

NEWS FROM

KHEAA–Alabama

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Money Tips for Students, May 2016

Now is the time to start planning for retirement

Retirement may be the farthest thing from your mind when you're still in school, but now is the time to start thinking about it. In fact, the farther away it is, the better off you may be, according to KHEAA–Alabama.

For decades, U.S. citizens have depended on Social Security for much of their retirement income. However, Social Security benefits for younger workers are not guaranteed.

Another source of retirement income for many people has been pensions. But many companies are scaling back or ending their pension plans.

When it comes to retirement, you should hope for the best but prepare for the worst.

Every time you get paid, set something aside for retirement. A little can go a long way. For example, if you save \$200 per month for 40 years without earning any interest, you will have saved \$96,000. If you can invest that money at 2.5 percent, you will have more than \$164,000 saved.

Develop and maintain a budget that includes saving as much as you can, then invest those savings wisely. When you begin your career, work with an investment professional to pick the plan that is best for you. Even if you don't have Social Security or a pension upon retiring, you will still have something to help get you through your retirement years.

KHEAA is a public, non-profit agency established in 1966 to improve students' access to college. It provides information about financial aid and financial literacy at no cost to students and parents. KHEAA also helps colleges manage their student loan default rates and verify information submitted on the Free Application for Federal Student Aid (FAFSA).

For more information about financial aid and college planning, visit www.alstudentaid.com.