

What does financial freedom mean to you?

## Description

Isn't it liberating when you spend on stuff that truly make you happy, instead of purchasing items or brands that society dictates you ought to have? ??

Now that we're brave enough to live life on our own terms instead of spending to impress others, we're in a better position to take charge and improve our financial life.

My approach to savings and personal finance was built through a series of life experiences. You can read my story here:

#bblifestory

My parents aren't rich. I used to love buying CD albums and Harry Potter novels – they made me happy. But to buy it, I had to save up for weeks and months on end. My parents never bought me anything I wanted; if I wanted something, I had to work for it.

My mum used to offer to pay me \$1 if I did certain household chores for her, and that's how I saved up too ?

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The final goal on my personal finance journey is to become financially free.

What does financial freedom mean to you?

Imagine a life where you never have to force yourself out of bed anymore at 7.30am to head to office...because you won't die without that money earned for the day.

Imagine being able to focus on doing the things that TRULY excite you, nourish you, and gives you a great sense of satisfaction from within...without having to worry whether you're earning enough from it to pay the bills.

Imagine just feeling lazy today and not wanting to work...and you can actually afford to make such a decision?!?

Wouldn't that be nice?

There are plenty of definitions of "financial freedom" out there, and I won't get into a debate about the different meanings and interpretations.

But financial freedom to me, put simply, is when I have enough passive income to pay my living expenses, regardless of whether I work or not.

My kind of financial freedom: passive income > living expenses

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There are many ways to generate passive income. Some generate it through rental, some generate through copyrights, some get it from their business(es), some get it from investing.

I've a friend who retired in his early 30s. He achieved it simply by being frugal in his early days, putting his savings in the stock market, and letting it earn \$2000+ a month for him without him lifting a single finger.

Because he lives a simple life, \$2000+ was enough to sustain him, his wife and his daughter.

He's an inspiration to me and that's where I want to be in 20 years time. Unfortunately, with my situation (4 parents to take care of), I'll probably need a bigger sum.

I also once sat in a taxi where the taxi uncle was happily telling me that he was also financially free. I asked him how he did it. His story was that he rented out his condo for \$4000+ a month and moved his whole family to stay in a room at his sister-in-law's place. She doesn't charge him a cent for it, so his rental earnings are enough to sustain his family of 4.

Another inspirational tale, but again, not something I can emulate. I don't have a condo for now! ?

In 2014, I also met my mentor – another Singaporean who can boast of being financially free. His method was that he saved up all his Edusave money (cash from the government as a reward for being smart), his army pay, and a large portion of his full-time job earnings. He dumped it into the stock market during the Global Financial Crisis in 2008 to 2009, and made a killing from there. Today, his investment portfolio earns more money than he does from his job every month, and with lesser effort too

