



October 11, 2023

## Preparing Your Finances for Parenthood

Parenthood is a major milestone. Are you ready for the financial changes that come along with having a child? New and expecting parents need to be prepared to cover all their little ones' needs now and in the future — and there are some potential perks, too.

You can use this four-step checklist to help ensure you've covered your financial bases before you welcome your new baby:

1. Bulk up your emergency fund. Your emergency fund is meant to cover unplanned expenses, like medical bills and home repairs. With a baby on the way, you can expect the unexpected. Having a financial cushion to cover living expenses in case of an emergency can ease some of the anxiety that comes with being a new parent.
2. Double-check your insurance coverage. Do you know how to add your newborn to your health insurance? Do you and your partner have life insurance? Review your current insurance to determine if you need to make any changes to cover your growing family.
3. Open a savings account for your child. You can start saving for your child's future early on. In fact, parents can open a savings account for newborns to give them a head start in

life. The money in that account can help them learn about the value of saving and go toward big expenses like college or their first car.

4. Make use of new tax breaks. Becoming a parent is expensive, but there are also opportunities for savings. For example, the Child Tax Credit can potentially save you \$2,000 on your federal taxes. If you pay for daycare for your little one, you may be eligible for the Child and Dependent Care Credit.

Planning your family's future can be both exciting and daunting. If you want to discuss your financial planning options, get in touch.

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A Registered Investment Advisor

Lance Johnson | ROI Financial Advisors, LLC  
CEO and Investment Advisor Representative  
p. 503.941.5925 e. [Lance.j.johnson@roi-fa.com](mailto:Lance.j.johnson@roi-fa.com)  
a. 14675 SW Millikan Way | Beaverton, Oregon 97003

[Facebook](#) | [Instagram](#) | [LinkedIn](#)

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