



# The Choosi Cost of Kids Report

February  
2023

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# About the report

*The Choosi Cost of Kids Report 2022* forms part of the Choosi Research Series. In its latest instalment, this study explores the costs of starting a family and raising children in Australia, and the impact that COVID-19 had on the experience of raising children.

The report is compiled based on research commissioned by Choosi and conducted by CoreData between 21 September and 5 October 2022. The research was conducted via a quantitative online survey, gathering 1,210 responses from **Australian parents with children 19 years or younger AND couples who intend to have children.**

The sample is representative of Australian parents and couples who intend to have kids in terms of the cost of raising kids, expectations, and surprises across age, gender, wealth, and state/territory.

## Important things to observe about the charts and figures

- Charts without a specific note represent questions that were asked to all respondents.
- Footnotes directly underneath the charts may refer to one or more of the following below dependent on the data presented. If more than one note is required, it would appear as a bulleted list.
  - Subset of the total sample size as certain questions would only be asked to specific respondents (e.g. n = 953, parents with kids under 19).
  - Types of questions asked, for instance Multiple answers allowed appears when the question called for more than one answer from the respondent.
  - Data has been excluded from analysis (e.g. The option 'Not applicable' has been excluded from analysis; Outliers and zeroes removed from analysis)
  - Expanded explanation for figures that require additional calculations involving external publicly available data.
- Some charts and figures may not be equal to 100% due to rounding differences. This is also true for summed up figures.
- For annual Australia-wide figures, the number of children aged under 19 years was taken from latest ABS data or the Number of Households with dependents across Australia and multiplied by the relevant sample size proportions as well as the relevant averages from the CoreData survey. Note that survey responses are self-reported estimates, outliers and zeroes have been removed.

**Key  
findings**



# Key findings

## Gifts for children cost parents, and Australia a lot

- Babymoos reportedly cost \$1,986 per child annually, costing \$80m annually Australia-wide.
- Baby showers are estimated to cost \$591 per child annually, costing \$78.8m annually Australia-wide.
- Gifts for a child's birthday cost parents on average \$233 annually, costing \$1.3b annually Australia-wide.
- Parties for a child cost parents on average \$320 annually, costing \$1.8b annually Australia-wide.
- Gifts for a child's friends birthday cost parents on average \$67 annually, costing \$368m annually Australia-wide.
- Gifts for festive seasons cost parents on average \$582 per child annually, costing \$3.3b annually Australia-wide.
- Weekly allowances for children are on average \$21, costing parents \$1,100 annually, and costing \$4.2b annually Australia-wide.
- The annual cost per household of toys and games are \$423 annually, costing an estimated \$1.2b annually Australia-wide.
- Computers, phones and technology devices cost households on average \$765 per year, costing an estimated \$1.8b annually Australia-wide.
- Sporting and exercising activities cost households \$875 per year and costing \$2.3b annually Australia-wide.
- Extracurricular learning classes or academic tutoring costs households \$779 per year, costing \$1.5b annually Australia-wide.

## Childcare is the most expensive and underestimated cost of having children

- The most expensive costs of starting to have children are childcare (59%), nappies and hygiene (54%), and food and groceries (47%). The expected costs that were the most underestimated were childcare (38%), education (36%), and food and groceries (35%).

## Cost of kids growing is unexpected for many parents

- The greatest unexpected costs of starting a family and raising children are growing out of clothes and footwear so quickly (34%), lost income, career momentum and potential (29%), and lessons, tutoring, school trips and other extracurriculars (27%).

# Key findings

## Children are a full-time job

- Parents estimate they spend 35 hours per week on average taking care of their children, totalling an average of 1,822 hours per year, and 6 billion hours annually Australia-wide.
- Nearly 3 in 5 (56%) have had to reduce their working hours or seek more flexible working arrangements because of having children, and over 2 in 5 (41%) have had to look for different types of jobs.
- 2 in 3 (66%) working parents purposely put their career on hold temporarily when they had children. Of these, more than 4 in 10 (44%) have had regrets about making their career less of a priority for a period when they had children.
- Just over half (52%) of parents feel that they themselves do more unpaid domestic duties than their partner to take care of their children. Close to 7 in 10 (69%) parents living with their partner feel that having children has put at least a mild strain on their relationship with their partner.
- Around 1 in 4 (24%) parents who are single/divorced/widowed feel that having children has had a mix of positive and negative impacts on their ability

## Healthy kids are expensive kids

- Just over 1 in 2 (54%) parents have incurred significant additional unexpected costs from hospital or specialist visits for their children.
- Half (50%) of parents feel significant pressure to be able to afford the health care needs of their children.
- Parents feel the greatest out of pocket healthcare expense they face for their children are dental and orthodontic care (28%), private health insurance (18%), and other special needs (11%).
- Parents typically pay for the greatest out of pocket healthcare expenses for their children by using their savings (67%), credit card (30%), and borrowing money from family or friends (10%).
- Over 2 in 5 (44%) parents wanting more children or couples planning on starting a family will purchase or increase their life insurance policy cover.

# Key findings

## Parents are willing to sacrifice to raise children

- In order to raise children, couples planning on having children are willing to sacrifice their current lifestyle (53%), discretionary income to buy the things they 'want' (53%), and preferred holidays/travel routines (49%).
- In order to raise more children, parents already with children are willing to sacrifice their current lifestyle (46%), discretionary income to buy the things they 'want' (41%), and preferred holidays/travel routines (40%).

## Having savings is key before having kids

- Couples planning on having children feel the key things they need before starting are sufficient money saved (79%), secure employment (70%), and to own a home (60%).
- Parents who are planning on having more children said the key things needed are sufficient money saved (61%), secure employment (47%), and more certainty about the future (43%).
- Just over 3 in 5 (63%) couples planning on having kids expect to receive at least some financial support from their family.
- Just over 2 in 5 (42%) parents actually received financial family support when they started a family.
- Just over 1 in 2 (53%) couples planning to have children think there is a set household income they should reach before having children, compared to 2 in 5 (40%) parents.

- Couples planning on having children think they should have \$31,462 on average saved before having children, compared to parents who responded \$25,541 on average.
- More than 4 in 10 (45%) parents believe they need to reach a household income of more than \$100k before having children.
- Nearly 7 in 10 (68%) couples planning on having children believe you need more than \$100k in household income.
- Around 1 in 10 (9%) consulted a financial expert before starting to have children.
- Almost 2 in 5 (39%) parents have already set up a will or family trust to secure their children's financial situation should anything happen to them.
- Just over 1 in 4 (26%) have purchased or increased their life insurance policy cover when starting a family.

