

FINANCIAL STRATEGIES FOR SINGLE PARENTS



Financial Strategies for Single Parents

The Facts: The U.S. has the [highest rate](#) of single-parent homes. More specifically:

- 24% of children under the age of 18 live with one parent
- The average single father's [taxable income](#) is \$56,458, while the average single mom earns \$35,287
- Declines in marriage and increases in non-marital births have driven a rise in [unmarried parenting](#)
- Single parent families are more vulnerable to poverty as there's often only one earner

As these statistics show, single parenting is a common reality, and it can be a difficult road to travel for some. Although not every single parent struggles financially, not having two incomes to rely on can cause hardship. That said, single parents can still thrive and create a financially stable home if they have the right knowledge and budgeting skills.

Devising a Plan

For single parents, it's crucial to have a spending plan and set aside money for emergency savings. While most people think of a budget as limiting and painful, it can actually be liberating to learn how to make the most of what you bring in. Here are some cost-saving strategies you can try.



Let the Kids Help

Parents often want to shield children from their problems; it comes from a place of love. However, it can help them if you involve them in the process and teach them about finances early.

Keeping your finances in check and giving your children a chance to help the family financially will be much more productive in the long run. Depending on the ages and maturity levels of your children, you can find ways to allow them to participate in your family's budget planning. Whether it's something as simple as clipping coupons and helping to create a grocery list, to allowing an older child to get a part-time job.

Find Good Childcare

Many single parents find it difficult, if not impossible, to afford to stay at home with their children. In fact, many work not just one job, but two or more! Paying for childcare, whether it's full-time for a young child, or after-school care for older ones, can quickly become very expensive. Here are some creative ways to handle this expense:

YMCAs

YMCAs are the nation's largest provider of childcare programs. Childcare is open to all, with financial aid available. Programs range from infant care to on-site after-school care. To find a Y near you, visit ymca.net. Boys and Girls Clubs also offer inexpensive and free school programs in many communities. Visit bgca.org.

Childcare Jobs

If your child is a teen, they may be able to volunteer or get a job as a "mother's helper" for a stay-at-home or work-at-home

parent who needs some help. This will ensure that your child is cared for after school while learning valuable life skills. Children 13 years or older may want to take a local Red Cross babysitting course and get an after-school babysitting job for younger children, or work as a counselor in an after-school program or daycare. They'll earn extra money and get valuable experience.

Sick Care

Taking days off work to care for a sick child can be expensive for a single parent. It's important (but not always easy) to line up help for those emergencies. Find out if a sick child daycare program is available in your community. Some hospitals, for example, offer this service and they are often staffed by nurses for added peace of mind. If not, you may want to talk with your local hospital and find out if there are retired nurses in your community who may welcome the chance to take care of your kids and earn some extra income.

Unfortunately, there are no federal laws that require employers to provide paid sick leave. Having said that, some companies are subject to the Family and Medical Leave Act (FMLA), which makes unpaid sick leave mandatory if you must care for a sick family member. There are requirements; you must have been employed by the company for at least 12 months and your employer must have a minimum of 50 employees.

Also note, as an employee, you have rights and you shouldn't be subject to caregiver discrimination—which is when employers treat you differently because you need to care for family members. Cities and states like Alaska, Minnesota, New York state, New York City, New Jersey and Washington D.C. have legislation that protects caregivers. If you're facing discrimination and live in one of these states or cities, seek legal advice and see if you can receive compensation.

Free babysitting

If you never have a moment to yourself, it may be time to trade with other single parents who would like a break as well. Starting a babysitting co-op to exchange babysitting with other single parents can be a sanity saver. Check out the book *Smart Mom's Baby-Sitting Co-Op Handbook: How We Solved the Baby-Sitter Puzzle* by Gary Myers for details on how to start a babysitting co-op. There is also an app called [Sitting Around](#), which connects you to local babysitting co-ops for an annual fee of \$15.

Investigate work hours

Find out whether your employer offers flexible work hours or will let you do some work from home. Working Mother magazine publishes an annual list of the [best employers](#) for working mothers (which can often be great for working dads as well).

Ask for help!

Many daycares, summer camp programs, and after-school care programs offer scholarships or will be willing to extend discounts to parents who can't afford the full fee. You don't know until you ask. If there is a service you can provide in exchange for a discount (cleaning, publicity, typing, or maintenance are just a few examples), don't be shy about suggesting a trade.

