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Children don't come cheap

Report finds cost of raising kids up 22 percent from 1960

By Kristin Samuelson and Becky Yerak, Tribune reporters

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Expecting children? Expect to cough up some big bucks.

The grand total for middle-income parents raising one child from birth to age 17 is \$222,360, which doesn't include college tuition, according to the recently released U.S. Department of Agriculture's 2009 Expenditures on Children by Families report.

That's 22 percent higher than the 1960 inflation-adjusted cost of \$182,857.

"Annual child-rearing expense estimates ranged between \$11,650 and \$13,530 for a child in a two-child, married-couple family in the middle-income group," the report's abstract says.

"We currently spend more than that on day care alone," said Carlo Hontiveros, an associate director for SNL Financial in Charlottesville, Va. Eight months ago, he and his wife, a physical therapist, welcomed their first child, Mia. "Mia currently attends what we feel is the best day care facility in the region."

Indeed, the report called child care and education expense "the most striking change in child-rearing expenses over time." Those expenses grew from 2 percent of total child-rearing expenses to 17 percent.

"Day-care costs are so expensive," agrees Berwyn resident Sue Quinn, a letter carrier. She and her husband have three children, ages 13 to nearly 2.

"It's \$90 a day for the babies," and the 13-year-old attends summer camp, she said.

Taxes keep rising and overtime for her husband, who still works full time in construction, has all but disappeared.

The family sticks close to home and has become well-acquainted with Netflix, the local library, Aldi and Costco. When they had one child, they traveled everywhere, including Florida, Europe and Mexico. Now, vacation amounts to spending time — during the week — at a friend's place in Michigan.

While food was among the largest expenses in both time periods, proportionally the overall costs have fallen, due to increased competition and other factors. "Changes in agriculture over the past 50 years have resulted in family food budgets being a lower percentage of household income," the report said.

But some don't mind paying a lot for food that they believe is healthy.

Meredith Rives of Evanston is a veterinarian putting her career on hold to care for two sets of twins who'll turn 5 and 2 in August. Her husband works in sales for Microsoft.

She feeds her kids organic food and sends her older set of twins to Montessori school, which costs \$18,000 per year for both children.

"I put our money in healthy food and good schooling," Rives said. "My husband and I look at each other at the end of the month and ask ourselves where the money's gone," she said.

Housing was the most expensive expenditure in both time periods in the USDA report, and it increased in real terms over time. But a big house isn't a priority for Rives.

"We are looking to buy a bigger house but just haven't yet because it's cost-prohibitive. It's more important for me to stay home (to watch the kids) than have a bigger house."

Rives looks on Amazon for diapers.

The family also hires a babysitter so she can run errands alone.

"Is it a necessity? No, but yes, for my mental health," she said.

She said, however, that she buys almost no clothes. "I get hand-me-downs and shop at garage sales, mothers groups, rummage sales," she said. "If I buy retail, I never buy full price."

Indeed, a child's clothing and miscellaneous expenses decreased as a percentage and in real terms from 1960 to 2009, due partly to "globalization," the report said.

Hontiveros, of Virginia, also said that since he and his wife waited until their 30s to have children, they've benefited from the hand-me-downs of others.

The cost of raising a child, particularly in a shaky economy, has some people wondering whether they should put off their plans to have more children.

Lindsay Murphy was eight months pregnant with her first child, now 11 months old, when her financial services employer in Skokie laid her off in a round of downsizing.

She and her partner regularly discuss whether they should have another child before the economy gets on sounder footing.

"While we want another child and very much want our children to be close in age, we just can't get comfortable with the additional expense in light of the economy," the Wilmette resident said. "We'd rather be sure to have the resources to fully provide for our daughter, than risk not having enough to go around and potentially depriving both children of any advantages."

Tammi Toren, an assistant branch manager for Glenview State Bank, has a 5-year-old and is expecting a second child in October.

She said she and her husband, a service manager at a car dealership, didn't think about the economy's troubles before deciding to have another child. "You never really have enough money, if you think about it," she said.

They cut back on eating out, and her husband might give up his golf game during the week if their daughter wants to go skating.

They send their daughter to a Catholic school that costs \$5,000 a year, but another way in which the couple saves is child care: "I have wonderful in-laws who watch our daughter," Toren said.

The USDA examined child-rearing expenses of 11,800 husband-wife households and 3,350 single-parent households.

A child's health care expenses doubled as a percentage of total child-rearing costs from 1960 to 2009. It also climbed in real terms.

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