Q. I know I'm supposed to save for retirement before college, but at this rate I won't have enough saved to pay for a single class. Outside of making more money, what can I do? My kids are 10 and 12. — Worried dad

A. Bet you've heard this one before: "You can borrow for your kids' college but you can't borrow to fund your retirement."

There's a good reason for that saying, said Matthew DeFelice, a certified financial planner with U.S. Financial Services in Fairfield.

He said one of the fundamental principles of the American Dream is the notion that each generation should enjoy a better standard of living than the one that came before.

"As parents, we want that for our kids, and we have a natural tendency to put their needs before our own," DeFelice said. "But shortchanging your retirement funding in order to pay for college may do more long-term harm to your kids' financial well-being than you realize."

He said you run the risk of becoming a financial burden on your children later in life when you run out of money, right at the crucial time when they are scrambling to fund their own retirement and pay for your grandkids' educations. This can ultimately be much more costly than paying off student loans, as your kids become sandwiched between supporting their kids and supporting their aging parents at the same time, DeFelice said.

DeFelice said retirement accounts enjoy what some call the eighth wonder of the world: compounding returns. The assets grow tax-deferred every year until and through your retirement age.

He said by eliminating your retirement contributions in order to save for college, you are hurting yourself in several ways, and the long-term net effects snowball.

For starters, you will pay more in taxes, and you'll probably never see that money back. Not saving for retirement will increase your taxable income now, he said.

Then you're eliminating all of the tax-deferred growth those savings would enjoy over a 10-, 20-, or 30-year time frame, depending on your age now.

"If you have a 401(k) through work that has a matching contribution, you are basically leaving free money on the table," DeFelice said. "Add to that the compounding, tax-deferred growth of your employer matching contributions over time inside the retirement plan? The amount you could be missing in retirement can be staggering."

DeFelice said you could also short-change yourself of valuable financial aid awards by not contributing because assets within your retirement plans will not count towards the financial aid calculations.

You have a variety of funding sources for you and your children to pay college bills, said Marnie Aznar, a certified financial planner with Aznar Financial Advisors in Morris Plains.

"There are student loans, student work opportunities, parent loans, home equity loans, and scholarships and grants potentially available to help fund some or all of your children's education expenses," she said. "Unfortunately, there are no such options available to help fund your retirement."

When you retire, you will hopefully have Social Security income, perhaps a pension from your employer and whatever you have been able to save over the course of your working years, she said.

"Given that, it is imperative that you make your retirement savings a priority," Aznar said.

If money is an issue, there options other than expensive private colleges for your kids.

"There are technical schools and a variety of public schooling options that would be significantly less costly than the private school expense numbers that tend to be splashed all over the media," Aznar said.

She suggests you set aside as much as you can in your employer-sponsored retirement plan if you have one, keep your living expenses as low as possible, your income as high as possible and work for as long as you can in order to save as aggressively as you can for your own retirement. Hopefully, you'll still be able to help your kids pay some of their college expenses.

Paying 100 percent of college costs out of savings and cash flow isn't realistic for most parents, DeFelice said.

That's why you need to learn about those other college funding options and also consider the cheaper options, such as attending a community college for two years and then transferring to a larger university to complete a degree.

If your student does well in school, they may be able to earn college credits before graduating high school.

"If you have a good student on your hands and they can handle the work load, have them take college credit AP courses while still in high school to reduce the number of credits you will need to graduate at a more expensive university," he said.

If it's hard to put money away for college after you add to your retirement savings, remember that every little bit helps, DeFelice said.

"For example, certain 529 plans have linked credit cards, where every dollar you spend earns cash back that gets deposited directly into your account," he said. "And don't forget family members as another potential college funding source."

He's not suggesting you ask for handouts, but you could politely plant a seed with family members who would normally give gifts for special occasions like birthdays, holidays, communions, bar/bat mitzvahs, graduations and other occasions.

"We always appreciate your generosity, but instead of cash or Toys 'R Us gift cards, a deposit into little Johnny's 529 Plan to help save for college would be much more helpful," you could suggest.

DeFelice said when he was little, every year on his birthday, his grandmother would give a $50 or $100 Series EE Savings Bond. His parents stashed them away and gave them to DeFelice when he was older.

"You can't buy those anymore – but the concept is the same," he said. "That money would have done wonders in a 529 Plan growing over 18 years."

In contrast, none of these options are available to help support you later in life, he said.

"Clipping coupons and living on food stamps in your golden years is likely not the kind of retirement you'd like to have," DeFelice said.

Email your questions to Ask@NJMoneyHelp.com.