Financial Planning

Considering IVF or adoption?

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Having and raising a child is a dream come true for many people. However, the journey to parenthood can be different for everyone. Some individuals may turn to fertility assistance or adoption. Both of these alternatives are often a costlier path to parenthood. Beyond the emotional aspect of creating a family in a nontraditional way, there is also the financial side to consider.

Whether you’re single or with a partner, Ainsley Carbone and Justin Waring, Investment Strategies Americas for UBS, share insights on how to start planning for the costs of in-vitro fertilization (IVF) or adoption.

Know the costs
For any parent-to-be, the excitement of having a new addition to the family is often front of mind. And while there’s every reason for excitement and joy, it’s also important to consider the costs of IVF or adoption.

The average cost of one cycle of IVF is around $12,000*, while adopting through an agency can run anywhere from $20,000 to $40,000**. These costs can fluctuate depending on your personal situation.

Before you get too nervous about the costs, realize there is often help available. Your tax advisor can offer some insight on potential benefits, including medical expense deductions, notes Waring, which can make a difference for those exploring IVF.

Also, see what kinds of benefits you can receive from your workplace. Many employers and health insurance plans have special programs or policies in place to help parents who are growing families via IVF or adoption.

Get your documents in order
Of course, the journey doesn’t end once you’ve successfully completed IVF or finished the adoption paperwork.

Revisit your employer’s health insurance options to see if you’ll need to make adjustments to your current plan or move to a new family plan that’s a better fit for your needs. Also, consider health savings accounts and any changes you’ll need to make to your 401(k).

Once your new arrival makes his or her debut, work with your Financial Advisor to update your estate planning—that means changing your will, designating new beneficiaries, selecting a guardian if necessary, and deciding on any medical or financial powers of attorney.

You can also chat with them about revisiting your life insurance policy, short- and long-term disability and long-term care policies, as well. Your priorities are likely to change once you have a child in the picture so make sure
you update your beneficiaries to reflect those changes. If you already have kids, this is also the time to add your new addition to your policies.

Planning for the future
Every parent wants to set his or her child up for the future to have a better life, so it’s important to approach your family’s financial plan with a long-term perspective.

Carbone highlights that the planning process doesn’t end once your child arrives. “I think the most important thing is really recognizing that once there is an addition to the family, planning should be taken care of just like any other life event—reassess your goals and objectives, and then make adjustments to your plan as necessary.” You can refer to this helpful financial checklist to guide you in reassessing your goals.

Beyond your Financial Advisor, get in touch with your tax advisor. He or she can let you in on any new tax credits you can claim as a new parent; this will help you maximize your tax benefits, which can aid with your retirement planning, too.

In addition to your long-term health and estate planning, work with your Financial Advisor to think about how you want to plan for your child’s future. Many parents consider 529 plans for educational funding and some create trusts to help protect their children for years to come.

Planning can make all the difference
Trying to expand your family is both a stressful and exciting time for so many future parents. But having a solid financial strategy to help cover potential costs can let you focus on the things that matter while protecting your legacy over the long term.

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