

# WELCOMING YOUR FIRST CHILD

COAST GUARD FINANCIAL READINESS

**Preparation:** Distribute and discuss the *Welcoming Your First Child* Checklist and accompanying handouts to support this video-based training course. Checklists and handouts can be found online at [Coast Guard Personal Financial Management Program - FINRED Learning Resource Library - APAN Community](#).

## ★ PART ONE: Getting Started

### Play Videos 1 and 2

**Introduction:** Welcome to this training course. Today our conversation is about handling finances when your first child arrives. The goal of today's discussion is to improve your understanding of personal finance as a new parent. Together we will watch videos with vital information for you. We also want to create a discussion around the financial aspects of bringing a new child into your military family. Let's get started.



1. First  
Child  
Course  
Overview

### DISCUSSION QUESTIONS

1. **Bringing your first child into your family is an exciting time, for sure. But, it can also bring some anxiety on the financial front. What types of things are you preparing for, or have heard stories about in that arena?**



2. Paperwork &  
Admin Tasks

**Talking Points:** As will be discussed throughout the videos, there are many financial impacts of having children. Potential discussion items could include: lost spousal income due to maternity leave or the decision to stay at home to care for the child, costs of getting prepared (furniture, clothing, supplies, etc.), increased housing costs, increased vehicle costs, day care, schooling, and college, just to name a few.

2. **What things can you do as a new parent to prepare for adding your new dependent to DEERS?**

**Talking Points:** Get extra official copies of your new child's birth certificate. Go online to schedule an appointment at your local installation DEERS office at a date and time convenient for you. Keep important documents organized in a file folder for safe keeping and direct access when needed. Label folders accordingly.

3. **What differences might you see on your Payslip once a new child is added?**

**Talking Points:** Adding a dependent will affect what you are receiving in COLA. Additionally, your BAH status may change depending on your family makeup. You will see a change in your tax deductions if you update your federal or state tax exemptions to include a new child.

### KNOWLEDGE CHECK

**Question:** How can you obtain your new child's Social Security card?

**Answer:** You will receive the card by mail if birth registration was completed at the hospital. Otherwise, you can apply at <https://www.ssa.gov>.

## ★ PART TWO: Foundational Personal Finance Topics

### Play Videos 3, 4, and 5

**Introduction:** Your finances will change with a new member in the family. The next three videos will cover common expenses to consider when updating your financial plan.

**Note:** Have current *Spending Plan Worksheet* Handout, have local costs for similar expenses like day care, diapers, wipes, formula, food, etc.



3. Transition to Financial Planning for your First Child

### DISCUSSION QUESTIONS

1. As you saw on the video, the cost of raising a child from birth to age 18 averages around \$250,000. What costs do you think make up this amount?

**Talking Points:** Child care, diapers, formula, food, school, activities/hobbies, clothes, entertainment, etc.



4. Financial Tips for your First Child

2. What are things to consider if you and your spouse will be transitioning to one income when your new child arrives?

**Talking Points:** Carefully weigh the financial benefits of your spouse working with the expense of day care and other associated costs to care for your child. Also consider other aspects not directly related to finances. For instance, if the plan is for your spouse to stay at home, how will it impact his or her career? Is your spouse prepared to be a full-time caregiver for your new child? If your spouse continues to work, how will he/she handle being apart from new child?



5. Emergency Funds

3. Do you need to address any major financial changes such as housing or vehicle needs?

**Talking Points:** Before making major decisions think through needs vs. wants. Can certain expenses be delayed, allowing time to save?

### KNOWLEDGE CHECK

**Question:** What resources are available to assist you with addressing the additional costs of a new child?

**Answer:** Women, Infants and Children Program (WIC), Family Resource Specialist (FRS) and Personal Financial Manager (PFM) at your local Health, Safety and Work-Life (HSWL) Regional Practice, Coast Guard Mutual Assistance (CGMA), Unit CFS, and Housing office.

## ★ PART THREE: College

### Play Video 6

**Introduction:** One day you're changing diapers, and the next you're preparing to send your child off to college. Time can go by fast. Ensure you are prepared for this expense as planning is essential for peace of mind and the sooner you start, the better.