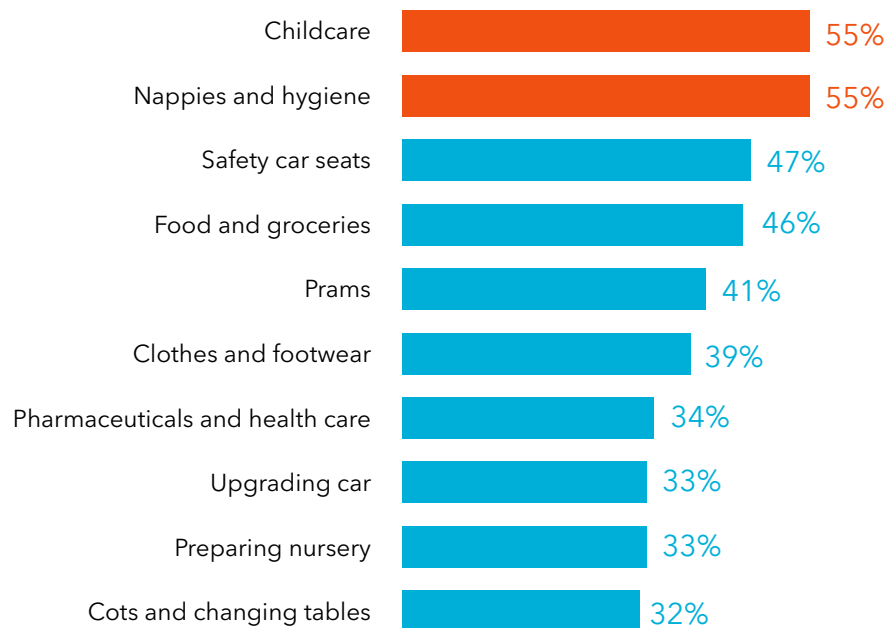
**Cost of kids  
sticker shock**





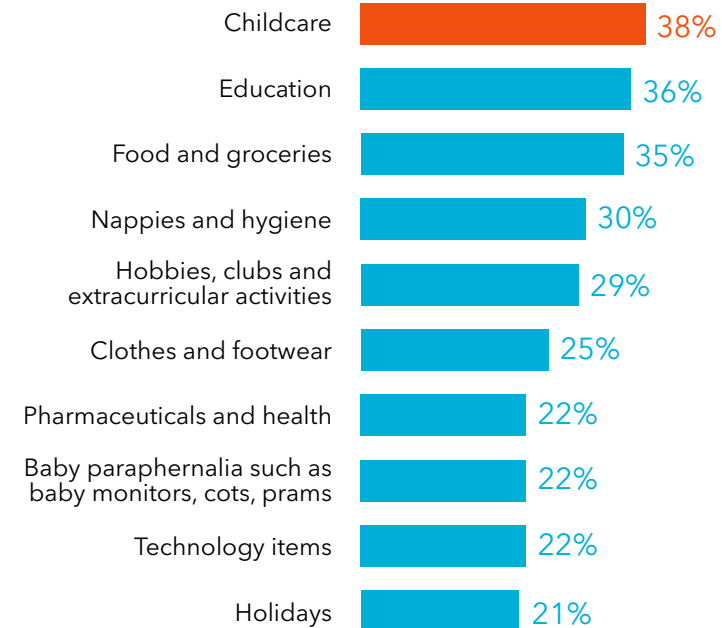
# Most expensive/underestimated costs of children

## What do you think are the most expensive costs of starting to have children?



- n = 953, Parents with kids under 19
- Multiple answers allowed, top 10 answers

## Which of the following 'expected' costs of having children did you underestimate before starting a family?



- n = 953, Parents with kids under 19
- Multiple answers allowed, top 10 answers

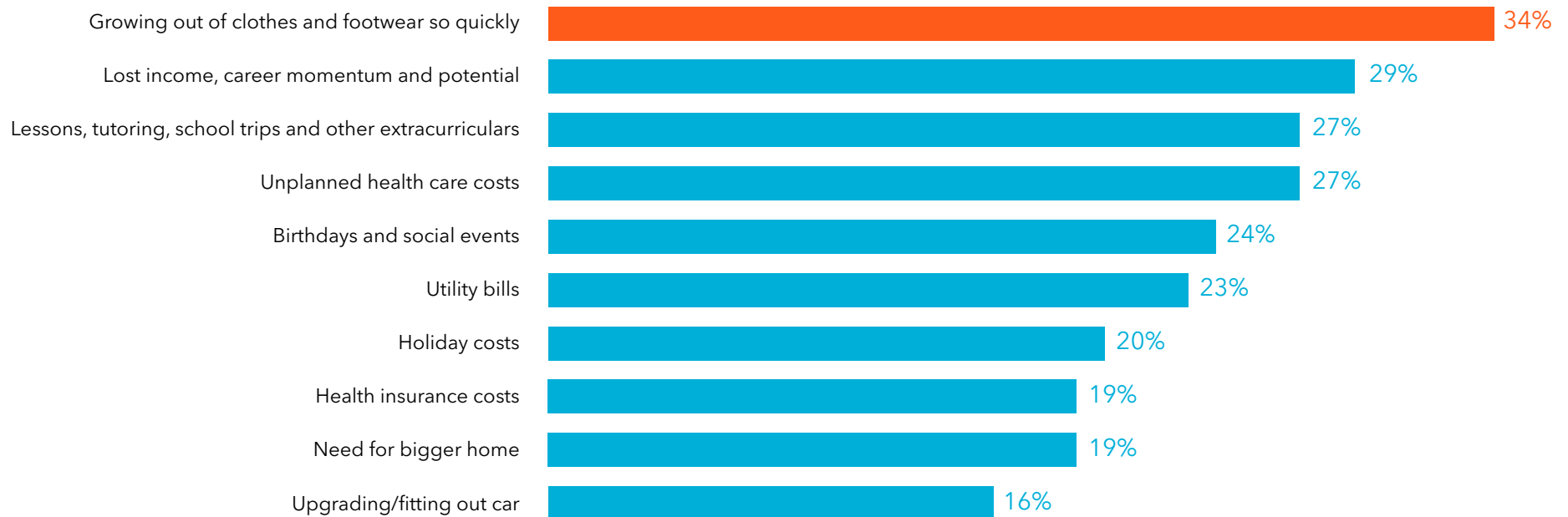
The most expensive costs of starting to have children are childcare (55%), nappies and hygiene (55%), and safety car seats (47%). The expected costs that were the most underestimated were childcare (38%), education (36%), and food and groceries (35%).

**The  
unexpected  
cost of kids**



# Greatest unexpected costs

What have been the greatest unexpected costs you have had starting a family and raising children?





