



INTEGRATED WEALTH MANAGEMENT

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Child Care

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What types of child care are available?

Child care, like a car, comes in a variety of models. You can choose among a variety of child-care situations, depending on your needs and the needs of your child. Although more expensive arrangements often mean that your child is at home in the care of a single, dedicated adult, research studies show that quality is not necessarily directly related to cost. In other words, you'll pay more for a nanny or an au pair to watch your child in your home, but there are many good alternatives that don't require a second mortgage on your home. If you want to put your child in family day care in someone else's home, you may pay somewhat less than you'd pay a nanny and may get equally good care. When children need a structured program, parents often turn to child-care centers run by private companies, community groups, or employers. Finally, for the parent who has flexible hours and a child eager to be in school just like his big sister, preschools and nursery schools may be the answer.

The search for quality child care doesn't end when your child hits first grade, either. When your fourth-grader is too sick to go to class, needs after school coverage, and enjoys school holidays, you'll need a different type of child-care arrangement.

In-home child care

Although relatives sometimes provide child care, some parents turn to nannies or au pairs to care for their children at home. Either way, **in-home child care** means that the child stays in his own home and maintains his familiar schedule. You may contract with the nanny to do house cleaning, laundry, and even some chauffeuring. Au pairs--young people from other countries--come to the United States as part of a cultural exchange. Often, au pairs will provide the same services a nanny will, but without the same level of training. In addition to caring for your child no more than 45 hours a week, they may provide some household services. But, because of the restrictions on their visas, au pairs can stay only one year.

Family day-care providers

A **family day-care** provider cares for your child in his or her home and often cares for other children as well. In some parts of the country, family day care is a real bargain. Still, the services that caregivers provide vary, and you'll need to check on their hours of operation, their backup care, their flexibility if your child is sick or has an unexpected day off, and the safety and comfort of the kids in their care. If you're lucky, you may find a family day-care provider expert enough to teach your child to drink from a cup and to use the potty. To help the caregiver understand what, exactly, you are hiring him or her to do, it is important to write out your expectations and the financial arrangements.

Day-care centers

If you've ever had your day-care provider cancel at 6:30 A.M. on the morning of your big presentation, you know one of the best reasons to use a **day-care center**. No matter who runs it--a private company, a community group, or your employer--it's always there. Centers don't call in sick or take vacation days. Your child will learn to play with other toddlers his or her own age, and will probably be exposed to resources you might not be able to provide to your child, including music lessons, water play, and outdoor jungle gyms. However, because day-care centers care for large numbers of children, they may not provide a home-like setting. You'll need to make sure that the environment is a good fit for your child, and that the schedule and cost structure meet your needs.

Caution: *Day-care centers are usually state inspected and regulated, so a minimum level of safety is assured. However, you should investigate the quality of care in day-care centers as carefully as you would investigate other child-care alternatives, even if they are state-licensed and state-regulated, because care and policies can vary widely.*

Government-sponsored programs

The federal government recognizes the importance of quality child care by sponsoring developmental Head Start centers, which are targeted for preschool-age children from low-income families. The federal government also funds through block grants other day-care centers for low-income kids through the Child Care and Development Fund (CCDF). These, and other programs, are administered by the Department of Health and Human Services.

Tip: *If you don't qualify for these programs, a lower-cost alternative is to share sitters with another family, or find a cooperative*

situation in which you trade your time in return for child care during the hours that you work.

Preschool and nursery school programs

Preschool and nursery school programs offer limited-hour child-care opportunities for parents who don't need full-time day care. If your three- or four-year-old cries when his older brother climbs on the school bus, he may be happy going to his own "school." The cost per hour of preschool programs is often high, but some are sponsored by area high schools and colleges as a training laboratory for child-development students. Frequently, these programs have a higher teacher-to-student ratio and a well-integrated curriculum.

Sick-child/back-up/emergency care

The first time your child has a fever above 100 degrees and you have an important meeting scheduled, you may realize that you need to think of child-care solutions in the plural. What works for you one day may not work the next if your child or his or her nanny gets sick. You may decide to make a list of emergency sitters or look for agencies that furnish them. Some employers also offer access to sick-child or emergency care.

Choosing the right child-care situation

For most parents, the experience of arranging child care is practice for selecting a college when the child turns 18--equally daunting, challenging, and expensive. No child-care arrangement is right for all children. You'll need to consider your child's needs, your schedule, and your budget. In addition, although your child may be happier and better adjusted with a stable child-care arrangement, you may occasionally need to change caregivers. As your child grows older, your "ideal" child-care arrangement will be redefined.

Making an age-appropriate choice

While your child is an infant, you might feel most comfortable having him in a home environment, either in your own home or in the one owned by the child-care provider down the street.

Your first child-care arrangement is rarely your last, however, since your child's needs will change. When your son or daughter is toilet-trained, he or she may be ready for a day-care center setting. The teacher will encourage your child to share his or her toys, encourage good eating habits (such as eating his peas), and save his or her drawings for you. On the other hand, if you send your child to preschool or nursery school part-time, you'll still enjoy his or her drawings, but you'll retain the responsibility of teaching him or her to eat peas. When it's time for kindergarten, your child-care choices become more complex. You may need early morning and late afternoon care, as well as coverage for snow days, vacation days, sick days, and summer breaks. You'll need to arrange child care for every possible contingency, even when the public school is "caring" for your child.

How do you find quality care?

Approach your child-care search as systematically as you do when you buy your cars. Get referrals through friends, professional organizations, and groups, like the National Association of Child Care Resource and Referral Agencies (NACCRRA). Develop a list of potential child-care situations and study your choices. Screen providers or centers by phone. Visit and revisit the child-care situation, just like you'd repeatedly test-drive a car. Check references. Then make your decision and stay involved with your child-care provider. Remember that some child-care situations, like some cars, are very popular. If you don't want to sit on a waiting list until your child is in college, you may have to start your search months before you're ready to hire the provider.

How do you know that your child is receiving high-quality care?

Since your three-month-old daughter won't be able to tell you all the details of her day while you change her diaper, you won't know exactly what's going on every minute she's in child care. You'll have to watch for other signs of her well-being, and be careful to read them correctly. Drop into the child-care center or day-care home unexpectedly, and pay attention to your intuition. Once your child does start talking, her stories, her art work, and her eagerness to go to child care each day will give you information about how well the situation suits her.

How do you pay for child care?

Child care is often expensive. This doesn't mean, however, that child-care workers are overpaid. In fact, in many cases, child-care

workers are underpaid, considering the number of hours they work and the importance of what they do. Balancing out what parents can afford to pay with what day-care centers and providers need to earn is often difficult. Because the average cost of child care varies widely from region to region, and depends on the type of child-care arrangement you select, it's difficult to say how much unsubsidized child care will cost you.

Fortunately, some of this cost is picked up, indirectly, by tax credits such as the [earned income credit](#) and the [child and dependent care credit](#). Also, some employers have established [dependent care accounts](#) as one way to help pay for child care, while other companies may subsidize dependent care. If you make less than a certain amount, you may be eligible for government-subsidized day care as well.

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