

5 Financial Gifts to Add to Your Baby Registry

FAMILY FINANCES

Mar 12, 2019 | 4 Min Read | Beth Braverman



Key Takeaways

- Baby registries can serve as financial tools.
- New online registries allow for non-traditional gifts.
- Be clear with guests how money can be used.

Instead of requesting gifts for their daughter's second birthday party, Alli and Patrick Wittbold opened a 529 college savings account for her and invited family and friends to make contributions.

"We aren't really a new-and-shiny toy kind of family, but our families generously love to get her gifts," says Alli Wittbold, 30.

Wittbold, a blogger, says that she and her husband are planning to grow their family in the next year, and intend to set up a similar account for their future child as soon as possible.

"We plan to ask for contributions to their account right away, instead of any baby shower or newborn gifts, especially because we already have a lot of the baby gear from our first," says the Western Massachusetts resident.

The Wittbolds aren't the only ones seeing green when it comes to asking for gifts for an upcoming bundle of joy. Couples use baby registries to request gifts that they want and need, ensuring that they don't end up with three diaper pails or more newborn clothes than their baby can ever wear. For many of today's parents-to-be, registries also provide an avenue for financial gifts that help with the expense of expanding their family.

New online universal registries, such as [BabyList](#), [BlueprintRegistry](#), and [MyRegistry.com](#), allow you to register for gifts from any store (including brick-and-mortar shops) and to set up cash funds for any purpose you designate. You can have contributions go directly into your bank account or access them via third-party sites like PayPal.

In addition to knowing that their gifts will be put to good use, your friends and family also get to contribute the exact amount with which they're comfortable. Those who have their heart set on delivering you a physical gift can still do that, too.

Here are five areas where you can target your funds and give your guests a keen understanding of how their financial gifts will be used:



1. College contributions

Parents of today's newborns could need as much as a [half million dollars](#) to cover full freight at a private school. The sooner you can start saving for that expense the better, and money set aside now will have lots of time to grow and compound before junior starts applying to college.

How to register: Set up a college fund on a baby registry and then transfer the deposits into a 529 account, which will allow for tax-free growth and tax-free withdrawals as long as the money goes toward educational purposes.

2. A nursery fund

Setting up a nursery is one of the first expenses parents-to-be encounter. It can be shocking to find out how much it costs just to purchase the basics.

How to register: In addition to registry staples like the layette, furniture, and decorations, set up a fund to cover the other costs of setting up a nursery, such as window treatments, carpeting, and paint. Consider registering for gift cards to hardware stores for handyman services to help offset the costs.

3. Child-care help

A recent [Care.com](#) survey found that infant child care can cost an average of \$840 per month at daycare and more than \$2,000 per month for a nanny, with costs spiking much higher in some parts of the country.

How to register: Designate a fund specifically for covering childcare costs. Some babysitting search sites, such as [UrbanSitter](#) and [Bambino](#), offer gift cards that you can use to pay sitters hired through their site.

4. Time off

While some companies are starting to offer more generous parental leave policies, [fewer than 15% of workers](#) have access to paid family leave. Often, that means that you may need to return to work for financial reasons even if you're not emotionally or physically ready to leave your baby.

How to register: Add a fund that's dedicated to covering expenses while one parent (or both) is forgoing a paycheck to stay home with the baby. If you're having a baby shower at work, you might also consider asking coworkers to donate a day or two of paid time off to help supplement your leave. (Nearly a third of companies that offer paid vacation let their coworkers donate vacation days.)

5. Life insurance

One of the most important financial steps a couple can take when a baby comes along is purchasing life insurance for themselves. Purchasing life insurance for both parents, even if one isn't planning to return to work, is essential.

How to register: Create a life insurance premium fund on your registry that can offset the expense for at least the first year or two, although you'll be responsible for keeping up the premiums after that.

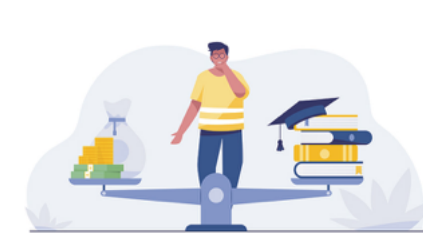
What you can do next

Keep your financial goals in mind when creating your baby registry, and consider whether it makes sense to include one or more of them on your wish list for friends and family. Before signing up with an online registry, carefully read through the terms to make sure you understand any fees (paid by either you or the gift giver) or restrictions.

Beth Braverman is a freelance writer covering personal finance, parenting, and careers. Her work has appeared in dozens of publications, including [Consumer Reports](#), [CNBC.com](#), and [CNNMoney.com](#). She lives with her family in Westchester County, N.Y.

1011312-00002-00

Trending



5 things to know before consolidating student loans

Jan 02, 2023 | 5 Min Read

If you have a large student loan balance and/or private student loans, combining them can help cut your costs.



5 tips to help you choose the best travel credit card

Nov 08, 2022 | 5 Min Read

While there are dozens of travel credit cards to choose from, no card offers every benefit. So, you have to focus on what matters most to you.

The following links will open in a new window

The Prudential Insurance Company of America 751 Broad St. Newark, NJ.

This material is for informational or educational purposes only. The information is not intended as a financial plan or investment advice and is not a recommendation about managing or investing your retirement savings. In providing these materials, the issuing companies and distributors listed above are not acting as your fiduciary as defined by any applicable laws and regulations.

Prudential Workplace Solutions Group Services, LLC ("PWSGS") provides access to a number of Financial Wellness products, services, seminars and tools offered by PWSGS, its affiliates or third parties. PWSGS is a subsidiary of Prudential Financial, Inc. PWSGS is not a licensed insurance company, does not provide insurance products or services and does not provide financial, investment or other advice. Individuals should consult appropriate professionals when making financial, investment and tax decisions. Access to Financial Wellness products, services, seminars and tools is not conditioned upon the purchase of insurance or retirement products or services from any Prudential company.

** Data Collection, Use and Disclosure

By exploring this site when you are logged in, Prudential may track your activity, including the number of articles read and tools accessed and your use of certain tools, and provide such information to your employer or plan sponsor or its agent so that your employer or plan sponsor may offer incentives or rewards for your Financial Wellness activity on this site. Specific rewards or incentives are determined by your employer or plan sponsor, and not all activity on this site may qualify you for an incentive or reward. If you choose to access and/or use Financial Wellness materials after logging out or without logging in your activity will not be tracked and reported for rewards purposes.

* Important Information about Third Party Resources

Access to third party products, services, seminars, and tools (collectively, "third party resources") referenced on this website is provided through PWSGS. Examples of third party resources may include, but are not limited to, tools that calculate future potential college costs, health care costs or Social Security payments. Operators of these third party resources are independent of and not subsidiaries or affiliates of Prudential. These third party resources are not part of any employee benefit plan and are provided through a voluntary, individually selected program that is not a group insurance or a retirement product.

We do not recommend or endorse any third party resources referenced on this website. Any such references are provided for general informational purposes only. We do not control and cannot guarantee the accuracy, completeness or usefulness of any of the third party resources referenced. We encourage you to adequately research any such products, services or resources before using.

When you select a link to a third party website, you are leaving this website and become subject to the privacy and security policies of the operators of that third party website.

Control: 1040207-00001-00