Nerd Wallet: Roth IRA vs. Traditional IRA

Financial Resources and Social Security · https://community.womensmoneymatters.org/resources/nerd-wallet-roth-ira-vs-traditional-ira/

Link:

The NerdWallet article compares Roth IRAs and Traditional IRAs, focusing on their main differences. It explains that contributions to a Traditional IRA are tax-deductible and grow tax-deferred, but withdrawals in retirement are taxed as ordinary income. Conversely, Roth IRA contributions are made with after-tax dollars, allowing for tax-free withdrawals in retirement. The article also covers eligibility requirements, contribution limits, and considerations for choosing between the two accounts based on individual financial situations and retirement goals. Ultimately, it aims to help readers determine which IRA type best aligns with their long-term plans.