



FINANCE AND ADMINISTRATION CABINET  
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

Matthew G. Bevin  
Governor

P.O. Box 798  
Frankfort, Kentucky 40602-0798  
Phone: 1.800.928.8926  
Fax: 502.696.7373  
www.kheaa.com

William M. Landrum III  
Secretary

Eugene P. Hutchins  
Executive Director

Contact: Tim Ballard  
Phone: 502-696-7372  
E-mail: tballard@kheaa.com

### Money Tip for Students, February 2018

#### Students should start thinking about retirement

Retirement may seem like a long way off for today's students, but it's not too early for them to start thinking about it, according to the Kentucky Higher Education Assistance Authority (KHEAA).

For decades, U.S. citizens have depended on Social Security for much of their retirement income. However, Congress can change the laws that govern Social Security at any time.

Many people have also relied on pensions, but many companies are scaling back or ending their pension plans. Changing jobs often means workers won't be able to build up a pension even if employers offer one.

People are also living longer, which means their retirement funds have to cover more years.

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 built up — and that's not much for retirement.

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. 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 the state agency that administers Kentucky's grant and scholarship programs, including the Kentucky Educational Excellence Scholarship (KEES). The agency also provides financial literacy videos at <http://itsmoney.kheaa.com> and free copies of "It's Money, Baby," a guide to financial literacy, to Kentucky schools and residents upon request at [publications@kheaa.com](mailto:publications@kheaa.com).

For more information about Kentucky scholarships and grants, visit [www.kheaa.com](http://www.kheaa.com); write KHEAA, P.O. Box 798, Frankfort, KY 40602; or call 800-928-8926, ext. 6-7214.

-30-