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Should You Get Life Insurance for Stay-at-Home Parents?

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One of the main reasons parents buy life insurance is to compensate for the loss of income upon the death of the primary wage earner. After all, if the household's main breadwinner were to die, the benefits from a life insurance policy would provide the ready cash to help pay the mortgage and monthly bills, buy groceries, etc. But what about a stay-at-home parent? Is life insurance necessary when a parent doesn't bring home a paycheck? The answer is a resounding *yes*. In fact, there are many reasons to have life insurance for stay-at-home parents.

The financial worth of a stay-at-home parent

Nearly [12 million](#) stay-at-home parents in the U.S. are responsible for the daily care and well-being of their children. In addition to the role of full-time caregiver, a stay-at-home parent is a housekeeper, chef, accountant, nurse, chauffeur, tutor – and the list goes on. According to [salary.com](#), a stay-at-home mom or dad works over 90 hours per week, on average, equating to an annual salary of \$162,581.

If your household includes a stay-at-home parent, how would that person's loss impact your household financially? For starters, would you have enough money to cover day care costs? Today, the average cost of center-based day care in the United States is [\\$11,666 per year](#) (\$972 a month), with costs even higher for infants. If your family requires someone to care for your child in-house as well as perform other vital household duties, you may need a nanny. However, for a vetted, experienced individual, expect to pay upwards of [\\$35,000 a year](#).



Getting the right coverage

As you can see, the loss of a stay-at-home parent can be just as damaging to the financial health of a household as the loss of the primary wage earner. The next question is just how much life insurance coverage you should buy for a stay-at-home parent.

Everyone has different needs, so there really isn't a one-size-fits-all dollar amount. The best way to begin is to estimate your costs. In addition to childcare expenses, you'll want to factor in the following:

- **Final expenses.** Funeral and burial costs are immediate and can run upwards of [\\$7,000 to \\$10,000 on average](#). If you don't have enough to cover them, you may find yourself dipping into your savings or taking out a loan, worsening your financial stress at a very difficult time.
- **Educational needs.** Childcare and other household costs after the death of a stay-at-home parent will leave you with less money for your children's higher education. By factoring in educational expenses, you can ensure that this future need is met.
- **Outstanding debt.** Car and personal loans, as well as a hefty mortgage, can be big burdens to manage after the death of a life partner. Now's the time to get out from under these and other outstanding liabilities and reduce your financial worry.

The bottom line: No amount of life insurance can *replace a parent*. However, a policy can help ensure the financial

support your family needs at a very difficult time. For more information, contact your Sagicor life insurance representative. Together, you'll determine just how much coverage you may need for the stay-at-home parent in your household.

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