Relationship of Marital Status to Financial Priorities of Five Generations of Americans
The Society of Actuaries (SOA) has studied the financial knowledge, priorities and strategies of Americans in and nearing retirement for 20 years. Previous studies by the SOA found that married couples nearing and in retirement were likely to be better off financially than single individuals.1

Through a large, multigenerational survey conducted by Greenwald & Associates on behalf of the SOA and its new Aging and Retirement research program, this study extends previous work by providing insights into how married and partnered couples in five generations compare and contrast to single individuals with regard to their financial concerns, outlook and priorities; their planning horizons; and their concerns about retirement issues. This effort also explores how these generations of Americans assess and prepare for the financial risks associated with events that have a high likelihood of impacting financial security in retirement and how that relates to marital status. The focus of this report is on two broad groups: married or partnered (married and unmarried and living with a partner in a permanent relationship) and single (separated or divorced; widowed; and single, never married).

In general, married and partnered individuals exhibit greater income and wealth, more security and a more positive outlook across all generations. The outlook and financial priorities of individuals within these marital groups varies with those married or partnered more likely to have a positive outlook on their finances and consider themselves planners and savers and have a focus on saving for retirement. Those who are single are prioritizing affording everyday bills and paying down student debt. Retirement concerns are generally similar regardless of marital status, despite there being significant differences in retirement preparation.

These differences are even more dramatic for older generations, including their financial outlook and planning horizons. There are wide gaps between married or partnered individuals and those who are single in how they address their financial priorities and their relationship with debt. These findings are potentially troublesome, given that these older generations are generally approaching or in retirement.

This report is the sixth in a series that analyzes financial priorities across generations. Using results from an online survey of 2,001 individuals, including 398 Millennials, 399 Gen Xers, 403 Late Boomers, 401 Early Boomers and 400 members of the younger portion of the Silent Generation, key financial issues around financial goals, concerns, and retirement preparedness are examined. A full report with detailed data by generation can be found at https://www.soa.org/research-reports/2018/financial-perspectives-aging-retirement/.

Demographics

Because of the significant impact marriage plays on household finances, understanding the key demographic differences between those married or partnered and those single is crucial prior to looking at their outlook, concerns and priorities. While the majority of both groups are working for pay, those married or partnered are more likely to say this (59% vs. 51%) and are more likely to be a homemaker (12% vs. 3%) (Figure 1). On the other hand, single individuals report higher rates of being unemployed and disabled. Overall, bachelor’s degrees are equally as common for both groups, while married or partnered individuals are more likely to have a graduate or professional degree and single individuals are more likely to have finished their education prior to college.

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Figure 1
DEMOGRAPHICS OF RESPONDENTS BY MARITAL STATUS

<table>
<thead>
<tr>
<th></th>
<th>Married or Partnered</th>
<th>Single</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employment Status</strong></td>
<td>59% Working for pay</td>
<td>51% Working for pay</td>
</tr>
<tr>
<td></td>
<td>21% Retired</td>
<td>24% Retired</td>
</tr>
<tr>
<td></td>
<td>12% Homemaker</td>
<td>3% Homemaker</td>
</tr>
<tr>
<td></td>
<td>2% Unemployed</td>
<td>9% Unemployed</td>
</tr>
<tr>
<td></td>
<td>4% Disabled</td>
<td>7% Disabled</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>30% High school or less</td>
<td>36% High school or less</td>
</tr>
<tr>
<td></td>
<td>25% Some college or technical school</td>
<td>31% Some college or technical school</td>
</tr>
<tr>
<td></td>
<td>25% Bachelor’s degree</td>
<td>22% Bachelor’s degree</td>
</tr>
<tr>
<td></td>
<td>19% Graduate or professional degree</td>
<td>10% Graduate or professional degree</td>
</tr>
<tr>
<td><strong>Household Income</strong></td>
<td>24% Less than $50,000</td>
<td>54% Less than $50,000</td>
</tr>
<tr>
<td></td>
<td>31% $50,000 to $99,999</td>
<td>33% $50,000 to $99,999</td>
</tr>
<tr>
<td></td>
<td>45% $100,000 +</td>
<td>14% $100,000 +</td>
</tr>
<tr>
<td><strong>Savings &amp; Investments</strong></td>
<td>26% Less than $25,000</td>
<td>48% Less than $25,000</td>
</tr>
<tr>
<td></td>
<td>18% $25,000 to $99,999</td>
<td>17% $50,000 to $99,999</td>
</tr>
<tr>
<td></td>
<td>48% $100,000 +</td>
<td>24% $100,000 +</td>
</tr>
</tbody>
</table>