- *n = 953, Parents with kids under 19*
- *Multiple answers allowed, top 10 answers*

The greatest unexpected costs of starting a family and raising children are growing out of clothes and footwear so quickly (34%), lost income, career momentum and potential (29%), and lessons, tutoring, school trips and other extracurriculars (27%).

**The cost  
of kids is  
adding up**







# Cost of babymoon and baby shower

Cost of babymoon and baby shower	Annual average per child	Annual average Australia-wide
 <p data-bbox="394 563 584 603">Babymoon</p> <p data-bbox="147 687 595 735"><i>n = 115, parents with kids under 19 who had a babymoon</i></p>	<p data-bbox="1066 563 1173 603">\$1,986</p>	<p data-bbox="1715 563 1917 603">\$80,035,819</p>
 <p data-bbox="383 874 600 914">Baby shower</p> <p data-bbox="147 1007 674 1054"><i>n = 332, parents with kids under 19 who already had a baby shower when they had their child/ren</i></p>	<p data-bbox="1077 874 1162 914">\$591</p>	<p data-bbox="1715 874 1917 914">\$78,845,130</p>

*For Australia-wide figures per child, the number of children aged under 19 years that were thrown a baby shower, or whose parents went on a babymoon, was derived from latest ABS data and the relevant percentage of parents who had a babymoon and/or baby shower. This figure was then multiplied by the relevant averages from the CoreData survey. Note that survey responses are self-reported estimates, outliers and zeroes have been removed.*

Babymoons reportedly cost \$1,986 per child, costing \$80m annually Australia-wide. Baby showers are estimated to cost \$591 per child, costing \$78.8m annually Australia-wide.

# Costs of gifts and parties

Cost of birthdays and celebrations	Annual average per child	Annual average Australia-wide
 <p>Gifts for birthday</p> <p><i>n = 927, parents with kids under 19</i></p>	\$233	\$1,343,678,866
 <p>Party for birthday</p> <p><i>n = 891, parents with kids under 19</i></p>	\$320	\$1,777,528,829
 <p>Single friend's birthday event</p> <p><i>n = 884, parents with kids under 19</i></p>	\$67	\$367,516,449
 <p>Gifts for festive seasons</p> <p><i>n = 911, parents with kids under 19</i></p>	\$582	\$3,301,274,495

For Australia-wide figures per household, the number of households with dependents was taken from latest ABS data and multiplied by the relevant percentage of parents who spend money on various things and activities for their children as well as the relevant averages from the CoreData survey. Note that survey responses are self-reported estimates, outliers and zeroes have been removed.

Gifts for a child's birthday cost parents on average \$233, costing \$1.3b annually Australia-wide. Parties for a child cost parents on average \$320, costing \$1.8b annually Australia-wide. Gifts for a child's friends birthday cost parents on average \$67, costing \$368m annually Australia-wide. Gifts for festive seasons cost parents on average \$582 per child, costing \$3.3b annually Australia-wide.

# Children's allowance

## Pocket money for children

Average weekly allowance



\$21

Annual average per child



\$1,100

Annual average Australia-wide







\$4,244,954,967

- $n = 617$ , parents with kids under 19
- For Australia-wide figures per child, the number of children aged under 19 years was taken from latest ABS data and multiplied by the relevant percentage of parents who give their children a weekly allowance as well the relevant averages from the CoreData survey. Note that survey responses are self-reported estimates, outliers and zeroes have been removed.

Weekly allowances for children are on average \$21, costing parents \$1,100 annually, and costing \$4.2b annually Australia-wide.

# Cost of toys, tech, sports and extracurricular activities

Cost of toys, tech, sports and extracurricular activities	Annual average per household	Annual average Australia-wide
 <p>Toys and games</p> <p><i>n = 799, parents with kids under 19</i></p>	\$423	\$1,176,853,738
 <p>Computers, phones and technology devices</p> <p><i>n = 676, parents with kids under 19</i></p>	\$765	\$1,801,234,699
 <p>Sporting and exercising activities</p> <p><i>n = 763, parents with kids under 19</i></p>	\$875	\$2,324,442,883
 <p>Extracurricular learning classes or academic tutoring</p> <p><i>n = 542, parents with kids under 19</i></p>	\$779	\$1,469,983,589

For Australia-wide figures per household, the number of households with dependents was taken from latest ABS data and multiplied by the relevant percentage of parents who spend money on various things and activities for their children as well as the relevant averages from the CoreData survey. Note that survey responses are self-reported estimates, outliers and zeroes have been removed.

The annual cost per household of toys and games are \$423, with spending Australia-wide estimated to be \$1.2b. Computers, phones and technology devices cost households on average \$765 per year with Australia-wide spending estimated to be \$1.8b. Sporting and exercising activities cost households \$875 per year and cost \$2.3b annually Australia-wide. Extracurricular learning classes or academic tutoring costs households \$779 per year, costing \$1.5b annually Australia-wide.



**The hidden  
cost of kids**



# Taking care of children is a full time job

## Time spent taking care of children

Weekly average



35 hours

Annual average



1,821.8 hours

Annual average Australia-wide



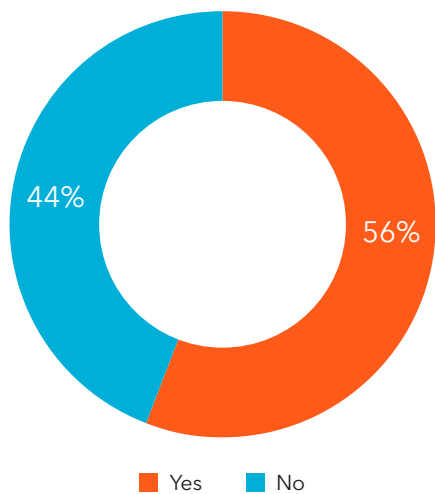
6,044,279,374 hours

- *n = 874, parents with kids under 19*
- *For Australia-wide figures per household, the number of households with dependents was taken from latest ABS data and multiplied by the relevant averages from the CoreData survey. Note that survey responses are self-reported estimates, outliers and zeroes have been removed.*

Parents estimate that they spend around 35 hours per week on average taking care of their children, this comes to an average of 1,821.8 hours per year, and 6 billion hours Australia-wide per year.

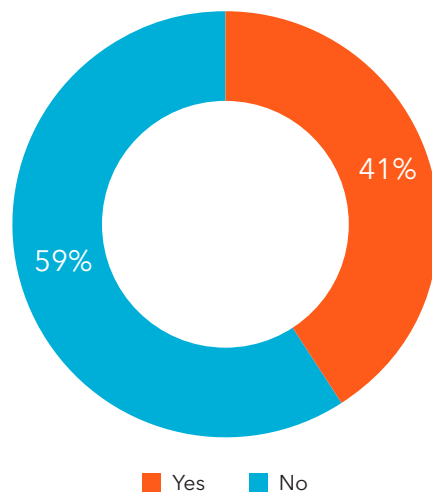
# Adjusting work for children

Have you ever had to reduce your working hours or seek more flexible working arrangements because of having children?



