

The Three Ways to Become Financially Independent

Too many people spend money they haven't earned, to buy things they don't want, to impress people they don't like.

–Will Rogers

There are three ways to become financially independent and do it honestly:

- Receive wealth as inheritance or gift
- Live within your means
- Invest wisely

Each of these ways has challenges and risks. Money, both not having enough and having too much, can produce stress.



Receiving wealth as inheritance or gift

Just because you receive a lot of money does not mean you know how to manage it. One source cites 44% of lottery winners spend all their winnings within five years (<http://statisticbrain.com/lottery-winner-statistics/>). Stories abound of people who become suddenly wealthy and how they are besieged with requests for help, charities, investments, and business opportunities that drain their newfound reserves with little or no return.

Money tends to de-value over time due to inflation and other economic factors. Unless the money systems change, even if you receive a gift of wealth, you will need to invest it wisely for it to maintain or grow its value.

Live within your means

When you want something expensive, it can be a big temptation to borrow money and go into debt to buy it. If you're not careful, you can spend more than your income, and then things can get bad and go to worse.

It is written there are three ways to control people: force, religion and **debt**. When your debt takes most or all of your income, you lose freedom and become a slave to debt. If you can't save and create a money reserve, if you must borrow more to buy what you need or want, you are already a slave to debt. Debt slavery means you work hard to get nowhere financially.

You might ask, "How can I keep from going into debt on my level of income?" Many teachers and people of moderate income have made huge donations to good causes. They did this by living modestly in good neighborhoods, wearing good but not expensive clothes, and buying good quality items that are not showy and that last a long time. They are good neighbors, they help others and work to improve their communities. They live within their means, which allows them to build a reserve.

Live within your means, save your money until you can afford what you want, buy the best quality you can afford, and don't go into debt. If you must go into debt, do so carefully and have a workable plan to pay off your debt even in emergencies.

Invest wisely

It can be a real challenge to invest wisely. Aside from scammers who want to cheat or trick you out of your money, a genuine investment opportunity can look good but go bad in the end. What are you to do?

One recommendation is to do your homework and create a Financial Advisory Team (FAT) for yourself. At the least, include three separate professionals: a Certified Public Accountant (CPA), a Financial Adviser/Stock Broker, and a Banker. Ask about their experience and if they have had a successful 20-year career in their field, ask for references from their clients. Ask how they can help you reach your financial goals.

Remember that all investments have different levels of risk. Use your FAT to help you decide how much risk you can afford. Don't risk more than you can afford to lose on an investment.

General Direction

Be kind and gentle to yourself when developing new habits, change can be difficult. It takes practice, so don't expect to get everything perfect the first time out. Since this is for **your** life, you have three options for each item.

1. When you become consistent with that item, check it off.
2. If an item does not fit what you need, rewrite it for your own purpose, check it off when consistent.
3. If you decide an item does not really matter to you, check it off because it's not a challenge for you.

10 LifeChecks for Money Management

- I live well, and within my means.
- Either I have no debt or no debt payments that I cannot consistently pay on time.
- My income from wages, investments and all other sources outpaces inflation and is growing.
- I have a 6-month reserve of money that I can use in case of emergencies.
- I pay my bills on time, and seldom if ever have to pay late fees.
- I have created a budget based on my income and expenses that allows me to save/invest for my future.
- Money is not a worry for me. It doesn't keep me awake at night.
- I have created a Financial Success Team of at least three proven, experienced experts (CPA, Financial Adviser, Banker, Insurance Agent, etc.) to advise and guide my financial success.
- I have had my Financial Success Team together in a meeting where we agreed on a plan for my financial success.
- I understand risk, I don't invest more than I am willing to lose.
- Date Completed 10 LifeChecks: _____

Create your own LifeChecks:

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Notes:

As a LifeChecks user, you agree to the following: LifeChecks are created to assist in your personal development and in creating the life you want. Your development might require professional services beyond LifeChecks such as coaching, medical, therapeutic, legal, financial, tax advice, etc. LifeChecks makes no guarantees or warranties, expressed or implied, as to results to be achieved, and shall have no liability or responsibility for any actions you take or don't take as a result of using LifeChecks materials. The services of a professionally certified coach are recommended as part of the LifeChecks process to help clarify, understand and engage the challenges and material relevant for your life.