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# Lynn's Top 5 The Gift of Financial Independence

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In just a few short weeks we will be celebrating the end of another busy and productive year, and welcoming 2016. As part of our shared experience, we use the changing of the calendar as a time for reflection and resolutions. If working toward (or retaining) financial independence is on your list, let me offer five ways to stay on track in pursuit of your goal.

1) It's all about the details. I wish becoming financially independent was as easy as just saying it's going to happen. But successful plans involve hard work and detail. The details you need to stay on top of are not just about your net worth and how it grows, but also about your spending habits now and in your future life. Envision your future self: what will you be doing 10, 20, 30 or more years from now? In today's dollars, what will that cost? And don't kid yourself - you will spend more than just a simple inflationary factor on some things such as travel, health care costs and family. Work with a Certified Financial Planner professional or take advantage of well-designed software available on trusted sites. Since details matter, be sure the process you use not only includes realistic potential rates of return on investments, but also inflation, the impact of taxation and a robust life expectancy. Update your plan no less than annually so that if mid-course adjustments are needed, you have time and the resources to make change happen.

2) Plan for rainy days. The saying "hope for the best but plan for the worst" is at the core of a planned rainy day fund that makes sense for you and your family. If you are at a loss as to how to go about this, setting aside four to six months of fixed overhead expenses that must be paid is an excellent first step. You can be more sophisticated in your approach by adding in other factors such as how long a job search in your industry can take, family members who need your support, possible health challenges and the important "sleep at night" quotient personal to you.

3) Saying no is often better for you than saying yes. Things tug at our heartstrings and we truly want to say yes. Or we are so busy we say yes to many things that if we really thought about them, we would instead take a pass. Create think time by creating planning time for yourself. There are many great thinkers and researchers out there who share with us this thought: We cannot live at warp rate "think" speed 24/7 expecting to do our best. Allowing space in your own personal time warp continuum to think first is a huge gift. This can help you avoid making expedient but ultimately harmful spending decisions, and instead allow you to become informed about details that go with the decisions at hand. Saying an informed "no" from the start rather than an expedient

"yes" keeps you from having to undo, retrace or retract poor choices later.

4) Keep some risk; insure the rest. We tend to insure for the small nuisances of life that we really don't need to cover while ignoring the big ones that could wipe us out. Some matters are time consuming to research, but so worth it in the long run. An example of this could be our home insurance. Low deductibles abound in policies, whereas the real killer events are often ignored and we are left exposed to big potential costs. In this example a simple step of increasing your deductibles (it might hurt to write a $5K deductible check, but it probably won't devastate you) and use the savings to pay for the amount it will actually take to rebuild your home to current code, could help you avoid financial ruin. If you are underinsured, you might be writing a large part of that check yourself. Work with reputable advisors and agents to review your situation and look for potential land mines.

5) A solid plan is not achieved in a day. Many of us lack the patience gene, but together with persistence, patience is your best friend when planning for financial independence. Do have a plan, but don't try to execute it all at once. If you have 10 actionable items you need to implement, figure out which are the most pressing (such as paying off high interest credit cards) and which are the least (maybe buying a new car). Prioritize and tackle those that have priority first, while still working on the others.

By reviewing your plan annually you can measure your success and be proud of what you have achieved. If you feel that you are treading water or losing traction, reach out to an independent qualified professional who can take the emotions out of the equation and provide you a professional perspective, guidance and potential solutions. A year from now, you will be proud and working on new resolutions.

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