How to Retire as Early as Humanly Possible

0:01

from The New York Times I'm Sabrina tavernes and this is the

0:07

[Music] daily many Americans work their entire

0:13

lives and retire with nothing but a group of frugal obsessives is trying to

0:19

flip that script today my colleague Amy X Wong on the people behind this growing

0:26

movement and their bold bid to rethink how long we

0:31

[Music] work it's Friday June

0:38

[Music]

0:44

14th so Amy you've been exploring this world of people who retire early tell me

0:49

about that how did you first discover this movement well I had always been as

0:55

a child like predn naturally obsessed with money and so I was constantly looking for coupons and blogs about how

1:01

to stretch a dollar how to invest smartly things like that and as part of that I would read these news stories

1:08

about people who were saving or making money in a different way so I came across maybe one or two stories like 10

1:14

or 15 years ago about people who were following something called fire financial Independence retire early

1:21

Financial Independence retire early exactly so what is that it's really about strategizing to leave the

1:28

workforce at an age of your own own choosing so say you plan to retire at 45

1:33

instead of 65 or there are even people who do it at 35 so it's about freedom from work and having the time to

1:40

yourself got it so it's less about actually kind of retirement and retirement age and more about work and

1:46

freedom from it right right it's it's a philosophical movement that's kind of wrapped in a bunch of Financial and

1:52

economic Logistics and were these just kind of different people from different walks of life like who were they yeah I

1:58

would have thought that it was people who were mostly High earners like Bankers or surgeons or people who had

2:03

the means to scr away a lot of money right but in fact I found that the range of people who are planning for early

2:10

retirement really spans the gamut from that kind of surgeon upper middle class to the lower middle class to even people

2:16

who are on minimum wage you know making like $35,000 and still being able to retire Le so it was fascinating to

2:23

discover all these different kind of fire people okay so it's a new philosophy around work

2:30

and you know the idea that it shouldn't be taking up so much of our lives so much space in our lives how did you

2:36

start reporting on this I had always been keeping an eye on fire but I noticed that in the pandemic it really

2:43

really took off and more and more people were joining forums there are half a million followers in the fire subreddit

2:50

and the financial Independence subreddit is actually 2 million followers and then you have all of these Facebook groups

2:56

all of these you know Twitter little enclaves and influencers on Instagram

3:01

and this whole ecosystem on social media is just millions and millions of people that is very very active and I wanted to

3:09

know are these real people who are actually doing this who are actually retiring

3:14

early hey Ellen hello can you guys hear me and I found someone who is really involved in the movement yeah can you

3:20

just start with some basics of telling me your name and who you are uh sure

3:25

yeah my name is Alan Wong I'm in my mid-30s and I've been since I've was

3:34

25 his name is Alan Wong he's one of the moderators and one of the biggest fire

3:39

subreddits he has retired and he's spent the last decade or so essentially coaching other people on how to fire in

3:46

his way and sharing details of his story so tell me about Ellen can you take us back to your

3:54

childhood and and where you grew up when I was growing up I didn't really

4:00

see much of my father um Alan grew up in New York City in Queens and he watched

4:05

his immigrant parents essentially scrimp and save to give them a better life even

4:11

my father he he uh he originally didn't even finish High School um they're from

4:18

rural villages in China and his dad in particular had a really hard life he was like an orphan his father had many kids

4:26

and uh he couldn't afford to keep all the kids so he just like gave him up so

4:31

he ended up working in like a farm that was like run by the government in China uh and he did not like that he

4:38

didn't want to spend his entire life working in a farm and his dad at one point actually just so desperately

4:43

wanted to flee his circumstances that he escaped from guango to Hong Kong um so

4:49

he he legally swam to Hong Kong by crossing the river illegally because it was it was an international border and

4:55

then from there I was able to buy a plane ticket to New York City and essentially he started life Chown started his life over and like escaped

5:02

the trappings of poverty from where he was from amazing is there someone that um I would

5:08

say I look up to it would be probably be my father because he uh he wanted to do

5:14

anything possible to make sure that I had a good life like I wasn't even born yet but he wanted to make sure that his kids had good life that's why he swam to

5:21

Hong Kong that's why he moved to New York and all the stuff um it wasn't for himself so Allan you know grows up with

5:28

this in mind right his father has done all these extraordinary things to like wrench the family an entire ocean away