Not surprisingly, those married or partnered are more likely to have higher household incomes. This trend holds as well for the value of their savings and investments with 48% of single individuals reporting savings of less than $25,000, reported by just one in four of those married or partnered.

Financial Outlook

Individuals who are married or partnered are more likely to see themselves as thrifty, savers and planners (Figure 2). In particular, single Millennials are less likely than their married or partnered peers to call themselves savers or thrifty. While few across any generation or marital status consider themselves investment pros, those who are single tend to think so less often, especially those in the Gen X, Early Boomer, and Silent generations.
Figure 2
AVERAGE RATING OF THRIFTY, SAVERS, PLANNERS AND INVESTMENT PROS BY MARITAL STATUS AND GENERATION

Married or partnered individuals are more likely to describe their outlook as optimistic, satisfied and smart, while single individuals are more likely to say they feel overwhelmed, depressed and upset (Figure 3).

Figure 3
FEELINGS TOWARD FINANCIAL SITUATION BY MARITAL STATUS

What are your feelings when you are reviewing your financial situation and looking ahead for planning purposes? (Married or Partnered, n = 1,302; Single, n = 699)
Some of the biggest differences seen by marital status are in the middle three generations and are particularly divergent with the Early Boomers, those ages 64–72. For instance, 54% of married or partnered Early Boomers feel optimistic, while 37% of those who are single feel the same.

Financial Priorities, Planning and Concerns

Half of those who are single report they can only plan from paycheck to paycheck or two to three months ahead when reviewing their financial situation compared to one in three of those married or partnered (Figure 4). These differences are particularly stark for Late Boomers, Early Boomers and members of the Silent Generation. Among these older generations, 25% of those who are single can only plan paycheck to paycheck, while only 11% of those married or partnered do so. On the other end of the planning timeline, one in five of those married or partnered plans for the rest of their lives, while this is true for only 14% of single individuals.

Figure 4
FINANCIAL PLANNING TIME FRAME BY MARITAL STATUS AND GENERATION

Given these differences in planning horizons, it is not surprising that financial priorities vary by marital status. Those married or partnered are more likely to place a high priority on saving for retirement (64% vs. 52%), saving for vacations (38% vs. 27%) and saving for their children’s education (26% vs. 18%) than those single. On the other hand, single individuals’ financial priorities are more likely focused on being able to afford everyday bills (74% vs. 67%) and paying off student loans (17% vs. 13%).

When asked about what strategies they are using to address their financial priorities this year, individuals of all generations who are in relationships are putting money into an employer’s retirement plan, targeting investments to grow their money, targeting investments to produce income and working with a financial advisor more often than those who are single (Figure 5).
Single individuals, on the other hand, are more likely than their married or partnered counterparts to stick to a budget, cut back on things like vacations and eating out, and make efforts to get their debts under control to address their financial priorities. For single individuals in the Early Boomer and the Silent Generation, these differences are especially substantial. Single individuals in the Silent generation are also significantly more likely to stick to a monthly savings plan compared to their married or partnered equivalents.

