

CONFIDENT CONVERSATIONS® on Retirement: Social Security Planning for Women: Timing, Benefits, and More

Jessica Sclafani: Welcome to T. Rowe Price's CONFIDENT CONVERSATIONS® on Retirement. I'm Jessica Sclafani and I'm excited to be your host this season. As a retirement strategist, I've spent years helping people make sense of retirement, both the numbers and the emotions behind them. Together with my colleagues, we'll explore practical insights to help you retire confidently.

Today, we're diving into a topic that plays a critical role in retirement planning, especially for women. Social Security. Okay, ladies. I know many of you just turned up the volume. While aging and money are two topics we might not be dying to talk about. Today we're going to tackle it all head on. I get it, and I'm with you. That Social Security might sound or feel complex, maybe a little scary, but understanding how it works can be a real sense of empowerment. And that's what we're aiming for. So, to that point today, I'm joined by two highly esteemed voices on retirement, CERTIFIED FINANCIAL PLANNER® professionals, Stuart Ritter and Judith Ward, who are here to help us make sense of it all. Welcome, Stuart and Judy.

Judy Ward: It's great to be here, Jessica.

Stuart Ritter: Thanks for having us.

Jessica Sclafani: Thanks for coming. So, before we get into the fun details of timing, spousal benefits or earnings history, let's start by just addressing the elephant in the room. I'm just going to ask straight out: is Social Security going away?

Judy Ward: Well, based on what we know today, Social Security is not going away. It's true that if no changes are made, the Social Security trust fund is projected to run out in 2033. But that doesn't mean benefits will disappear. Even without the trust fund, payroll taxes from current workers will still cover about 80% of promised benefits. And that's because Social Security, it's a pay as you go system. Today's workers fund the benefit for today's retirees. Retirees, they don't have their own individual account. Their benefits are drawn from the system's overall inflows. And the core challenge is demographic. As people live longer and birth rates decline, there are fewer workers supporting more retirees. Once the trust fund is depleted, there won't be enough money coming in to pay all the currently promised benefits, which is why a reduction will need to be made.

Stuart Ritter: Which means Social Security as we know it now is not going away. And while a reduction to 80% isn't great, it's not zero. And there are people out there who mistakenly believe it's going to zero, and therefore I shouldn't pay attention to it. And my argument would be if benefits are going to be reduced, it's even more important to make smart decisions about Social Security. So, make sure you don't skip over this topic because you're misreading the headlines.

Jessica Sclafani: Okay, super helpful context. What I'm hearing is based on what we know now, Social Security isn't going away. Yes?

Stuart Ritter: Yes.

Judy Ward: Yes.

Jessica Sclafani: I got two yeses. Okay. But changes will likely be needed to keep it strong. Also, yes?

Stuart Ritter: Yes.

Judy Ward: Yes.

Jessica Sclafani: Okay. And, Stuart, I'm so glad you brought up the headlines, because that's really not the takeaway from some of the recent headlines that I've seen related to Social Security. They can be kind of alarming. So, I'm just so glad to have both of you, Stuart and Judy, here to help us sing it from the mountaintops, right? Social Security is not going away. It might have some changes, but it's not going away.

So now let's kind of focus in on the women aspect, right? We know that women face unique challenges when it comes to Social Security. And I know I called out the ladies at the beginning of the discussion, but I do want to acknowledge all the gentlemen. I see you too. I know many of you have important women in your life that could benefit from this conversation as well. So, Stuart, I'm going to come to you. What are some of the common challenges women in particular face with Social Security?

Stuart Ritter: Let me start with a quick story about my mother-in-law. And no, this is not leading into a mother-in-law joke, no that's not where I'm going with it. My mother-in-law is wonderful, we get along great. But the answer to your question was something I was thinking about when we were over for dinner one night.

We were there because her two sisters were in town. At one point, my mother-in-law, her two sisters and my wife, so her daughter, were sitting at the other end of the dining room table, and it occurred to me they were each in a slightly different place. One had never been married. One was a widow. My mother-in-law's husband, my father-in-law, is still alive, but she will probably outlive him. And my wife will almost certainly outlive me. So, the decisions that they made and the decisions if they were married or are married, that their husbands made, are going to affect them longer. And it's going to have a bigger effect, because in most cases the wife is going to outlive the husband. So, the reason it is so important for women and for the men who are making decisions who are affecting the women in their lives, is because the women are going to have to live with those decisions longer.

