

FAMILIES & PARENTS, MONEY SAVVY LIFESTYLE, PERSONAL FINANCE

CAN YOU AFFORD TO BE A STAY-AT-HOME PARENT



If you're like most parents of young children, you have probably given some thought to the idea of packing up your office to become a stay-at-home parent. After all, for middle-income American families, [child care and education](https://www.usda.gov/media/press-releases/2014/08/18/parents-projected-spend-245340-raise-child-born-2013-according-usda) [https://www.usda.gov/media/press-releases/2014/08/18/parents-projected-spend-245340-raise-child-born-2013-according-usda] is second only to housing when it comes to major expenses. These days, more than [one-third of American families now spend 20% or more](https://www.care.com/c/stories/2423/how-much-does-child-care-cost/) [https://www.care.com/c/stories/2423/how-much-does-child-care-cost/], of their annual household income on child care, and those costs have been steadily rising. No wonder a [2015 poll](https://www.washingtonpost.com/business/economy/the-surprising-number-of-moms-and-dads-scaling-back-at-work-to-care-for-their-kids/2015/08/06/c7134c50-3ab7-11e5-b3ac-8a79bc44e5e2_story.html?noredirect=on&utm_term=.4f184bb63f) [https://www.washingtonpost.com/business/economy/the-surprising-number-of-moms-and-dads-scaling-back-at-work-to-care-for-their-kids/2015/08/06/c7134c50-3ab7-11e5-b3ac-8a79bc44e5e2_story.html?noredirect=on&utm_term=.4f184bb63f] by the *Washington Post* revealed that approximately half of fathers and the majority of mothers have altered their careers in some way in order to tend to their kids.

Is it worth it to leave your kids with a day care or nanny while you head off to earn the money to pay them? Even if you have a partner who could bring in sufficient income to pay the bills and you have taken a long, hard look at your finances (for example, with this "Stay at Home Calculator" [https://www.parents.com/pregnancy/considering-baby/financing-family/calculator/]), the answer still isn't as simple as it might seem. As tempting as it might be to hand in your notice at work to spend more time with your children, consider the below questions before you take that next step.

How stable is my partner's income?

Even if your partner enjoys an established position with good retirement and benefits, a steady job is never a guarantee. If there have been [signs of impending layoffs](https://safetynet.com/blog/know-layoffs-coming-5-warning-signs/) [https://safetynet.com/blog/know-layoffs-coming-5-warning-signs/], at your partners' work or rumors about big changes in the industry or economy, now may not be the time to put all your proverbial eggs in one basket. If things are looking stable on the job front, now might be the time to consider [private unemployment insurance](https://safetynet.com/blog/what-is-private-unemployment-insurance/) [https://safetynet.com/blog/what-is-private-unemployment-insurance/], as an added safety net should your partner lose his or her job due to unexpected job loss or disability.



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[<https://safetynet.com/blog/how-much-emergency-savings-need>], tucked away becomes especially important, particularly when shelter is an essential and major expense! Spending time with your children during these important years can provide a solid foundation for your future. However, racking up debt to do so can quickly undermine that good fortune.

Have you explored all the options available to you?

Day care options and costs vary dramatically depending on what kind of care you choose and where you live. A 2015 report from the Institute for Women's Policy Research, for example, lists the average costs of day care for families by state [https://www.washingtonpost.com/news/wnk/wp/2015/05/20/the-states-with-the-most-and-least-expensive-child-care/?utm_term=.01fd68ae4a62], with the most expensive being Washington, D.C. and the least Alabama. Of course, other circumstances, such as urban or rural locations, affect these findings.

Consider consulting the USDA's "Cost of Raising a Child" Calculator [https://www.cnpp.usda.gov/tools/CRC_Calculator/default.aspx] to explore child care options and corresponding costs available in your particular location. Depending on how many children you have and their ages, for example, hiring a nanny or a family member to provide in-home day care might be your most economical choice (although you sacrifice the ability of day-care staff to cover one another on sick days).

Remember, too, there is variety of financial assistance to help parents pay for child care [<https://www.care.com/c/stories/3153/child-care-subsidies-and-programs/>], including state subsidies [<http://www.nwlc.org/resource/state-state-fact-sheets-child-care-assistance-policies-2013>], employer subsidies, tax credits and social programs [<http://www.pewtrusts.org/en/research-and-analysis/articles/2017/12/06/how-the-federal-government-helps-families-meet-child-care-needs#0-tax-provisions-for-families-wj>], assistance for students, military families, and Flexible Spending Accounts [<https://www.fsafeds.com/explore/dcfsa>], (FSAs) offered by the federal government through your employer. Be sure you have explored all of your options before assuming the costs you've been quoted are the ones you will end up paying.



[<https://safetynet.com/blog/wp-content/uploads/2018/08/stay-at-home-parent-2.jpg>]

Have you considered the hidden costs of leaving work?

Leaving the workforce is not just a matter of losing income in the short-term. There are also long-term costs [<https://www.workingmother.com/this-calculator-tells-you-exactly-how-much-money-you-lose-when-you-stay-home-with-your-kids>] to setting your career aside for a while. What you lose in wage growth [<https://www.aei.org/publication/the-concerning-drop-in-workforce-participation-and-the-role-of-family-friendly-policies/>] (promotions and raises) will impact your future earnings when you return to the workforce, for example, not to mention work skills and professional development while you're away.

suffer much larger losses down the line.

Will you spend less by not working out of the house?

You are likely to save on transportation costs, work attire and those quick lunches out once you are home with the kids. Other expenses, such as grabbing to-go meals and hiring a housecleaner, may be harder to curtail. Be realistic about your expectations to prepare meals and keep up on household chores during nap time and consider lowering your standards for a spell. Remember, too, that vacations, extracurricular opportunities for the kids (like dance classes and camps) and even babysitters may feel out of your reach for a time.



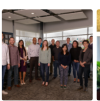


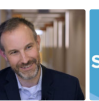

For some parents, the opportunity to stay at home with their young children may be well worth these financial sacrifices. The key to making any big financial decision is simply to be as informed as possible on the outset.

Whether you stay at home or not, check out these [money-saving tips for parents of young children](https://safetynet.com/blog/money-saving-tips-new-parents/) [https://safetynet.com/blog/money-saving-tips-new-parents/], and [school-age kids](https://safetynet.com/blog/resist-rising-cost-school-supplies/) [https://safetynet.com/blog/resist-rising-cost-school-supplies/].

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