

## *Financially Speaking*

With Trisha Arndt

### **Having a baby means planning for more than just diapers**

Those of you who know me personally know that I was recently blessed with the birth of my second son, Samuel Evan. Having a baby is a wonderful, momentous occasion that is accompanied by lots of great experiences – and very little sleep.

Having a baby also brings about feelings of wanting to prepare. Some things are easy to get ready for – like diapers and bouncy chairs – but others - like planning for college - take a little more time and effort. So as I go through the process of adjusting my life to a newborn again I thought it might be a good time to share some of the things that you may want to consider doing when a baby enters your life.

Two of the most important things that you need to do after your baby is born are usually facilitated by the hospital. The nurse will generally bring you a couple of forms to fill out to officially name your child and record his or her birth with the state. A few weeks later you will get a confirmation in the mail that allows you to order copies of the birth certificate, something I would recommend doing.

The paperwork you complete at the hospital will also typically take care of applying for a social security number. In today's age that number is needed immediately for such things as claiming the dependent on your tax return so I would suggest doing it while you are there. If your hospital doesn't provide this paperwork or if you adopt or have an alternative delivery that doesn't involve a hospital stay then contact the social security administration directly ([www.ssa.gov](http://www.ssa.gov)) to initiate the process.

Once that little bundle of joy comes home you will face a lot of adjustments – both in time management and your budget. For some it means the transition to stay-at-home parenthood and everything that goes along with that. For those contemplating this move I strongly recommend sitting down several months ahead of time to review how your cash flow will be affected, benefits will be provided (health insurance being crucial with a little one) and how you will provide outside interaction for both yourself and your child.

For those like myself who returned to the workforce there is a different, but just as daunting, set of decisions that need to be looked well in advance of baby's arrival. One of the biggest is finding a comfortable daycare situation and planning for it in your budget. If you have a cafeteria plan that allows for deferral of daycare expenses be sure to adjust your withholding amount or begin contributing if you are not already.

You also need to have an open discussion with your support network, and quite possibly your employer, about how things like back-up daycare, doctor appointments and sick children will be handled. Trust me, it's no fun scrambling to make arrangements at 6:00am.

Regardless of how you will structure your home life, there are several things that all new parents should do.

One of the most important is to call your health insurance company and make sure that your child is added. Many people make the mistake of assuming this happens automatically – not so with all carriers - so make sure to make the call yourself. You will also want to review the beneficiary designations on any insurance policies or retirement plans that you have and, if necessary, update them to reflect the birth of your child. And on the topic of life insurance, now is a good time to review your coverages with a competent professional to make sure that what you have is appropriate (see my website, [www.wealthstrategies.biz](http://www.wealthstrategies.biz) for past columns on these topics).

It's a good idea to start planning for the long term – those college costs can be surprising as I detailed in a recent column – but perhaps more important is to plan for the unexpected. One of the first recommendations that I give every client with minor children is to make sure that they have a current will detailing who they would like to become guardian of their child if they are gone. If you're not sure how to go about it I would recommend asking for referrals to a couple of attorneys that you could call. In my experience most would be happy to have a brief chat with you to explain the process before you come in.

So as you prepare to brave the gauntlet that is new parenthood remember that at little planning goes along way. And that you won't be the only one watching infomercials at 2:00am.

If you have a questions or an idea for a future topic please e-mail me at [trisha@wealthstrategies.biz](mailto:trisha@wealthstrategies.biz). Ideally I would love for every column to be an answer to a reader's request.

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