

Should I Stay or Should I Go?



The Cost of Being a Stay at Home Parent

by Libby Carty McNamee

Prospective parents face many lifestyle changes. Perhaps one of the most difficult decisions for new parents is whether both will continue to work.

While parents often make this decision by weighing their own preference with the needs of the child and the couple's respective career aspirations, it is also a significant financial decision. Even if you decide that you want to stay home to care for your child, the power of the purse ultimately decides whether or not you can afford to do so.

When local mother Katy Haskell gave birth to her son Henry a year ago, the decision was clear-cut and joint finances allowed her to stay at home. Despite the financial sacrifice of giving up her job at Capital One, which she enjoyed, Haskell found that being at home full-time was what she wanted to do.

For Elizabeth Ford of Brandermill, the decision was also clear-cut. Ford never planned to stop working when she became a mother. Despite the fact that she could afford to stay at home

when her son Dillon was born, she knew that she wanted to return to her job in Academic Support Services at Hampton Sydney College. Describing herself as a goal oriented person, she is looking forward to pursuing her career aspirations in addition to being a mother.

The Department of Agriculture estimates that a baby costs \$9,000 the first year and \$9,000 the second year as well. These figures do not include childcare, but before you panic take into consideration that some of your expenses may actually go down. For instance, once the baby is born you might not eat out or travel as often.

When evaluating whether or not you can afford to stay home with your wee one, there are a number of factors to consider. Local Certified Financial Planner Carol Thomas of Edward Jones suggests that couples try to live off one salary for six months prior to the birth of the baby to see if they can meet all of their expenses. Marc Cram, Certified Financial Planner with Davenport Investments, also urges

couples to look closely at their cash flow. They need to find out what they are currently earning, as well as what they are currently spending. Next, he recommends couples take a look at the extra expenses that they will incur by having a child such as new furnishings, formula and diapers.

In addition, Cram suggests that couples examine the true after tax benefits of being a working mother. Your after tax salary minus the cost of childcare is the actual net money you earn as a working mother. Only you can decide if that is enough money to meet your family's needs and expenses. According to Cram, other factors to be considered are that the stay-at-home parent will no longer be contributing to a 401(k) or have either health or life insurance provided by his or her employer.

There are of course other work-related factors to be considered. Anje-Marie Anderson, mother of newborn Simone, plans to return to her job as in-house counsel at New Market Services. Although she considered staying

home, she found that the combination of her positive work environment, the financial benefits, and top-notch day care made her want to return to work. Regular hours, lack of extensive travel, and an understanding boss were also contributing factors in her decision.

When Joyce Roberts, a Midlothian stay-at-home mother, left her job nine years ago before the birth of her daughter, Joelle, she felt she made the best decision for herself as well as for her family. She does however caution expectant mothers to carefully consider the long-term impact of deciding to stay at home. Even if your family can afford to live on one income, she thinks women need to consider the potential sacrifice to their financial independence and marketability should they decide to return to work one day.

The decision of whether or not to stay at home is definitely not an easy one, and one to be made on an individual basis. Every couple's circumstances, both financial and emotional, are as unique as their babies! **RPM**