



# AMERICAN MONEY MANAGEMENT, LLC

SEC Registered Investment Advisor

## New Parent Checklist

Congratulations! You are welcoming a new addition to your family. There is a lot to decide, from baby's name to which sleep training method you will (or won't) use. With so much going on, it's easy to push finances to the bottom of your list. Fortunately, a little planning now can take a lot of pressure off in the future and set your new family up for success. The New Parent Checklist below will help you prioritize the financial steps you can take to prepare for your new bundle of joy.

### *Insurance*

- **Health Insurance:** Consult your insurance agent or HR manager to determine which insurance would provide the best benefits for your baby. Complete as much paperwork as possible before the birth as **many insurance policies require a new baby to be added within 30 days of birth.**
- **Life Insurance:** If you already have a policy, speak with your financial advisor to estimate whether increased coverage is recommended. If you do not have a policy, it may be wise to obtain coverage before or soon after the baby is born.

### *Finances*

- **Beneficiary Designations:** Review the beneficiaries designated on your investment accounts and any life insurance policies. Update them as necessary. You can typically update beneficiaries very easily via your custodian's online portal or by requesting a form.
- **Budget:** Track your budget both before and after the birth. Babies bring with them many new expenses and a budget can help monitor changes to non-baby expenses, for example take-out dinners. There are several apps that can make tracking and planning your expenses easier – some popular ones are Mint, Goodbudget, and Honeydue.
- **Childcare:** Consider your childcare options and evaluate what type of childcare you prefer. Getting prices from multiple options can help you budget for this potentially large expense.
- **Retirement Accounts:** It is important not to lose sight of your future financial needs when welcoming a new addition to your family. Try to include contributions to retirement accounts in your budget. If your employer allows it, deferring a percentage of every paycheck may be the easiest way to contribute.
- **College Savings Account:** If funding all or a part of your child's education is a goal, beginning a college savings account early will give your money more time to grow. Speak with your financial advisor or accountant to evaluate the best type of account for your tax situation.

## ***Estate Planning***

- **Will:** Make sure you have guardianship designations in your will. Speak with the potential guardian before preparing or revising your will. This could work in tandem with a living trust to plan for the needs of your children in the event of your premature death.
- **Living Trust:** A trust can help to direct your assets in the event of your death or disability. Trusts can have many different provisions for the disposition of your assets and of your child's assets. Speak to your attorney to explore trust options.
- **Financial Power of Attorney:** If you are incapacitated, how will your expenses and those of your child be paid? Designating a trusted individual to make financial decisions for you can help protect your loved ones. This document is traditionally part of a living trust. Speak with your attorney to explore the possibilities.
- **Health Care Power of Attorney** (also known as an Advance Health Care Directive): In case of incapacity, the person who is designated in this document is able to make decisions for your care. This document is traditionally part of a living trust as well. Speak with your attorney to evaluate your options.

As new parents, you have your hands full with plenty of new things to worry about – but your financial future doesn't have to be one of them. The peace of mind knowing that your family is protected and has a plan can be solace on the many sleepless nights to come. Please contact an advisor at American Money Management if you are preparing for a new addition to your family. We can help you identify and prioritize your financial goals during this very exciting time.