

OASIS Book Reviews Inspiration on Demand

Session 37 - Oct 16th, 2019

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Playing With FIRE

(Financial Independence, Retire
Early)

How far would you go for Financial Freedom?

By Scott Reikens



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This presentation is based on a summary from [blinkist.com](https://www.blinkist.com)

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About the Author

Scott Rieckens is an Emmy-nominated producer, author, and entrepreneur

About the Book

Playing with FIRE (2019) gives us an idea about a popular movement known as FIRE, or Financial Independence, Retire Early. The author shares his journey

Do you wonder –What if I do not have to work for a paycheck anymore?

Is this even feasible/possible without Winning a lottery or scamming someone?

Would you like to learn more about this seemingly magical nonsense?

What to expect in this session

- **How much should you pay for a car?**
- **Investing in the stock market is gambling?**
- **Will I need to live on cat food for this to work?**

Are our lifestyles truly sustainable?

We all HAVE to work till our mid 60s or longer...right?

There are no pensions and Social security won't be enough...

So we accept that we NEED TO.

What are we working for anyway? Does it all add up?

We work to pay for stuff we really don't need

We are stressed, overworked and barely treading water...

What if I told you about couples who are retiring in their 30s?

Scott's Dilemma(s)

Beach town Lifestyle in CA – annual combined pay \$142k

Annual savings \$10k plus 401(k) contributions – college fund?

Heard Mr. Money Mustache on The Tim Ferris Podcast

MMM (as he is known) retired at 30 – and F.I.R.E Rock Star

Scott calculated that if he and his wife can live on 50% of income

They could RETIRE in JUST 10 years

No Need to Win the Lottery – just make some changes in lifestyle

Why FI? (Financial Independence)

Have enough wealth for expenses with No Need to work

You can still pursue New Opportunities without fear of \$

Lawyer starts FI path in 2005; Now 38, FI for 6 yrs. Has own Firm

Others use freedom to travel, volunteer, pursue passions

How much money will I/U NEED?

The FIRE formula is to save at least 25 times annual expenses

A 4% annual return on those savings = annual expenses ideal

(Based on The Trinity Study which showed that this will work)

If he saves \$1.5 million – 5%~ \$75k, live within \$60k/yr.(save 15k)

How to get there...

Trim expenses, build assets to generate returns to live on

FIRE goals save 50-70% of income – daunting for many

Some aggressively improve income and reduce expenses for it

For the rest of us – need to focus on largest Expenses

- Usually 1) House, 2) Auto(s) 3) Food

Scott and Family – they moved to low cost of living area (LCOL)

Decided to have only one used car ~5k – but got one at \$7.5k

Decided to invest in Low Cost index funds, RE & side businesses

Getting the S.O. to agree to FIRE

This could be the hardest step - both need to be all in

Scott created the “Ten Things Exercise” for wife Taylor

Write Down 10 things that make you the happiest, every week

For the rest of us – need to focus on largest Expenses

It was good because Both of them were on the same page!

Their values were aligned and but spending was not in synch

Scott floated idea to document their Journey –

BBC VP (a FIRE fan) agreed to direct this project

The documentary is now out; included a 4 day retreat for FIRE-ers

FIRE is only for high earners?

Not really true. Plenty of folks who make \$50k FIRE'd

5 or 50 years to FIRE – Value Happiness over Materialism

Approach can and should be flexible to YOUR context

Simply make choices for long term happiness – live now too

Being Intentional so spending reflects your values

Summary

- FIRE – Financial Independence, Retire Early movement is popular now
- Save 25 times annual expenses and have enough income to not have to work
- Can increase income, reduce expenses – be intentional & spend to reflect values.
- Not necessary to have a high income, value long term and current happiness
- Do a Ten Things Exercise to make sure you and your SO's values are aligned

Upcoming Reviews:

Session #38 - Oct 23rd - 2-3 PM EST –

Sapiens – *A Brief History of Humankind* By Yuval Noah Harari

Session #39 - Oct 30th- 2-3 PM EST –

The Emperor of All Maladies – *A Biography of Cancer* By Siddhartha Mukherjee

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