Also, since Social Security benefits are based on how much you earn and for how long you earned it, women face some real challenges. They tend to earn less. They have more career interruptions due to caregiving. All of those factors mean that women, on average, have a lower Social Security benefit than men by about 19%. And as I alluded to, and I'll throw some statistics out, the average 62-year-old woman will live three years longer than the average 62-year-old man. And since a wife on average is two years younger than her husband, the average wife will outlive the average husband by five years. So, this is not a women's topic. This is something everybody should be focused on.

Jessica Sclafani: And Stuart, I just need to check myself here. I think I heard you just describe a triple whammy for women.

Stuart Ritter: Yeah.

Jessica Sclafani: So, women tend to get paid less, live longer and are more likely to experience career pauses to be a caregiver.

Stuart Ritter: Right. Again, that's why it's so important to make good decisions about it.

Jessica Sclafani: Right, and now we've come full circle, this is why we have an episode devoted to this topic, right?

Stuart Ritter: Exactly.

Judy Ward: Right. Yeah. And I would also add that many retirees state that Social Security benefits are a significant source of income in retirement, and it's a benefit that's adjusted for inflation over time. And like Stuart, I've had firsthand experience with different circumstances. So let me just share quickly. My mom and dad both had careers, and my dad passed away in his late 60s. They were both taking Social Security at the time based on their own earnings. My mom was shocked that the amount of Social Security benefits they were receiving as a household was almost cut in half when my dad passed away. She was not prepared for that change in income at all. She had no idea that's what would happen, when my dad passed away. So, she outlived my dad by another ten years and had to get creative managing her income and expenses.

Now, my mother-in-law, on the other hand, she never worked outside the home. She had not started to take her Social Security benefits. But when my father-in-law passed away in his, I think early to mid-60s, she saw very little change in her Social Security benefit, because it was coming in under her husband for the household and that's what she was going to get moving forward. So, although and actually, let me add, she's still going strong, I mean, it's been over 20 years that she's been a widow.

So, although Stuart talked about the averages being about five years, I think we all know surviving spouses who have been solo in retirement for much, much longer. So, the idea it's not

just economical, it's emotional too. Like many individuals, women worry that Social Security won't be there for them. These decisions are so important that pessimism can lead to decisions like claiming early out of fear, and this isn't just women. I hear this all the time. And so that would permanently reduce the monthly income.

And I've worked with many women who feel self-doubt around not fully understanding Social Security, but that's a reflection of how complex the system is, not their ability to navigate it. In fact, only 20% of workers say they understand Social Security very well. So, if you're feeling uncertain, you're in the vast majority. It's a complicated system, but with the right information and guidance that uncertainty can quickly turn into clarity and confidence.

Jessica Sclafani: I just have to say thank you, Stuart and Judy, for sharing those stories about your families and what you've seen in terms of experience with Social Security. It's so helpful to hear that story, to make it tangible and relatable and see what it means in real life. I also love, Judy, you know, you talked about economics and emotions, and that is just so applicable to this discussion on Social Security. I also have to observe that we've used the words uncertainty, worry, anxiety quite a few times. So, I think we're going to have to explore that more. But maybe a good place to start is just what Social Security basics often make the biggest difference for women?

Judy Ward: Well, first I would just add set up your account on SSA.gov. It's a great resource, it's got a lot of information, and with that you can check your earnings record. This is the foundation for understanding what you've earned toward your benefits and ensuring the information is accurate. If you're married, make sure your spouse sets up their account too. Both benefits are important for household planning. And then understand how your claiming age affects your benefit amount. You get the maximum monthly benefit if you wait until age 70 to claim. Starting benefits any time before then will reduce what you receive, sometimes significantly. And if you start at age 62, you could be cutting your benefit essentially in half.

Stuart Ritter: Wait wait wait wait, what? Half?

Judy Ward: Yeah, sometimes the numbers work out where your benefit is cut in half.

Stuart Ritter: Because I don't see half out there very much.

Judy Ward: No.

Stuart Ritter: I mean, I see charts and maybe 70%, but if someone takes their own benefit at age 62, they're cutting it essentially in half compared to what they would get at age 70?

Judy Ward: That's correct.

Stuart Ritter: Okay. I just want to make sure that was clear.

