

Sparking a Path to Financial Freedom

00:06 Megan

Financial wellness includes the ability to manage money in a way that gives you peace of mind and empowerment to make your own choices. At Golden 1, we're here to help with unbiased financial guidance. As a not-for-profit member owned credit union, our main goal is to help you reach financial well-being. Join us as we discuss why financial knowledge matters and how to apply it to your financial journey. Together, we can be golden!

Hello! Welcome to the Golden 1 Financial Wellness podcast. I'm Megan ...

00:39 Daniela

... and I'm Daniela and we are from Golden 1's Financial Education team! Thank you so much for joining us.

The 4th of July fireworks may be over, but let's keep the financial sparks flying! Today, let's explore how to break free from financial burdens and achieve financial independence. Financial freedom means different things for different people. For some financial freedom means not living paycheck to paycheck, or just having enough to retire well, for others, having enough money to quit your job is the goal. You see, financial freedom or financial independence is a state of being, where you have enough money to live the life you want without worrying about finances.

Having enough money to cover your basic needs and also having the financial resources to pursue your goals and dreams is attainable! Financial freedom can reduce stress and anxiety in our life. When we're not worrying about how we're going to pay our bills or make ends meet, we're free to focus on other aspects of our life, like building wealth and taking care of our health and overall well-being.

So how do we get there? How do we achieve financial freedom?

01:42 Megan

Many people desire financial freedom, but the real question is, WHY do we want it? Financial freedom is not just about how much money we make or accumulate. It's also about our money mindset, which influences the financial decisions we make and shapes our financial life.

My friend Maria, for example, grew up in a family that constantly struggled financially, and as a result, she developed a scarcity mindset. She believed that money was hard to come by and that she had to work hard to make ends meet. This mindset led her to take

on multiple jobs and work long hours, sacrificing her personal life and well-being. Eventually she realized that her money mindset was limiting her. She began to shift her mindset to one of abundance, believing that there is enough money to go around and that she deserved to live a fulfilling life. As a result, she started to make more educated financial decisions. She focused on creating and managing wealth and making choices that would lead to financial security and independence. She created a plan to reach her financial goals and developed a habit of saving and investing a portion of her income. Eventually she invested her savings in a rental property and built up a passive income stream. Through her new money mindset and financial habits, Maria was able to achieve *her* financial freedom. She no longer had to work multiple jobs or sacrifice her personal life to make ends meet. Instead, she is able to live a fulfilling life and pursue her passions, all while still earning a comfortable income.

When we switch from worrying about having “enough” and instead focus on creating wealth and abundance for ourselves and our family this can lead to less financial stress, more peace of mind overall, and empower us to pursue our goals and take calculated risks. We can attain this through a positive mindset around money and our personal finances. Having this kind of confidence and belief in ourselves can allow us to dream big, set goals, and work hard to achieve them.

03:54 Daniela

You're right Megan, building an abundance and wealth mindset is important and a needed combination with other practical steps. Establishing a budget is usually the first and most important step in any financial plan. By knowing exactly how much money we have coming in and going out each month, we can identify areas where we can cut back on expenses and potentially increase our savings.

A friend of mine recently started using the new Budgeting tool in our Learning Lab. For those who aren't familiar with this tool, it prompts you to input your monthly income, saving goals, and expenses. Upon entering your income, a big green positive figure appears on the right-hand side. As you begin to input your expenses, this number starts to decrease.

My friend was surprised to see how much it decreased when he input all of his expenses. It made him realize why he's been struggling to achieve some of his savings' goals. He's been using his credit card a little more, and as a result, his payments have increased to the point where he's unable to contribute as much as he would like towards his goals or skips adding money towards them all together. Ultimately, further delaying the achievement date of these goals.

Seeing all of his expenses outlined in the Learning Lab Budgeting Tool helped him go through them one by one and ask himself- is this a need or a want? Going forward, can

I reduce this bill in some way? What do I need to do to not use my credit card and rack up additional debt?

