Pennymatters
THE MODERN APPROACH TO FINANCIAL ADVICE

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The true cost of raising a child in 2026

From childcare and essentials to education and everyday expenses

Raising a child is a major financial commitment, with costs beginning long before school age. The latest figures from the Child Poverty Action Group (CPAG) estimate the cost of raising a child from birth to 18 at £250,000 for a couple and £290,000 for a lone parent[1].

Its 2025 'Cost of a Child' report also found that families are further from achieving a decent standard of living than at any point since its research began. Understanding the potential costs can help parents plan ahead and prepare for future financial commitments.

GETTING STARTED WITH A BABY

The first year can be particularly expensive, with Smart Cells estimating costs could reach £8,460 in 2026. Essentials such as car seats, prams, cots, clothing and nappies can quickly add up, with an infant car seat averaging £175 and a pushchair or travel system around £525.

Childcare can then become one of the largest regular expenses. In England, eligible working parents can claim 30 hours of funded childcare per week for 38 weeks of the year for children aged nine months to four years, subject to eligibility requirements.

THE COST OF CHILDCARE

For families not eligible for funding, the cost can be substantial. DayNurseries.co.uk reports the average cost of a part-time nursery place for a child under two in England at £188.75 a week, while full-time care for three- to four-year-olds averages £331.79 a week.

Coram's 2026 'Childcare Survey' found that childcare costs for three- to four-year-olds have risen by almost 5% across Great Britain. For families who do not qualify for funded support, part-time childcare for a child under two can account for a quarter of household income.

EVERYDAY HOUSEHOLD EXPENSES

The cost of raising a child also needs to be considered alongside everyday household spending. NimbleFins estimates that the average UK household spends £662 a week, or £2,870 a month, on living expenses, including housing, food, clothing and transport.

Food is another significant expense, with the average household spending an estimated £5,296 a year on groceries, restaurants and takeaways. Utility bills also account for around 7% of household spending, though individual costs vary considerably.

LOOKING TOWARDS EDUCATION

State education means many families do not pay tuition fees during their child's school years, although costs such as uniforms, equipment, school trips and clubs can still add up. Some families may also qualify for free school meals, depending on their circumstances.

University can be another significant financial commitment. For courses starting in 2026/27, the maximum tuition fees in England are £9,790 per year for full-time students. Students can apply for Tuition Fee and Maintenance Loans to help cover tuition and living costs.

PLANNING FOR THE YEARS AHEAD

With childcare, household expenses and education all contributing to the overall cost, planning early can make it easier to manage the financial demands of raising a family. Understanding your likely outgoings and setting realistic financial goals can help you prepare for both regular expenses and higher costs as your child grows.

Building savings and reviewing your wider financial plans can also provide greater flexibility in the years ahead. Putting money aside regularly, planning for future education costs and reviewing your financial priorities can help you feel better prepared for your family's changing needs. ■

READY TO START PLANNING FOR YOUR FAMILY'S FUTURE?

The cost of raising a child or grandchild can vary significantly as they grow, making early financial planning an essential part of preparing for the years ahead.

If you would like further information on planning for the costs of raising a child, please contact us for professional guidance tailored to your circumstances.

Source data:

[1] CPAG's annual 'Cost of a Child' report, calculated using the Minimum Income Standard (MIS) research carried out by the Centre for Research in Social Policy at Loughborough University for the Joseph Rowntree Foundation – 23 October 2025.

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