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Our Lifestyle's Financial Expert

KNOW YOUR NUMBERS TO FINANCIAL FREEDOM

The road to financial freedom is a journey of a thousand steps. This journey is a marathon, not a sprint and it will require patience, discipline, optimism, and regular reflection. The management expert Peter Drucker once said, "What gets measured, gets managed." So, what are the metrics to keep track of?

Your wealth window – quite simply, how many months until you hit your financial independence day? This is when working becomes optional for you. Knowing this number in months rather than years makes it feel more motivating for most people.

Your saving percentage - what percentage of your take-home pay are you investing for the future? The more you can put away, the sooner you can retire. Additionally, by putting away more, you learn to live on less. Successful investors routinely save more than 20% of their income.

Your retirement income needs - how much monthly income will you require in retirement to live comfortably? This will depend on your lifestyle and aspirations.

Your retirement income shortfall – the difference between what you will need and what your current expected retirement income is, possibly from a state pension or rental income. This is the number that your investment portfolio will need to provide.

What percentage of your income is protected – this is what disability and life insurance is for. We all think we're invincible, but this is a serious topic. Too many people insure their phones but not their income.

The more you know about your finances, the faster you can progress towards financial freedom and what's more, knowing the truth about your situation gives you greater agency over the course of your future. Some people let life happen to them, and some shape their future to their desires. I encourage you to aspire to the latter.

If you are interested in knowing more about how I work and you have investments of over £200,000 why not give Jo a ring on 01562 745730 to arrange a no obligation 30-minute free meeting in our office.

The information in this article does not constitute investment advice; you must not rely on the content when making investment decisions without taking advice. Past performance is not a reliable indicator of future results. The value investments and the income from them, may fall or rise and investors may get back less than they invested.