05:22 Megan

I'm so glad that you brought that up. Credit card debt can really hold us back and create a lot of stress.

—My friend Jenny had always dreamed of owning her own business. She had a great idea for a product and had spent months researching and developing it. But when it came time to launch her business, she realized that her credit card debt was a problem.

She had accumulated thousands of dollars in credit card debt over the years, and the interest rates were making it impossible for her to save money and invest in her business. She was constantly stressed about making minimum payments and feared that her debt would never go away.

One day, she decided enough was enough. She made a plan to pay off her debt, starting with the highest interest rate card first. It wasn't easy, and she had to make some sacrifices along the way, like cutting back on eating out and entertainment expenses.

But as she started to see her debt decrease and her credit score improve, she felt a sense of relief and empowerment. She was finally in control of her finances and could focus on building her business without the burden of debt holding her back.

Thanks to her hard work and determination, she was able to pay off her debt in just a few years. She launched her business, and it quickly became a success. Her story is a great example of how achieving financial freedom or independence is not just about having a large amount of money, but also about having control over your finances and being able to pursue your goals without being held back by debt or financial stress. By paying off her debt, Jenny was able to free up money that she could now invest in her business, giving her the financial independence she needed to pursue her dreams.

07:09 Daniela

That's awesome- what a great story! And look, it all started with a budget and figuring out how to pay down debt so she could save and invest in her future.

Speaking of saving and investing, these are two critical components of achieving financial freedom. We should aim to save at least 10-15% of our income each month and invest it in a diversified portfolio of stocks, bonds, and other assets. When you are ready to start investing- do your research. Golden 1's Learning Lab hosts a vast variety of content on the subject and our Financial Services team can be a great asset too!

If you are struggling to contribute towards your savings, one way to help is to focus on increasing your income. Whether that means asking for a raise at work, starting a side hustle, or investing in your education and skills to qualify for promotions, increasing your income can help you achieve financial freedom faster.

Besides- a side hustle can be a lot of fun. I recently picked up crocheting as a hobby and started making crocheted stuffed animals.

08:18 Megan

Adorable animals, I might add. I can not get over how cute that little cow is.

08:22 Daniela

Yah- they're pretty cute! And apparently a lot of people think they're cute. I've started selling my works of fluffy art and bringing in some extra money. I'm now using this extra income to reach some of my own financial goals.

08:35 Megan

That's awesome- good for you!

08:37 Daniela

Thanks! But, sometimes it's not just about earning more, but really about spending less and living below your means. This means avoiding lifestyle inflation, where your expenses increase as your income increases. Instead, aim to maintain a modest lifestyle and save and invest the rest.

Think about it. Say we do pay off our debt and we start to save 10% of our income every month. We could then invest our savings. Over time, our investments can grow- possibly provide us with a source of passive income. Then we could make our dreams of....traveling the world a reality.....back pack through Europe, explore the temples of Asia, and go on a safari in Africa.

09:21 Megan

Wow! I love this. I want to add these adventures to my goals too. -This is what it means to have financial freedom- the ability to pursue our passions and live a fulfilling life. We

just have to learn to be patient and persistent with our good financial habits. Achieving financial freedom takes time and effort, and there will be setbacks along the way. But if we stay focused on our goals and keep working towards them, we can achieve financial freedom and the peace of mind that comes with it.

09:51 Daniela

If you haven't already done so, subscribe to the Golden 1 Financial Wellness podcast on Apple, Google and Spotify to get more financial tips and insights. Plus, go to the Financial Wellness tab at golden 1.com to find a ton of other resources like videos, interactive modules and webcasts. Explore our Learning Lab and take advantage of our budgeting tool, learn about your money personality, and help manage your financial stress with our Money Meditations.

Once again, thank you for joining us today. This has been Daniela...

10:23 Megan

and Megan. Wishing you financial health and happiness — and, as always, reminding you to ...

10:29 Daniela and Megan

... stay golden!

10:32 Megan

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