



FINANCIAL INDEPENDENCE – what people get wrong....

Remember the F.I.R.E. movement (Financial Independence Retire Early)? – They kinda hi-jacked “Financial Independence”.

Boiled it down to eating oatmeal and riding bicycles for a decade, then retired early – continuing to eat oatmeal and ride bicycles.

Ok, that’s a stretch. But you get the point.

I’d like to reclaim the term – and make it more of an individual journey than a hard-boiled destination you reach at a particular time.

Besides – what is retirement anyway, but a relic from the industrial age when you were supposed to one day flick the switch to OFF...,and then do what?

Let’s dig deeper.

In his book “The Psychology of Money”, Morgan Housel elegantly states:

“Controlling your time is the highest dividend money pays”.

This Ladies and Gentlemen is the purest form of financial independence. It is a process that happens incrementally.

It is not about a specific dollar amount, but life on your terms.
it is not a journey in a straight line, but subject to re-routes, and roadblocks.

...but the journey leads in one direction:

“Less and less reliance on trading time for dollars in ways you’d rather not”.

That’s it – really...

Here are some examples of Financial Independence in its various stages and by different priorities:

A: I only have a small portfolio; my focus has been to become 100% debt-free so that I don’t need to have a high income. This gives me freedom now in terms of employment options. (part-time vs full-time, Passion vs size of salary)

B: I am still paying down debts but have prioritized building a sizeable investment portfolio. I still require a decent income to service my debts and eventually pay them off, but my portfolio means I have the freedom later.

C: I am just beginning the journey toward financial independence – I am prioritizing high-interest debts first because they are so expensive and will eat oatmeal every day until they are extinguished. Then I’ll decide on the next step.

D: I just became debt-free – and am enjoying so much more “un-confiscated” income. All the dollars saved by not having debts/and interest will be invested so that I can retire early and move to Portugal in 5 years when I turn 60.

As you can see Financial Independence has many expressions.

Anybody can achieve at least a degree of financial independence. It begins with a change of mindset.

The technicalities of calculating dollar amounts, making projections, and implementing road maps are not difficult.

The point, above all, is to begin thinking about the concept in all its venues. To think about time, destination, and fulfillment.

Then act. Happy Travels, Tom