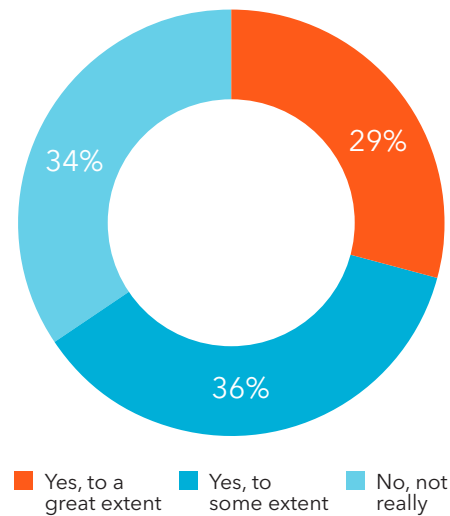
n = 713, working parents

Have you ever had to look for different types of jobs because of having children?



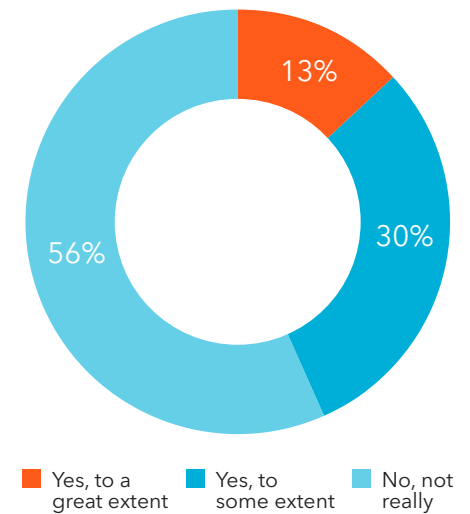
n = 713, working parents

Did you ever purposefully put your career on a back burner for a period (i.e. make it less of a priority when you had children)?



n = 713, working parents

Do you have any regrets about making your career less of a priority for a period when you had children?

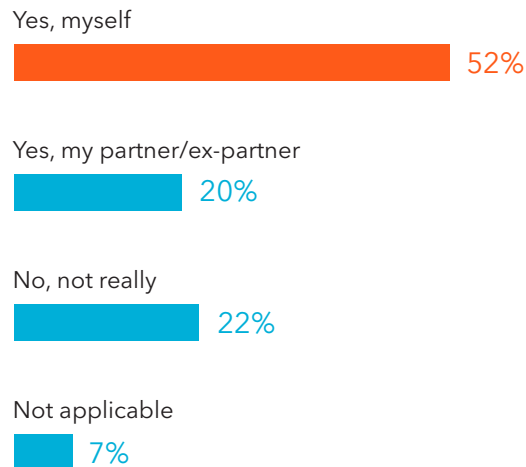


n = 468, working parents who purposefully put their career on a back burner

Just over half (56%) have had to reduce their working hours or seek more flexible working arrangements because of having children, and over 2 in 5 (41%) have had to look for different types of jobs because of having children. 2 in 3 (66%) purposely put their career on a back burner for a period when they had children. Of these, more than 4 in 10 (44%) have had regrets about making their career less of a priority for a period when they had children.

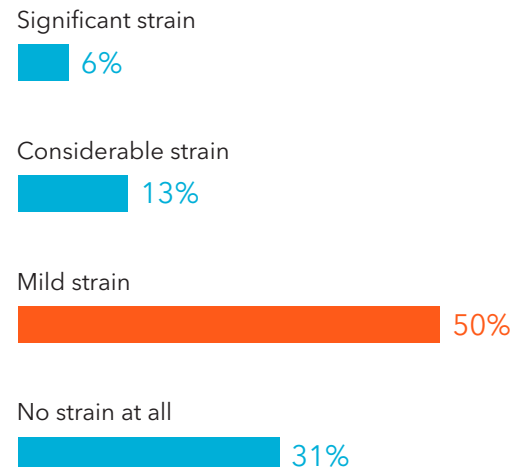
# Relationship dynamics affected by children

Does one parent carry out more unpaid domestic duties than the other to take care of your children?



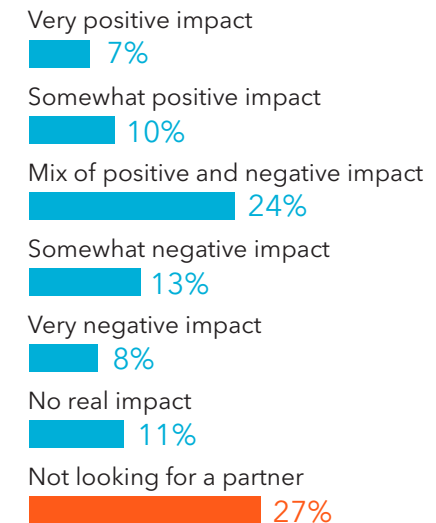
n = 953, parents with kids under 19

Do you feel having children has put any strain on your relationship with your partner (e.g. spending less time together, arguing more, etc.)?



n = 780, parents with kids under 19 and married/living with partner

Do you feel having children has had any positive or negative impacts on your ability to find a suitable partner?



n = 173, parents with kids under 19 and single/divorced/widowed

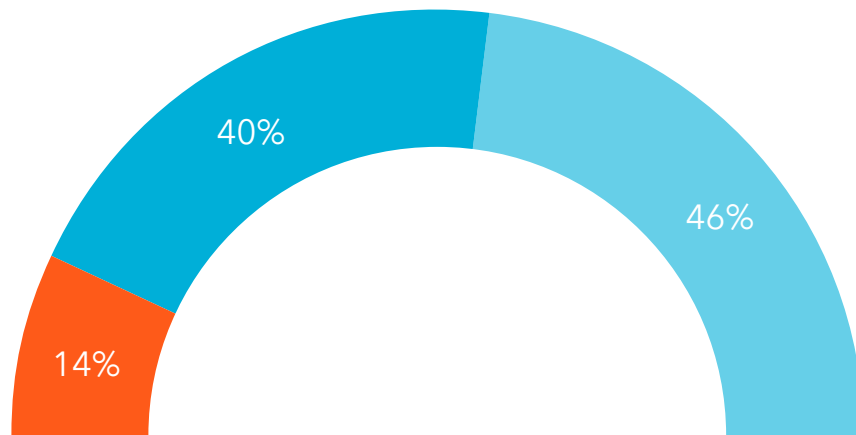
Just over half (52%) of parents feel they themselves do more unpaid domestic duties than their partner to take care of their children. Close to 7 in 10 (69%) parents living with their partner feel that having children has put at least a mild strain on their relationship with their partner. Around 1 in 4 (24%) parents who are single/divorced/widowed feel having children has had a mix of positive and negative impacts on their ability to find a suitable partner.