**Debt**

One area that has considerable contrast when viewed by marital status is debt. Overall, 32% of single individuals agree that their level of debt is complicating their ability to manage their finances, a statement that only one in five married or partnered individuals agree with. Although the proportion of respondents who do not have any debt is similar by marital status (22% of married or partnered, 27% of single), those who are married or partnered are much more likely to have debt that includes home mortgages, car payments or home equity loans, not surprising because they are much more likely to own their home.

Where the contrast manifests itself most is among the Silent Generation. Single individuals in this generation are much more likely to have debt (75% vs. 53% of married or partnered), especially credit card debt (49% vs. 26%) (Figure 6). The impact debt has on these individuals is substantial, with paying off credit card debt being one of their top financial priorities (62% vs. 36%).
As shown earlier, single individuals in the Silent Generation are approaching their financial priorities much differently than those married or partnered, with more emphasis on sticking to budgets and savings plans, cutting back on things like vacations and eating out, getting their debt under control and learning to use credit cards wisely rather than targeted investing or working with a financial advisor.

Importantly, 71% of single individuals in the Silent Generation are female, and another 57% are widowed. The findings in this area could be caused by a tendency among some of these women to have relied on their husbands for financial decision-making, prior to becoming widowed. A high percentage of these women view themselves as “investment novices.”

**Retirement Concerns**

Saving for retirement is a high priority for 64% of those married or partnered, much higher than single individuals, where it is a high priority for 52%. Those married or partnered are more likely to consider their planning for a financially secure retirement to be on track and are also more likely to be taking steps to prepare for retirement, including putting money into an employer-sponsored retirement plan (Figure 7).
Concerns around retirement are relatively similar across marital status with a few particular areas of more concern for those single (Figure 8). Not being able to maintain a reasonable standard of living for the rest of their lives is more of a concern for those single (68% vs. 60%), especially for the middle three generations. Additionally, that there might come a time when they are incapable of managing their finances is another higher concern for those single (62% vs 55%), with single Gen Xers leading the way (70% vs. 52% of married or partnered Gen Xers). For those married or partnered, these worries may be less pressing due the fact that their partner can help prepare for retirement as well as issues that may occur during retirement such as cognitive decline.

Figure 8
RETIREMENT CONCERNS BY MARITAL STATUS AND GENERATION

Conclusion and Perspective

Married or partnered individuals are on average better off economically than single individuals. This seems to lead to differences in financial planning priorities and outlook. The differences that exist between the groups seem to hold across the generations. Planning horizons are a major challenge generally, and single individuals tend to have a shorter planning horizon than couples.

Other than Millennials, single individuals in each generation are more concerned about retirement issues than those who are married or partnered. Conversely, single individuals report that they are dealing with more immediate priorities such as affording everyday bills and paying off debt.

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Methodology

The report presents the results of research conducted by Greenwald & Associates, on behalf of the Society of Actuaries. Using Research Now’s panel, Greenwald conducted an online survey of 2,001 individuals: 398 Millennials, 399 Gen Xers, 403 Late Boomers, 401 Early Boomers and 400 Silent Generation. The survey was conducted from July 17 through July 27, 2018.

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The SOA supports actuaries and advances knowledge through research and education. As part of its work, the SOA seeks to inform public policy development and public understanding through research. The SOA aspires to be a trusted source of objective, data-driven research and analysis with an actuarial perspective for its members, industry, policymakers and the public. This distinct perspective comes from the SOA as an association of actuaries, who have a rigorous formal education and direct experience as practitioners as they perform applied research. The SOA also welcomes the opportunity to partner with other organizations in our work where appropriate.

The SOA has a history of working with public policymakers and regulators in developing historical experience studies and projection techniques as well as individual reports on health care, retirement and other topics. The SOA’s research is intended to aid the work of policymakers and regulators and follow certain core principles:

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**Quantification:** The SOA leverages the diverse skill sets of actuaries to provide research and findings that are driven by the best available data and methods. Actuaries use detailed modeling to analyze financial risk and provide distinct insight and quantification. Further, actuarial standards require transparency and the disclosure of the assumptions and analytic approach underlying the work.