SELF-SUFFICIENCY IS PERSONAL FINANCIAL EQUILIBRIUM!
VALUABLE TIPS BY JASON LAND

Financial independence is an attribute all of us should strive to achieve. It's not something that requires financial acumen, a business degree, or advanced knowledge of Wall Street. Rather, it takes a modest plan, a lot of discipline, and above all else, time and consistency. The following outline will highlight some strategies and resources to help investors achieve their goals and attain a modicum of financial independence.

First and foremost, live below one's means. In an age of conspicuous consumption and hyper-consumerism, this is by far the most difficult goal to live by. The "Great Recession" that has recently gripped the United States and the world has helped to open our eyes as to what is really important. What remains to be seen is whether or not the lessons present today will be learned and applied in the future. Living below one's means will help to establish the important first step toward financial independence. Before anything else, one must have the mindset to be frugal, frugal, frugal.

The next step in the process is a straightforward budget. This may take some time to put together but a proper accounting of one's dollars and cents is absolutely vital. It is imperative that those seeking to be financially responsible track every dollar they earn and spend. You'll be amazed at how much you'll spend on superfluous items. If you can live below your means and create a budget then you can start to save and invest for your future. After all, you don't want to be dependent upon anyone or anything. To be self reliant, you must have a nest egg.

Before putting money into a retirement account I would suggest paying off debt. Houses excluded, all debt: cars, credit cards, boats, etc should be aggressively paid off. Debt should be attacked vigorously until eliminated. A simple process would be to line up all your debt and pay off the smallest balance first while paying the minimums on the rest. Once the smallest balance is paid off, move on the next until all debt is paid down. This is called the debt snowball. The key is not to create more debt while paying down existing debt. Here's another novel idea: pay with cash! Cold hard cash or a debit card work nicely. Notice I suggested a debit card, not credit card. A valuable source of information on this subject is Dave Ramsey. He is a syndicated radio personality and author that has helped thousands of people climb and stay out of debt. I highly recommend his book, "The Total Money Makeover". It's a life changer.

A good investor has adequate savings. So I encourage everyone to have at least six months of income put away in either a checking or savings account. After all, this is emergency money, so you don't want to risk it. The basic tenants of investing are time and discipline. One's age and risk tolerance are important in determining an appropriate mix of investments. I believe just about every investor should have some sort of balance between stock mutual funds and bond mutual funds. Whether it's 80/20, 20/80 or somewhere in between is up to the individual investor. I recommend mutual funds over individual stocks and bonds because they are diversified pools of investments, thereby safer to the common investor. In conjunction with a balanced portfolio I would also dollar cost average. That is, put money away on a regular basis (monthly) in both good times and bad. Also, visit your money regularly, a thorough annual review is important. Finally, if you don't have the time, inclination, and passion to invest yourself, talk to a financial advisor. Interview several in your area, a good rapport and clear communication is a must. After all, it's your financial independence we're talking about.