Retirement Must Come First.

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Most people will need a minimum of eight times their ending salary if they hope to fund their lifestyle for a 25-year retirement. Despite 77% of Americans having retirement plans, many people just don't have enough saved to actually fund their post-retirement life at the same level as their working years. In fact, for Americans between ages 55 and 64, the median retirement savings was just over $107,000 according to a 2017 report. The GAO notes that this amount, which may sound significant, would only translate into a $310 monthly payment and only if it was invested in an inflation-protected annuity.

In the best of times, everyone's financial plan would be able to find a comfortable balance to save for retirement and college. But in the real world, we need to begin prioritizing our long-term goals. Keeping in mind retirement is an expensive proposition with ever-increasing costs—fueled by longer life-expectancies, declining pensions, and insecurity about Social Security benefits—the following should help you get started down the right path.

At what age do you plan to retire? In other words, how many years will you need retirement income? Don't fall into the trap of skipping this question because you are afraid of the answer. Estimate what your yearly living expenses plus taxes, as well as an honest look at your current spending habits. Then, figure out how much retirement income you expect to collect from guaranteed sources (pensions, monthly annuity income, and Social Security). The gap between the estimated retirement expenses and income (don't forget to take inflation into account) is the amount of money you will need to withdraw from your investments and savings each year.

Keeping in mind many individuals spend between twenty and thirty years (or more) in retirement, everyone needs a comprehensive strategy for their financial future. Know how much you have saved in workplace retirement plans, investment, and personal savings, as well as other forms of income—including employer pension and Social Security—is a good start. *Note: There are a number of free retirement income calculators available online that can help.*

One last consideration before addressing saving for retirement versus a college education: Are you taking advantage of any available programs at work where the employer matched your retirement fund contributions? I mention this because nearly one-third of people who have a 401(k)-plan available at work don't contribute. Check to see if your employer offers a contribution matching program. If they do, fund it to the maximum. It is like getting a raise without having to work for it.

As for your child's college education, according to the College Board, the average cost of tuition and fees for the 2013–2014 school year was $30,094 at private colleges, $8,893 for state residents at public colleges and $22,203 for out-of-state residents attending public universities.

If you can comfortably save for both a retirement and college fund, do it. They are both investments in the future. But if it's an "either or proposition," retirement always comes first. Remember, there are no scholarships or federally guaranteed loans to support us when we retire.