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How to Cope With Kid-Induced Financial Anxiety

Camp! School! Vacations! It's stressful.

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Let's be painfully clear: January is the most fiscally bleak month of them all. Bank statements from the holidays. (Why do I always manage to spend \$119.45 at Target, even when I just need toilet paper?) Winter vacations. Winter lessons. Daycare enrollment, for those delightful programs that begin accepting students three years before conception and

demand a deposit equal to your mortgage. Summer camp, which begins enrolling...yesterday.

It's all very anxiety-provoking.

Dana Levit, a mom and fee-only financial planner at [Paragon Financial Advisors](#) in Newton, counsels tons of families who have these issues. It's easy to get caught up in a cycle of envy, jealousy and flat-out nervousness about keeping up, whether it's sending your kid to the lesson du jour (everyone else is doing it!), getting into the preschool of your choice (and then being able to afford tuition) or paying for karate, soccer, parkour, Barbie water polo, you name it.

And it doesn't matter if you're paying off student loans or living like Bill Gates: We all worry.

"I have clients who make all income ranges, and everyone wants 10 percent more than what they have. Every level deals with envy," Levit says.

We want the best for our darling spawn, and it's tempting to feel like what we provide for them reflects our own level of comfort, success and identity.

Here are Levit's tips for calming down and prioritizing.

Cover the basics

First things first: Before you spend money on extras, make sure you've budgeted for the essentials. For Levit, this means having an emergency fund in cash (she recommends at least three months' worth) and putting money away for retirement.

"Having no cash on hand is a looming burden. Having that target met feels good psychologically," she says.

Is your child's intramural archery prowess going to support you in your old age? Doubtful. Put yourself and your savings first. *Then* it's time to talk spending.

Get some perspective

While it's natural to want the most enriching camp, school or lessons for your kids, appreciate the fact that we live in an area with plenty of excellent and affordable (sometimes free!) options.

"Education is huge in our area, and we think our kids need to be exposed to the best. Remember that we have amazing schools and amazing opportunities here, and not all of

them are pricy. There are fantastic experiences that do cost a lot of money, but ask yourself if the differential is worth it," Levit advises.

After all, she says, stretching yourself financially can also cause other stress (marital, interpersonal, you name it), so don't scurry after a swanky option that you can't afford out of misguided obligation: The behind-the-scenes angst just isn't worth it. Explore your options and take heart that we live in an area that's rich with choices.

Reprioritize

Maybe a certain school, camp or lesson really is worth it to your family. Great! Make your choice, live with it and realize that you might need to make sacrifices, just like everyone else.

"Very few families can afford to do everything they want, all the time. Nobody can do everything," Levit says. (Really! Even your flashy neighbor who seems to own the entire Lululemon catalogue!)

Levit urges clients to shift their priorities.

"If it's a camp that's really important, that's OK! But what does it mean for your other goals? Maybe you don't go out to dinner as much. Then, the reality is, when you do go out, it makes it even more special and meaningful," she says.

Plus, modeling these priorities is a crucial lesson for kids when it comes to teaching them about delayed gratification and showcasing what your family truly values, whether it's a private education or a special trip.

Get comfortable with your choices

Frame your budget as an empowered choice instead of a series of haphazard benchmarks built around keeping up and competing. Once you've made peace with your priorities, you can talk about your choices with other families without feeling inadequate or insecure.

"The internal message is that you're making the best financial decisions for your family," says Levit. "It's a matter of being comfortable with it yourself. That internal work is the harder piece, but from there, you can say, 'We're not doing this because we're prioritizing college,'" or whatever statement is true for your family.

Does it make writing that tuition check any less painful? Maybe not. But at least you know you're paying it because you want to, not because you're trying to keep up.