FIVE-YEAR ANNIVERSARY EDITION: COMPLETELY REVISED

Retire early from your nine-to-five with the actionable advice in this personal finance best-seller!

Building wealth is always possible, even while working full time, earning a median income, and paying off debt. By layering philosophy with practical knowledge, *Set for Life* gives young professionals an action plan to conquer their financial goals early in life.

Best-selling author Scott Trench demonstrates how to accumulate a lifetime of wealth over a short period of time, and this anniversary edition gets a refresh with new content, updated numbers, and even more valuable tips and tricks. Set yourself up for life as early as possible, and enjoy life on your terms!

Inside this book, you'll learn how to:

- Save more income (50+ percent of it) while still having fun
- Double or triple your income in 3–5 years
- Track your financial progress in order to achieve the greatest results
- Build frugal and efficient habits to make the most of your lifestyle
- Secure "real" assets and avoid "false" ones that destroy wealth
- And much more!

SCOTT TRENCH is CEO of BiggerPockets, co-host of the *BiggerPockets Money Podcast*, a real estate investor and broker, and a best-selling author. Through a solid understanding of wealth management, calculated risks, and a lot of hard work, he created financial freedom for himself just three years after graduating college. Scott currently lives in Denver, Colorado and enjoys skiing, rugby, craft beers, and terrible punny jokes.

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5-YEAR ANNIVERSARY

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REVISED EDITION

An All-Out Approach to Early Financial Freedom

CEO OF BIGGERPOCKETS

SCOTT TRENCH

SET FOR LIFE

REVISED EDITION

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BY SCOTT TRENCH

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CHAPTER 1

BUILDING THE FIRST $25,000 THROUGH FRUGALITY

How does a full-time employee go from a standing start with few assets to five figures in wealth? By saving their pennies. They must start designing a long-term lifestyle that costs as little as practical, given their priorities. For most folks with nine-to-five jobs that pay median wages, the pursuit of early financial freedom depends on the ability to preserve earned income. The hard truth is that the first step in the process to escape the rat race is (and always has been) to begin preserving capital. Frugality. Savings. Penny pinching. Living on less.

Obviously, it's inefficient to exclusively save one's way to hundreds of thousands of dollars in net worth and true financial freedom. That can take decades, if not a lifetime, to accomplish, and it isn't what's suggested here. Clearly, the individual seeking early financial freedom must do three things to achieve their goal:

- They must accumulate real assets that produce income and increase in value.

- They must constantly seek to invest their capital efficiently.
- They must design a lifestyle that costs as little as practical, such that passively generated income can pay for it.

Almost anyone thinking about building wealth understands these three basic premises. But, while many people are excited about making more money and learning to invest, few are willing to make the changes necessary to begin saving significantly more by cutting back on their current lifestyles. They focus instead on attempting to invest paltry sums or build assets in the little free time they have. This is a mistake, because the wealth-building process begins with accumulation of capital for the full-time employee. Let's explore why you must begin this journey with frugality.

WHY WEALTH CREATION BEGINS WITH FRUGALITY

Reason No. 1: Controlling Spending Is Immediately Actionable

There are four key "levers" that we can operate in the pursuit of early financial freedom.

1. Earn more
2. Spend less
3. Invest in assets
4. Create assets

We will operate all four of these levers throughout this book. Each lever is powerful on its own, but the true power is in understanding when and where each one should be applied, relative to your financial journey.

Many finance experts and motivational speakers say things like "Don't limit yourself to a scarcity mindset," and "Don't sacrifice! Build your income!" They tell their audience things like "Expand your mind—money is unlimited." In effect, they've convinced their followers that they need to focus on income and asset creation, not savings.

These big-shot experts aren't wrong! Increasing income (and creating assets and chasing higher and higher investment returns) is a necessary path forward, and two-thirds of this book is dedicated to these topics. Those seeking early financial freedom should build more income streams, intending to scale them over time.

However, the big-shot expert is forgetting something that is obvious to the wage earner. The guru isn't working a full-time salaried job at or near the median income level—in fact, they likely have a large pile of assets that they've stockpiled over many years.

