

How to Become Financially Free

By Craig Lock

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We hope that the following article which is an extract from one of Craig Lock's books on money management (personal finance) may be informative and/or helpful for your e-zine, or on your web site. You have permission to publish this article (formatted to 60 characters, approx) electronically or in print.

"We share what we know, so that you and your money may grow".

How to Become Financially Free -
The Steps to Financial Independence

by Craig Lock

Introduction:

This piece is a summary of my booklet THE ROAD TO FINANCIAL INDEPENDENCE, as well as incorporating thoughts and extracts from my books, THE MAD MONEY BOOK and STEPS TO SUCCESS, PROSPERITY AND HAPPINESS.

The ordinary (and perhaps even lazy) person's sure and steady way to wealth and happiness. The "secrets" to better money management and perhaps even "riches". No, really there are no secrets. It's all simple and basic common-sense.

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Some points to "kick off"...

I have seen statistics that reveal that 95% of Americans after working all their lives retire with less than \$2500 in cash. Amazing! Don't be one of the 95% of the population, who depend on the government, charity or family to

maintain a bare minimum standard of living on retirement.

Now, how to do it...

Find a quiet place (like the woods or a deserted beach) and let that still inner voice, your intuition talk to you. What do you really want most out of life: Is it happiness, health, money, financial security or doing good deeds, being a good parent, wife, husband, etc.?

Set goals for ALL areas of your life: family, work, leisure, personal, sport, hobbies, spiritual and so on.

Ask yourself these vitally important questions:

Where do you plan to be in 1,2,3 and 5 years time?

Then WRITE the answers down.

Let your imagination "run riot". Think even "the impossible"
- it may be far closer than you think!

"Dream the impossible dream."

"Whatever the mind can conceive, can be achieved."
- JW Von Goethe, German philosopher

"Whatever is ardently desired, enthusiastically act upon, must inevitably come to pass."
- Paul J. Meyer, Success Motivation Institute

It may be purely having 'heaps' of money (and wealth can do many good deeds)...

Then evaluate your savings and investments:

Where are you NOW and HOW did you get there?
Oh, "shucks"!

Where you do want to get to, to be in the future?

WHAT do you want to BE in 1,2,5,10 years time?

*

Financial Success:

"Success has been defined as the "progressive realization of a worthy goal." Financial success therefore involves establishing a measurable financial goal with a specific time frame and progressively achieving it according to a pre-determined strategy. However, 95% of the population will not be financially secure; because, simply, they do NOT SAVE enough. They fail to PLAN their lives. Most people spend more time

planning a Christmas party, or a holiday, than they do planning their lives.

Realize success is within you. You can do ANYTHING, if you really desire it and you believe in yourself. The desire will eventually reveal the means of attaining it - through the incredible power of the subconscious mind. It all depends on you and the QUALITY of your THOUGHTS.

Now for some practical steps on becoming financially independent...and perhaps even one day attaining wealth...

NB: PAY YOURSELF FIRST. SAVE SOMETHING FROM EVERY PAY CHECK. TRY TO SAVE AT LEAST 10% OF YOUR INCOME.

"Whoa, mate - impossible!"

Use the magic of compound interest. The doubling dollar: at 7% interest, your money will double every 10 years.

SELECT AN EFFECTIVE SAVINGS PROGRAMME

Create your own opportunities. Seize opportunities when they are "presented" - they are everywhere.

"A pessimist is someone who complains about the noise, when opportunity knocks."

- Frank Newman

Make more money by not spending it (on luxuries, like take-always... except for "special treats"). Give up smoking and excess consumption of alcohol. Then invest the savings. Live as economically as you can, focusing on gaining greater value out of each dollar spent. But still buy occasional luxuries, if they give you pleasure. We have to have some pleasures and extravagances (big word) in life, don't we?

