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Replacing “Retirement” with the Goal of “Financial Independence”

All too often financial planning revolves around the idea of retirement. Retiring comfortably becomes the purpose for saving. Retire and stress disappears. Retire and you can do what you want. Retire and you don't have to take anyone's orders again. But retirement comes with its own share of problems. For some, age has taken the fun out activities they've waited to enjoy. Others find themselves drifting without a purpose. And often money is still a worry.

Covid and the pandemic lockdowns gave a lot of people a chance to stop and question what they wanted out of life in the long run. For many, the answer wasn't years of work with retirement when Social Security payments become available, but rather the financial independence to live a more meaningful life. Instead of working to build retirement savings, their plan changed to building financial independence to live the way they want now.

Financial independence doesn't necessarily mean never having to work another day in your life. What it does mean is building sufficient financial resources that you have a safety net that allows you to take chances with your career and with your life. Maybe you want to change careers, invest in a business, take a sabbatical, focus on writing a book. Having sufficient funds to refocus your life is one form of financial independence.

How do you achieve financial independence? It helps to have an idea where you want to go... what you want those funds to give you an opportunity to do. Then you need an idea of how much money you might need. If you want to purchase rental property, start a business, learn a new career, or live off the land, there's always a cost. You are far more likely to achieve your goal if you know how much funding you will need to accumulate.

Then it's time to act. The first step is to LIVE BELOW YOUR MEANS. If you spend every dollar you make, you will never be able to accumulate financial wealth. You need to determine how much money you really need to live, and where you can economize to increase your rate of saving. Can you take a side job to add to your savings? Are there possessions you might sell to raise funds to invest?

At this point, if you have a partner or spouse, it is essential to make certain they are willing to commit to the same strategy. Achieving financial independence is hard work, particularly if you are in a hurry to do so. There's a reason many people fail to accumulate wealth even with substantial income. Your priorities need to change from having the latest, greatest entertainments, toys and vacations to planning for the future.

As you accumulate funds, you want them to be working for you. This is where a good financial advisor can be of assistance, particularly if you are not experienced at investing. While you may be in a hurry to achieve financial independence, get-rich-quick schemes and can't-fail investments are incredibly risky. Slow and steady tends to be a much surer road to wealth accumulation than chasing hot investments.

If the past two years have made you question what you really want out of life, then let's talk about how you can achieve your new goals and what it will take for you to create financial

independence long before you might want to retire.



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