adding to the family

and makes **BABY**
two, **three** or **more**.

MEMBERS 1st
FEDERAL CREDIT UNION
What’s the best way to have a baby or add a child to the family? By planning… financially planning that is. Whether you’re physically having a child, adopting or are adding to the family because you’re blending families there are quite a few things to consider. When you decide to expand the family, a lot of things change. The costs of raising your children, her children, his children or our children far exceed anything you’ll ever spend your money on.

This brochure is designed to help you reduce your financial stress and worries for the next 18 years at least.

Where to begin – we’re expecting.

Congratulations. You’re having a baby or making plans to adopt. Maybe you’re blending families. Just because you’re expecting to expand the family, don’t expect to have to go broke.

If you haven’t already, now is the right time to have the kids talk. Discuss how you’re going to financially manage kids and all of the expenses associated with raising them. It’s a good idea to talk about both of you working or one of you staying home for a while once the baby is born. If you are about to become a single parent, it is especially important for you to have a financial game plan. Blended families have additional concerns such as child and spousal support payments to make or receive. Here are six things to immediately consider:
Take a look at your budget. How will having a baby affect your income and expenses? You’ll now have to buy diapers, formula, special food, clothes and supplies. You’ll have to pay day care and a variety of other expenses you can’t begin to imagine. If you are a single parent, consider your options for child support and other financial assistance. If you’re going to stop working after your baby arrives, now is the time to start “practicing” living on less. The same goes if you’re going to take an unpaid maternity leave, even though it’s only temporary.

- Check the leave policy where you work. How much maternity leave do you get?
- Check your health insurance. Does it cover medical care for you during pregnancy and for your newborn baby?
- Make saving a habit. Children, no matter what age they are, cost a lot of money. Take a look at your investments and/or consult a financial planner.
- Review or purchase long-term disability and life insurance coverage. If you have life insurance coverage, consider upgrading your current policy.
- Check out special benefits that you may qualify for such as Medicaid and the WIC program.

**Maternity leave.**
Consider how you’ll manage on the reduced income caused by time off for the pregnancy and birth or adoption.

- Check with your employer to see if you’re covered by short-term disability insurance, which covers pregnancy. Even if you don’t have disability insurance, your employer may be required to grant you time off under the Family Medical Leave Act (FMLA), but they’re not required to pay you during that time. Whether you’ll receive salary or disability benefits or not, schedule out your expected income and expenses and make sure you can make ends meet.
adding to the family

**Medical insurance coverage & expenses**
Make sure you know what to expect from your medical insurance coverage.

- Pregnancy must be treated as any other medical condition, meaning it can’t be excluded, but the general provisions of your policy will determine how much money you’ll end up paying out of your own pocket. Consider deductibles, co-pays, etc.
- Find out how much it will cost to add an additional dependent to your group medical insurance policy. If both you and your spouse have health insurance available through your employer, look at the terms and costs of both policies and decide whether it makes more sense financially to have everyone covered on one plan or to split coverage between the two plans.
- If your employer doesn’t offer health benefits, or you can’t afford them, check out the children’s health insurance program. This program provides free or low-cost coverage to pregnant women and their babies, even if you and/or your partner are working.

**Get Long-Term Disability Insurance**
This type of insurance provides for your family if you’re disabled and can’t work. Check to see if you’re covered by your employer and the terms of the coverage; if you don’t think it’s enough, get more.

**Life insurance**
- Be sure to update your beneficiaries.
- Most new parents buy term life insurance, which insures you for a fixed amount for a given premium. It is generally the least expensive life insurance option and you can change the coverage, as your family’s needs change.
- Don’t forget to purchase life insurance for a stay-at-home parent—if something happens to that parent, the working parent will more than likely need to purchase child care and other services.
**Flex spending accounts**
If your employer offers a flexible spending account, it would be wise to put some money into it to cover unreimbursed medical costs. Flex spending accounts are available for child care expenses, too. And they offer tax incentives. Consult your personal tax advisor for information.

**Child care**
Probably the biggest expense you’ll incur once the baby is born (excluding a college education) is for child care, which is especially expensive for infants. Even when your child is old enough to go to school, you’ll have after school care, summer camps, and other related expenses.

- Check out day-care providers well in advance of your child’s birth in order to find one that you feel comfortable with and that you can afford.
- If you want to be able to deduct your childcare expenses from your taxable income, you’ll have to choose a licensed provider because you have to report his or her social security number to the IRS when claiming the deduction.

**Start a special baby or child savings account**
- As soon as you start thinking about having a baby, start a baby fund. Put a set amount into the account each pay period to cover unexpected expenses.
- Your personal savings plan demands personalized products and services. At Members 1st, we provide a variety of savings vehicles to meet the needs of your growing family. Whether you prefer a traditional savings account, a higher-yield money management account, or a certificate of deposit, you’ll find a savings account just right for you at Members 1st.

**Youth Club**
Any child, from ages birth to 19, may have a Youth Club account, provided that he or she is eligible for Credit Union membership. As a parent, keep in mind that it’s important for you to know what resources are out there to educate your children about their finances.
adding to the family

**College & Investment planning.**
The baby isn’t even born yet and you’re wondering why you should think about college? There are savings programs that you can take advantage of now that will make your life easier 18 years from now.

Meet with a financial planner to help you sort through the financial decisions you’ll need to make.

**What about power of attorney and wills?**
A good family lawyer can help you with this. You’ll need to make decisions on inheritances and guardianship once you have children.

**What if you’ve outgrown your home?**
- Pick up our Buying vs. Renting brochure for tips.
- Plan to attend one of our FREE Home Buyers Seminars or Construction Loan Seminars so that you can learn all about the home buying or home construction process.
- Talk to us about our First Time Home Buyers program that provides you with affordable financing with minimal out-of-pocket expense. First time home buyers can benefit from our relationship with the Pennsylvania Housing Finance Agency (PHFA).
- Meet with one of our Mortgage Specialists before you begin looking for a new home. Get an idea as to how much home you can realistically afford and the types of financing that is available. Ask to be pre-qualified for a mortgage. Ask about down payments required, application fees, information needed to apply for a mortgage, inspection fees, closing costs and other miscellaneous costs such as home owners insurance.
**Vacation Clubs and Holiday Clubs**

A Members 1st Club Account is the perfect way to save for those extra things you like to do. Whether it is shopping for holiday gifts, taking a vacation, or any other special savings goal, our two club accounts can help. You have the ability to set your money aside as you save while still maintaining access to it in case you need it. Plus, our Club Accounts are flexible, allowing you to be in control of your deposit schedule and opening balance. Open your account at any branch or online with Members 1st Online.

**Bill consolidation for peace of mind**

Talk to us about a Signature Loan, Visa Credit Card or Home Equity Loan to consolidate your bills and possibly lower your monthly payments.
For questions about Youth Club accounts or any savings or club accounts, call (800) 237-7288

For general loan inquiries or to apply, call (800) 283-2328, ext. 6040

For inquiries about insurance needs, call (800) 283-2328, ext. 5245 or 5218

5000 Louise Drive • P.O. Box 40 • Mechanicsburg, PA 17055
www.members1st.org

We do business in accordance with the Federal Fair Housing Law and Equal Credit Opportunity Act.