



BE PREPARED

Although perceptions are that injury or illness won't happen to us, the reality is we don't know what might be around the corner, no matter how healthy we are. **Tristan Hartey** helps to see why protection is important, especially when you are raising a child, and the types of protection available to you

What is the average cost of raising a child?

The latest LV.com *Cost of a Child* report has revealed that it now costs parents more money to raise a child than it does to buy the family home. It's been calculated that child costs have now risen to a record £231,843 from birth to age 21.

What does that mean in terms of your income?

The average cost of raising a child now takes up more than a third (38 per cent) of annual household net income. By reassessing your budget you will be able to see what your combined household spend is, helping you to appreciate how much you could lose and how important financial protection is.

Although the chances of an injury or illness striking are slim, you can never be too careful. In fact, it's becoming more common for us to hear the news of a friend or a relative who is off work for a few months; or has been diagnosed with a serious illness; or has unexpectedly died - which is why it's all the more reason to get the relevant protection in place.

What types of protection should you consider?

There are a number of products and options available to help safeguard future child rearing costs. Income protection will protect families against losing an income due to long-term ill health. Family Income Assurance will pay out on a regular basis should the insured parent die (or be diagnosed with a terminal illness). And if you're looking for life insurance, you could put the cover in trust, to benefit any children once they reach a specific age (typically 18), enabling them to cover the costs of higher education costs and so on.

You might consider protection too expensive but there are always ways to bring down the cost to meet

your budget, and the sooner you get protection in place the better – it's common for premiums to get more expensive with age. As always, we would recommend seeking the advice of a professional before making any hasty decisions.

Tristan Hartey is managing director of Hartey Wealth Management (harteywm.co.uk; 0808 168 5866)

The above (which does not constitute advice) has been provided by Tristan Hartey of Hartey Wealth Management. Registered in England and Wales No:8288660. Registered Office: 5-7 Beatrice Street, Oswestry, Shropshire SY11 1QE. Hartey Wealth Management Ltd are authorised and regulated by the financial conduct authority.

