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A Child Born in 2011 Will Cost \$234,900 to Raise According to USDA Report

WASHINGTON, June 14, 2012 -- Today, USDA released the annual report, *Expenditures on Children by Families*, finding that a middle-income family with a child born in 2011 can expect to spend about \$234,900 (\$295,560 if projected inflation costs are factored in*) for food, shelter, and other necessities to raise that child over the next 17 years. This represents a 3.5 percent increase from 2010. Expenses for transportation, child care, education, and food saw the largest percentage increases related to child rearing from 2010. There were smaller increases in housing, clothing, health care, and miscellaneous expenses on a child during the same period.

The report, issued annually since 1960, is a valuable resource to courts and state governments in determining child support guidelines and foster care payments. The report is based on data from the Federal government's Consumer Expenditure Survey, the most comprehensive source of information available on household expenditures. For the year 2011, annual child-rearing expenses per child for a middle-income, two-parent family ranged from \$12,290 to \$14,320, depending on the age of the child.

The report, developed by the USDA Center for Nutrition Policy and Promotion, notes that family income affects child rearing costs. A family earning less than \$59,410 per year can expect to spend a total of \$169,080 (in 2011 dollars) on a child from birth through high school. Similarly, middle-income parents with an income between \$59,410 and \$102,870 can expect to spend \$234,900**; and a family earning more than \$102,870 can expect to spend \$389,670.

For middle-income families, housing costs are the single largest expenditure on a child, averaging \$70,560 or 30 percent of the total cost over 17 years. Child care and education (for those incurring these expenses) and food were the next two largest expenses, accounting for 18 and 16 percent of the total cost over 17 years. These estimates do not include costs associated with pregnancy or the cost of a college education or education beyond high school.

The report notes geographic variations in the cost of raising a child, with expenses the highest for families living in the urban Northeast, followed by the urban West and urban Midwest. Families living in the urban South and rural areas have the lowest child-rearing expenses.

This is the 51th year USDA has issued its annual report on the cost of raising a child. In 1960, the first year the report was issued, a middle-income family could have expected to spend

\$25,230 (\$191,720 in 2011 dollars) to raise a child through age seventeen. Housing was the largest expense on a child both then and now. Health care expenses on a child doubled as a percentage of total child-rearing costs. In addition, some current-day costs, such as child care, were negligible in 1960.

Expenses per child decrease as a family has more children. Families with three or more children spend 22 percent less per child than families with two children. As families have more children, the children can share bedrooms, clothing and toys can be handed down to younger children, food can be purchased in larger and more economical quantities, and private schools or child care centers may offer sibling discounts.

The full report, *Expenditures on Children by Families (2011)*, is available on the web at www.cnpp.usda.gov. In addition, an interactive web version of the report is available where families can enter the number and ages of their children to obtain an estimate of costs.

*Projected inflationary costs are estimated to average 2.55 percent per year. This estimate is calculated by averaging the rate of inflation over the past 20 years.

**For the purposes of this report, a middle-income family is defined as the middle third of the income distribution for a husband-wife family with children.

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