Judy Ward: That's correct. And keep in mind this is a benefit amount that you're going to get through the rest of your retirement. So, it could be decades. That's why these decisions are so, so important. But your account at SSA.gov lets you see the exact dollar differences across claiming ages, which can really help you make more informed decisions based on your financial needs and life expectancy. And then some other, you know, information about how Social Security calculates your benefits. You need 40 credits, about ten years of work to qualify, but those years don't have to be consecutive. And your benefit is based on your 35 highest earning years, not your most recent 35 years, which I hear a lot of people think. If you don't have 35 years of earnings, Social Security will fill in the gap with zeros, which can reduce your benefit but if you continue to work, even part time work that can actually help improve your benefit calculation.

Jessica Sclafani: So, Judy, I have to tell you, this is a big admission on my part here, I am one of those enthusiastic Post-it users, and I don't have a Post-it near me right now, but I can feel myself reaching for one to write, "set up account at SSA.gov." That's super helpful and that feels like a doable first step. So, let's all mentally make that Post-it. Stuart, what else would you add in terms of Social Security basics that can make a big difference for women?

Stuart Ritter: Unfortunately, there are some terms that mean one thing on the rest of the planet and means something different in the realm of Social Security. Judy alluded to one earlier. She didn't actually use the word "bankrupt," but a lot of people will read in those headlines that "Social Security is going bankrupt." In the rest of the world, if something goes bankrupt, there's no more money to come out. But when people talk about Social Security going "bankrupt," they're referring to the trust fund that Judy mentioned. But it's not as if the payments stop - money keeps flowing in, money keeps flowing out.

So, there's another term out there that I want to focus on and help people not get hung up on it. And that's the term Full Retirement Age, and specifically the word full. The word full on the rest of the planet, if my gas tank is full of my water, glass is full, I can't put any more in there. But for some reason, somebody decided when we're going to use that term in Social Security in terms of like your full benefit, you can actually get more. So, people will get hung up on this Full Retirement Age term. All Full Retirement Age is an age that Congress set so the Social Security Administration can use it in their formula to figure out how much people should get. It's not a recommendation. It's not a target. It's not even when you get your largest benefit. And that's unfortunate because a lot of people will say, "okay, I'm waiting 'til my Full Retirement Age. That's when I get my full benefit. I know what full means because I've used it in other places." But in Social Security, that's not the maximum. Judy was very deliberate in using that term earlier. You get your maximum benefit at age 70. That's what we want people to focus on. Claiming before then, starting your benefit before age 70 reduces your monthly benefit every month, every year for the rest of your life. Can you hear that dramatic music welling up behind me?

Jessica Sclafani: I hear it.

Stuart Ritter: Okay, yeah, it's there, it's there.

Jessica Sclafani: Yeah, I do. I love it.

Stuart Ritter: And we're making that point so emphatically because if you take it at 62, you're cutting it almost in half. The other thing to focus on is exploring spousal benefits.

Judy Ward: Can I add something real quick, Stuart?

Stuart Ritter: Yeah, go ahead.

Judy Ward: So, a lot of times what I see and hear are people thinking there's only three times that I can claim my social Security benefit: age 62, my Full Retirement Age and age 70.

Stuart Ritter: Right.

Judy Ward: When in fact you can make that claiming decision any time.

Jessica Sclafani: Any time.

Judy Ward: From age 62 to age 70. Now, there are some reasons Full Retirement Age is important, but it's not as important as it used to be in the past. So really, from age 62, it can be a year-to-year decision. So, we talk a lot about your maximum benefit at age 70. You know, I always hear people say, "I'm taking it 62 because I can." I'm like, "well, that's not a well thought out reason to be taking your Social Security benefit." But if you have the idea that maybe I can wait as long as I can. It can be a year-to-year decision. It's not just three ages and that's it.

Stuart Ritter: Good point.

Jessica Sclafani: Judy, I hear you saying that we should consider or be thinking about pushing out when we start claiming Social Security. Because you're telling us that'll be a larger benefit, right? But maybe you can help us really understand that by putting some numbers to it. And also, I just I know I'm speaking for at least a portion of listeners, by acknowledging waiting isn't always that appealing. Right? So, kind of what's in it for me? Why should I wait?