**The cost of  
healthy kids**



# Pressure of healthcare costs

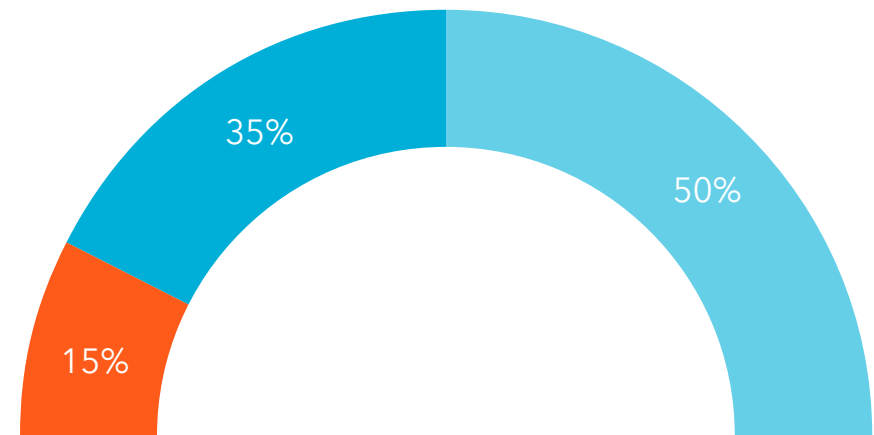
Have you ever incurred any significant additional unexpected costs from hospital or specialist visits for your children?



■ Yes, to a great extent   ■ Yes, to some extent   ■ No, not really

*n = 953, Parents with kids under 19*

Have you ever felt under significant pressure to be able to afford the health care needs of your child(ren)?



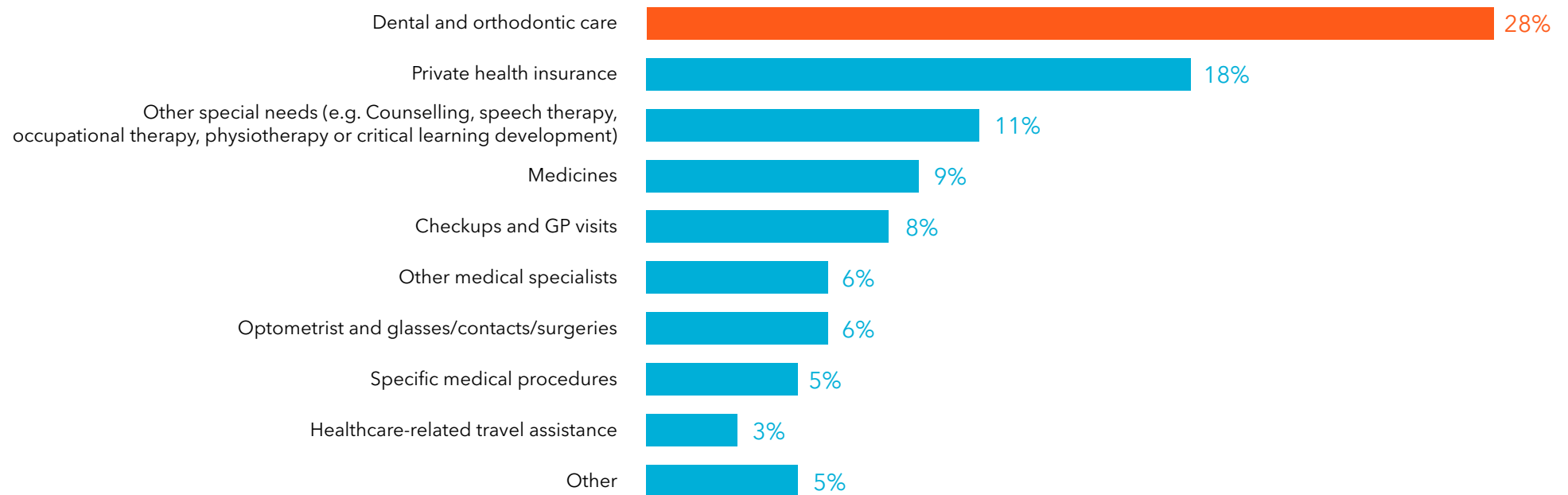
■ Yes, to a great extent   ■ Yes, to some extent   ■ No, not really

*n = 953, Parents with kids under 19*

Just over 1 in 2 (54%) parents have incurred significant additional unexpected costs from hospital or specialist visits for their children. Around 1 in 2 (50%) feel significant pressure to be able to afford the health care needs of their children.

# Dental is the greatest out of pocket healthcare expense

What do you feel is the greatest out of pocket healthcare expense you have faced for your children?

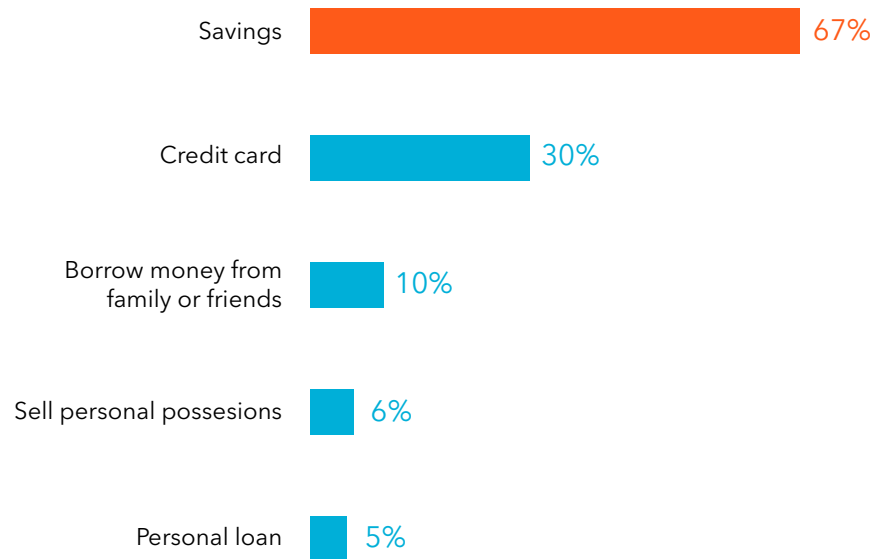


- n = 953, parents with kids under 19
- Multiple answers allowed

Parents feel the greatest out of pocket healthcare expense they face for their children are dental and orthodontic care (28%), private health insurance (18%), and other special needs (11%).

