

Retirement Planning Milestones by Decade

Retirement planning isn't one-size-fits-all. The steps you focus on will look different in your 20s than in your 50s. This guide outlines common milestones and educational considerations by decade, so you can better understand where you are today — and what comes next.

Important: This guide is for educational purposes only. It is not investment, tax, or legal advice. Please consult a licensed professional for personalized guidance.

Your 20s: Building the Foundation

- **Start Early:**

Even small contributions have decades to grow. Compounding is most powerful when you begin young.

- **Capture the Match:**

If your employer offers matching contributions, contribute enough to get the full match it's like free money.

- **Learn the Basics:**

Understand how Roth vs. Traditional contributions work, what investment options are in your plan, and how to read your statements.

- **Avoid Early Withdrawals:**

Keep your money in the plan so it continues to grow.

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As your salary grows, increase your contribution percentage

Key takeaway: Build strong habits now, and your future self will thank you.

Your 30s: Balancing Priorities

- **Increase Contributions Gradually:**

As your salary grows, increase your contribution percentage.

- **Focus on Diversification:**

Learn about the different types of funds available (stocks, bonds, target date, index funds).

- **Plan for Life Changes:**

Marriage, children, and home purchases often happen in this decade. Review and update beneficiaries accordingly.

- **Begin Estate Planning Basics:**

Even a simple will and up-to-date beneficiary designations matter.

Key takeaway: Balance saving for retirement with other financial responsibilities.

Your 40s: Catching Up and Refining

- **Check Progress:**

Use retirement calculators or plan tools to see if you're on track.

- **Catch-Up Contributions:**

If your plan allows, take advantage of opportunities to increase savings as income grows.

- **Understand Fees:**

Review your plan's disclosures so you know what you're paying.

- **Broaden Planning:**

Begin thinking beyond retirement plans — insurance, college savings, or debt repayment.

Key takeaway: Mid-career is a time to refine your approach and avoid falling behind.

Your 50s: Getting Serious

- **Catch-Up Contributions Expand:**

At age 50, many plans allow higher annual contributions.

- **Plan for Retirement Income:**

Learn how Social Security works and when you may want to claim it.

- **Reduce Risk Gradually:**

Consider how your investment mix may shift as retirement approaches.

- **Think About Health Care:**

Begin planning for health care costs in retirement.

Key takeaway: This is your last full decade to build savings aggressively before retirement.

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Decide when you want to retire and estimate your income needs.

Your 60s: Preparing to Transition

- **Finalize Retirement Timeline:**

Decide when you want to retire and estimate your income needs.

- **Understand RMDs:**

Required Minimum Distributions begin at age 73, but planning starts earlier.

- **Social Security Decisions:**

Understand how claiming at 62, 67, or 70 affects your monthly benefit.

- **Estate and Legacy Planning:**

Review wills, trusts, and beneficiary designations to ensure your wishes are clear.

Key takeaway: The focus shifts from building wealth to planning how to use it.

Final Thoughts

No matter your age, the key to retirement planning is consistency, education, and awareness. By understanding the milestones of each decade, you can make more informed choices and avoid common mistakes.

Disclosures

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