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10 money-saving tips for having a child on a budget

Working out how much to save for a child can be a daunting task. Follow our easy money-saving tips for parents-to-be, from creating a household budget to buying only child essentials — and get

planning for your child on a budget!

4 mins

to read

▪ By Danial Ahmad , Author

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Tips

- **Apply for child benefits if you're entitled to any where you live. This could be in the form of a one-off payment when your child is born, a weekly or monthly payment, or childcare or food vouchers — every little bit helps when you're planning to have a child on budget. Check your government website to see if you're eligible as it may depend on your employment status, household income, and number and age of your children.**
- **Start creating a household budget. Money-management apps are great for tracking the money coming in and out of your account. A good way to budget is to follow the 50/30/20 rule — 50% of your budget should go on the essentials — for example, rent or mortgage, bills, and food — 30% on other spending, and 20% on saving. If you're coming up short after working out how much to save for a child, see what non-essential outgoings you could cut back on.**
- **Consider opening a child savings accounts as early as possible, you may not have to pay tax on the amount saved. A sensible approach is to set up a regular bank transfer to deposit money into the account each month. That way, it'll be squirrelled away before you even miss it, and you'll have peace of mind that your nest egg grows as your child does. Whether you're putting money aside for buying child gear or starting a university fund, it's worth shopping around for the best interest rates so you can save the most for your child's future - i.e opening their university savings teaching them how to save money giving them skills to make good financial choices**
- **Shopping for a child on a budget? Make a list of child essentials and try to only buy items you'll really need. For example, a car seat, cot, buggy, diapers, a few one-pieces, vests, and a child blanket. If you're having a diaper party, you could always set up a gift registry and ask people to contribute toward some of the more expensive items. Not sure whether you'll need something? Ask friends and family with experience. Exclusive breastfeeding is best for you and your little one, it also helps to save your money too. Have your health professionals and support group contacts to advise you for your lactation and feeding.**
- **Look for freebies — ask friends and family for hand-me-downs, they may appreciate the excuse for a clear-out. Depending on where you live and your healthcare provider, you may even be entitled to a free child box, packed full of essential items! Finland have been giving them out to new moms since the 1930s, and now other countries are starting to follow suit. Check with your government or healthcare provider if they offer something similar.**
- **Find out if there's a local toy library near you — for a small membership fee you could get access to hundreds of toys, games and books for your little one. You'll save money and they'll gain endless hours of fun.**
- **Check out local Facebook groups and second-hand sites for pre-loved child essentials. You can often find big-ticket items for sale, still in excellent condition but at a fraction of the retail cost. Did anyone say, “bargain Bugaboo?”**
- **Try reusable diapers. Kinder on the environment and your purse, you can save quite a chunk of money.**

Try comparing the price of cloth diapers with a year's worth of disposables and you can see where the savings are! There will be some initial outlay costs, depending on what type of cloth diaper you opt for, but you should easily make these back by the second year, and certainly with a little brother or sister on the way.

- **Buy in bulk** — cloth diapers aren't for everyone, and with a million other parenting chores on your list, that's OK. You could always look into bulk buying or signing up to a subscription service for regular buys such as disposable diapers. Just remember your little bundle of joy won't stay so little forever, so you'll need to change the type and size of diaper as he grows bigger.
- So that's your finances and household budget sorted, now find out how you can emotionally prepare for parenthood here.

Source

<https://www.bbc.co.uk/news/magazine-22751415> (Accessed July 2020)

<https://www.forbes.com/sites/annabahney/2014/10/17/money-time-the-environment-what-do-cloth-diapers-really-save/> (Accessed July 2020)

<https://www.investopedia.com/ask/answers/022916/what-502030-budget-rule.asp> (Accessed July 2020)