
FINANCIAL FRIDAYS nymeo Federal Credit Union

How to balance saving for retirement and college at the same time



It's a familiar balancing act for many families today: saving for retirement and college, two of life's most important milestones. As a result, parents might feel they have to choose between the two. However, this doesn't have to be an either/or decision.

Financial attitudes and behaviors are shifting

According to a Modern Money study, today's parents are helping children with more financial milestones than past generations, including college.

The study found that over half of respondents believe it will be harder for the next generation in their family to feel comfortable financially. Half also believe children should be financially independent at a later age than they themselves were. Approximately 33 percent of parents have delayed their own retirement or would do so to help their children pay for college.

Give yourself flexibility and the best chance of success

It's key to prepare well and find the right balance for you and your family. A financial advisor can provide clear, actionable advice to help you.

Here are steps to get started:



Establish your priorities and take action

Prioritize saving for retirement if that is most important to you. You can use loans for education, but not for retirement.

Start saving as early as possible during your working years to maximize the time horizon and opportunity for your assets and investments to grow. Automatic payroll deductions through your employer's 401(k) plan, for example, can help you save consistently over time.

Increase savings and investment opportunities

Save more than you think you may need for retirement. Later in life, you could consider reducing your savings rate to allocate more money for college.



Increase your retirement savings through vehicles such as your 401(k) account (consider contributing at least the amount your employer will match) and, if your employer's 401(k) plan allows, set your contributions to automatically increase every year. If you are able to do so, also consider funding a Roth IRA or traditional IRA annually.

Establish college savings accounts such as a 529 plan or tax-advantaged account that provides access to broad investment choices.



Have a money talk with your family

Help your children think strategically about college. Discuss the majors and careers that interest them, and which schools may be the best fit. Encourage cost-effective options like completing required courses at a community or online college before transferring somewhere else for advanced coursework.

**Schedule a Complimentary Consultation with Anna
& Irene**



Anna A. Behnam
Financial Advisor



Irene Tata
Financial Advisor

How much does a financial advisor cost?

Your initial meeting with Anna or Irene is complimentary! Depending on your specific need, as well as the complexity of your situation, you may choose to pay for additional options. [Schedule a time to speak with them at your convenience.](#)

Investment products are not federally or NCUA-insured, are not deposits or obligations of, or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.

The initial consultation provides an overview of financial planning concepts. You will not receive written analysis and/or recommendations.



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