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THE WALL STREET JOURNAL.

AT LEISURE MAIN | March 3, 2007

The Million-Dollar Kid

Government figures put the total cost of raising a child at \$279,000, but some increasingly common expenses can send the number soaring over \$1 million. Where you fall on the kid-spending spectrum.

By EILEEN DASPIN and ELLEN GAMERMAN

The government says families in the top-third income bracket will spend \$279,450 to raise a child born in 2005 through age 17 -- or about \$16,000 a year. The government clearly hasn't been to some kids' birthday parties lately.

In San Diego, Jacqueline Jones recently rang in her fifth year with a \$1,000 mermaid-theme party. The fête, held at a community pool, included a piñata, pizza, cake, juice boxes, customized goodie bags for 20 and a former beauty queen who arrived dressed head to toe as Ariel, the Disney princess. Jacqueline's mom, Laura, says it's worth it. "A lot of my friends said I'm crazy, but I mean, it's for a memory she'll have forever."



Mick Coulas

With the debate about the country's wealth gap heating up again, pampered kids provide some of the most dramatic examples, from toddlers in \$800 strollers to 10-yearolds with cellphones. But for many families, drawing the line between attentive parenting and extravagance is a tough call; even parents who are relatively strapped will go to great lengths for their children. And though millions can't afford the government's child-cost estimate, there is no question that many others are spending far more without viewing it as extreme.

To assess how relatively routine expenses, as well as more excessive ones, can contribute to the total cost of raising a child, The Wall Street Journal deconstructed the government's approach and recalculated it using a different range of costs.

Escalating kid spending is more rampant among wealthier households, so we used the government's top-third income bracket as a starting point. We also added some costs that aren't included in that government calculation, such as college-savings plans, which

a growing number of households are setting up for their kids.

A Child-Spending Spectrum



See the costs that go into raising a child -- from the expensive to the ultra expensive.

We placed all these expenses on a spectrum, from those that parents and experts say are the most common, up to more unusual -- and costly -- frills. At the lowest end, our estimates came in at about \$800,000 (in 2007 dollars) through the age of 17. Add in extras like private school, a nanny and a flat-screen TV set in a kid's bedroom, and that figure climbs to \$1.6 million.

The Million-Dollar Kid - WSJ.com 11/14/12 11:46 PM

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Ellen Gamerman talks about the cost of rearing children in a kid-centric society. **Hear the podcast**.

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Some of the costs can add up quickly. For parents whose kids are passionate athletes, for instance, baseball equipment, including helmets, cleats and uniforms, costs in the realm of \$3,000 from the age of 10 to 17 -- and taking it one step further by enrolling in an elite youth team can pile on a further \$12,500 for annual travel expenses. Fully half of American teenagers now own MP3 players, according to research by the Pew Internet & American Life Project; a year of daily iTunes downloads for these kids -- their version of a daily latte fix -- comes to \$361 and change.

The biggest and most common driver is education. One in 10 children now goes to private or parochial school. Even at a relatively modest tuition at a parochial school of \$6,000 a year, that would add \$60,000 or more to the government's total figure of \$36,000 for education and child care. Likewise, academic extras are becoming routine; the average income of a family seeking tutoring for a child is between \$50,000 and \$75,000, according to Eduventures, a Boston-based market-research firm.

In many homes, a central issue is how to provide every advantage without overscheduling and spoiling. Irene Smith, an attorney and property manager in San Jose, Calif., has mentally established parameters for her 7-year-old daughter, Amelia: only two classes a week. But Ms. Smith has also decided the most important thing for Amelia's future success is fluency in Spanish. To that end, Ms. Smith transferred Amelia from public school to a \$13,500-a-year private academy where Spanish is taught daily. She also signed her up for a \$900 weekly class with Berlitz, hired a private tutor, and has taken Amelia out of school for up to two months at a time to travel to Costa Rica and Mexico to perfect her foreign-language skills.

On days when she doesn't have Spanish, Amelia studies the piano, is enrolled in a computer class where she is learning the Web-design program Dream Weaver and podcasting, and attends a weekly play date. (She also goes to Brownie meetings once a month.) Ms. Smith acknowledges that she has broken her own guidelines -- "Uh-oh," she says -- but believes Amelia isn't as burned out as some of her friends.

