

## Spousal coverage

# Do stay-at-home parents need their own life insurance policy?

People choose to buy life insurance to help replace lost income when their family counts on their financial contributions. While a stay-at-home parent may not contribute as much financially, consider contributions they make daily for your family, such as: childcare, meal preparation, housekeeping — and probably a lot more.

Now, think about how difficult it would be to handle all these tasks — and the expenses associated with them — in the event of their unexpected death? Let's look at some figures to help illustrate the financial impact this could have on you and your family.

## How unexpected loss can include unexpected costs



Raising a child is already costly, but adding daycare expenses to the equation gives you a glimpse of what your stay-at-home partner contributes to the family daily. Between general child-rearing costs and the addition of daycare services, your annual expenses can come close to 50% of your income. On top of that, the median estimated salary necessary to cover the costs of all the tasks your stay-at-home partner would perform is equal to \$184,820/year<sup>4</sup>, which is nearly 3 times the estimated median annual salary.

## Ensure your family is protected from the unexpected with an extra layer of protection

As a parent — if something were to happen to your partner — you would have to shoulder all duties they performed and cover the expenses associated with them. But if each of you were to purchase your own life insurance policies, the extra layer of coverage could prove to be a financial safety net when your family needs it most.

<sup>1</sup>Emily A. Shrider, Melissa Kollar, Frances Chen, and Jessica Semega, Income and Poverty in the United States: 2020, US Census Bureau, Sept 14, 2021.

<sup>2</sup>Abha Bhattarai, Dan Keating and Stephanie Hays, What does it cost to raise a child?, The Washington Post, Oct 13, 2022.

<sup>3</sup>Neelabja Adkuloo, How Much Childcare Costs by State in the USA in 2023, Illumine, Jan 09, 2023.

<sup>4</sup>Penny Gusner, Why Stay-at-Home Parents Need Life Insurance, Forbes, Aug 16, 2022.



**Find out how your family could benefit from additional life insurance coverage by contacting your financial professional for a quote today.**

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