5:35

plant them in a different sphere and try and start again in a more lucrative like chasing the American dream way he's like

5:43

the type that really really works very hard like if there's his father is going to work he sells medicinal herbs in

5:50

Chinatown he's going to work every day dawn to dusk I never really saw him you know like he would work from the morning

5:57

so I would go to uh School and um sorry this

6:03

is I'm sorry um he would go to work in the morning

6:10

and I would go to school and when I come back from school I still would not see him because he doesn't get off work

6:16

until uh 900 p.m. so by the time he actually gets back home I'm already like

6:22

ready to go sleep and stuff like that his mother as well she would also come home exhausted from manual labor he was

6:29

a kid growing up essentially kind of on his own in New York City and and seeing how tired work made his parents I felt

6:37

that I didn't want to have a life like that like like I I understand the hustle I understand trying to make as much

6:43

money as possible for your family but I also believe that if you make so much money but you're not happy you know

6:50

you're not with your family then what is the point of making so much money and then when he went to college

6:56

actually his father was ousted from his business and it really drove him into

7:01

this spiral and so when he got fired he he

7:07

sprled into this like major depression and he went to see like therapists and

7:13

they gave him like Prozac and stuff um but it wasn't really working um and Alan

7:19

told me that his father actually committed suicide because of this um so that was uh that was really hard on me

7:25

because I I thought like you're supposed to work really hard and then be able to retire

7:32

and then you know when you retire you're like happy M but that wasn't the case for him in the end he ended up being

7:38

this really depressed like husk of a person um and I just I just uh vow to

7:46

not end up like that so he's in New York City trying to

7:52

work his first entrylevel job I believe he was coding for a tech company and his

7:58

mother because of everything going on started having psychotic episodes so he had to figure out how he could possibly

8:03

take care of his mom and that's when I discovered uh creating apps so he

8:09

resolved to get out of the situation and the App Store was kind of

8:15

just coming up so he was like why don't I just take a moonshot and make something and it's going to take off and

8:21

I'm going to get my family out of this situation so yeah so I spent all the all of my free time every possible free hour

8:27

I had I would just try to learn and code new apps and so he very resolutely

8:34

essentially started coding Around the Clock he was working his job he would come home and in the evenings on the

8:39

weekends well these apps don't exist anymore but I I made one you just code away a different project like a news app

8:46

so he had a couple that like a dog whistle or something like that didn't take off uh it it allowed you to like

8:52

scroll the website by just tilting your phone that were kind of Duds as he told me just really like gimmicky kind of app

8:59

like that and so the police scanner idea and then he made this one app that was a police scanner so it lets you tune into

9:07

Police radios around the world and it proved really really useful like like I kept refreshing the App Store to see

9:14

like where it was going you know like is it higher now is it higher now and I just kept watching it watching it so

9:21

Allan got so many downloads of his police scanner app and there was all this advertising revenue and

9:26

subscription Revenue coming in that at one point he was pulling in

9:31

$350,000 per month oh my God like life changing money life-changing money

9:37

exactly and he started thinking you know this is it right like I've done it I

9:42

have done the thing that I set out to do I can take care of my mom I can hire

9:48

people to help her I can buy her a house that kind of thing so Alan told me that he had been

9:56

thinking about his you know like rich person IDE deal purchase for a while like what would he buy if he suddenly

10:02

struck it rich I think people might hate me for saying it but it was a it was a bright lime green Lamborghini that I

10:08

bought was the first this shimmery Lamborghini I was in my early 20s at the time too it's like a trophy right like a

10:15

right like this is my thing i' I'm rich now he's putting down a mark exactly the

10:21

reason why I bought that is because I felt like I I I needed some reward for what I did you know like I I I called it

10:28

my for just of solitude um because it allowed me to kind of insulate myself

10:34

from all the the bad stuff that was going on in my life for a while just to be in the car for a little bit to kind

10:40

of like enjoy the moment and then he thought what do I do about work like what do I do about my job that I'm still

10:48

clocking in and out of my 9 to-5 job right and it didn't really make sense for him to stay at work after all of

10:55

that right I mean he doesn't effectively need to work right I mean $350,000 a month is lot as we've established so

11:01

what does he do so I just had to quit so Alan quit his job forever

11:08

because he could right he was a multi-millionaire at the age of 25 which is a decision that you know most of us

