

Saving For Retirement When You're Single Vs. When You're Married

Whether you're single or married, saving for retirement is important, but the process looks a little different between individuals and a married couple.

Interra Investments is here for married and single folks alike. Let's walk through [what's important for saving for retirement](#) for both parties.

Saving As An Individual

You'd be amazed by what you can accomplish with some proactive action and a careful plan. It's empowering to take the reins of your future and steer it where you want to go – and it is most definitely possible for you. Here's how a single person can set themselves up for a successful retirement:

Envision Your Retired Life

In order to save effectively, you should have an idea of what you want your retirement to look like. What sorts of things do you want to do regularly, and what would you like to save for special occasions? Who would you like to see on a regular basis? Think of your long-term goals and what the financial roadmap might look like as you achieve them.

Figure Out Where You're At

To move forward, you have to [figure out your current finances](#). Take a look at your savings, your debt, your expenses, and the income you'll have until you retire.

Strategize Budgeting And Spending

When you track your income and create a budget around it, you'll see where you have a bit of padding – and you can put that padding towards retirement savings. That way, even without a partner, you'll always have some cash to stash away for retirement.

Sticking to your budget will help you stay on top of saving. Putting away 15% of your pre-tax income towards retirement is what's typically recommended, so factoring that amount into your budget and fitting your lifestyle around it can [bring about peace of mind as you build your nest egg](#).

Take Advantage Of Employer-Sponsored Retirement Plans

If you're able, contribute the maximum amount to your 401(k). As of 2023, employees can contribute up to \$23,000 each year and, if you're over 50, you can contribute an additional \$7,500.

As for a Roth 401(k), the limit also sits at \$23,000 per year. If you're eligible for both a Roth 401(k) and a traditional 401(k), you have the option of splitting your contributions between them – but those contributions cannot exceed \$23,000 when combined (or \$30,500 if you're over 50).

Let Your HSA Grow

During retirement, healthcare is the biggest cost for many people – so you need to plan for it. HSAs are a useful place to keep cash for medical-related expenses, because they are triple-tax-advantaged. The money grows tax-free, there's no upfront income tax, and you don't have to pay taxes on the money if you use it for qualified medical expenses, either. So, if you're able, pay your current medical bills out of pocket and let your HSA grow for the future.

Check Out Long Term Care

Many of us aren't ready to think about long-term care yet, especially if we're still young. But the reality is that now is always a better time than later to consider it. As a single person, it's important to understand your options and purchase a policy while you're still insurable.

Extend Your Career (If You Can)

Expenses tend to be higher with just one provider in the home, so some single people choose to extend their career and spend more time saving. Considering the fact that your employer contributes to your 401(k) and HSA while you're still working, that's like getting free money that you no longer receive after retiring. There are many other

benefits to extending your career, including enjoying the community that the workplace brings.

Make A Social Security Plan

Consider all of your options for Social Security. If you've been married and divorced or widowed, the benefits you can claim differ from those of someone who's never been married. Also, if you can put off receiving Social Security until you're 70 or older, you'll enjoy a larger monthly payment.

Keep Up With Estate Planning

Decide early on how you want to distribute your assets – whether it's to your children, nieces/nephews, or a charity. It's important as well to decide your medical power of attorney while you're still of sound mind and can make informed decisions about such important matters.

Saving As A Married Couple

Most of the tactics for single people apply to married couples as well. The key difference is that it's important for married couples to be on the same page about retirement. Here's how you can [make a joint plan and see eye-to-eye about saving](#):

Go Over Expectations

If you've never talked about retirement with your spouse, [you might not be aware that you're both on different wavelengths](#) about it. To save successfully, go over how you two want your lifestyle to look like as retirees, along with how you'll manage your money, whether or not you'll downsize your home, when you want to stop working, and whether you want to factor Social Security into your savings strategy.

Review Your Investments

As a couple, your savings should work for you. The best way to put that thought into action is by looking into available employer-sponsored retirement accounts, like 401(k)s. Using 401(k)s, retirement funds are automatically deducted from your paycheck and, as you make regular contributions over the long term, that money adds up without much work from either of you.

It's up to you, as a couple, to decide how much money you'd both like to contribute for each of your 401(k)s. The amounts don't have to be the same – but if one (or both) of your companies offer a match for your contributions, the amount you contribute should at least meet the minimum for company matching.

If you and your spouse are a young married couple, you're probably saving for a thousand other things right now. But, remember, starting your retirement savings early is always the best decision, so put aside what you can and make a point to increase it over time – a good goal is to up your contributions by 1% every year.

Choose When To Retire

Some couples may choose to retire at the same time, while others choose to stagger their times of retirement. There are benefits to both options.

Retiring at the same time allows:

- Spending more time together.
- Doing things that would be impossible if one or both spouses were working.
- Reduced feelings of resentment from either spouse.

Retiring at staggered times allows:

- Someone who loves their work to enjoy the workforce a while longer.
- Freedom to the younger party (if there is an age difference) to stay active in the workforce.
- Time for the working party to continue saving.
- Time for the retired party to figure out the roadmap for joint retirement.
- A bigger Social Security check for the working party, which the couple can share when that person finally does retire.

Navigating Retirement With Interra Investments

Retirement can be an intimidating thought and a daunting process but, when you work with Interra, we take all of that stress away. [Talk to one of our experts](#) about your retirement savings plan, whether you're single or married, and start putting away those hard-earned dollars today so you can enjoy a peaceful retirement tomorrow.