



Enjoy being a mother, today and tomorrow

Parenthood signals the start of a new journey in a couple's life. While the prospect of bringing your child into this world is extremely joyful, it also brings with it new roles and responsibilities. As a mother, you would definitely be excited about your pregnancy. From deciding the yoga classes that you want to take during pregnancy to ensuring that you have the best doctor to take care of yourself and your baby, you must have it all under control. As a matter of fact, you might have also decided on your future child's school! However, in the list of things that you have done and plan to do for your child, have you, as a mother, focused on the financial planning aspect of motherhood?

If you have not, then now is a good time to start planning your finances so that you have a comfortable pregnancy and can truly enjoy your time with your child without having to worry about money.

- **Make a checklist of all your pregnancy related expenses:**

There are some specific costs that you need to incur during your pregnancy. These could include expenses related to regular medical tests, doctor's consultations, and prenatal classes. Further, in case complications arise, then expenses can multiply significantly.

- **Make a list of all anticipated expenses for the first year after your child is born:**

Vaccinations will be a big part of your expenses in the first year after your child's birth. Further, you must account for expenses related to pediatrician visits, specific furniture like a baby cot for your child, and maybe even the cost of care, for example, the salary paid to a nanny.

- **Understand your health insurance and anticipate costs:**

Buy a health insurance policy that has maternity cover as soon as you start family planning. Do not wait to get pregnant before buying the right insurance policy. Even if your company provides maternity cover, it is

always best to have another health insurance policy. Also, you must carefully understand the maternity related costs that are covered by your policy.

- **Plan ahead for your maternity leave and career resumption:**

For working women, there are one of two paths that you can take after your baby is born. You can either resume work after the stipulated maternity break or you can choose to take a career break for the next 3 to 5 years. If you choose to resume birth within 3 to 6 months then you will have to ensure that you are leaving your baby in good care. For some, this could mean additional expenses for a good creche, daycare or full-time nanny. For those who choose to take a hiatus from work, this would mean that the flow of income gets plugged. Thus, you need to have enough money saved up so that even without a regular flow of income you can meet your expenses and continue with your savings plan.

- **Start saving early via the SIP route:**

Mutual funds can be a great investment option for individuals who are looking to save and invest for their future goals. However, it is important to start investing as early as possible, rather than investing only when the goal is in sight. SIPs can be a great way to slowly start investing in mutual funds. An SIP entails investing a fixed amount of money in a mutual fund scheme of your choice at periodic intervals which could be fortnightly, monthly, and even quarterly. This way, you can start investing with a small amount and increase your investments over time. SIPs are easy to start, provide flexibility and access to expert fund managers, and encourage you to invest in a disciplined manner. Most importantly, long-term investments via the SIP route can potentially help you grow your investments and provide for your child's log-term goals like education. The table below shows how an SIP of Rs. 5000 monthly, invested at 10% per annum, can grow over a period of 5, 10, 15, 20, and 25 years.

Monthly SIP (Rs)	Investment time period (months)	Total Invested Amount (Rs)	Value at the end of the time period (Rs)	Returns (Rs)
5000	60	3,00,000	3,90,412	90,412
5000	120	6,00,000	10,32,760	4,32,760
5000	180	9,00,000	20,89,621	11,89,621
5000	240	12,00,000	38,28,485	26,28,485
5000	300	15,00,000	66,89,452	51,89,452

Above example is only for illustration purpose

- **Build an emergency fund:**

There are many uncertainties in life that we cannot always anticipate. Emergencies can come out of nowhere and have a severe impact on your financial and emotional well-being. Which is why you should always create an emergency fund by investing in low-risk and highly liquid investments like an overnight fund or a liquid fund. This fund can come to your rescue when you need immediate financial support.

Being a mother means several things and comes with great joy. The only way you can fulfil your responsibilities as a mother and really enjoy motherhood is by planning your finances judiciously and investing in a disciplined manner.

An investor education initiative by Edelweiss Mutual Fund

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Content Source: Morningstar

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.