11:14

would not even dream about making and the reason why I quit I was always worried uh about my mother I knew that

11:22

she couldn't really take care of herself that much so I I need to physically be at home and I knew that if I just kept

11:27

working I can't do that so Alan retired at 25 which was about a decade ago he's

11:33

been taking care of his mom ever since she's doing a lot better now and he has really settled into his own retirement

11:40

he lives in Florida the land of retirees he plays pickle ball all day long he

11:45

owns a huge lavish home filled with video games and trinkets Galore and he bought a second Lamborghini he's really

11:51

achieved this childhood dream life so we're talking in the context of this

11:57

fire movement Alan St is really interesting and seems to kind of show

12:02

that he achieved the fire movements objectives but did he understand that he

12:07

had what is his connection to the movement Allan essentially achieved fire

12:13

on his own without knowing that he'd achieved fire he had done it he had achieved Financial Independence he had

12:18

retired early so as part of that he began spending a lot of time online kind

12:24

of just browsing or um finding opportunities to chat with people and

12:29

somebody on a Reddit Forum it was not even a a fire Forum it was like a random entrepreneurship Forum asked him a

12:36

question that was something like um what's it like to be rich and he said he wrote out this essay of a comment

12:42

expecting no one would read it except for this one guy who would ask the question and the comment went viral and

12:48

then all these people reached out to him on Reddit and said you should join these fire subreddits you would be great here

12:54

and people would really love your mentorship and your insights and that's how Alan Wong found himself kind of

13:01

embraced by all these fire people and he virtually looked around and he said wow these are my people these are the people

13:08

who I've always been waiting for these are the friends that I never knew that I wanted so Amy this is absolutely

13:14

fascinating Allen's story but it does strike me as pretty unique I mean here's

13:19

a guy who kind of struck it rich with this app but I have to imagine most people are not in his Camp so is this

13:26

replicable you are absolutely right Alan's story is incredibly rare it's

13:32

really really tough to make a best-selling app and suddenly launch yourself into

13:37

multimillionaire territory I decided I was going to win the lottery and I did for those who are who are listening to

13:42

this thinking of it start to dash your dreams but it's really really tough and so Allan almost got to fire as a fluke

13:50

right like this is not the kind of thing you can plan for actually the majority of people in the fire movement are

13:56

planning but they're doing it in a very very different way it's about the nitty-gritty of personal finance it's

14:02

about strategizing the numbers that make sense for you and this goes back actually to the origin of the fire

14:11

movement the fire movement began in the early 2000s not as anything about

14:16

getting rich it was about anti-consumerism it was about not spending money because

14:23

you didn't want to spend money it was about reducing your footprint on the planet about being a sort ofth iCal

14:29

responsible human being and that was how fire really began people were like I don't want to work

14:36

anymore because I don't want to be beholden to the system I don't want a paycheck I just want to figure out

14:41

enough money for myself so that I can retire and like leave the system like unplug a lot of people talked about

14:47

taking the red pill and stepping out of the Matrix so it was a freedom from work but also kind of an ethos and a

14:53

philosophy of living light and not buying stuff and just having kind of freedom from you know the consumerist

15:00

world mhh exactly you could get by living off a can of beans so why bother

15:06

paying for the Michelin star meal you [Music]

15:11

know so that sounds very very different from what Allan did it absolutely is

15:17

completely different and in fact the fire movement has grown so big and so diverse that there essentially

15:23

splintering within the community of different ways people are approaching fire so the traditional route that just

15:29

talking about the anti-consumerism the whole ethics of it is now known as lean

15:35

fire and that stands in opposition to what Allen is which is fat fire stands

15:40

to reason yeah so was kind of self-explanatory lean fire and fat fire you have one Camp that's all about like

15:46

minimalist cutting it down to the bone being happy with where you are and fat

15:52

fire which is all about like blowing that all up getting as rich as possible having your cake and eating it to being

15:58

able to retire but doing it in the lap of luxury but how does the main stream

16:04

of the fire movement I mean not the Allen but everybody else how do they actually do it I mean how do you retire

16:11

at 30 if you don't make a bestselling app so the the great trick of fire is

16:18

planning and that sounds really silly but that's how people get there a lot of

16:24

things that the fire people recommend are actually things that financially Savvy people are doing already like