6. The Cost  
of  
College

### DISCUSSION QUESTIONS

#### 1. What discussions are important to make when planning for your child's college experience?

**Talking Points:** Do you want to be able to cover the entire cost of your child's undergraduate, graduate, or doctorate degree? Or, maybe you don't plan to pay for any of it. Will your child attend college in a particular location, such as a specific state? Can you afford to do so while saving/investing for your current/future expenses and retirement?

Clarification will come as your child gets older, but, if you do decide to pay for it, you don't want to miss out on the opportunity for time and compound returns to do their magic. Consider working with a PFM at your HSWL Regional Practice to talk through what type of account(s) are appropriate for your college funding goals. Also, consult with assigned ESO to transfer education benefits to your dependents.

#### 2. The average cost for a four-year degree from a public university is currently more than \$82,000. In 20 years the cost is projected to be \$220,000. What factors affect this?

**Talking Points:** College costs have risen at a faster pace than the consumer price index (CPI) — a measure of inflation. In recent years, education inflation for public universities has been at 5% per year while CPI has averaged 2.5%. For public universities, changes in state appropriations, the economy, and technology have resulted in rising tuition and fees.

Source: <https://www.collegeboard.org>

## ★ PART FOUR: Insurance

### Play Videos 7, 8, and 9

**Preparation:** Have the local DEERS office contact information. If the internet is available, pull up <https://www.tricare.mil> for reference to health care and dental coverage and have *TRICARE* Handout for students. Suggest a life insurance needs calculator online or handout.

**Introduction:** The purpose of insurance is to protect you and your family from severe financial loss. With a strong financial plan, you will work hard to accumulate assets. It is essential to protect what you've worked for — this is where insurance comes into play. The next three videos will take us through changes to insurance that are affected by bringing a new child into this military life.



7. Transition to Other Financial Planning Topics

### DISCUSSION QUESTIONS

#### 1. What sort of health care expenses can you incur when having a new child?

**Talking Points:** Prenatal care, lab work, birthing classes, labor and delivery, hospital stay, doctor's visits, medication, ongoing care. Do a thorough review of your insurance to understand what is covered, deductible (if any), copay costs.



8. Health Insurance

Tip: Check with your primary care provider and installation hospital for options of OTC meds and vitamins provided at no cost.

#### 2. What ideas/suggestions do you have for talking with loved ones about life insurance beneficiaries?



9. Life Insurance

**Talking Points:** Speak on implications of naming a minor as beneficiary (minors cannot manage an inheritance without an adult administering assets until they reach majority age of their state). Inform previous beneficiaries if you updated your life insurance beneficiary and no longer list them as beneficiaries; spouse will be notified if you elect beneficiary other than spouse/child; updates to SGLI are completed at the SGLI Online Enrollment System (SOES).

### KNOWLEDGE CHECK

**Question:** Where do you enroll your child into TRICARE?

**Answer:** DEERS enrollment then possible selection of TRICARE plan

**Question:** Full SGLI and FSGLI includes how much coverage?

**Answer:** SGLI \$500,000; FSGLI \$100,000; children \$10,000

## ★ PART FIVE: Retirement and Estate Planning

### Play Videos 10 and 11

**Introduction:** Retirement and estate planning are two important topics to consider as you welcome a new child. The following two videos have suggestions to keep in mind for your growing family.



10. Retirement  
System  
Overview

#### DISCUSSION QUESTIONS

1. If you are covered under the BRS, what percentage of pay do you need to contribute to the Thrift Savings Plan to receive the full match?

**Talking Points:** If you contribute 5% of your base pay, you will receive a total of 5% more from the Coast Guard, which includes a 1% automatic contribution and 4% service matching contribution. Coast Guard members covered under the Legacy (High-3) System can make contributions to the TSP, but do not receive automatic or matching contributions.



11. Estate  
Planning  
and Survivor  
Benefits

2. How can having a new child affect your estate plan?

**Talking Points:** Assigning guardianship, updating beneficiaries, or creating a trust.

## ★ PART SIX: Conclusion

### Play Video 12

**Introduction:** We've come to the end of this training. Let's summarize what we've covered on financial planning with a new child.



12. Recap &  
Final Wrap Up

**Conclusion:** Remember that you can speak with a PFM at your local HSWL Regional Practice if you have questions or concerns regarding the financial considerations of your new child. You are not in this alone. This installation has the resources to assist you as you navigate the changes that come from your new family addition.

**Information:** You will need contact information for PFM and other available resources relevant to new parents.