
Other taxes	73	71	67	86	54
Income after taxes	62,320	67,086	60,008	56,818	70,236
Addenda:					
Net change in total assets and liabilities	\$7,837	\$10,521	\$7,481	\$5,550	\$9,955
Net change in total assets	15,510	17,389	14,415	11,713	21,654
Net change in total liabilities	7,673	6,868	6,934	6,164	11,699
Other financial information:					
Other money receipts	742	995	407	559	1,179
Mortgage principal paid on owned property	-1,833	-1,885	-1,738	-1,609	-2,273
Estimated market value of owned home	167,526	194,371	125,401	131,191	249,922
Estimated monthly rental value of owned home	951	1,104	810	850	1,137



Item	All consumer units	Northeast	Midwest	South	West
Gifts of goods and services, total	1,187	1,258	1,139	1,032	1,441
Food	83	68	86	69	115
Alcoholic beverages	14	23	11	8	18
Housing	241	261	240	224	257
Housekeeping supplies	28	30	30	25	31
Household textiles	9	9	11	8	10
Appliances and miscellaneous housewares	21	23	20	16	30
Major appliances	8	7	7	8	11
Small appliances and miscellaneous housewares	13	16	13	9	19
Miscellaneous household equipment	45	64	49	38	39
Other housing	137	135	131	136	147
Apparel and services	222	188	196	204	303
Males, 2 and over	55	58	42	52	68
Females, 2 and over	63	59	54	70	66
Children under 2	34	21	47	38	24
Other apparel products and services	70	50	52	44	146
Jewelry and watches	37	22	26	8	108
All other apparel products and services	33	28	27	36	38
Transportation	120	61	93	116	203
Healthcare	31	16	41	35	28
Entertainment	95	81	99	83	122
Toys, games, arts and crafts, and tricycles	36	31	34	36	43
Other entertainment	59	50	65	47	79
Personal care products and services	15	16	17	12	16
Reading	5	4	6	4	6
Education	277	465	247	205	276
All other gifts	85	75	103	72	98

Source: Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, September, 2017



Further Reading

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