16:29

maxing out your 401K investing in index funds the real fundamental difference

16:35

between that and what the fire people are doing though is the amount and the kind of aggressiveness that you're

16:40

pursuing it with so the average person is putting in 10 to 20% of their

16:46

paycheck into these instruments like 401ks what the fire people recommend is

16:51

50 to 70% of your paycheck 70% of your paycheck 70% of your paycheck and of

16:57

course you don't have to do it that way you don't have to live off of only 30% of your income but the idea is if you do

17:04

that then you'll get there faster right so it's kind of about a personal trade-off like say you don't want to be

17:10

living so frugally and you'd rather enjoy yourself a little bit more then you can save let's say 50% and it will

17:16

just take you a little bit longer to get to retirement the idea of fire is calculating first the amount that you'll

17:22

need start with the age that you want to retire and then work backwards from there to determine how aggressive you

17:27

need to be about saving so Amy this is kind of baffling because I guess I'm thinking you know regular

17:34

American household barely has enough to pay the bills pay the rent and everything how are they saving 70% of

17:41

their paycheck MH I had the exact same question I kept thinking there has to be

17:48

something else there has to be a secret behind the secret I'm missing something it can't just be saving money in This

17:55

ferocious way and like who can do that like you have to be a surgeon a top tier

18:02

lawyer that kind of person to be able to afford to save this much

18:07

money so I realized that to understand whether fire can really work for everyone I needed to look for some

18:14

everyday people who had actually managed to pull this [Music]

18:27

off well be right back so Amy you said you set out to find

18:34

ordinary people who had done fire how did you start that where'd you go I went and found the biggest Fire

18:42

Conference in the country it's something called econom me econ o m get the pun

18:49

okay and it is the largest gathering of fire people on an annual basis I believe

18:54

this is its third or fourth year of people who have either made it already into early retirement or are close or

19:01

maybe just are stepping their toes in okay so describe the scene you go to this economy conference what does it

19:08

look like who's there I was expecting either a crowd of retired millionaires

19:13

or a crowd of like really young people who were just graduating from college and frustrated but it was a huge huge

19:21

diverse mix there were Millennials there were

19:26

the retirees and the people people who had made it who were kind of just there sitting back being like let me show you

19:32

the way but there were also all of these pretty everyday people there were people who worked on cruises there were Public

19:39

School teachers Off Broadway actors dentists plumbers all sorts of people of

19:44

different ages too who had flown from different parts of the country and even the world to come here to be with other

19:51

people who were like-minded and what was the vibe like

19:58

like what was it like sitting in the room and listening to people it was kind of like being in a secret lair of some

20:05

sort or like underground World in which things were Topsy Turvy and it was not

20:12

the status quo that was the case above ground what I mean by that is everyone talked openly about money and their

20:18

money they would share with each other how much money they had in their bank accounts or what their salary was the

20:24

raise they had gotten last year the number of figures of debt they were in like oh I'm in five figure debt you know

20:30

I have a million dollars in debt okay that is topsy turul right they would they would say this openly and it was

20:36

like an Embrace of money that is so so oppositional to what we normally have in

20:41

Western Society right that it was really really odd and and culture shocky at the

20:46

end of it I was like I want this to be the default of think I want to go around sharing my net worth and my student debt

20:52

and all of this with other people and I want them to share it back with me

20:59

so Amy who did you meet bring us into the room with you tell me about the people you met a couple people really

21:05

stood out to me there were some people who had discovered fire young this your first time here no right you've been

21:10

here my third economy it's probably like my 20th five when Ms discovered fire when she

21:17

was in her early 20s and she grew up similar to what we're talking about with Allan in a kind of financially stressful

21:24

situation um so I grew up like really poor we were living way below poverty

21:29

line and so like we never had money and I was like I want money so I can have

21:34

things and like say yes to things and like not have to be like bullied sent out the right clothes right like I

21:40

wanted to just not stick out because we didn't have money so she always had this message that she wanted money for

21:45

herself so that she could be happy and live freely and not be judged do you remember the website stumble upon the

21:52

day rip I know right I put in personal finances one of my interests and I was like so you're telling that all I have

