



BUDGETING FOR BABY

Confession time. You'll know by now that I'm not a spender, but I did take vicarious pleasure in reading the latest *Shopaholic* book by Sophie Kinsella. These fun reads are good social comedy as London fashion worker Becky Bloomwood navigates her hectic life – credit card in hand, mobile at her ear, hapless husband in tow, and financial adviser firing desperate letters of advice at every turn.

The latest in the series is *Shopaholic & Baby*. Becky learns she's expecting a child. So, does she settle down and turn her back on shopping? No chance! Instead, she enters a new dimension of retail therapy as she discovers the most prestigious baby brands and goes shopping for strollers with the same care that she'd use to choose a high-status soft-top car. Meanwhile, her husband Luke is facing a career meltdown in his PR

firm. Becky, oblivious to his crisis at work, is convinced that Luke is having an affair.

This book is a laugh but the reality is that women who are expecting their first child have a major financial adjustment to make, and only nine months to make it in. That's quite a challenge, given that it takes many people half a lifetime to realise they need to save for retirement. Spending patterns don't change overnight.

First there's the upcoming loss of income. Not only will the mother-to-be stop earning a salary, but suddenly the weight of responsibility shifts on to her partner. Second is the nesting factor. You two might be perfectly happy in an inner-city pad, but most apartments don't have enough room for our shoes, let alone our children. So housing arrangements need to be looked at.

Then there's the issue of personal adjustment, and Becky proves hilariously hopeless at adjusting to motherhood. See below for help on navigating the emotional sea change new mothers have to make as they reprioritise their time and budget. ■



MONEY TALKS

Becoming a first-time mother means a major financial adjustment, says Susanna Stuart

MAKINGCENTS

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Q We recently updated our wills as we have a baby on the way. I understand the roles of an executor and the guardian but what is involved with the trustee role?

Zoe, Auckland

A While children are young, any money or assets you have left will be held in trust for them. The trustee is responsible for looking after this inheritance and ensuring the children's financial needs are met. Ideally, appoint someone known to the family, such as a good friend, a relative or your solicitor. Or consider a corporate trustee, for example the Public Trust.

start making plans before baby arrives

STEP ONE It's decision time. Do you need a new place to live? Do you intend to quit your job forever or take a year's parental leave? Work out a clear plan.

STEP TWO You have to budget. Do your sums. If you need to extend the house or buy new baby things, work out your cash flow.

STEP THREE Find a friend who has been there, done that. All new mums want the best for their child but some think that means paying through the nose

for cute designer baby clothes that last a few months at the most. This isn't smart. A friend can help you be realistic and will know the best places to get what you need.

STEP FOUR Set up an emergency fund. New baby and single income: this is not a good time to have a money crisis. Set aside some savings.

STEP FIVE Keep in touch with friends. Money won't buy you happiness, it's the presence of our friends and family that gives a baby the best start.