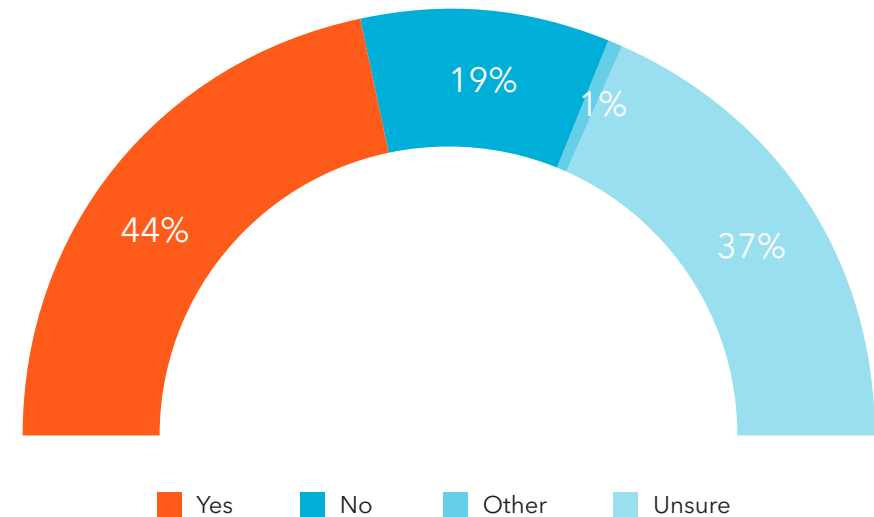
# Paying out of pocket and life insurance policies

How do you typically pay for the greatest out of pocket healthcare expenses you face for your children?



n = 953, parents with kids under 19

Will you purchase or increase your life insurance policy cover when starting a family or having more children?



n = 534, couples and parents who are planning to have any/more children

Parents typically pay for the greatest out of pocket healthcare expenses for their children by using their savings (67%), credit card (30%), and borrowing money from family or friends (10%). Over 4 in 10 (44%) parents wanting more children or couples planning on starting a family will purchase or increase their life insurance policy cover.

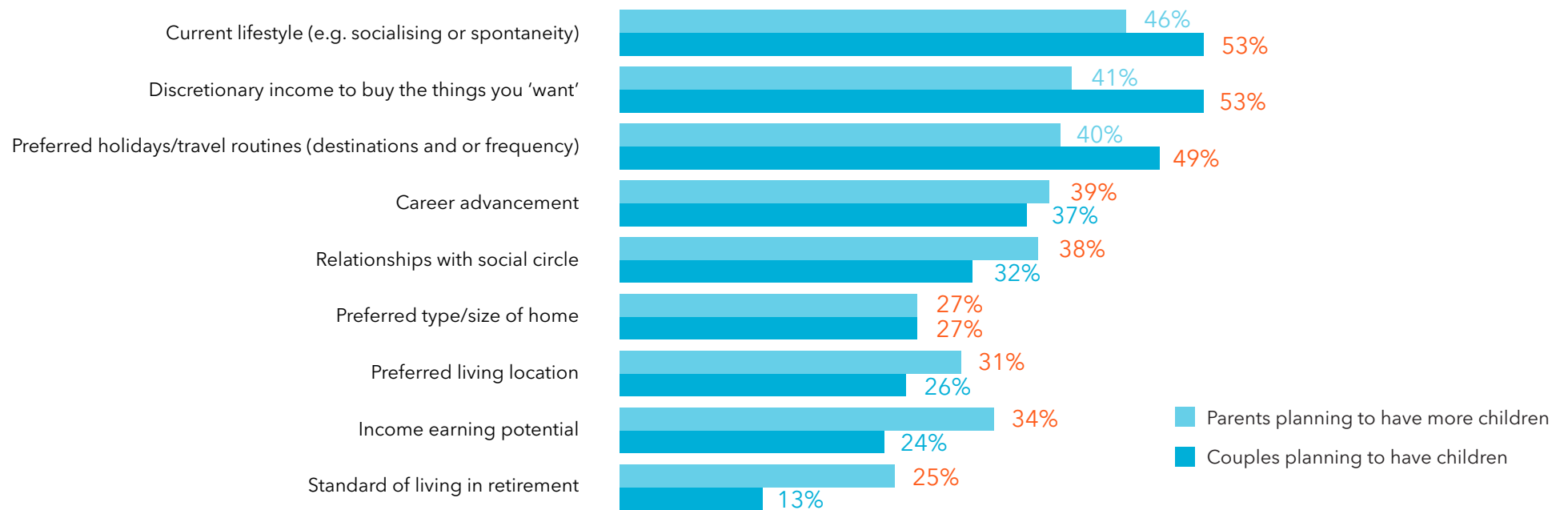


**Sacrifices to  
afford raising  
children**



# Sacrificing to raise children

Which of the following would you be willing to sacrifice in order to raise children?



- n = 279, parents planning to have more kids
- n = 257, couples planning on having kids
- Multiple answers allowed

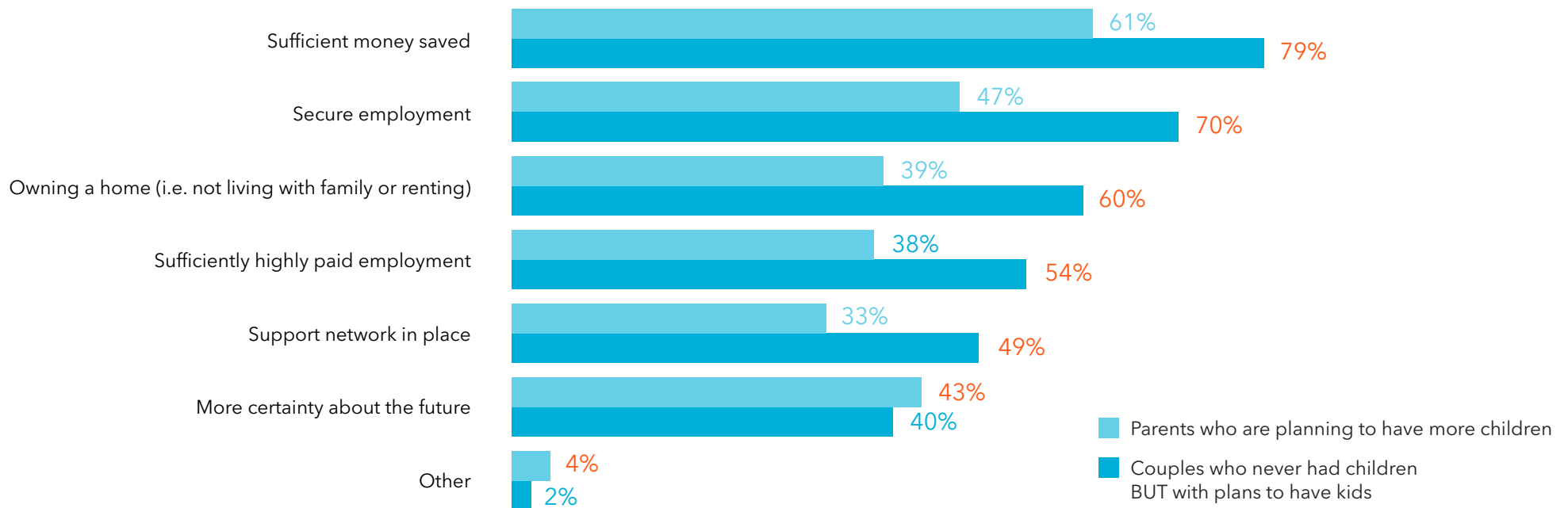
In order to raise children, couples planning on having children are willing to sacrifice their current lifestyle (53%), discretionary income to buy the things they 'want' (53%), and preferred holidays/travel routines (49%). In order to raise more children, parents already with children are willing to sacrifice their current lifestyle (46%), discretionary income to buy the things they 'want' (41%), and preferred holidays/travel routines (40%).