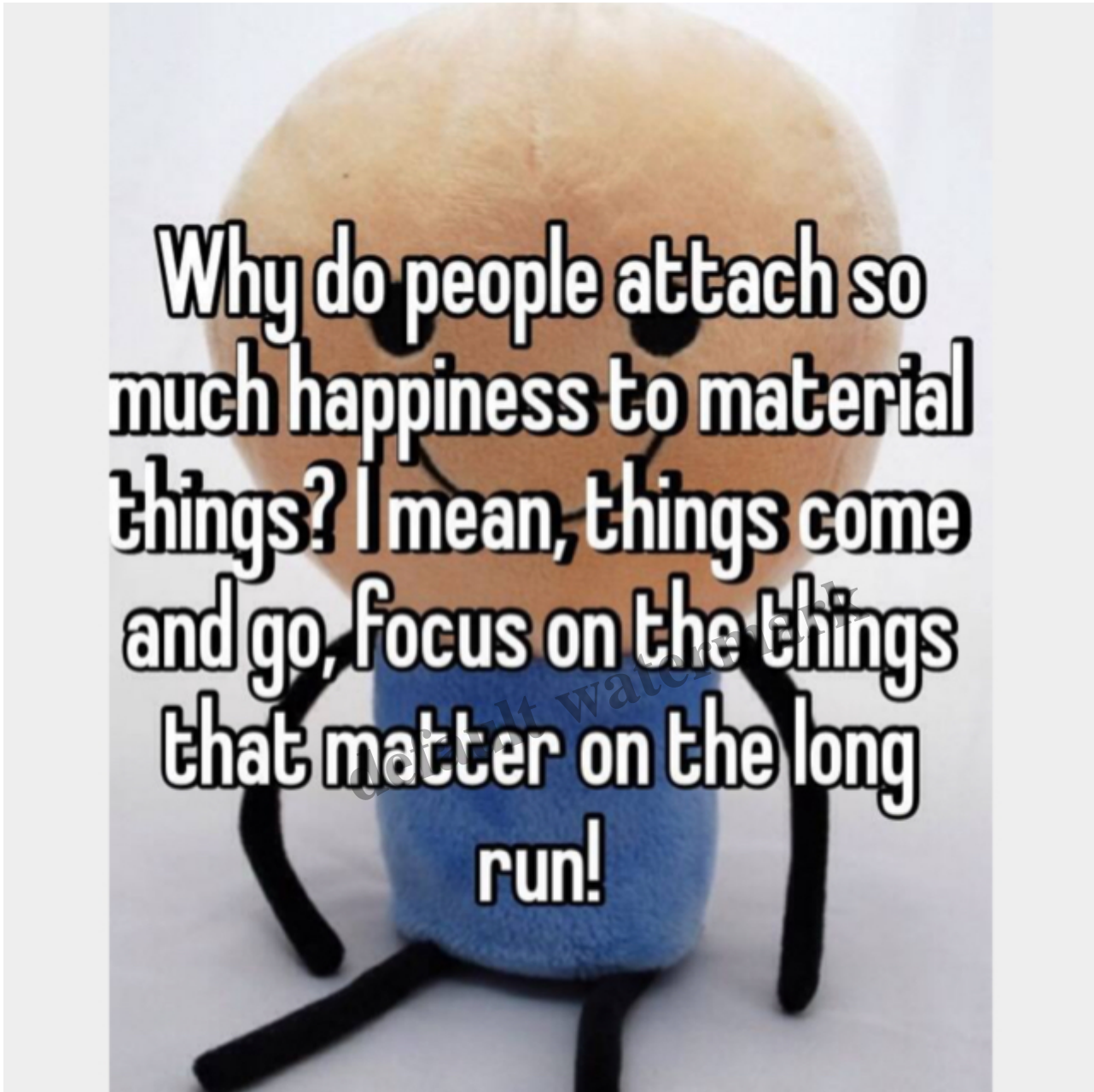
He can quit anytime he wants to, and doesn't have to worry about paying the bills.

How nice would that be?

As you can see, everyone's road to financial freedom might be different, but what is more important is what story are YOU going to write for yourself?

I know of folks who earn \$10k a month and yet cannot retire, because they're saddled with huge mortgages, car loans to service, high living expenses, and need to maintain their beauty / makeup / branded lifestyle.

(If these things make them happy, who am I to judge? But it isn't a life I want for myself. Happiness doesn't always have to come in the form of status symbols or luxury goods. I'd rather be in a position where I'm debt-free without having to fear that if I lose my job tomorrow, my family will starve cos I can't pay the bills.)



I wrote a story once about how some people end up missing all the beautiful moments in life because they were bound to their work, unable to leave or take a break because they needed the money. Read it at #bbstories

Once you learn how to make your money work for you, you won't have to work so hard for money anymore.

This could be as simple as:

? changing to bank account that offers you better interest

? putting your money into fixed deposits, bonds, stocks, real estate, unit trusts, or other money-generating assets

? maximising promotions and cashback on your purchases for more savings

I'll elaborate more on the different methods in subsequent posts and try to share what I know! Do chip in if you've nuggets of info to share as well ?

### **Category**

1. Bank Accounts
2. Savings

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