Use Childcare Apps

After exploring free alternatives, you may just have to shell out the money for childcare. Use some of the below apps to find a provider and don't forget to compare costs.

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- **[Urbansitter](#)**: This free app finds top-rated babysitters in your local area. It also shows recommendations from your neighbors to help you make an informed decision.
 - **[Care.com](#)**: Matches parents and sitters. You can search profiles and find potential sitters all on the app. It's not free to use, however. If you decide to use it for one month only, you pay \$39. For three months it goes down to \$26/month, and for a year, it's \$13/month.
 - **[Sittercity](#)**: The good thing about this app is you can request background checks and vehicle checks. It's similar to Care.com, as you can search profiles and message prospective sitters directly.
 - **[Seeking Sitters](#)**: This platform is relatively expensive compared to the others, but it could be worth the cost. They use a private investigator to check each sitter, which can give parents ease of mind. The one-time fee to use this platform is \$59.99
 - **[Bambino](#)**: For those who prefer local babysitter apps, Bambino is another worth trying. It enables you to find sitters nearby and links you to ones who have sat for people within your community. Although there is no monthly fee to use Bambino, you must pay a \$2 fee for junior sitters and \$3 for all others.

Warning! Be very careful about money-making propositions aimed at stay-at-home parents. While some of these home-based businesses may be legitimate, there are many scams as well. Remember, running a business requires time and energy (and often money). If you aren't willing to invest a substantial amount of both in a homebased business, stick with a job. Or at least keep the home business on the side until you have enough money coming in to make it worthwhile to leave your job.

Financial Assistance

Knowing which financial resources are available to you as a single parent can help you bring in more income and save money. Tapping into government assistance programs, child support, and much more can help you save money financially.



Get Free Advice

If hiring a financial planner is out of reach right now, research local financial planning classes. Local community colleges, extension offices and women's resource centers may offer very inexpensive courses with expert instructors.

- **The Foundation for Financial Planning:** They offer pro bono [financial planning services](#) to individuals facing hardships.
- **Your bank or credit union:** Sometimes your financial institution will provide free financial advice. They can listen to your financial goals and suggest products or solutions you weren't aware of.
- **Personal finance books:** Your local library likely has numerous personal finance books you can read. This is the age of self-teaching, so there's nothing you can't learn on your own.
- **Free consultations:** Many financial advisors offer free consultations which can help you define your financial goals and possibly give you an idea how to execute them.

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- **Online platforms:** Some platforms are notorious for providing quality finance content which can help you manage your money. Some include Yahoo Finance, Google Finance, MSN Money Central, Bloomberg, and Investopedia.

Child Support

If your ex owes you child or spousal support, don't assume you'll never see the money. If you've tried to collect through your attorney and/or local child support enforcement agency, your next step may be to contact a private child support enforcement agency that will try to collect on your behalf. Support Collectors (www.supportcollectors.com), for example, has been very successful in collecting past due support when other methods have failed. Best of all, you don't have to pay them unless they are successful on your behalf.

Public Assistance Programs

Don't be embarrassed or afraid to seek out public assistance programs that can help you and your children through tough times. There's no question that navigating the maze of social services can be frustrating and difficult—and may seem overwhelming if you are trying to juggle work and parenthood. But it's important to get the help you need. A list of government programs include:

Temporary Aid for Needy Families (TANF)

[TANF programs](#) help low-income families in need of help by giving them cash assistance. Additionally, they aim to help you become self-sufficient by providing employment programs, job training, assistance with transportation, and job care.

Department of Housing and Urban Development (HUD)

If you're struggling to pay rent or obtain housing, [contact HUD](#) as they have several programs to help. For instance, there is rental assistance which comes in the form of section 8 vouchers. Additionally, they provide public or subsidized housing for low-income families and homeless assistance programs through local communities.

Food assistance programs

There are multiple [food assistance programs](#) you can access as a single parent depending on your circumstances. Some of these include:

- Child nutrition programs (School Breakfast Program and National School Lunch Program)
- Food distribution programs
- Supplemental Nutrition Assistance Programs (SNAP)
- Women, Infants, and Children Program (WIC)

Healthcare

Health insurance can be expensive; the average non-elderly U.S. family spends 11% of their income on it. Many go without coverage a result—[27.5 million people](#) in 2018 did— but that isn't something you want to risk as a single parent. To reduce the cost burden, make use of these programs if you qualify:

- **Medicaid:** Millions of low-income Americans currently [receive Medicaid](#), and you could too, if you qualify. It's administered by states and would cover both you and your child. If either of you have a disability, you could also be eligible for Medicaid.

