

Education

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## Financial Planning for Singles

From [Inside Personal Finance](#)

*Single? You may need financial planning more than a married person.*

I am writing to the truly single person. You fit my definition if you do not have children, you are not married, and/or any parents children, siblings or other relatives are uninvolved in your life (whether the distance is due to geography or emotion). If this describes you, read on.

Single people face financial issues not experienced by others. One of our single clients recently asked us some searching questions:

"If I became disabled, who would care for me?"

"Suppose I have a stroke and cannot reach the phone. Who would know?"

"Suppose I end up in the hospital for several days or even weeks. Who will collect my mail, pay my bills, and take care of my cat?"

"To whom do I leave my estate?"

Many think that financial planning is not important for singles because they only have to worry about themselves -- there's no spouse or children to consider. But in fact, it's the absence of immediate family that makes it even more imperative for singles to engage in comprehensive planning. After all, singles must face every financial issue alone; there is no immediate support on which to rely. So, here are some strategies for singles to consider.

Many singles are spenders, not savers, because they often don't feel the same need to save as those who are married with children. (After all, no kids means no college or wedding costs.) But singles will retire one day, just like their MWC counterparts. That means even if you're single, you must contribute the maximum to your employer's retirement plan. Also talk to a financial advisor, who can help you design a savings plan to assure your financial independence.

If you can't afford to retire today, you need disability income insurance. Often provided by your employer, it should provide you with 60% of your income if you become disabled and are unable to work. The ideal policy will provide benefits until you are 65 years old. To provide money for long-term care, consider long-term care insurance as well. But singles don't need life insurance (without family, your death would not cause financial hardship to others).

Do you wonder what might happen if you have an accident in your home? The first people to notice are likely those who have the most contact with you. For singles, that means co-workers. For that reason, talk to your boss, your human resources department, and a trusted friend or colleague: Tell them where you keep a spare house key, so they can check up on you during an unexplained absence. Likewise, develop relationships -- or at least arrangements -- with a neighbor or someone who works at a place you frequent, such as a gym, civic center, or church.

Like everyone else, singles might find themselves in the hospital, in a condition that renders them unable to give instructions to medical personnel. You can anticipate this scenario by providing a close friend or other trusted person with your durable powers of attorney for finances and health care. These documents enable another person to make critical decisions for you if you are unable to do so yourself.

But choose this person carefully, because you're granting full legal access to your assets. That's why an estate attorney is essential. The attorney also will help you draft a will. The key question: Who do you want to receive your assets after you die -- distant relatives, friends, and/or charities?

Singles need planning, but you don't have to go it alone.

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