Judy Ward: Sure. And we hear this all the time. And as I mentioned, it can be a year to year to decision. But just to understand maybe the magnitude of some of the differences. If we consider an example and this might be someone who's earning \$100,000 each year until claiming benefits. For example, if that person were to start benefits at age 62, it'd be around \$21,000 a year for the rest of their retirement. If they waited until what we say Full Retirement Age, let's say age 67, which is another benchmark people think about, that benefit would be around \$32,000 a year. So, it's about a 50% or so increase from age 62. If they're able to wait until age 70 to get their maximum benefit, that benefit is over \$41,000, almost \$42,000 a year for the rest of their life. That is a 97% increase from starting at age 62. So, we're talking about

\$21,000 a year for the rest of your retirement versus almost \$42,000 a year for the rest of your retirement. Plus, it's inflation adjusted. That's significant.

Stuart Ritter: The other thing to think about is exploring spousal benefits. Even if fewer people qualify today. Women are less likely than in the past to receive a spousal benefit, and mainly for two reasons. Either they aren't eligible because fewer women are getting married, or their own benefit is higher because women are earning more. So, the majority of people, though, who do receive a spousal benefit, are still women. So, if you are or were married, it's worth understanding whether this option applies to you. Let me be very clear. If you used to be married, if you have a living ex-spouse, that might entitle you to the spousal benefit. Judy talked about getting your information from SSA.gov. You do not have to contact your ex-spouse.

Jessica Sclafani: Helpful.

Stuart Ritter: To get information.

Jessica Sclafani: Good to know.

Stuart Ritter: Also, what you do doesn't affect them, what they do doesn't affect you. If you have an ex-spouse, call the Social Security Administration, that's where you can get the information. You don't have to get in touch with them. So let me address that pretty clearly. And then I want to round out this section with conversations I've had with husbands in the past. And I'll go through this whole age 62 thing. And as Judy said, there are people who say, "I'm going to take it at 62." I hope you can hear that. I'm pounding the table. "There's nothing you can say that's going to change my mind." And I say, "well, you know, if you take your benefit at age 62, you're cutting it in half essentially..."

Jessica Sclafani: You have mentioned that.

Stuart Ritter: I might have.

Jessica Sclafani: Yes, yes, 62, cut in half.

Stuart Ritter: ...once or twice.

Jessica Sclafani: We got that.

Stuart Ritter: And the response is, "I don't care, I'm taking it." And then I say, "and you're cutting your surviving wife's benefit in half for the rest of her life." And there's this long pause and the eyes get wide and both times when this has happened explicitly, they've said, "what? I don't want to do that. I'm not going to do that. Leave her in the lurch? No way." Don't overlook survivor benefits, especially the timing decisions that affect them. About 80% of those receiving survivor benefits are women. And as I mentioned, your spouse's claiming decision directly affects what you receive if they pass away first. So, one of the things to think about is in a

married couple, the higher earner should consider delaying until they get the maximum benefit, because that benefit will last not only for their lifetime, but then after they pass away as a survivor benefit, it will last for the remainder of the survivor's life. That's a critical consideration for household planning. Now, if you want more details on all of this, I share more information in an episode last season on unlocking the power of Social Security benefits that you might find helpful.

Jessica Sclafani: So that was a lot of great information. And also, another good story. Love it.

Stuart Ritter: Now, I've talked about your own benefit. I've talked about a spousal benefit. I've talked about a survivor benefit. It's important to keep those in mind, because I was talking to a financial advisor once about this topic, and he shared with me one of his clients, who had always described herself as single. So, he was talking about her own benefit, they were making plans on the own benefit, and at one point she mentioned her ex-spouse, and it was the first time he had heard about the ex-spouse, and she didn't know that mentioning it was important until they started getting into the details of Social Security. So, then they started talking about the spousal benefit, and she said, "well, you know, I was married before that and my first husband passed away." So now survivor benefit came into the picture. So if you think of yourself as single, even if someone says they're single, understand you may qualify for a benefit on your own, you may qualify for a benefit as a spouse or as an ex-spouse, and you may qualify for a benefit as a survivor or even a survivor of an ex-spouse.

This is complicated stuff. But if you walk away from this podcast knowing what to look for when you're going to Social Security, when you're reading information, you've got the context to apply it to your own personal situation.

Jessica Sclafani: It occurs to me, across all of these stories, Judy, Stuart, that you've shared today. they're all so unique, right? The decision, the claiming decision was really a reflection of that individual's life. And their unique experiences. What are some of the things that women should be thinking about so that they can make these more informed decisions about when to claim Social Security?

