

Retirement Planning For The Stay-At-Home Mom

Contributed by Stephanie Foster

When you first plan on staying home with your children, probably the first thing you do is take a look and see if you can afford it. You cut back on cable TV, buy older cars, lose retirement benefits…

Whoops! Most moms don't seem to be thinking about what being a stay-at-home mom does for her retirement package. The years spent not working have a huge impact, however, when you decide to retire, so you need to plan now.

Let's start by looking at what you're losing for your retirement. No 401(k) with your employer contributing towards it. No pension, although those are getting scarce in most jobs anyhow. Less money available to put towards retirement. You aren't putting money into Social Security, so your benefits will be lower.

Ouch. Being a stay-at-home mom means you lose a lot for your retirement. Socially, the stay-at-home mom, as you may already know, is not as valued by most or by our government as the working mother. Fortunately, there are steps you can take to prepare for your own retirement. It means more sacrifices, as you'll have to put more money aside, but better to provide your own retirement than be a burden.

You will want to consider having your spouse contribute towards a Spousal IRA. You may want to talk to a professional to determine the best type of IRA. According to the IRS website, up to \$3000 may be contributed to a spousal IRA in a given year, assuming you are married and filing a joint return. See <http://www.irs.gov/pub/irs-pdf/p590.pdf> for more information on IRAs.

Of course, it's hard for most families to come up with \$3000 a year to be put towards retirement. Saving while working is relatively easy; it can come out of the paycheck before you ever see it, so it doesn't hurt much. You need to figure out a monthly dollar amount you can contribute, so that it goes throughout the year. Don't hurt your family doing this, of course, but if you can find a way to get a little money put aside so you can have a decent retirement, do so.

Those who want only to be stay-at-home moms may resist the notion of finding a job, whether it be part time or working at home, but it is another option to keep money going towards your retirement. It assures you that some money is going toward Social Security, and gives you a little extra money to put towards your retirement. Once the kids are in school, a highly flexible job can keep your skills sharp, too.

For others, a home business is an option. You don't have to go the direct sales route, although it is certainly a popular way to start a home business with less risk. You can start a website on something you love, sell crafts you've made… perhaps something you love to do could be a small home business for you.

You are the only one who can decide which sacrifices you can make to ensure that you have a financially secure retirement. Take the time now to think about your future.

About the Author:

Stephanie Foster has been a stay at home mom for nearly 5 years and loves what she does. For more tips for stay at home parents, please visit <http://www.homewiththekids.com/>