Roth IRA vs. Traditional IRA

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

Link:

The Schwab article compares Roth IRAs and Traditional IRAs, outlining their key differences to help individuals choose the best option for their retirement savings. It explains that contributions to a Traditional IRA are made pre-tax, allowing for tax-deferred growth, while withdrawals during retirement are taxed as ordinary income. In contrast, Roth IRA contributions are made with after-tax dollars, leading to tax-free withdrawals in retirement. The article discusses eligibility requirements, contribution limits, and potential tax implications of each account type. Overall, it provides guidance for readers to make informed decisions based on their financial situations and retirement goals.