**Financing the  
cost of kids**



# Need sufficient money before having children

What are the key things you feel you need to have before you start having children?

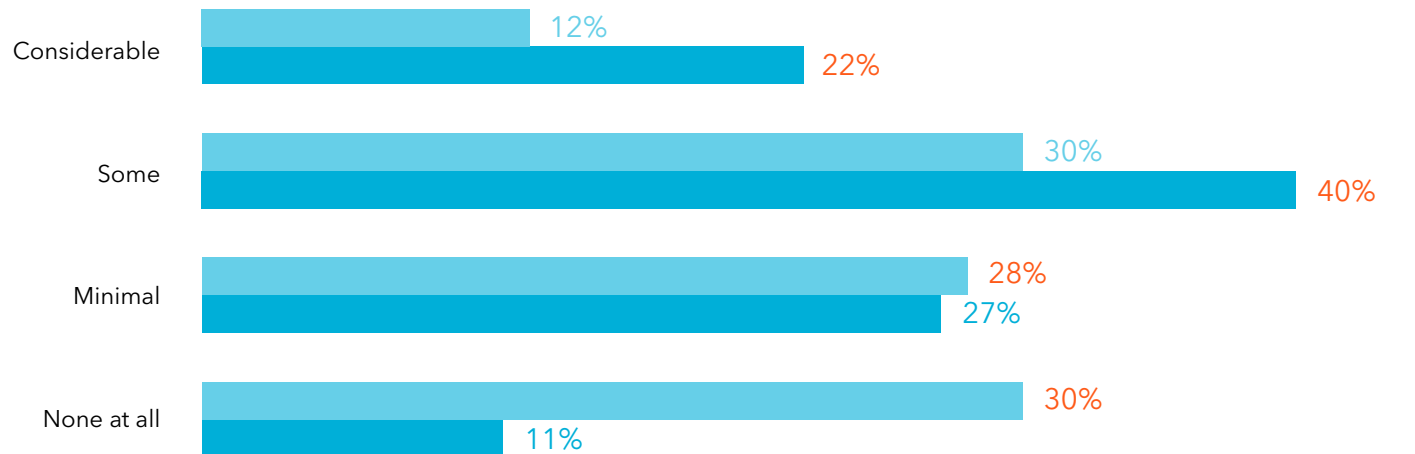


- *n* = 279, parents planning to have more kids
- *n* = 257, couples planning on having kids
- Multiple answers allowed

Couples planning on having children feel the key things they need before starting are sufficient money saved (79%), secure employment (70%), and to own a home (60%). Compared to parents who are planning on having more children; sufficient money saved (61%), secure employment (47%), and more certainty about the future (43%).

# Financial family support

How much financial support did you receive/expect to have when you start(ed) a family?



- How much financial family support did you receive when you started a family (e.g. purchasing things, education, emergencies)?
- How much financial family support do you expect to have when you start a family (e.g. purchasing things, education, emergencies)?

- n = 953, parents with kids under 19
- n = 257, couples planning on having kids

Over 3 in 5 (63%) couples planning on having kids expect to receive at least some financial support from their family. Only around 2 in 5 (42%) parents actually received financial family support when they started a family.

# Income needed before having children

Is there a set household income you think you should reach before starting to have children?

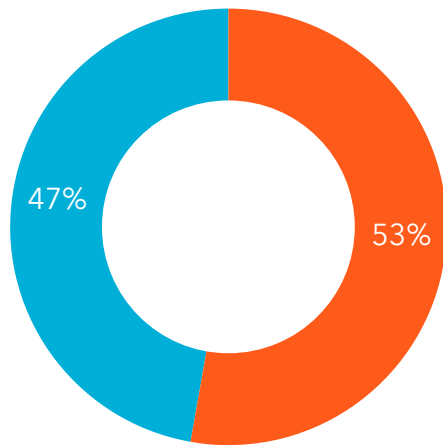
How much money do you think you should have saved BEFORE starting to have children?

Couples planning on having children

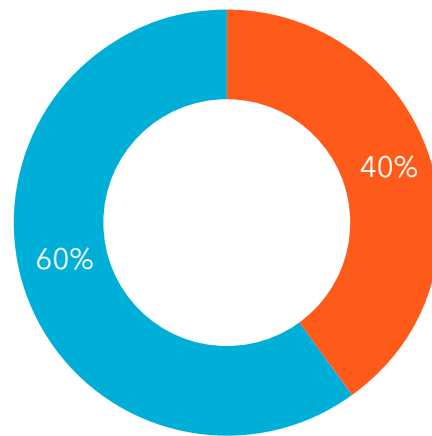
Parents

Couples planning on having children

Parents



Yes No



Yes No



\$32,910



\$30,400

*n = 257, couples planning on having kids ; outliers n = 953, parents with kids under 19*

