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Insurance & investments

THE ESSENTIAL FINANCIAL GUIDE FOR EXPECTING PARENTS

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10 THINGS EVERY KIWI FAMILY SHOULD CHECK BEFORE BABY ARRIVES

CONGRATULATIONS!

If you're reading this, chances are your family is about to grow.

It's an exciting time, but it also comes with a long list of decisions. Becoming a parent changes what keeps you awake at night.

Before baby, you worry about booking holidays and buying your first home.
After baby, you start wondering...
"If something happened to me tomorrow, would my family actually be OK?"
That's not a pleasant thought, but it is one of the most important questions you'll ever ask.

Most parents spend months preparing for their baby's arrival. Far fewer spend time preparing for the financial changes that come with becoming a family.

This guide isn't about trying to sell you anything. It's simply the checklist I wish every New Zealand parent had before welcoming a new baby.

Even spending an hour working through these points can save thousands of dollars, and a lot of unnecessary stress later.

1. KNOW WHAT YOUR INCOME WILL ACTUALLY BE

Many parents are surprised by how different their cash flow looks after baby arrives.

Ask yourselves:

- How much paid parental leave will you receive?
- How long will each parent be off work?
- Will one income comfortably cover your expenses?
- Have you factored in childcare costs when returning to work?
- Do you have enough emergency savings?

A simple household budget before baby arrives can make the transition much smoother.

2. BUILD AN EMERGENCY FUND

Babies are wonderful.

They’re also unpredictable.

Cars break down. Appliances fail. Medical bills appear.

Unexpected expenses always seem to arrive at the worst possible time.

Aim for at least 3 to 6 months' worth of essential living expenses in an easily accessible savings account.

This isn't about earning high returns. It's about buying peace of mind with money that’s easily accessible.

3. REVIEW YOUR KIWISAVER

Having a child often changes your long-term priorities.

Ask yourself:

- Is your investment fund still appropriate?
- Are both partners in the right risk profile?
- Are you paying unnecessary fees?

Even seemingly small fee differences can add up significantly over time, often making the difference of thousands of dollars come retirement.

AVERAGE WEEKLY HOUSEHOLD EXPENDITURE IN NEW ZEALAND RANGES BETWEEN $1,500 AND $2,200, DEPENDING ON HOUSEHOLD SIZE AND LOCATION. THE NATIONAL AVERAGE SITS AROUND $1,600

4. PROTECT YOUR INCOME

Your income is probably your family's biggest financial asset.

Without it, everything else becomes harder.

Mortgage repayments.

Rent.

Groceries.

Childcare.

Everyday living costs.

Many people insure their cars for thousands of dollars.

Very few think about protecting an income worth several million dollars over a lifetime.

If illness or injury stopped you working for months – or even years – how would your family cope?

5. CHECK YOUR LIFE INSURANCE

Once someone depends on you financially, life insurance becomes far more important.

Consider:

- Would your partner be able to stay in the family home?
- Could they afford childcare?
- Would debts be paid off?
- Would they have time to grieve without immediate financial pressure?

The goal isn't replacing a life.

It's reducing financial stress during an already difficult time.

LIFE INSURANCE PAYS A LUMP SUM WHEN YOU PASS AWAY, WHICH IS OFTEN USED TO CLEAR LARGE DEBT LIKE A MORTGAGE

6. THINK ABOUT TRAUMA AND DISABILITY COVER

Serious illnesses don't only affect older people.

Conditions such as cancer, stroke and heart disease can affect young parents too.

Treatment, time off work and recovery often come with significant costs.

Having appropriate protection can give you options - whether that's taking more time off work, paying for additional support, or reducing financial pressure while you recover.

TRAUMA INSURANCE PAYS A LUMP SUM IF YOU'RE DIAGNOSED WITH A SERIOUS ILLNESS, LIKE CANCER

7. MAKE OR UPDATE YOUR WILL

Having children is one of the biggest reasons people finally get around to writing a will.

Without one, decisions about your estate may not happen the way you intended.

Think about:

- Who would care for your children?
- Who would manage any money left for them?
- Are your wishes clearly documented?

It's one of the most important documents you'll ever sign.

8. START INVESTING EARLY – EVEN SMALL AMOUNTS MATTER

Many parents want to save for future education, a first home, or simply to give their child more options later in life.

The biggest advantage isn't necessarily investing large amounts.

It's starting early.

Time is often more powerful than the amount invested.*

TIMEFRAME AND FUND CHOICE ARE THE TWO BIGGEST FACTORS IN INVESTING. FOR EXAMPLE:

INVESTING $20 PER WEEK FOR YOUR CHILD INTO A HIGH GROWTH FUND, AT A 10% PER ANNUM RETURN, WOULD GIVE THEM ALMOST $70,000 AT AGE 21.

LEAVE THAT SAME $70,000 IN THE SAME FUND, WITHOUT CONTRIBUTING ANYTHING ELSE UNTIL YOUR CHILD IS AGE 65 - THAT'S NOW OVER $4.5 MILLION

**Investment returns are not guaranteed. The value of investments can go up and down, and future returns may differ from historical averages.*

9. REVIEW YOUR MORTGAGE

Interest rates change.

Banks change.

Your circumstances change.

Before baby arrives, it's worth asking:

- Could your repayments be reduced?
- Are you on the most suitable loan structure?
- Should you fix, split or refix differently?

Even a modest reduction in repayments can make family finances much easier.

10. CHECK YOUR WORKPLACE BENEFITS

Many parents don't realise they may already have:

- sick leave
- employer-paid life insurance
- income protection
- parental leave top-ups
- counselling services

Knowing what you already have helps avoid paying for cover you don't need.

11. DON'T WAIT UNTIL SOMETHING HAPPENS

The most common sentence I hear is:

"We've been meaning to sort this out."

Life gets busy, especially with a newborn.

The best financial decisions are usually made before they're urgently needed.

YOUR FAMILY FINANCIAL CHECKLIST

- ◯ We know what our income will look like after baby arrives.
- ◯ We have an emergency fund.
- ◯ We've reviewed our KiwiSaver.
- ◯ We've checked our insurance.
- ◯ We have (or are updating) our wills.
- ◯ We've reviewed our mortgage.
- ◯ We've started thinking about long-term investing.

NEED A SECOND OPINION?

Whether you're expecting your first baby or adding another little one to the family, it's worth checking that your financial protection still matches your new responsibilities.

At Daly Advice, I help Kiwi families understand:

- Life Insurance
- Income & Mortgage Protection
- Trauma Cover
- Health Insurance
- KiwiSaver
- Investment planning

You don't need to make every financial decision before your baby arrives, but you should know if there are any gaps. If you'd like a second opinion, in just 15 minutes we'll help you answer questions like:

✓ Is our family financially protected?
✓ Do we have enough insurance?
✓ Are we paying for cover we don't need?
✓ Is our KiwiSaver working as hard as it should?

There's no cost and no obligation.If everything is already set up well, I'll happily tell you that. If there are opportunities to improve things, you'll know exactly what they are.

WHY DALY ADVICE?

I’m David Lynch - a financial adviser helping individuals, couples, and families protect what matters most and plan confidently for the future.

Originally from Ireland, I’ve built my business here in New Zealand with one simple goal: giving everyday Kiwis honest, straightforward advice without the confusing jargon.

Every week I speak with parents who thought they had *"sorted their insurance"*, only to discover gaps they never knew existed.

My job isn't to sell products.

It's to make sure families understand their options and can make informed decisions with confidence.

Starting a family changes almost every part of life.

Your finances should change too.

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