

## Are You on FIRE?



That may sound like a crazy question, and you may say, “of course I’m not on fire!” But if you’ve been following my blogs recently, you may want to be.

Over the past few months, I’ve been talking about savings, investing, and budgeting. And of course, these topics can lead to something exciting for each of us: the goal of financial independence!

That’s what the FIRE principle is all about (Financial Independence Retire Early). So how does one achieve FIRE?

People who are proponents of the FIRE principle share some commonalities - They emphasize high savings rates, mindful spending, and strategic investing. All of those are points that have been introduced in the previous blogs. A key concept within the FIRE movement is the "4% rule," which suggests that retirees can withdraw approximately 4% of their initial retirement portfolio each year (adjusted for inflation) without depleting it over a long period. This rule helps determine the "FIRE number," which is the amount of money needed to retire.

So why discuss financial independence now? Because the earlier you start towards that goal, the sooner you can achieve it. And, while the primary goal of FIRE is early retirement, the principles can be valuable for anyone seeking greater financial control and security. Why not encourage your family members to open a savings account with VSU FCU and help them get on the road to financial independence with you?

But beware...there’s a danger lurking that can derail the best planned efforts. It’s uncontrolled debt...next month’s topic!