21:59

to do is follow these easy steps these simple steps maybe not so easy for some

22:05

people and I'll be able to quit working early and I'll have lots of money like

22:11

sign me up yeah and she embarked on a journey when she was in her early 20s

22:16

and she's now at the point where she could quit her job if she wanted to or she could keep going and she hasn't

22:21

really decided story like when I started out I had $10,000 in the bank and people were like yeah what do you know you're

22:27

22 right 933 I have half a million dollar net worth and people are like oh

22:32

actually wow we've done a lot in 10 years like maybe there's something to this there were other people I met who

22:40

were older actually and just discovering fire um I been an actor since I was 15

22:46

years old I'm 48 now for instance I met one woman who goes by the name Essence revealed who was actually an actor her

22:52

entire life and she told me she never really thought about retirement acting is not like you know being a ballet

22:58

dancer or football player or something where your body's like we can't do this anymore you know I can pretty much act

23:04

until I die so I she knew about fire but it seemed completely out of the realm of

23:09

possibility for her but then when the pandemic happened all of the things that I did for money were gone and so I just

23:17

ended up unemployed and but when the pandemic hit she had this realization that she needed to have a financial plan

23:25

of some sort she couldn't just rely on paychecks so she read more about fire she learned about investing and then she

23:32

decided to completely upend her life and she became a truck driver a truck driver right I had actually called my god

23:38

brother to borrow a month's rent and he's like have you ever thought about driving a truck and I said absolutely

23:44

not she heard about Trucking as a job from someone she knew and she thought you know it doesn't sound like such a

23:50

bad gig I can live in a truck have money to save and see the country at the same

23:55

time so in the back I have like a bed um um I have a microwave I have a plug-in

24:02

griddle and an instant pot and there's cabinets for clothes and things very

24:07

small but um Whole New York City Apartment it's I was just about to say but I've been living in a New York City

24:14

Studio haven't living in so she did it she she lived in an 18-wheeler truck that was also her job driving around the

24:20

country which was of course a little tight but she quickly went from saving very little money to saving 70% of her

24:27

paycheck every single week amazing so then I was like now I think I can do this fire thing I haven't actually sat

24:33

down and done the math like times how many years will I actually get there but I feel like I can get there um okay so

24:41

you were actually Finding Normal not fabulously wealthy people that were doing fire saving really aggressively

24:49

and according to them it's working this is real for the people you were talking to it is real it is very very real which

24:56

Amy leads to my next question which is once a person does achieve fire you know

25:03

managed to retire at 40 years old or even a 30 years old for that matter what

25:08

do you do with the rest of your life yeah it's unimaginable for many people

25:14

and so many people don't think about it but when you do fire you have to think about it and you often don't have a

25:20

grand plan the first few years of retirement were actually really hard for me because I I really didn't know what

25:28

to do afterwards Alan Alan Wong who we were just talking about went through this himself it was as if like I

25:35

finished a movie uh really quickly and everyone else was still watching that movie you know it's like I'm I'm like

25:42

already watching the end credits and everyone still like on the First Act he had a period of many years of kind of

25:48

soul searching I traveled the world and I tried to do every possible fun thing I

25:53

could do um to see if maybe that'll make me happy he had his YouTube account where he was showing off his cars that

25:59

didn't really make him happy he bought all these things it didn't really make him happy so I started volunteering and

26:05

helping people that are less fortunate and I felt better like I felt like I wasn't just moping around in life what

26:12

he found was he really liked giving back and kind of establishing relationships I was used to it you know I was used to

26:18

taking care of my mother and helping her but I realized that I had a skill set to help others as well besides my my own

26:24

family and then of course he spends a huge amount of his time being the moderator of the fatfire subreddit which

26:31

is where I found him actually and how it came across him because he posts there all the time but Allan after all these

26:37

years of soul searching realized that what he was really after too was not just the question of what makes me happy

26:43

but who am I without work and that's such a resonant question for all of us

26:49

like who are we all without work how does he answer it people keep trying to

26:55

ask me like what I do because they they want to know who I am what I'm like and stuff like [Music]

27:05

that and I I don't even know myself because like I don't really have an identity I don't

27:13

think and I'm okay with that he was telling me that he doesn't

27:18

really have an identity and he's working towards being proud of that like he's rebelling against the idea that you have

27:24

to be one thing you have to be a noun or two nouns or different things that you do and he is almost kind of defiantly

