

## Study: Average family spends \$221,000 to raise a child

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Could your loved ones afford to spend a quarter of a million dollars raising your child if you passed away?  
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Everyone knows that caring for children is expensive, but a new government study shows that the average cost to raise a child from birth through age 17 is a whopping \$221,000. Could your loved ones afford to spend a quarter of a million dollars raising your child if you passed away? The answer for most families is no, which is why all parents need life insurance.

The study, released earlier this month by the USDA's Center for Nutrition Policy and Promotion, sends a major wake-up call to parents across the nation: *you need life insurance*.

Scott Witt, an actuary and fee-only insurance advisor with Witt Actuarial Services, comes across parents without life insurance on a near-daily basis. "I see far too many parents neglect to purchase life insurance," he said. "Whether they're unwilling to address their own mortality, don't recognize their financial value to their families or think they can't afford the premiums, it's frequently being overlooked."

The problem? Many parents believe they don't need life insurance, and others think they can't afford coverage. But financial experts caution that parents of all ages take an incredible risk by not purchasing life insurance.

"If a parent without life insurance passes away, the family is immediately thrown into financial distress," Witt explained. "And without a dramatic lifestyle change by the surviving spouse -- such as working more hours or moving in with a family member -- the family's ability to sustain a normal lifestyle is severely compromised."

If you're a parent, stop and think for a moment: What would happen to your children if you passed away without life insurance? Would your spouse be able to carry on without your income? What quality of life would your children have?

Term life insurance is the most affordable form of life insurance, making it ideal for parents. According to the Insurance Information Institute, a healthy 40-year-old can expect to pay less than \$30 a month for \$500,000 in coverage. Average rates for younger parents are even more affordable.

\*The USDA's Center for Nutrition Policy and Promotion report can be found here (<http://www.cnpp.usda.gov/Publications/CRC/crc2008.pdf>).

### Child Expenditures by Percentage

- Housing - 32%
- Child care and education - 16%
- Food - 16%
- Transportation - 14%

- Health care - 8%
- Miscellaneous - 8%
- Clothing - 6%

*Source: Center for Nutrition Policy and Promotion, August 2009*

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