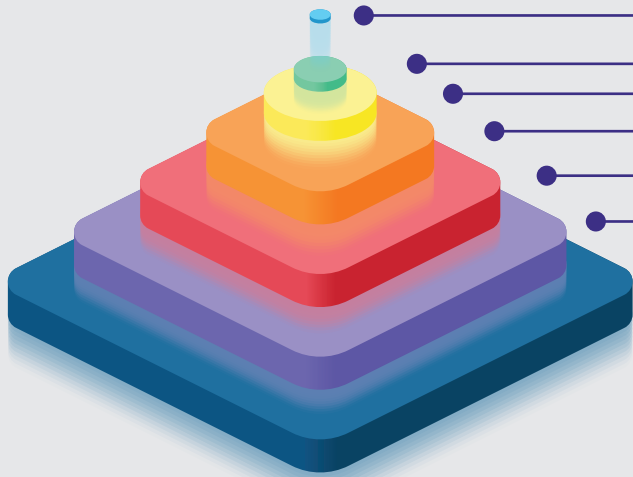


GRANT SABATIER'S 7 LEVELS OF FINANCIAL FREEDOM



One of the leading voices and biggest success stories in the FIRE movement — short for “financial independence, retire early” — the self-made millionaire, Grant Sabatier, author of the book *Financial Freedom*, has amassed enough money to live comfortably off income from his investments in perpetuity.

Source: <https://www.cnbc.com/2022/05/10/the-7-levels-of-financial-freedom-according-to-a-millionaire-50percent-of-us-workers-are-at-level-2.html>

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07

ABUNDANT WEALTH Money isn't a concern. People who can live off their portfolio income rely on the “4% rule” — a retirement rule of thumb that posits that an investor can safely withdraw 4%, adjusted for inflation, from a balanced portfolio of stocks and bonds each year, and be relatively certain that the money will continue to grow and won't run out.

06

FINANCIAL INDEPENDENCE According to Sabatier's framework, investment portfolios generating interest, or rental properties with a cashflow, or a hybrid of the two, can be enough to live solely off the generated income. More young people are starting to understand that if they aggressively save and invest, they can work less and have more control over their future and destiny.

05

FLEXIBILITY You have at least two years of expenses saved. You could take a year off work if you wanted to although these savings don't need to be in cash. You just need to be able to access the money, if you need it.

04

STABILITY You have no 'bad' debt and six months' worth of expenses for emergencies. We believe financial experts agree that you need to think about your “big picture” in a way that might include exigent circumstances. For example, if you lost your job, you might need to cut your gym membership and eliminate your Netflix subscription. Ask yourself, what would be the bare minimum to get by.

03

BREATHING ROOM You're saving some money and no longer living paycheck to paycheck. You have enough to start an emergency fund and you can invest some savings for retirement.

02

SELF-SUFFICIENCY You've moved out of mom and dad's and can cover your expenses. However, you are most likely living paycheck-to-paycheck and may need to take on loans to meet all your needs.

01

CLARITY You figure out where you are financially: how much money do you have, how much do you owe and where do you want to go? Creating a spreadsheet with all expenses and income is a great place to begin.