Stuart Ritter: One of the things I hear very often is people are worried about outliving their money. So that's their longevity.

Jessica Sclafani: Oh, I hear that one a lot too. That's the big one.

Stuart Ritter: That's the big one.

Jessica Sclafani: Yeah, will I run out of money before I die?

Stuart Ritter: Right. That's the financial concern. So, part of this decision is how do you decide when to take your Social Security benefits to help manage that longevity risk? Especially

because women live longer, it often makes sense for them to delay to get those maximum monthly benefits, so that if they do wake up when they're 90, they've got that larger check. So, if you're you've never been married, you're making that decision on your own. If you're part of a couple, think about that in terms of the higher earner getting that maximum benefit at age 70. So, the surviving spouse gets the larger benefit for life. You can also work with an advisor to help you figure out what decisions will have what consequences.

Now there's something out there called a break-even analysis. A lot of people will approach this by saying, "well, how do I make a decision so that I get the most from Social Security based on when I die" as if it's some kind of game and gee, if I die sooner, I gave up some money from Social Security and somehow I've lost. I'm not sure that's what people are going to be thinking about if unfortunately, they die earlier. But from what I've heard, that is what people are thinking about if they're living longer. "Gee, I wish I either had a larger Social Security benefit" or "I'm glad I have the bigger one."

So, when you're thinking about this longevity planning, here's a way to think about it. I live about an hour from the Baltimore-Washington International Airport, so on average it takes an hour for me to go to my front door to get to the front door of the airplane. But when I plan the time that I leave, I don't leave exactly one hour before the plane is going to close its door, because the consequences of being ten minutes early and being ten minutes late are not the same. I build in some extra time. So, when you're thinking about starting your Social Security benefits, if you're just focused on your average life expectancy, the consequences of dying ten years earlier and dying ten years later are not the same. Being older, long retirement, but with a lower social security payment has some pretty big financial consequences. So don't just focus on that breakeven point. Don't just focus on the average life expectancy. Focus on the longevity planning, because that's what people are worried about and that's what getting a higher Social Security check can help you work against.

Jessica Sclafani: And I know you mentioned this earlier, Stuart, how there are terms that mean one thing in the real world and then once you enter this crazy world of financial services that the three of us spend so much time in, they sometimes have different meanings. It occurs to me that, when I talk to my mother, we don't talk about "longevity planning" necessarily. That's not a term that we use across the table. So, kind of what would be the real life equivalent. When you say longevity planning, what exactly are you talking about?

Stuart Ritter: That I live to old age, that I have a long retirement, that I wake up in my 90s and I still have more years to live. That's the concern people have, and you're much more likely to run out of money if you live a long time than someone who passes away in their 70s. They probably are going to have enough money; it depends on your financial situation. But the concern is I'm going to be 85, 90, 95 years old. That's what I'm worried about. What decisions can I make today so that I have the financial resources I need then?

Jessica Sclafani: Perfect, thanks.

Judy Ward: You know, we talk and we hear a lot about that fear of, you know, outliving your money. Well, Social Security benefits, it's not a pot of money. You're not going to outlive it. So even if you run out of your "money", so to speak, you're still going to have a predictable, dare I say, "guaranteed," income stream of money that's adjusted for inflation. And that's why I think it's so important. So even if people have this fear of outliving their money, they're still going to have this stream of income in the way of Social Security benefits. That's why it's so important.

And that's why, as we talk about, it's important to think about, if you do live longer than you expect, you'll have this income stream. And getting back to that again, you know, we've talked about surviving spouses having the higher earner delay as long as possible is especially important for married couples. I shared the story about my mom and dad. I honestly, I don't know when they both decided to take their Social Security benefits, but I think that if my dad had waited, I'm assuming, my mom would have had a higher benefit for the rest of her life. She did not know. You know, what happens is you both might be getting your own benefit, and then when one of you passes away, you get the higher of the two. Essentially, you don't keep on getting two benefits. You just get one, the higher of the two. And that's why it's so important to try to maximize that for the surviving spouse.