27:32

saying he's nothing he's not any of these things he doesn't want to be I thought that was really interesting

27:38

because a lot of other people in the fire movement also feel this way too when they retire like they don't want to

27:43

Define themselves and the whole idea is very subversive right like The

27:48

overarching Credo of fire is that you don't belong to work you belong to yourself so you don't need work to

27:55

Define yourself like you're not a former software engineer who is now a gardener or whatever it is you're just you you're

28:03

a good person who has interest in relationships and is beloved and [Music]

28:11

loves I don't believe that I I need to have any identity I don't I don't need to be known for anything I don't feel

28:19

like one thing should describe a person you know they I feel like they they're made up of all their actions not just

28:25

one thing that they do [Music]

28:33

so Amy I'm curious what you make of the fact that fire is really kind of surging

28:38

now why now why this timing well I think fundamentally we're

28:45

just in a completely different world we're in a different era in a different world to what our parents grew up in

28:52

there is very little job security out there in the way that there used to be

28:58

you know it was very straightforward you graduated college you got a job you stayed in it for like 40 plus years gold

29:04

watch at the end big retirement party great pension retirement like done deal

29:09

like a very straightforward way of living and now all of that is just blown completely up we're in this time of

29:16

economic unknown and the cards are so stacked against people it's so difficult

29:21

for Millennials to even comprehend buying a house the way that the Boomer parents did right as one example that

29:27

you just can't plan for this sort of thing so people are detaching from it they're like leaving this vision and

29:34

stepping out of themselves and saying wait a minute there has to be an alternative and what fire really

29:41

provides is not necessarily A straightforward answer it's not like a just take this instead kind of

29:46

alternative it's more like an a fill-in theblank like question mark that um

29:52

allows people to figure it out themselves it's like here's an alternative path take it see where it

29:58

leads you and figure out maybe if you might find your way to a different kind of American Dream people are searching

30:05

and this is helping them provide some answers it's giving them the agency to Take Back Control it's it's like giving

30:11

them the kind of empowerment the way that like a support group would to tell people it's okay to think differently

30:18

like try to think out of the box actually thinking out of the box is the whole idea of fire it's being subversive

30:24

being a little cheeky about it and saying I don't want to do things the way that the system does I want to design my

30:30

own version of a happy [Music]

30:38

life Amy thank you very much thank you

30:43

[Music]

30:56

[Music]

31:03

we'll be right [Music]

31:13

back here's what else you need to know today on Thursday the Supreme Court

31:19

upheld access to a widely available abortion pill rejecting a bid from anti-abortion organizations to restrict

31:25

the pill because they lacked the right to sue the ruling on the drug Myer pyone

31:31

was unanimous the justices sidestepped the questions of safety and morality and

31:37

focused entirely on the issue of standing the doctrine that requires plaintiffs to show that they have

31:42

suffered direct and concrete injuries in order to bring their complaint to Court Justice Brett Kavanagh wrote in the

31:48

decision that the doctors and the organizations who brought the suit had not suffered those injuries and thus had

31:54

no grounds to Sue and at a meeting in Italy the G7 the West's seven largest

32:02

economic Powers agreed to give Ukraine a $50 billion loan to help it in its war

32:08

against Russia the loan will be repaid from interest earned on Russian assets

32:14

that were frozen in European Banks when Russia invaded Ukraine for 2 years since that Invasion Western countries have

32:21

debated what to do with the approximately $300 billion in Russian

32:26

assets asking in particular whether they could legally turn those assets over to

32:31

the government of Ukraine the move on Thursday represented a

32:39

compromise a quick reminder to catch a new episode of the interview right here

32:44

tomorrow this week David maresi speaks with Serena Williams about life after

32:50

tennis that had been my life for over 40 years and so it was like you don't go

32:57

from literally a 40-year career to just going

33:02

okay what do you do today [Music]

33:08

nothing today's episode was produced by Luke Vander plug and mo Z with help from

33:15

CLA tennis Scutter it was edited by Brendan clink BG contains original music

33:21

by Diane Wong Dan Powell Maran Lozano and Alicia beu and was engineered by

33:28

Alysa Moxley our theme music is by Jim brunberg and Ben Lanser of

33:37

[Music] wonderly that's it for the daily I'm Sabrina Tavern see you on Monday

33:47

[Music]

English (auto-generated)