# [The Top 5 Retirement Myths Debunked](http://blog.smartdollar.com/blog/2015/6/11/the-top-5-retirement-myths-debunked)

Just about everywhere you look these days, retirement is a hot topic. From the commercials on TV to the myriad of articles on the Internet, the chances are pretty good that you’ve thought about retirement—even if you didn’t plan to.

Beware, however, because some of the things you hear about retirement are just straight-up myths.

Here are some of our favorite myths—along with the truth, of course.

### 1. I’m too young to think about retirement.

You’re never too young to start investing for retirement. **In fact, the younger the better**, because you have so many more years for compound interest to grow your investments!

Remember, compound interest is a mathematical explosion! It’s why you should invest early, no matter how small the amount. For example, a $2,000 lump sum invested when you’re 35 years old can grow to $35,000 by the time you’re 65. But that same $2,000 investment would have been worth $91,000 if you had invested it 10 years sooner. Almost three times as much—**that’s the power of compound interest!**

Related: [*4 Ways You May Be Sabotaging Your Retirement*](http://blog.smartdollar.com/blog/2015/5/18/4-ways-you-may-be-sabotaging-your-retirement)

### 2. I don't have enough income to invest.

Yes you do! Just cut out one specialty coffee and one restaurant lunch each week, and you’ll have at least $50 per month. And that, my friend, is enough to start investing for retirement.

Now $50 per month doesn’t seem like a lot, but over 30 years, that could grow to about $110,000! That kind of makes your coffee and lunch taste a bit different, doesn’t it? (Maybe even hard to swallow.) And if you did that for 40 years, it would top out close to $300,000!

And—check this out—if you bumped up your monthly investment to $100, you could end up with about $590,000 by the time you retire.

### 3. The government will take care of me.

Seriously? You mean this one isn’t a joke? **Unfortunately, a lot of folks have the same plan.** More than one-third of Americans say they’ll depend on Social Security to provide for their future financial needs during retirement.

While that’s a nice dream, the reality is that the average Social Security benefit check is about $1,200 per month. That sounds more like a serious cutback for your lifestyle than having all your needs met. **You definitely want to be the one in charge of your retirement!**

### 4. I'm too old to get started.

It’s not too late! It may be more difficult, but there are options. Make sure you’re investing at least 15% of your income into a retirement plan—and getting any company match from your employer’s 401(k) plan.

You can also make up for lost time by taking advantage of 401(k) “catch up” contributions. If you are 50 or older, you can contribute an extra $6,000 per year to help you get back on track. Just that extra contribution ($500 per month) over 15 years could grow to about $235,000! That’s on top of your regular monthly contribution. **So, what are you waiting for?**

Related: [*401(k)? It's All Greek to Me*](http://blog.smartdollar.com/blog/2015/6/4/401k-its-all-greek-to-me)

### 5. I have to pay for my kids’ college first.

Most parents want their kids to go to college. You may even feel like it’s your duty to pay their tuition even if it means using your own savings—including retirement savings—to do it. Now don’t get us wrong; college is important and we want your kids to go to college. But you don’t have to pay for it. In fact, Junior could look for grants, scholarships, work study, or even a part-time job (anything but loans) to pay for school.

Related: [*5 Ways Parents Like You Cash-Flow College (Without Sacrificing Retirement)*](http://blog.smartdollar.com/blog/2015/4/23/5-ways-parents-like-you-cash-flow-college-without-sacrificing-retirement)

Here’s the deal: There are plenty of options when it comes to paying for college, but only one way to support yourself in retirement: your own savings. You must make investing for your retirement a priority! Once you’re investing 15% of your income for retirement, you can start stashing away any extra money for your kids’ college fund.