But even single or divorced women can benefit from waiting if a higher regular income is a priority. And again, it helps with that longevity planning, the planning to old age where you can have that stream of income and have it be the highest amount, inflation-adjusted for you. And also, you know, couples, it's really important for them to plan together and get away from this idea of, "oh, I'm age 62. I'm going to start my benefits because I can." To look at it holistically, you know, as a couple and also in light of all of their other finances and, you know, retirement income and assets that they have. And don't overlook the importance of the survivor benefit.

Jessica Sclafani: So, I'm listening to you, Judy, and I'm just reflecting on where we started this conversation, which was the scary headlines about Social Security. And now I'm hearing you say things like Social Security, and I'm going to try to quote you directly, "dare I say guaranteed". So Social Security is a guaranteed source of income. "You can't outlive it," was another phrase that you said, Judy, that I thought was really powerful. You cannot outlive Social Security. And then the inflation protection, too. That's a really nice aspect of Social Security. So, we started off on kind of a scary note, right? But I'm feeling better. And again, the more that I learned from the two of you, the more informed I feel. And hopefully our listeners, too. The more informed you are, the better position you are in to make some of these decisions.

And that's where maybe it's a good point for us to kind of switch gears a little bit and think about the mindset. We've spent time on the numbers. In fact, Stuart, you may have mentioned that if you claim Social Security at 62, it would be cut in what? Cut in...?

Stuart Ritter: About half.

Jessica Sclafani: Was it half you said?

Stuart Ritter: I think I mentioned that yes.

Jessica Sclafani: Yes, half. I got that. I think I might go to bed saying that tonight as I put my head on my pillow. But maybe let's again let's think more about shifting mindsets. So, I love the word empower. We've used it a few times. I really believe in it. How can we empower women to decide when to start claiming Social Security?

Stuart Ritter: Well, one of the things we've talked about a lot is people come into this with anxiety, with concern. Judy pointed out, it's not you, it's the system. It is complicated. But what happens very often if we're worried about something, if it feels very complicated, let me just look for the easy way out. And I think that's why age 62 is the number one age people start their Social Security benefits. "I can't figure this out. I don't understand how it works. I'm just going to pick a number and this one looks good." So, if you can shift a little bit to "okay I'm going to understand the basics. I'm going to understand the fundamentals."

Jessica as you pointed out, then start thinking about how it applies to my situation you can move beyond just that knee jerk reaction and really start figuring out what makes sense for your situation. So instead of even starting with the question "when should I claim?" Shift it to what are you concerned about in retirement? How does this fit into your overall retirement planning? Because hopefully you've got some assets that you've saved in an employer sponsored retirement plan or in an IRA. And once you put in that larger context, you can start thinking about what feels secure and sustainable for you. So, if you're worried about having that long life and how you'll pay for things later in retirement, waiting to get that highest Social Security benefit at age 70, or having your spouse do so, can make you feel more confident about your retirement financially and then you can enjoy it more. And also, you don't have to figure this out alone. A financial professional can help you see how Social Security fits into your full financial picture, and help you explore different timing strategies based on those personal circumstances that you have.

Judy Ward: Well, also, when women feel supported, whether through conversation, tools or with a professional, they often find the clarity and the competence to make better decisions. It's not just about understanding how the system works, it's about feeling empowered to make a choice that supports your full retirement plan. You know, I've seen women go from feeling stuck to feeling in control, after just one conversation that puts all the pieces together - Social security, personal savings, spousal considerations, and long-term goals. So, this kind of shift is powerful. It helps you to stop thinking of Social Security in isolation and start making decisions that support your whole life, now and in the future.

Jessica Sclafani: Well, I know I feel more informed to spending some time with the two of you. As we go to finish up today's discussion, I'd love to put you on the spot. Judy, I'm looking at you. And ask for maybe the top three actions that women can take today to feel more in control of their Social Security strategy.

Judy Ward: First, as I mentioned, create your SSA.gov account and check your information. Look around the site, they've got all kinds of information there, but that's an important first step is to set up that account and check your earnings record and see what the numbers look like. It's an easy way to gain clarity and start getting ownership over your retirement picture.

Second, is understand how timing affects your benefit. Aim for the maximum when possible. We've mentioned this a lot, your maximum benefit is at age 70. Starting earlier will reduce that benefit. Educating yourself on this tradeoff is key to making informed decisions about when to file. And there are many tools and resources that can help you see this picture, as well as perhaps working with a financial professional.

