

Financial Independence Retire Early



What is FIRE?

Financial Independence Retire Early

It's a thought that encourages you to save and invest aggressively which eventually helps you achieve financial independence and the option to Retire Early

But all of this requires a lot of **effort** and **sacrifices**



Do you enjoy your current life?

Exotic Vacations



Experiential Dining



Latest Gadget



Luxurious Assets



Spacious and Lavish Home



If Yes

Then you need to rethink about FIRE



WHY?

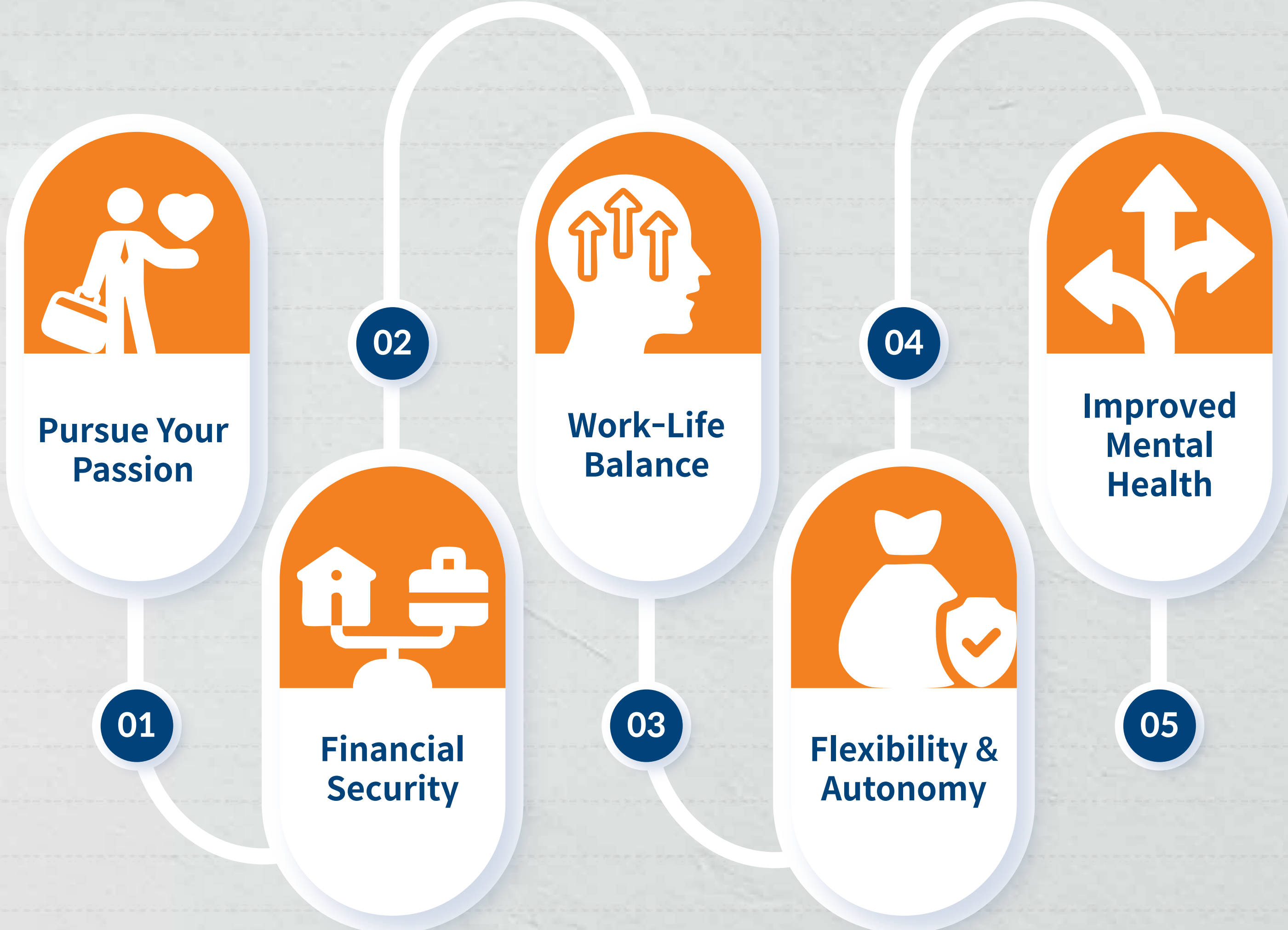
Because F.I.R.E. is achieved for a Different Purpose and has a very different pathway

