



# FIRST CHILD VIDEO DISCUSSION GUIDE

## PART 1

**CFS Intro:** Welcome to training. Today our conversation is about handling finances when your first child arrives. The goal of today's discussion is to enhance your financial understanding 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.

### Play Video 1

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#### 1. Introduction

**CFS Intro:** Bringing your first child into your family is an exciting time! Being prepared and knowing what to expect can ease stress. There will be paperwork, just like many other aspects of military life. So let's see what's in store.

### Play Video 2

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#### Discussion Questions



#### 2. Paperwork & Admin Tasks

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

**CFS 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.

2. What differences might you see on your LES once a new child is added?

**CFS 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.

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

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

### Knowledge Check

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**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 [ssa.gov](http://ssa.gov).

## PART 2: Transition to Budgeting

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

CFS Notes: Have current budget template/handout, have local costs for like expenses such as day care, diapers, wipes, formula, food, etc.

### Play Videos 3 & 4

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#### Discussion Questions



3. Transition to Financial Tips

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?

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



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?

**CFS Talking Points:** Carefully weigh the financial benefits of your spouse working with the expense of daycare and other associated costs to care for your child. Also consider other aspects not directly related to finances. Will your spouse be OK putting career on hold for a period of time? 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?

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

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

### Knowledge Check

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

**Answer:** WIC, NMCRS Budget for Baby, New Parent Support, Installation PFM, Unit CFS, Base Housing office

## PART 3: Transition to the Cost of College

**CFS Intro:** One day you are changing diapers and the next 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.

### Play Videos 5 & 6

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#### Discussion Questions



5. Emergency Fund



6. The Cost of College

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

**CFS Talking Points:** Do you want to be able to cover the entire cost of your child's undergraduate, graduate, or doctorate degree? 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? Let's look at possible advantages and disadvantages.

- Advantages: More job opportunities, higher earnings, no student loan debt, possible tax benefits, concentration on school, being able to provide for your child(ren).
- Disadvantages: Entitlement, dependency, how can this harm a child? Not caring as much, lower incentive to graduate, doesn't encourage grants or scholarships/financial aid, takes from the parent's retirement.

Clarification will come as your child gets older, but you don't want to miss out on the opportunity for time and compounding/return to do its magic. Consider working with your installation PFM to talk through what type of account(s) are appropriate for your college funding goals. Also, consult with the installation Education office on opportunities to transfer education benefits to your dependents.

2. Currently the average cost for a 4-year degree from a public university is more than \$82,000. In 20 years the cost is projected to be \$220,000. What factors impact this?

**CFS 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%. With public universities, changes in state government appropriations, the overall economy, and technology causes changes in tuition and fees.

Source: [www.collegeboard.com](http://www.collegeboard.com)

## PART 4: Transition to Insurance

**CFS Preparation:** Have the local DEERS office contact information. If the internet is available, pull up [www.tricare.mil](http://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.

**CFS Intro:** 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.

### Play Videos 7, 8 & 9

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7. Transition to Insurance



8. Health Insurance



9. Life Insurance

### Discussion Question

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

**CFS 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. Tip: check with your Primary Care Provider and base 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?

**CFS 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

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

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

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

**Answer:** SGLI \$400,000; FSGLI \$100,000; children \$10,000

## PART 5: Recap and Final Wrap Up

**CFS Intro:** The following video has a few more suggestions to keep in mind as we wrap up our conversation on financial planning with a new child.

### Play Video 10

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#### Discussion Questions



10. Recap &  
Final Wrap Up

1. What are some ways to protect your child's identity?

**CFS Talking Points:** Be conscious of who has your child's Social Security number. Don't share your child's number unless absolutely necessary. Some documents will request a Social Security number but you should question whether it's absolutely necessary. Keep important documents in a safe, or if stored digitally, protect with strong passwords. Don't carry your child's sensitive documents with you. If you receive mail addressed to your child, such as a pre-approved credit offer, this is a major red flag. Just as you check your own credit, check to see if your child has a credit report (hint: they should NOT).

2. Of all of the aspects of planning for a new child, add taxes to the list. When was the last time you checked your tax withholding?

**CFS Talking Points:** Your tax withholding is listed on your LES. Check or update exemptions in myPay. Update your withholdings at major life events, like if your family situation changes, your income changes, you buy/sell major items, or go to school, to name a few. With a new qualifying child you will be able to claim them on your taxes, which means child-related deductions and credits.

#### CFS Conclusion:

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Remember that you can speak with a Financial Counselor on base 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.

CFS Info: You will need contact information for Financial Counselor and other available resources relevant to new parents.