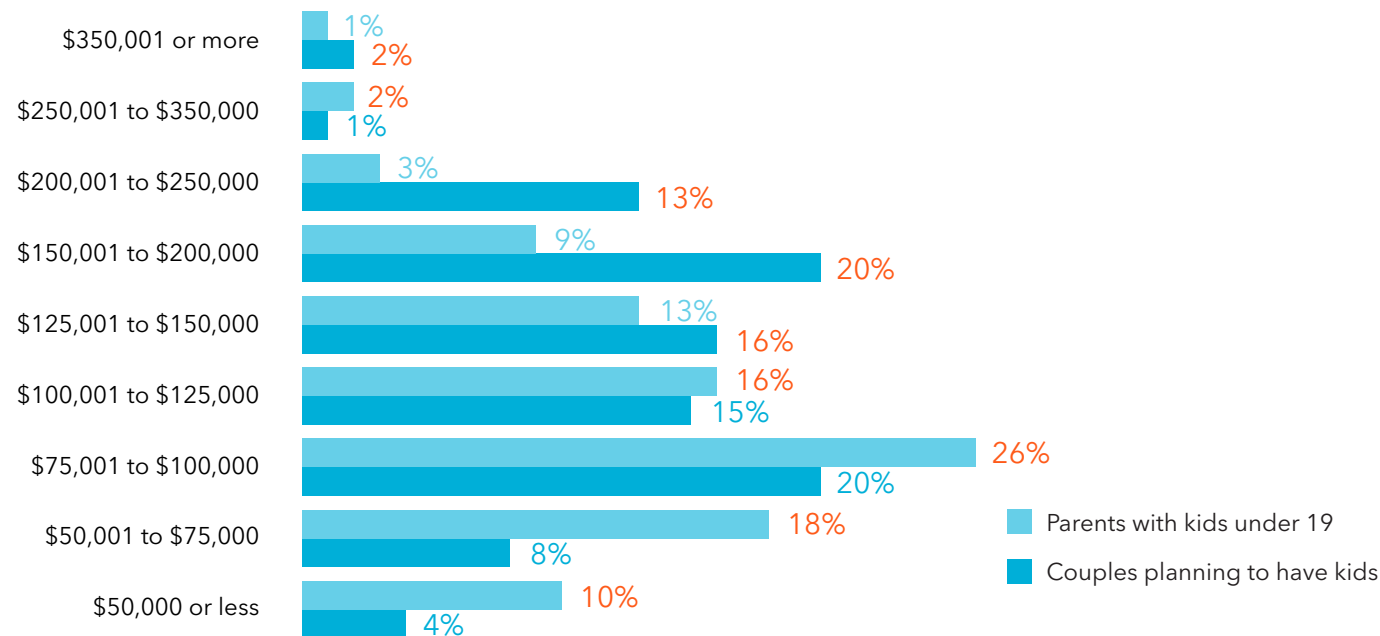
*n = 239, couples planning on having kids; outliers and zeroes removed during analysis*

*n = 778, parents with kids under 19; outliers and zeroes removed during analysis*

Just over 1 in 2 (53%) couples planning to have children think there is a set household income they should reach before having children, compared to parents at 40%. On average, couples planning on having children think that they should have \$32,910 saved before having children, compared to parents who responded \$30,400 on average.

# Household income before having children

What level of household income (including all wages, salaries, pensions and other income, before tax) do you want to reach (or have reached) before starting to have children?

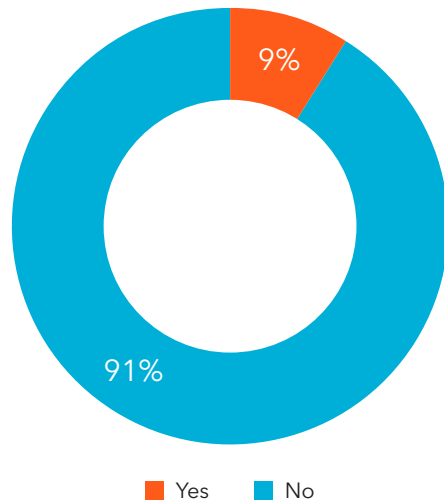


- n=379, parents with kids under 19 who believe there is set household income needed before having children
- n=137, couples planning to have kids that believe there is set household income needed before having children

Over 4 in 10 (45%) parents believe that they need to reach a household income of more than \$100k before having children. Nearly 7 in 10 (68%) couples planning on having children believe you need more than \$100k in household income.

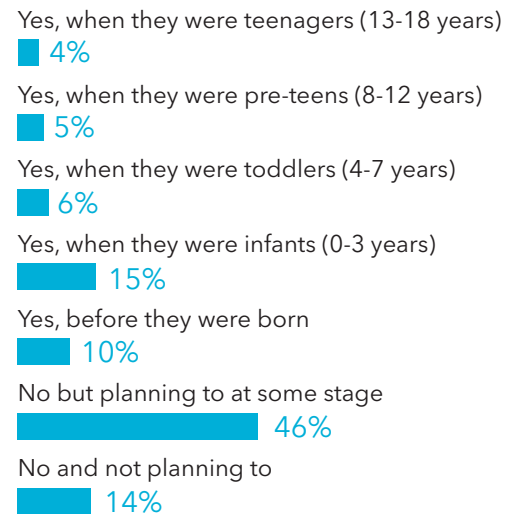
# Managing financial situation

Did you consult a professional financial expert before starting to have children (e.g. financial adviser, accountant, broker, financial counsellor)?



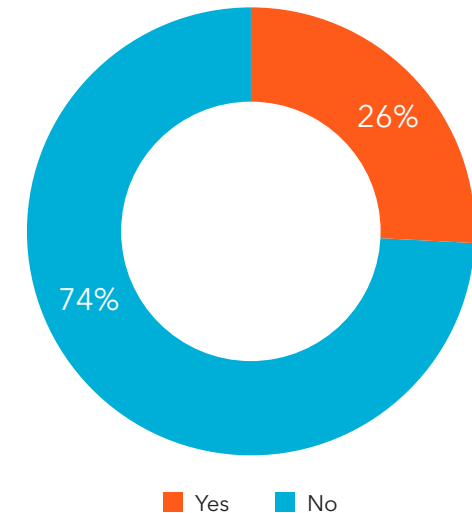
n = 953, parents with kids under 19

Have you set up a will or family trust to secure your child(ren)'s financial situation if anything should happen to you?



n = 953, parents with kids under 19

Did you ever purchase or increase your life insurance policy cover in the past when starting a family or having more children?



n = 953, parents with kids under 19

Around 1 in 10 (9%) parents consulted a financial expert before starting to have children. Almost 2 in 5 (39%) have already set up a will or family trust to secure their children's financial situation should anything happen to them. Over 1 in 4 (26%) have purchased or increased their life insurance policy cover when starting a family.



# More research from Choosi coming soon...

## About Choosi

Choosi provides information to help customers compare, choose and apply for a range of insurance products online and over the phone. Choosi's free comparison service lets you compare the benefits and prices of a range of popular insurance products, so you can confidently choose cover that suits your needs, your budget and lifestyle.

Any advice or information provided in this document is general only and doesn't take into account your personal objectives, financial situation or needs.

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