

# MANAGING YOUR MONEY



## It Is Possible To Save For Retirement AND College At The Same Time

(NAPSA)—When weighing the importance of saving for a child's education versus your own retirement, it's often impossible to say which is more crucial. And though a child's education may be closer, the cost is small compared to the potential of 20 or more years of living expenses needed in retirement. That is why people need to save for both—at the same time.

Saving for two significant financial goals at the same time may seem overwhelming. However, saving a little bit now toward both goals means you can actually put aside less than if you wait a few years. Once you make the commitment to save, you simply let the power of compounding work for you.

For example, at age 35, John and Melissa Gardner have a daughter. That year they open both a college and retirement account and begin making monthly deposits of \$50 into each. Assuming a hypothetical annual return of six percent, by the time their daughter is 18, the Gardners will have \$19,368 in her college savings account. By the time they are 65, they will have \$50,226 in their retirement savings account.

By comparison, the Johnsons wait until their son is 10 before they begin saving for his college education or their own retirement. At that time, they are 45 and put \$100 a month into each account. Again, assuming a hypothetical



annual return of six percent, by the time their son is 18, he will have \$12,283 in his college fund. And when the Johnsons retire at age 65, they will have \$46,204 in their nest egg. Even though the Johnsons are putting twice the amount of money aside each month, they still will not have as much money as the Gardners.

Though it sounds daunting, with time on your side, it is possible to save for both your children's education and your retirement. The key is that the sooner you can start saving, the less money you will need to invest and the more money you will have in the end. Remember, every little bit counts. So start today!

Allstate has a Web site where you can find general information on individual retirement solutions and college savings. Log on to [www.allstate.com](http://www.allstate.com).