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Costly kids: Almost a fifth of average salary spent on raising a child

Almost a fifth (18.5%) of an average parent's salary is spent on each child in the household, according to the latest research from Halifax. Mums and dads of 0-11 year olds are spending an average of £448.41 a month on a variety of different items per child, which equates to £5,380.92 per year, or almost a fifth of the average salary (£29,009). [See table 1]

According to our research, parents spend an average of £57 per month on childcare and a quarter (24%) have relatives help out with childcare. However, national statistics from the Family and Childcare Trust* suggests these costs could be significantly higher for those who pay for childcare, at £364 per month. This would bring the overall monthly cost of a child to £754.83, or a whopping £9057.96 per year - 31% of the average salary.

Two fifths of parents would have more children, if it wasn't for their own financial constraints, with the same number (40%) stating having children turned out more expensive than they thought it would be. When split by age, toddlers are proving to cost their parents the most, with an annual cost of raising a one to two year old at £6,447.00, or £537.25 per month – 22 per cent of the average salary. On average, boys are more expensive to raise than girls, costing £454.01 and £441.87 respectively per month.

Surprise spending

Three quarters (75%) say that having children has meant unexpected one-off purchases since they were born. A third of parents had to shell out for additional furniture (32%), or a different car (29%), and almost a quarter (23%) say they had to buy a bigger house. Additional entertainment devices such as TVs or tablets were the most common unexpected purchases cited by parents (36%) with parents of a child aged 9-11 years significantly more likely to have made this purchase than any other age group (41%).

Giles Martin, Head of Halifax Savings said: "Having children is a huge financial and emotional commitment. Monthly costs can eat into disposable income, particularly for those with large families. It's important to be realistic about how much things are going to cost. Even when carefully budgeting, unexpected costs along the way can throw a curve ball when it comes to affording family life."

Cutting back for the kids

Almost half (47%) of parents have cut back on going out and socialising since having children. Similarly, 44% have cut back on meals out in restaurants and 31% are spending less on holidays. Just under a third (32%) of parents say they've cut back on ordering

takeaways and luxury food items. A quarter of parents say they have cut back on clothing and fashion items (28% and 27% respectively) since having children. A quarter (23%) of parents also say they spend less on gifts for other people. Additionally, to ease the financial pressures of having children, half (49%) of parents agreed that they treat themselves less, two fifths (39%) shop around more and 35% of parents pass down clothing/toys.

Regional differences

The cost of raising a child in London is double that of the rest of the country, costing on average £766.38 per month, or £9,196.56 per year. [See table 2]. This takes the total cost of raising a child to the age of 11 into six figures, at £101,162.16 compared to the UK average of £59,190.12. Outside of London, the most expensive region is the South of England (£388.31 per month or £4,659.72 per year), and the least expensive region is Wales and the West of England (£388.31 per month or £4,659.72).

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Table 1: Average monthly cost per child

Item	Average monthly cost per child
Food	£ 86.85
Schooling	£ 38.75
Holidays	£ 60.69
Clothes	£ 46.97
Toys	£ 33.18
Leisure & hobbies	£ 45.31
Furniture	£ 19.93
Personal Care	£ 23.98
Other educational activities*	£ 35.17
Childcare*	£ 57.58
TOTAL	£ 448.41
ANNUAL COST	£ 5,380.92
Total cost newborn to 11 (plus childcare costs)	£ 59,190.12

Table 2: Average monthly cost per child by region

TABLE 3	MONTHLY COSTS BY REGION: 2017 RESULTS					
	Scotland	North England	Wales & West England	East England	South England	London
Food	£85.50	£84.18	£75.11	£88.28	£88.06	£105.53
Schooling	£33.20	£33.82	£35.87	£24.96	£39.07	£77.14
Holidays	£42.45	£61.87	£55.39	£53.18	£46.44	£114.94
Clothes	£40.27	£44.46	£44.78	£37.22	£42.96	£81.19
Toys	£30.24	£29.92	£29.85	£30.68	£31.51	£54.74
Leisure & hobbies	£60.55	£42.14	£37.38	£39.83	£43.84	£65.75
Furniture	£5.74	£13.86	£19.22	£16.68	£14.54	£60.07
Personal Care	£19.15	£18.56	£20.23	£19.71	£32.02	£36.84
Other educational activities	£38.50	£31.40	£26.27	£27.92	£33.78	£68.85
Childcare	£40.86	£50.55	£44.21	£51.67	£63.53	£101.33
TOTAL	£396.46	£ 410.76	£388.31	£ 390.13	£435.75	£ 766.38
ANNUAL COST	£4,757.52	£4,929.12	£4,659.72	£4,681.56	£5,229.00	£9,196.56
Total cost newborn to 11	£52,332.72	£54,220.32	£51,256.92	£51,497.16	£57,519.00	£101,162.16

Notes to editors:

*Source Family and Childcare Trust – Childcare Survey 2017

Research undertaken amongst 1,000 parents of 0-11 year olds by Walnut Unlimited, using online fieldwork in November 2017. Walnut Unlimited is an independent market research company and abides by the Code of Conduct of the Market Research Society.