And then you have to coordinate your plan with your spouse. If you're married, think through how your Social Security fits in with your spouse's. Don't make these decisions in isolation, I see that all the time where a husband and wife is, "I'm going to do this, you know, the spouse is going to do this," and they never think about it as a household. So, if you're married, think through how your Social Security strategy fits with your spouse's. Especially think about what would happen should one of you pass away. So, the spousal and survivor benefits can make a meaningful difference so, it's worth discussing your options together or again, with a trusted financial professional.

Jessica Sclafani: Thanks, Judy. And Stuart, I'm going to put you on the spot too.

Stuart Ritter: Sure.

Jessica Sclafani: Wouldn't be fair to only do it Judy.

Stuart Ritter: Of course.

Jessica Sclafani: Have you got some ideas for us too?

Stuart Ritter: I do. My first one is to reiterate what you just said, which is going to SSA.gov, getting your information. Hopefully from this podcast you've learned a lot more so when you're reading things on the Social Security website, you've got a better context in which to interpret it and understand it. Now, if you need to handle something that's not available online or want to discuss your situation with an agent, you may need to call and make an appointment. But that's because everyone's situation is unique and SSA can help you understand what you're eligible for, whether it's based on your own record or a spouse's or ex-spouse's. And while they won't give you personalized advice, they're not going to tell you what to do, they are very good at explaining your options and the numbers so then you can make the decision that's right for you. And I'd also do that well in advance of when you plan to start your benefits.

Second, consider how Social Security fits into your full retirement income strategy. So sometimes it makes sense to withdraw a bit more from your savings early in retirement so that you can delay claiming Social Security until age 70 but then when you get that bigger check,

comparatively bigger check, the amount you have to withdraw from your own savings goes down because you have that larger Social Security check coming in, and one of the things we haven't discussed is at least 15% of your Social Security benefit is tax-free. So, if you have a larger Social Security benefit, then you have more that's coming in a dollar sense, that's tax-free. So, the larger future benefit can reduce the amount you'll need to withdraw later, help your savings potentially last longer, providing more stability over time. It gets back to that longevity "living to my 90s" concern that people have.

And lastly, understand that there are two people involved in this Social Security decision. The first one is you now and the second is you later in retirement. Too many people at age 62 just look at what the numbers look like at 62 and make an age 62 decision. You also need to think about who you're going to be when you're 70 and 75 and 85, and maybe 95, and make the decision that is right for you for your entire retirement. Your future self will thank you for having thought it through.

Jessica Sclafani: What a great way to think about it, Stuart. That strikes me as a perfect place for us to wrap up our discussion today. Again, it's not just about the benefit. What I heard from both of you is that it's about building a sense of control and confidence. Stuart, Judy, thank you so much for being here today and sharing your stories, which I loved, and your optimism. Social Security and optimism maybe don't always get there together, but today they did, which I think is a win. You've certainly helped take some of the anxiety and complexity out of the Social Security topic for me, so I appreciate that.

Again, I'm Jessica Sclafani, thank you for listening. Please tune in to our next episode when we'll be discussing investing in and the tax efficiency of exchange traded funds, or ETFs. And if you like this podcast – and I know you do – please rate us and subscribe wherever you get your podcasts. And just remember, the numbers matter. But so does knowing you have the freedom to live with purpose and peace of mind.



T. Rowe Price
Retire With Confidence

This episode of CONFIDENT CONVERSATIONS® on Retirement is provided for general and educational purposes only, and is not intended to provide legal, tax or investment advice. This podcast does not provide recommendations concerning investments, investment strategies, or account types; it is not individualized to the needs of any specific investor and not intended to suggest any particular investment action is appropriate for you, nor is it intended to serve as the primary basis for investment decision-making.

Investors will need to consider their own circumstances before making an investment decision. All investments involve risk including a possible loss of principal.

The views contained herein are as of the date noted on the material and are subject to change without notice. These views may differ from those of other T. Rowe Price group companies and/or associates.

©2025 T. Rowe Price. All rights reserved. T. Rowe Price, INVEST WITH CONFIDENCE, RETIRE WITH CONFIDENCE, the Bighorn Sheep design, and Confident Conversations, collectively and/or apart, are trademarks of T. Rowe Price Group, Inc. All rights reserved.

T. Rowe Price Investment Services, Inc., distributor. T. Rowe Price Associates, Inc., investment advisor.

202510-4746950