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- **Children’s Health Insurance Program (CHIP):** For parents who earn too much to get Medicaid, try [CHIP](#). If eligible, you can receive low-cost health insurance for your children.

Unemployment benefits

When job loss happens, it can leave you financially stranded and worried. [Unemployment benefits](#) are offered as a safety net. How much you can get and how long for depends on the state you live in. Usually as part of eligibility, your past income must meet a certain threshold, you can’t be intentionally unemployed, and you must be looking for work.

Grants

Single moms have access to a myriad of [grants](#) that can help with funding education, telephone bills, electricity bills, and much more.

There are many other programs beyond the ones mentioned above that could fit your financial needs. Use the [benefit finder tool](#) on the Benefits.gov website to see which benefits you’re entitled to.

Gathering the documents you’ll need

Many of the programs mentioned require that you apply well in advance. Before applying, gather key documents that government assistance programs tend to ask for. Put the following documents in a brightly colored, large (9”x12”) envelope (so you can always locate it in your papers):

- Driver’s license
- Social Security cards/number for each family member
- Two or more recent utility bills
- Recent paycheck stub

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- Bank account numbers
 - Legal papers (name change, protective orders, etc.)
 - References – names & phone numbers
 - Previous address information
 - Any other documents requested by the agency

Tip: Be polite but persistent and ask for advice when you run into roadblocks. Above all, don't procrastinate!

Budgeting Apps

Not everyone is a budgeting expert, but thanks to technology, you don't have to do it alone. You can use one or more of these budgeting apps to help you stay on track financially and ensure you're hitting financial goals.

- **Wally:** Gives you the opportunity to compare income to expenses so you know where you need to cut back. It's a free app, so don't worry about monthly charges. For parents who need to stick with a strict budget, Wally is ideal.
- **You Need a Budget:** This app charges a monthly fee of \$7, but you may find it's worthwhile if it helps you budget effectively. An attractive feature of this app is that it allows you to save as well as budget.
- **Mint:** If you need a free budgeting app, Mint is a great choice. It helps you manage your money and keep track of your credit score. Setting up a monthly budget and scheduling monthly bill payments is a good place to start.
- **Store apps:** Most stores now have apps which give you the chance to earn points, get exclusive offers, or coupons. Be it a grocery store like Winn Dixie, or store like Target, download their app and make the most of their saving opportunities.

Planning for the Worst

It is vitally important that all parents, especially single parents who may be the main or sole provider for their children, have adequate life insurance, a will or estate plan, and guardianship documents.

Preparing a Will

There are several ways to inexpensively prepare a will. You may be eligible for a discounted legal plan through your employer, and that may include preparation of a basic will. You may want to check out software programs that can help you prepare your own will. Or you may want to speak with a few local attorneys to find out what they charge. For good basic information on wills and estate plans, visit [Nolo.com](https://www.nolo.com) and type “wills FAQ” into the search field.

While it is also important to appoint a guardian for your minor children if you die, this can be a sticky situation if you are divorced. Generally, unless your ex agrees, you cannot appoint someone besides the child(ren)’s other parent as a guardian. The exception would be if you can show the other parent has legally abandoned your child(ren) or is truly unfit. If that may be the case, speak with your attorney and get advice.

Life Insurance

It is also a good idea to get life insurance to help cover the cost of caring for your children. Term life insurance may be available at an attractive rate through your employer, or you can use a local agent to help you find an inexpensive policy. If you truly can’t afford it, you may want to speak with the person who you

are appointing as the child's guardian (if this applies) to see if they are able to purchase a small policy for their protection.

If your insurance proceeds would go to your ex and you are worried about how he or she would handle the money, speak with your attorney about appointing a trustee to handle it.

Take Care of Yourself

It may feel selfish to take time for yourself, but you'll be a better parent if you give yourself a break once in a while. Look for single parent networking clubs in your area. If you can't find one, start one! In addition to emotional support, single parent clubs can offer referrals to helpful services like clothing and toy swaps, babysitting co-ops, and even house sharing arrangements. While it may take some work to get one up and running, the payoff may be well worth it.

Other ways to self-care include keeping up with your health and wellbeing; the healthier you are the greater your capacity to financially care for your children. Remember to make the most of the free preventative care services offered by your healthcare provider.