



NEWS RELEASE

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'Kidonomics' - Economic tips for raising a child in 2011

With 66,000¹ babies expected to be delivered in Queensland this year, Suncorp Life is urging parents to analyse their 'Kidonomic' condition for 2011.

Kidonomics' is the analysis of the costs of a child and how a family will meet these costs.

"People tend to think nappies and nurseries when it comes to a baby, but parents have to look beyond the bottle and consider costs over your child's lifetime and how you can best manage and plan for your family's financial situation," said Suncorp Life Executive General Manager David Carter.

"Many plan for the obvious expenses such as groceries, education and transport but forget the hidden costs such as the loss of income for stay-at-home parents; house upgrades or renovations to make room for a growing family. These all quickly add up."

The Australian Government Child Support Agency research reveals the cost of raising a child is estimated at \$12,046² per year, which equates to over \$200,000 to raise a child to 18.

"The costs associated with children do however change depending on income. The more a family earns the more they will spend, but regardless of income, planning is the key to successfully preparing for your family's future," Mr Carter said.

To assist parents with their 'Kidonomic' condition, Suncorp Life has developed a simple guide.

Baby Back Up

Calculate how much it will cost if you or your partner has to take time off work to have the child, stay home with an infant or even care for a sick child. It is also worthwhile factoring in friends and/or family who are in a position to regularly help out.

Protect your income

Should you or your partner be out of work due to illness or disability, how will you pay the bills? Income protection is a good way of securing a constant income.

Create a Will

A new addition to the family changes the outlook for your future so it's important to formalise your financial and care wishes for your child should anything happen to you or your partner.

Plan for major 'Kidonomic' events

Map out major events or activities that will require significant funding in your child's life, such as school fees, university tuition or their first car and create savings funds for each. Saving to afford 'Kidonomic' events is manageable if you start from the birth of your baby.

Roof over their heads

A growing family might require a bigger home. Consider how you will plan to buy or renovate but also pay bills like furniture, utilities and the other costs associated with a larger family home.

Baby budgeting

With the impending arrival on the way, it is important to sit down and work out with your partner all your current expenses and how they will change when your baby arrives. Nappies alone could add over \$1500³ to your household expenses annually.

¹ ABS s3301.0 - Births, Australia, 2009. (2011 birth rate estimated to equal 2010).

² Australian Government Child Support Agency. Costs of children 2008: For parents' with combined child support income \$82,135- \$109,512. Cost of one child aged 12 years and under- \$12,046 + 10c for each \$1 over \$82,134.

³ Based on \$30 x 52 weeks



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The Kid Cushion

Ensure you have planned for a rainy day. Life is unpredictable to always have something put away just “in case”.

Suncorp Life has experts available to help families interested in financially planning for their family’s future. For more information please visit your nearest Suncorp branch or call 13 11 55.

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