



NEWS RELEASE

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THE COST TO RAISE A CHILD TODAY: LESS FOR FOOD, MORE FOR CHILD CARE AND EDUCATION

WASHINGTON, March 24, 2008 – For middle-income families with a child born last year, the costs of providing food, shelter, clothing and other necessities will total \$204,060 by the 18th birthday, according to an annual study by the U.S. Department of Agriculture. The cost of feeding a child is less expensive than it once was, while child care and education costs rose considerably.

Since 1960, child-rearing expenses have changed noticeably. The cost of providing food decreased from 24 percent to 17 percent of total child-rearing costs, while child care and education expenses increased from 2 percent to 12 percent. Housing remains the single largest expenditure during a child's 17 years, averaging 33 percent of the total costs, though its share increased slightly from 31 percent of costs in 1960.

In real terms, the overall cost of raising a child has increased 15 percent from 1960 to 2007. A middle-income family in 1960 with a new baby could expect to spend \$25,230 to raise a child through age 17.

Now in its 48th year, the USDA report, *Expenditures on Children by Families*, has been a resource for state agencies and courts in determining child support guidelines and foster care payments. For a middle-income, two-parent, two-child family, expenses for one child ranged from \$10,930 to \$12,030, per year depending on the age of the child, with expenditures on teenagers being the highest.

This year's report released today by USDA's Center for Nutrition Policy and Promotion (CNPP), notes that family income has a direct affect on child rearing expenditures. Families with a before-tax income below \$45,800 are projected to spend \$148,320 on expenses related to child rearing or \$196,010 when factoring for future inflation. Families with an income between \$45,800 and \$77,100 can expect to spend

\$204,060 or \$269,040 with an inflation factor. Families with an income above \$77,100 can expect to spend \$298,680 or \$393,230 – factoring for inflation.

(The initial dollar amounts in the three examples are in 2007 dollars followed by inflation adjusted amounts. These estimates are for a 17 year period and do not include the cost of college.)

The report notes geographic variations in the cost of raising a child, with expenses being the highest for families living in the urban west, followed by the urban northeast and urban south. Families living in the urban mid-west and all rural areas have the lowest child-rearing expenses.

For purposes of this report, the income ranges were derived by dividing the sample into equal thirds.

This report, as well as reports dating to 1995, is available on the CNPP web site at www.cnpp.usda.gov. [Direct link to 2007 report:
www.cnpp.usda.gov/Publications/CRC/crc2007.pdf]

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