



## The Relationship Between Retirement Savings and Marital Status Among Young Adults

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### Significant differences exist in retirement savings outcomes by marital status at young adulthood<sup>1</sup>

For example, higher proportions of married young women (aged 22 to 35) were in households reporting retirement as an important savings goal compared to single and cohabiting women.

Married women and men were significantly more likely to have an individual retirement account (IRA) or a defined contribution (DC) pension plan in their household at young adulthood than were their cohabiting and single counterparts.<sup>2</sup>

### Researchers posit a number of reasons why marriage may be positively linked to retirement savings at young adulthood:<sup>3</sup>

1. Economies of scale, resource pooling, and cost sharing may allow young married couples to have more money available for retirement savings earlier in the life course.
2. From a psychological perspective, the long-term commitment implied by marriage may allow young adults to envision their old age and retirement needs more readily.
3. Marriage may also encourage young adults to feel more connected to their future selves, leading to more future-focused behavior.

### Background

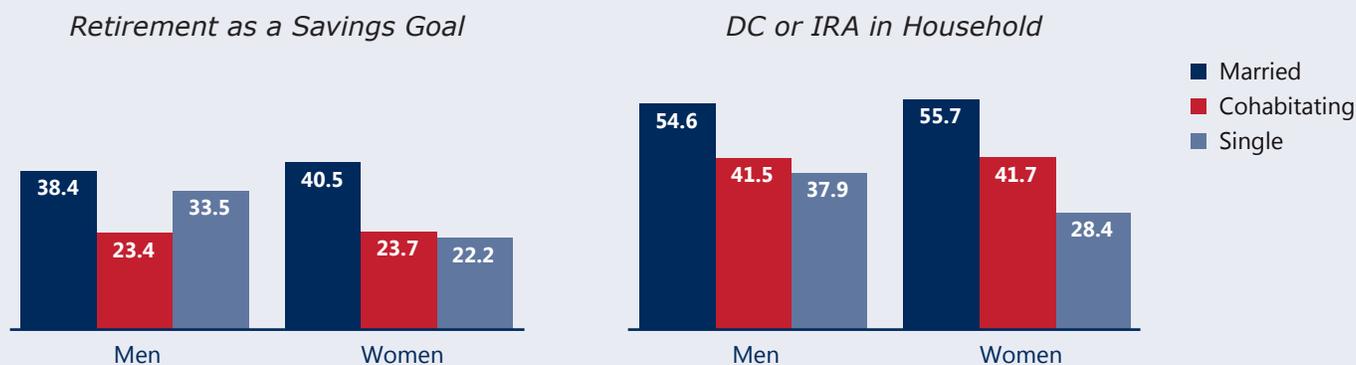
- Increasingly policymakers and academics are working to promote retirement savings early in life to improve financial outcomes later in life.
- Retirement savings among today's young adults is increasingly important given the trend toward contributory retirement savings plans, which require more active participation by individuals and households.

<sup>1</sup> These results apply to retirement savings at young adulthood only and may not reflect retirement savings later in life.

<sup>2</sup> These relationships hold controlling for key covariates, including age, education, household income, and employer size.

<sup>3</sup> Further research is necessary to clarify the mechanisms of this relationship.

### Percent of Young Adults (Aged 22–35) Reporting...



SOURCE: Authors' calculations based on Survey of Consumer Finances data from years 2001, 2004, and 2007.

**SOURCE:** All findings are from Knoll, Melissa A.Z., Christopher R. Tamborini, and Kevin Whitman. 2012. "I Do...Want to Save: Marriage and Retirement Savings in Young Households." *Journal of Marriage and Family*, 74(1): 86–100.

**NOTES:** All content is simplified for presentation. Please see source material for full details and caveats.

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