A Reference Check

- ➔ Can you control **Lifestyle Upgradation** (Lifestyle Inflation)?
- ➔ Can you practice **Delayed Gratification**?
- ➔ Can you ignore **Social Expectations**?
- ➔ Can you stop **Impulsive Consumerism**?
- ➔ Are you comfortable with the **Fear of Missing Out** (FOMO)?
- ➔ Can you **Pay-off your Debts** shortly and **Not Acquire More**?
- ➔ Do you have **Bad Financial Habits**?



Why do you want to achieve FIRE?



When and How do you want to retire?

Retire Early with a Simple Life



Lean FIRE - Focuses on extreme frugality, allowing you to retire with a minimal budget. This approach requires significant lifestyle adjustments but enables quicker retirement.

Retire at a Comfortable Age with a Substantial Corpus



Fat FIRE - Involves saving and investing more to maintain a comfortable standard of living post-retirement. While it takes longer to achieve, it offers greater financial flexibility.

Retire Early but prepared to work part-time



Barista FIRE - Allows individuals to leave full-time employment while taking on part-time or freelance work to cover some expenses, blending partial retirement with income-generating activities.

What does it take to attain FIRE?



What are the things to consider when planning for FIRE?



Food - Dining out and grocery bills



Utility Payments - Payments towards utilities and facilities



Healthcare Cost - Health expenses tend to increase as age progresses



Unforeseen Expenses - Unforeseen expenses like a life threatening disease or disaster could impact the corpus accumulated



Transportation - Work-related commuting costs may decrease, but leisure travel expenses might increase



Leisure Activities - Many early retirees dream of indulging in travel, entertainment, and hobbies, which need to be factored in the estimated budget



How much would you need to save?

The **F.I.R.E.** number (Basic Calculation) = **Current expense X 25**

Example

Mr. Aryan desires to attain the **F.I.R.E.** movement at age 45. His annual expense is ₹12 Lac.

Corpus required = Annual Expense X 25 → 12 Lacs X 25 → = 3 Cr. Corpus

How much would you need to save?

The **F.I.R.E.** number (Multiple factor consideration)

Example

Mr. Aryan is 25yrs and desires to achieve fire at 45yrs and assuming to live till 85 yrs. His current expenses per month are ₹1 lakh.

Value of 1 lakh after 20 yrs at 5% inflation = **2.65 Lakh**

Total corpus required for 40 yrs of post retirement life = **7.76 Cr.**

Monthly SIP amount required to achieve the retirement corpus = **72,168**

What can you learn from the **FIRE Movement?**

01

Start dreaming and planning for retirement

02

Find ways to keep your expenses low

03

Look for ways to boost your income

04

Make saving and investing a priority



Things to keep in Mind if the **Plan Fails**



**You may have to go
back to working**



**You will be older
than today**



**You will need to start the
accumulation phase again**

A man in a dark suit is walking away from the camera down a long, straight asphalt road that stretches into the distance. The sun is low on the horizon, creating a bright, golden glow and casting long shadows. The sky is filled with soft, orange and yellow clouds. The landscape on either side of the road is flat and open, with some sparse vegetation. The overall mood is one of contemplation and a long journey ahead.

Food For Thought

**The journey of a thousand miles
begins with one step.**

~ Lao Tzu

FIRE does not mandate early retirement but instead makes working optional.
But it is possible only when you gain control over your financial life.

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