

5 STEPS TO EARLY RETIREMENT

ACCOUNTING SOLUTIONS *PLUS*

Steps you can take to help make early retirement a reality and live the life you dream about.

SET GOALS

Before you know exactly how much money you need to save, you need to know your goals for retirement. Do you want to live in a small home in a small town? What sort of lifestyle do you see yourself living? The answers to those questions can help you determine how much money you need to save now—and how aggressively you need to save—to set you up for early retirement.

CREATE A BUDGET

The information that you came up with about the type of lifestyle you want to live will help you create a workable retirement budget.

TIP: Anticipate any healthcare costs that could come up. You can't plan for everything, but remember that healthcare costs tend to increase as you age.

FINANCIAL PLAN

You need a financial plan that sets out your goals, expenses, income and debts so you know where your finances sit. Review and revise your plan as necessary—if you've been set back by any major expenses, see if there are ways you can limit your spending in other areas.

PAY OFF YOUR MORTGAGE

The fewer expenses you have in retirement, the better for your cash flow. Not having a monthly mortgage drastically reduces your expenses when you're no longer earning a steady income.

PASSIVE INCOME

Diversifying your income streams to include passive income, such as real estate, can be more lucrative. Your passive income can be developed to cover your monthly expenses, which enables you to become financially independent much more quickly.

Having a solid plan in place and following the above steps can help you reach the financial independence you need to feel comfortable leaving your job. You'll have to sacrifice some things to stay on track financially, but don't give up everything.

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