3 Financial Tips Caribbean Parents Should Know

BY Krystal Penny Bowen Posted September 10, 2025

Across the region, the cost of education is rising. This cost includes school supplies, uniforms, food, school fees and protecting your child's health, medication and doctor visits.

It is true that we cannot control the rate of inflation in our region, but we can prepare for the future. As your children grow, their responsibilities increase, and financial planning is key to a comfortable life for you and your family. The early start means there is greater ease for your household.

Today, we look at three essential tips: building an emergency fund, maximizing tax benefits, and securing life insurance.

1. Start an Emergency Fund for the Unexpected

As world leaders continue to impact global economies and global warming affect our food supplies, communities and industries, saving for a rainy day is essential. It is suggested that we should have 3–6 months of living expenses set aside to help when life causes disruption e.g. loss of job/income, accident, poor health, disability and property loss.

Things to consider include tailoring your funds to your personal needs and the needs of your family. Remember to start small, $100 to $300 per month consistently is better than $1000 in one week. For the single parent's home versus the two-parent home, they will need to save a bit more.



Mother and son are saving money in a piggy bank. (Shutterstock)

2. Take Advantage of Tax Benefits Available to Parents

Caribbean parents know there is great financial advantage to raising their children-claiming for child allowance and tuition deductions.

While the amount may change from territory to territory, there can be tax allowances for the other parent (spouse) and at least two children (KPMG). In Trinidad and Tobago, taxpayers have allowances not only for their children but for a child's tertiary education and home mortgage interest.

Remember to keep track of receipts for school fees, medical expenses, and childcare costs. Also, reach out to your employer about any benefits that are available to you as an employee. There may be provisions for daycare allowance, uniforms or school supplies through discounts and loyalty programs with third-party businesses.



Piggy bank with coins. (Shutterstock)

3. Secure Life Insurance to Protect Your Children's Future

We cannot predict the future, but we can plan. What if you lose your job, your mobility or one of the child's caretakers die, are you prepared? Life insurance can help lessen the financial blow of personal crisis. It can assist with living expenses, funeral costs, outstanding debts and your child's education.

Speak to a Sagicor Financial advisor for guidance about what is right for your household. From term insurance to whole life or health insurance, there is a policy tailored to your stage in life. While they are young it is also time to think about investing -mutual funds, stocks and bonds.



Parents chatting with a Financial Advisor. (Shutterstock)

As they develop and grow, know that your financial needs will change too. Young parents may start as renters but eventually become mortgage holders. They may start using public transportation but need to upgrade to a new hybrid SUV.

Similarly, consider the stage your child is at and their long-term needs for education. An assessment of your financial situation should be completed every few years.

Start Today

Caribbean parents often put effort into the provision for children's needs now but not in the future. As it is crucial to prepare for the pending disaster, the same is for financial future, prepare for the unexpected. Save for 3-6 months, take advantage of tax allowances in your country and buy insurance that saves for education, funeral expenses and retirement.

Building financial resilience today is an investment in your children's well-being and opportunities tomorrow.