Analysts who study consumer goods, such as Michael Silverstein of Boston Consulting Group, say that demographic trends, which have added to the development of a kid-centric society, underlie some of the ballooning costs. In this view, DIOKs -- double-income, one-kid families -- are having their singlets at a later age when the parents can better afford to spend and spoil. It is often older parents, say parents, who feel the most guilty about the world they are bequeathing their kids, from the war in Iraq and global warming to Britney Spears and Paris Hilton. As a valve of relief, they pull out their wallets and go for the PlayStation 3.

Parents with more than one kid then face the fiscal phenomenon of upgrading, where baby No. 1 starts with a standard-issue stroller, the middle issue gets an upgrade to a \$300 MacLaren and, by the time No. 3 comes around, it is an \$879 model by Bugaboo.

We found upgrades in other areas, too. The cost of a family vacation, for example, can vary widely. A one-week domestic trip totals about \$1,830, according to AAA. But take your kids to Disney World, and that figure jumps to at least \$5,000 -- double that for a trip to Europe.

For some expenses, the government took the total cost to a family of four and then included only one-fourth of that amount in the total; but in cases where costs would be incurred primarily because of the kids -- such as that trip to Disney World -- we included the total family cost.

Behind some upgrades is parents' increasingly broad view of what constitutes an

The Million-Dollar Kid - WSJ.com 11/14/12 11:46 PM

THE BOTTOM LINE We looked at what

We looked at what parents are spending on kids through age 17. Below, the total budgets across three levels: expensive, very expensive and ultra expensive.

Government Total: \$279K

Silver Total: **\$776K**

Gold Total: **\$1 Million**

Platinum Total: \$1.6 Million

educational expense. School itself is just the beginning. It might mean paying \$16,500 in annual property taxes in an area with top public schools like Millburn, N.J., or springing for private-school tuition that can be twice that. Then there are costs that are directly in support of education, like SAT prep and tutoring. But fixated on those eventual college applications, more parents now see everything from trips to volunteering in developing countries to laptops and art-appreciation classes as falling under the category of education -- and therefore, justifiable.

Rebecca Young, a musician in Seattle, recently enrolled her 6-year-old daughter, Eva, in a \$150, five-hour course on Mexican artist Frida Kahlo. Though Ms. Young had her doubts about the Early Masters program, by the end of the weeklong class, Eva could discuss Ms. Kahlo's painting style, place her in the context of art history and do a decent job copying her work.

On the last day of class, Eva asked to wear a Mexican-style dress and used Ms. Young's makeup to draw a thick, single eyebrow across her forehead, one of Ms. Kahlo's signature features. She even asked for lipstick to smear on her dress to look like blood -- a prominent detail in Kahlo self-portraits.



"I was a little shocked at first," says Ms. Young of the blood. But she discussed the request with the owner of the school and understood what Eva was doing. "I felt like she was happy there," says Ms. Young. "She grew through her experience."

Despite parents' willingness to spend with abandon to provide character-building experiences, educators and therapists say the practice can backfire. Principals in wealthy communities say children are in so many classes, they don't know how to work things out on their own. They also own so much stuff, school lost-and-found departments are overflowing. "In the end, they'll be fine," says Gail Lynn Main, the principal of Lafayette Elementary, a public school in an affluent Washington, D.C., neighborhood. "But they're not as independent. They don't do chores at home. If you bring a broom over, they just look at you."



A stay-at-home mom in Needham, Mass., Cory Lewkowicz, says her family is comfortable, but not with unlimited resources. With a degree in developmental psychology, Ms. Lewkowicz feels adventure travel is one of the most esteem-building gifts she can give her two children.

To afford a trip to Panama this summer, Ms. Lewkowicz, her kids and her husband are tightening their belts. She has given up her triple venti lattes, which she calculates were costing between \$3,000 and \$3,500 a year, dropped the membership at the local pool, and cut back on Christmas gifts. (The family vacation to Belize in 2006 cost \$16,000.)

"It's expensive, but you absolutely get what you pay for," says Ms. Lewkowicz, describing at length the positive impact a trip to Costa Rica had on her son, age 11. "He zip-lined through a canopy of rain forest. He took chances I never expected."

-Candace Jackson contributed to this article.

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