



Expanding Your Family

Adding a family member is the start of a new chapter in your life, presenting opportunities and choices surrounding the many ways that you can seek to grow your family. Whether you're preparing for pregnancy or birth, adoption, exploring fertility treatments, blending families, or other ways to grow your family — this will certainly involve new considerations to your finances, including insurance, and overall long-term planning. It could also uncover new topics of discussion that you and your family may not have addressed in the past, and an awareness of these is beneficial no matter where you are in the process.

► Financial Considerations

As you contemplate the changes to your family's future, there are important matters that you will likely want to discuss with your family and your financial professional. For instance:

- As you prepare to add a new family member, how do you envision your budget changing? Do you have estimates for child care costs, medical expenses, and savings?
- Let's discuss ideas for income replacement in case of emergency. How can you best protect your family under unfortunate circumstances, like death and/or disability?
- What discussions have you had around establishing an estate plan? Have you considered a trust, will, and the naming of a guardian in case of emergencies?

► Where You Are Now: The Start of Your Family Growth Journey

There are several ways to grow your family, and the preparation can look different with varied costs associated with each path. Identifying where you are currently is the first step in determining how to move ahead.

- Let's talk about the financial plan you currently have in place. How has it been adapted to include the addition of a family member? What changes do you anticipate with regard to work and childcare that could impact your household income and expenses going forward?
- Are there any financial barriers that need to be addressed? Large debts or loans, or credit history issues?



- Do you and/or your partner currently have children? Are there things you will do differently in preparation for adding another family member?
- What resources are you currently looking into for your specific path (e.g., emotional support resources for the adoption process, financial or insurance resources for fertility treatments, possible blended family meetings with your financial professional, etc.)?



► Getting Started: Your First Steps

Preparing to grow your family will look very different depending on your circumstances, so we have outlined some of the initial first steps associated with the various scenarios below. These changes will likely unlock feelings of excitement, hope, and joy as you think about what the next chapter could look like for you and your family. The unknown can represent an exciting new adventure but can also be emotionally complex. It can be helpful to seek out emotional support, peer groups, counseling, or other resources. There are various types of support and they will vary in cost and delivery method. Many families benefit greatly from these resources.

- **Evaluating Fertility** – When considering fertility issues, it is wise to educate yourself on the tests, procedures, and treatment options available to you. This will involve exploring associated costs and checking to see if you have benefits available to you either through your state, an employer, or insurance plan. There may be financing options as well. Another big consideration will be awareness of the time commitment associated with various fertility solutions.
- **Preparing for Pregnancy or Newly Pregnant** – If you are preparing for pregnancy, you will naturally want to discuss the long-term implications. This could include evaluating your financial readiness for the costs of both the pregnancy and the commitment to supporting a child. You will want to explore insurance coverage and benefits as well as parental leave. This could include evaluating the timeframe, or if you or your partner are newly pregnant, could include medical evaluations and prenatal supplementation. The birthing parent may also need unexpected bed rest, which could impact finances.
- **Exploring Adoption** – If you are exploring adoption, it is important to educate yourself on the types of adoption, adoption agencies, the associated costs, and consider what the process entails both logistically and personally. Perhaps you will want to attend virtual orientations from various agencies to learn more or talk to others who have been through the process.

Quick Facts:

- From the day a baby is born until the day they turn 18, a family will spend approximately \$310,605 or about \$17,000 a year.¹
- A single IVF cycle can range in costs from \$15,000 to \$30,000.²
- The average cost of adopting a child in the U.S. can range from \$20,000 to \$45,000.³



- **Blending Families** – Every family dynamic is different, and the blending of families often takes time and likely can't have a defined process. It is critically important to discuss how you will approach your finances as a couple, including the different financial needs of the children, and your expectations for you natural children in case something happens to you. There are many considerations as it relates to Marriage and Life Partnership, and assessing your combined financial philosophy is often a great place to start.



As you move past these initial considerations, you may be feeling overwhelmed. We encourage you to reach out to your financial professional with any questions and concerns, and work with them on the specifics to help you tackle these decisions and considerations. As needed, your financial professional may direct you to the best places to get more information.

► **Keep an Eye to the Future: Planning and Investing**

While it is important to address the immediate circumstances and decisions, it is equally important to keep an eye on the future. It is smart to outline major financial goals. These fall into three general timeframes: immediate (0-5 years), intermediate (5-15 years), and long-term (15+ years). For instance:

- As you grow your family, what other concerns do you have regarding your future?
- Do you have any major financial goals surrounding your current children and/or new family member that may impact your retirement spending and saving?
- What level of support do you want to provide for your new family member in regards to college savings? How do you plan to establish college savings? How early can you start setting money aside? Will other family members assist?
- How would you prioritize these financial goals you've identified?

► **Why We Can Help**

Adding a family member is a truly life-changing event. There is so much to consider and so many decisions to make as you navigate this chapter of your life. Your financial professional can help you to understand how it will impact your financial life and help you find resources to ensure extra layers of support. Thank you for the opportunity to help guide you through this key moment in your life.

► **If you have any questions, please reach out to your D.A. Davidson financial professional.**



1 <https://www.washingtonpost.com/business/interactive/2022/cost-raising-child-calculator/>

2 <https://www.forbes.com/health/family/how-much-does-ivf-cost/>

3 <https://www.today.com/parents/parents/adoption-cost-rcna39872>

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