



How to manage the impact of starting a family on your career

Here are 10 things to consider before taking a career break to have children, including how your finances could be affected and how to manage the impact of that.

1. Pressure to earn more money

Once you have children, there's an added expense and suddenly your family salary may no longer be adequate.

Suggestion: Consider reviewing the family expenses and doing a budget before having children. Work out if additional income can be earned without placing a strain on the pending career break, or if some financial sacrifices need to be made. Once kids arrive on the scene, it may also be time to review your own lifestyle spending choices.

2. Childcare and/or medical expenses

These days childcare or school fees are virtually unavoidable. There are also likely to be additional medical expenses once you have children or are required to support a loved one in need.

Suggestion: Consider an emergency savings account and/or an education savings account that allows you to earn interest and get a jump-start on the expected costs to come. Make sure you shop around as some accounts incur fees and charges.

3. Not big enough

Your car and your home may no longer be adequate in size for a child or children. This could mean selling and spending more or getting into debt.

Suggestion: Do your research on what you need. Then consider how much money is needed to make an upsized purchase happen. If it's out of budget, consider a loan or other financing arrangement, or indeed set a timeline and goal for achieving a deposit or the item, and save towards it.

4. Impact on your career path

The type of career leave you take and the length of it is likely to impact your current career trajectory. For instance, you may take primary parental leave, which means having the greater responsibility for the day-to-day care of a child.

Suggestion: If you intend on returning to work after having a baby, the best thing you can do while on a career break is not drop out altogether. Stay up to date with trends, or plan ahead for supportive ways to re-educate yourself when the time arrives to return to work.

5. Impact on your earnings

Your salary may change or take a step back after a career break.

Suggestion: Again, where possible take the time to talk with your employer about what the career break means for you and your earnings. You may even discover that the break presents you with an opportunity to re-educate yourself or explore something new like your own business project.

6. Your new way of working

Your career break will eventually come to an end and this could mean that the way you feel about your old role or your capacity to do it has changed. Consider whether you would like to work part-time or look for a new role that allows you the flexibility to be there for your family by working school hours.

Suggestion: Think about what may work best for you and your new way of life. If you're not clear about the best way forward, or are even nervous about it, perhaps test a new work arrangement first before ruling it out completely.

7. Your estate plan needs reviewing

Making sure that you, a partner and/or the kids are looked after if your situation changes should be a priority. Consider what a career break means for your estate planning and whether your nominated beneficiaries are up to date.

Suggestion: Update your estate plan before or soon after your career and financial circumstances change to ensure that the appropriate protections are in place.

8. Your superannuation needs attention

Your retirement savings may not grow at the same pace once on a career break, and it remains at the employer's discretion as to whether they make super guarantee payments on parental leave.

Suggestion: Talk to your employer about what benefits you may be entitled to or perhaps be able to negotiate while taking your career break. For example, consider asking for super payments while on paid parental leave or even start to salary sacrifice into your super ahead of your pending leave as a way to build your balance. Also where appropriate, consider talking with your partner about a super splitting arrangement, so that both of you may be able to take advantage of the tax benefits and keep your savings pool growing.

9. Your life insurance may change

Insurance policies typically linked to superannuation will need reviewing and may even stop once you take a career break.

Suggestion: Review your insurance policies and make sure that your details are up to date, including your earnings, and that they are relevant to your circumstances.

10. Your health and wellbeing need focus

Suddenly the arrival of children, or caring for others, may impact your health in ways that you may not have foreseen. You may find yourself sleep deprived and juggling everything, including the odd question mark over parental guilt as a working parent.

Suggestion: Take some regular time out for you, and try to carry that through while on a career break. Your mental and physical health need to be prioritised, because if you are not functioning, then it will become increasingly difficult to care for those you love.

Once you understand some of the realities of taking a career break, it then becomes easier to plan for the impact and move into that phase with a more informed and optimistic frame of mind.

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We will guide you with a tailored approach that works for your circumstances. Give us a call on 4927 4588 (Rockhampton) or 4939 1766 (Yeppoon) to see how we can help.



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