Pay off your debts as quickly as possible. Excessive debt eats away capital - it is the fastest eroder of your money. Save up an emergency fund for contingencies (nice word that!)...but don't focus on what might happen; because it usually doesn't. However, an adequate emergency fund can give one a sense of security.

Have adequate insurance to protect all contingencies: Life, disability, income, general (house, car, boat, etc.). This equals more peace of mind.

Manage your assets well.

Don't speculate. "Easy gain, easy lose". There are many "get rich schemes"; but it's so easy to "go broke" too.

As famous American novelist, Mark Twain once said,
"There are two times in a man's life, when he should
not speculate: when he can't afford it and when he can."

If you must, do it (speculation, I mean) in moderation and
purely as entertainment with what you can afford to lose.
That's a good attitude to adopt.

Pay off all debt as soon as possible: credit cards, mortgages.
Did you know, that on an average mortgage, you eventually
pay back over 20 or 25 years about three times the original
amount borrowed! WOWEE!

*

Some more money management tips:

Avoid excessive borrowing.

Do not borrow money to buy consumables.

Borrow from the most cost-efficient source, i.e. the
financial institution with the lowest interest rate.

Sell an asset, if the return from it is less than the interest
on the loans taken out to buy it.

Turn to the "experts" for financial advice. Consult a
"professional" with regard to money matters.

Manage your time effectively. Ask yourself, "what is the
best possible use of my time right at this moment?" Time is
like money, you can either spend it or invest it. Also most
people have a shortage of it. In fact, time is even more
precious than money. "Time is the most perishable commodity
of all. If you don't use it today, you cannot use it tomorrow."

Grow as a person daily. Study the subject of money.
(The reason I write my books is to share knowledge to help
others). Plug, plug! Read, listen and think. The person who
listens to others learns something, while the talker learns
nothing. "Still waters run deep".

Market yourself: Don't sell yourself short, nor "hide your
bright light under a bushel".

Project a good image at all times.

MOTIVATE YOURSELF DAILY by reading inspirational words
from great writers (and ordinary people, like your author!).

N.B:

Don't overuse credit cards. They are "financial cripples".

Don't I know all about that!

SET YOURSELF A WEALTH TARGET and dedicate yourself to achieving it. You must really WANT to be financially free - with a passion.

Regularly review your progress towards achieving your various goals. Are your plans effective? Change 'tack' if you are getting nowhere, or perhaps even change your goals. What are your goals in life? What drives you?

SUMMARY:

N.B:

* Firstly, get rid of as much DEBT, as soon as you can.

* Without financial independence, you are a slave to money. Adopt that ATTITUDE, that mind-set.

* Accept that achieving financial independence will take time, dedication and lots of hard work... but will be worth it in the end.

* Remember, money isn't everything. It has been said that "money is the root of all evil", but only an obsession and love of money for it's own sake, I believe, is bad (see the exact wording in the Bible). I see money, as a "means to an end" - giving one CHOICES in life. Substantial amounts of money can be used for good, ie. charitable purposes to HELP others, if that is your wish...but always remember that "charity begins at home".

* Nearly everyone has the ability to be financially successful, but very few people have the DESIRE, as well as the COMMITMENT to make the sacrifices necessary to achieve wealth.

To recap... in a line...

THE THREE LEGS TO ACHIEVING WEALTH

Like the three legs of a stool. All are equally important in ensuring financial independence. The key:

MAKING MONEY + SAVING IT + INVESTING WISELY = FINANCIAL SUCCESS

Have a PLAN, then put it into ACTION. "People don't plan to fail, but fail to plan."

Success is a process... as life is the journey, not the destination. So take pleasure in it.

Craig Lock

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About the Author:

Craig Lock has been involved in the personal finance field for "many moons". He is now an author of six published books with another twelve being published and marketed on the internet. He has studied and written extensively on money matters: articles, brochures for financial institutions and books.

Craig's various books are available at:

<http://www.novelty-gift.com/ebooks.html>

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<http://www.bridgeniche.com/CLOCK/zaniestbooks.htm>

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