How to Reach Your
DREAM
RETIREMENT

THE 21 SMARTEST SAVING,
INVESTING, AND CAREER MOVES
FOR COUPLES OF ALL AGES P. 48

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3 WAYS TO SLASH YOUR
STUDENT DEBT P. 29

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The Ultimate Guide to Retirement: Couples Edition

These 21 strategies will help you save, invest, and earn your way to a dream lifestyle—no matter what age or stage you’re at now.

By Penelope Jean, Elizabeth O’Brien, and Marcello Frankel
Photographs by Jessica Nigri
YOU KNOW YOUR SPOUSE’S FAVORITE food and go to a movie, and maybe even the concert or show mentioned back in second grade, but do you know how much he or she has in 401(k)? What about the mix of stocks and bonds across all your investment accounts?

Do you have a plan of when and where your spouse wants to retire, or how he or she dreams of spending time after leaving the workforce?

If you’re like a lot of couples, the answer to most of those questions is probably “no.” And some of what you think you know is likely wrong.

Only one-third of couples have even discussed retirement planning, according to a 2016 study by consultants Towers & Rockefeller. Asked how much money they think they will need for retirement, 47% of spouses disagree. Financially, they seem to believe that the income-earning partner alone is responsible for the expense. However, 33% of women have a higher income than their husbands, according to the research.

You may think that some conversations become more frequent when you start looking at your budget, but you might be surprised to learn that doing so can actually help you reach your financial goals. What’s more, the sooner you start, the better the results will be. In fact, when you start planning for retirement now, you are setting yourself up for a successful future. The sooner you start saving, the more you will have saved by retirement. This is especially true for women, who typically have a higher likelihood of outliving their husbands. So, start planning now and enjoy the fruits of your efforts in the future.

STARTING OUT: Your Twenties and Thirties

Putting aside money for retirement in your twenties and thirties can seem like a daunting task, but it is essential to ensure a secure future. Start by setting a goal for how much you want to save each month, and then create a budget that allows you to meet that goal. This might involve cutting expenses or increasing your income. It’s also important to contribute to retirement accounts as soon as possible, even if it’s just a small amount. Remember, even small contributions can add up over time. Finally, consider seeking the advice of a financial professional to help you make the most of your retirement savings.

SEEING THE WORLD DIFFERENTLY

Many couples have jobs that are inconsistent and have to work overtime to make ends meet. This can make it difficult to save for retirement. However, if you plan wisely, you can still build a solid retirement fund. One way to do this is by setting a goal for how much you want to save each month, and then creating a budget that allows you to meet that goal. This might involve cutting expenses or increasing your income. It’s also important to contribute to retirement accounts as soon as possible, even if it’s just a small amount. Remember, even small contributions can add up over time. Finally, consider seeking the advice of a financial professional to help you make the most of your retirement savings.

Money is the No. 1 source of conflict in relationships.

“Getting our finances in order was a priority for us,” says Rachel Johnson, a marketing manager who lives in Chicago with her husband, John. “We both felt that it was important to have a solid foundation for our future.”

When asked what advice she would give to others who are in a similar situation, Rachel says, “Communicate with your partner about your financial goals and priorities. Make sure that you are both on the same page and are working towards the same objectives. It’s also important to establish a budget and stick to it. This will help you stay on track and avoid overspending.”

Rachel and John, like many couples, have learned that putting in the effort to manage their finances can pay off in the long run. By working together and setting goals, they have been able to build a solid financial foundation for their future. If you are in a similar situation, consider following their lead and take control of your financial future.
MID-CAREER
Your Forties

You've finally made it to real money (as they should make it possible to make any serious savings. But you may find yourself over between two things: paying off your student loans and paying for your children's college and retirement expenses. Here's how to start:

1. **Retirement Planning**
   - **401(k) Savings**: Consider contributing to a 401(k) plan at work. It's a great way to save for retirement and take advantage of employer matching.
   - **Personal Savings**: Set aside a portion of your income for a personal savings account. This can help with unexpected expenses and emergency fund.

2. **Education Funding**
   - **College Savings**: Start saving for your child's education early. Consider opening a 529 plan, which is specifically designed for education savings.
   - **Student Loans**: If you or your children are taking out student loans, consider options like income-driven repayment plans to manage the debt.

3. **Insurance and Protection**
   - **Life Insurance**: Review your life insurance coverage. Ensure it's adequate to provide financial security for your family in the event of your death.
   - **Health Insurance**: Review your health insurance coverage. Consider exploring options like high-deductible health plans with health savings accounts (HSAs) to save on costs.

4. **Real Estate**
   - **Investment Properties**: Consider investing in real estate as a passive income source. Research rental property in areas with high demand.
   - **Home Ownership**: If you're not already a homeowner, consider buying a home in a growing area. Real estate can be a good long-term investment.

5. **Travel and Leisure**
   - **Vacations**: Plan for vacations with your family. Consider traveling to new places and creating long-term memories.
   - **Retirement Planning**: Start thinking about your retirement plans. Consider factors like where you want to live, what type of lifestyle you want, and how much you need to save.

Remember, the key to financial planning in your forties is to be proactive and take advantage of the opportunities that come your way. By starting early and staying focused, you can achieve financial stability and enjoy the fruits of your labor in retirement.
FEEL EARNINGS: Your Fifties

This decade may provide an opportunity to recoup some savings, as you may be in your peak earning years and the largest mortgage obligation to your children behind you. Or your 5s may be marked by new challenges, like a career setback or impending job loss, or the task of planning for retirement, or the financial burden of aging parents. If you are married, you may be focusing on the assets associated with your choice. A lot in store, Retirement in no longer a distant dream, and smart money you made at that stage of life can help you transition comfortably into the next one.

Put a price tag on retirement. You may still be talking about whether you can stay right where you are or move to that beautiful town you’ve been dreaming of, or to the place you want to get to. Work with a certified financial planner. There’s one to your needs, but check for added fees.

Embrace “enough.” One of the most common things you may discover in life is to keep your spending in check. Some of your friends probably have the means to keep up with the Joneses, but you may need to make a break and keep your spending in check. If your finances are not too bad, you may be able to find that balance between living like the Joneses and being able to save enough money.

Stay caught up. When kids leave home, you may need to make some changes to your retirement accounts, which you may have been enrolled in for a long time. Your savings may not be enough, but with some planning, you can stay on track.

Simplify and share. As you move up, you may have to make some sacrifices, and your lifestyle may change. Try thinking about what you can live without and what you can live with. A way to help you stay on track is by finding ways to reduce your expenses and save money.

Close the bank of Mom and Dad. The past may be a little more difficult to living with your parents than it was to manage, but you can do it. If your situation calls for it, you may need to plan for the future of your parents, and you may need to be prepared to take care of them.

Balancing Dollars for Now and Later

Jeff Berg and Wilfred Marcellino, New York City

One step back, two steps forward. That’s how Jeff Berg and Wilfred Marcellino’s practice has evolved over the years, always in response to the needs of their clients. They are now reaching the milestone of 20 years in the business. They have been in the field of financial planning for 20 years, and in that time, they have helped hundreds of clients achieve financial independence.
Perhaps your children will find a new living situation or a new job in two months, with an eyewash astounding at some point. Don’t ask for more than you can give, a secret to a secure retirement. You may be surprised to find out what you don’t need.

Don’t raise retirement age. You can start saving for retirement in a 401(k) or IRA as soon as you start working. Keep in mind, too, that raising your retirement age in a retirement plan will not make a difference.

Your late fifties and beyond

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"We know retirement isn’t going to happen on its own."

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