Preparing For Retirement When You're Single

A tremendous amount of the advertising — whether it's print, TV, or social media — depicts retirement as a joint-adventure for happy couples. You know the ads I'm talking about. They often feature two smiling, white-haired people on a bike ride together, or clinking wine glasses at an outdoor restaurant with an ocean view. All perfectly pleasant images, sure, but what about the significant number of people whose retirement, at least initially, will be a solo trip?

A *U.S. News and World Report* article, 13 Tips for Singles Nearing Retirement, has some really interesting insights that I think will be very valuable for our listeners.

The first tip is to begin making plans. Now, that probably sounds simple enough, but a comprehensive initial plan will make the rest of the retirement planning process that much easier. And, as the article notes, if you're heading into retirement as a single person, you're joining a club that counts about 20 million of your fellow Americans as members.

Obviously, retirement planning when you're single is very different than retirement planning if you're married or in a committed relationship. With that in mind, the first element of your retirement strategy should be focusing on saving as much money as possible, as early as possible.

After all, if you're single you can't share household expenses with another person. Those expenses are all on you. You also don't get the tax breaks designed for married people. Finally, and perhaps most importantly, you don't have a spouse or partner that you can rely on to take care of you should you become ill.

Those factors, and plenty of others, make saving money essential. The article recommends saving at least 10 to 20% of your income annually. Reaching that ambitious goal will make it more likely you can pay your bills or meet your possible long-term care needs after you retire.

And, to tie-in to our previous point about saving your money, you should also build a strategy around the assumption that you'll live a long time after you retire. If you retire at 65, you may live another 20 or 25 years. That means you can likely look forward to plenty of adventures and great experiences with family and friends, but it also means you're going to have to have enough money to make it all happen.

If you haven't already, I'd urge you to meet with a financial services professional. They'll have the experience and insights that can make your strategy process a little easier.

The next tip is to carefully diversify your retirement savings. Don't put all your financial eggs into one basket, as it were. Without getting specific, there are numerous tools and products out there that may help you prepare your finances for a solo retirement.

Additionally, there can be tremendous value in working with a financial services professional who may have insight into helping you make money with your money. When you retire as a single person, you need to stretch your money even further because you aren't sharing expenses — both known and unknown — with another person.

Moving on, when it comes to enhancing your strategy, it's important to know your money. Really research and contemplate the various ways you can maintain income after you retire. And, obviously, there are a lot of ways to provide yourself with retirement income, so beginning the process early is critical.

And knowing your money goes beyond just saving it and making it grow, it also means knowing where it's likely to be spent. A *Motley Fool* article, [5 Long-Term Care Stats That Will Blow You Away](), has some potentially eye-popping stats: About 69% of people will need long-term care after they turn 65. And, as you might imagine, long-term care isn't cheap. The article also notes that about 15% of people who turned 65 between 2015 and 2019, spent $250,000 or more on long-term care.

As you build your retirement strategy, working on the assumption that you're likely to need long-term care, and perhaps a lot of it, is probably a wise move.

The most common way to prepare for potentially expensive, on-going retirement healthcare needs, is to purchase long-term insurance. And, like so many other parts of your retirement strategy, the sooner you do it, the better.

Depending on what you purchase, long-term care insurance may help provide you with nursing care and other things that standard healthcare doesn't cover in the aftermath of a major medical event like a stroke. Purchasing long-term care insurance early, during your working years, may lower your coverage costs.

Another benefit of long-term care insurance, is that it alerts your family and friends about who you'd like to hire and rely for help should you become seriously ill or incapacitated.

Even if you're single, it's important to keep your estate documents updated. Estate documents can include your will, medical directives, and your power of attorney. Your individual retirement accounts and life insurance policies also have beneficiaries that you'll want to keep updated as your circumstances or perspectives change. Your estate documents can also dictate where you'd like your pets to go.

If you don't spell these things out yourself, your state will step in to determine who will manage your affairs. Make sure the people you've assigned duties to are aware of them and also be certain that your critical documents are safely stored and accessible to you and the people who you want them available to.

Disability insurance is also something you may want to consider. While disability insurance is probably something everyone should consider purchasing, it may be even more pressing for single people, because not being able to work may have enormous consequences for your ability to save money and properly prepare for retirement.

Another piece of strategy you may want to consider is retiring when you're 70. Every year that you delay your retirement beyond the full retirement age, which, according to the [Social Security Administration](), is currently 66 for people born between 1943 and 1954, you boost your Social Security benefit by 8% due to the delayed retirement credit. Therefore, if you're full retirement age is 66 and you don't retire until you're 70, you boost your Social Security benefit by 32%.

I hope you've gained some new insights into how you can build a comprehensive strategy if you intend to retire as a single person.