How on God's green earth are you going to build a business on the side when you have to be up at seven o'clock in the morning, out the door at eight, at work at nine, and don't get home until six in the evening? You're going to build a business from 6:00 to 10:00 p.m., after a full day of work and any evening obligations? Yeah, right. How could you possibly compete with all the people out there who are equally gifted but have all day to build a business? Unless you're a superhero, it is a tall order to outcompete other entrepreneurs who can devote the best part of their energies toward building businesses.

How are you going to meaningfully increase your income (by 25 percent or more) in the next year while working a full-time job? By this point, you've probably already taken the highest paying job that matched your lifestyle needs, or you have only a limited amount that you can ask for in next year's raise. Working hard is great, but is it really going to increase your end-of-year bonus from 10 percent to 30 percent? Are you going to moonlight and work a second job in the evenings or on weekends? Generally, a middle-class salaried worker has little leverage over their income-generation potential, at least in the short term.

And how are you going to invest and amass meaningful wealth or supplemental income at this stage if you have very little in assets? Even an *incredible* return, like 20 percent gains in a single year, is relatively insignificant if the total amount of invested assets is small.

Today, you can begin tracking and analyzing your expenses. *Tomorrow*, you can begin implementing lifestyle changes that can incrementally reduce your spending. *Next week*, you can plan out your meals. *Next month*, you can cancel five subscriptions. In *three months*, you can move to a cheaper place when your lease expires. Spending is actionable and something you can control in the immediate future.

Reason No. 2: Frugality Is Noninvasive to One's Lifestyle, Relative to Moonlighting or Building Businesses

Here's a common sentiment toward frugality through the eyes of many middle-class Americans:

"Yeah, I wish I could save, but I've got a family, and cutting back will prevent us from doing the things we love to do together. I need to focus on earning more money instead!"

This statement claims that both financial security and family/recreational time are priorities; yet it insinuates that being frugal will negatively impact their lifestyle more than attempting to earn more money. The problem here is that for the full-time median income earner with little to no assets, the levers of "earn more" and "create assets" are relatively inaccessible or high-effort, low probability areas of focus.

Imagine this scenario: Adam currently works forty to fifty hours per week at his job, and though it pays at or near the median U.S. income of about $50,000 per year, he spends almost everything he earns and lives paycheck to paycheck. Adam's employer doesn't permit him to work on outside businesses or freelance while he sits at his cubicle. So Adam—and the millions of Americans like him—is forced to work on building outside income streams after hours. Adam might pursue a side business in the early morning, or he might decide to moonlight and work a second job after regular business hours. Theoretically, he could also cut back on the time he spends sleeping, and then work through the night. But, no matter how you slice it, pursuing additional income streams with no starting capital will involve a significant investment of time. Here are some ways that Adam might earn extra cash outside of work:

- Drive for Uber
- Take on after-work jobs like babysitting or tutoring
- Sell clothing or services to friends, family, and coworkers
- Run a business online
- Start a blog

The problem with these projects is that they are unlikely to produce rapid benefits and often pay near the minimum wage. Adam will lose many nights and weekends to efforts like these and may have little to show for it. He is competing with people who work long hours at a lower hourly rate than he earns at his job, or with folks who have a sufficient runway to make a very long-term play at starting a successful business. Not to mention that this time investment will likely come at the cost of spending time with his loved ones.

Adam will realize a far greater financial result with far less lifestyle impact by making some changes to the larger parts of his budget. For example, he can live in a cheaper place that's close to his work. This will allow him to save money on rent, and eliminating his commute can also save him time and money. Adam can now spend more time with his family and will have drastically increased his savings rate. As we will discuss in Chapter 2, this simple decision can result in five-figure annual savings opportunities.

Think about how incredibly impactful this kind of thinking can be for most Americans. An hour per day of time regained due to a shorter commute and money back in their pockets. We'll go into the math behind other specific strategies to reduce expenses and increase time in a bit, but just contrast the effort and total lifestyle impact of moving to a cheaper place closer to work with that of starting a business. Or driving Uber after work. Or taking a second job on weekends.

Lifestyle design (frugality) can have a large impact for many full-time employed individuals seeking early financial freedom. It can be painlessly implemented, increase free time, and result in larger monthly savings. And, while no one gets rich through savings alone, efficient lifestyle design also enables the saver to start those other businesses and side hustles—if that is how they choose to apply the savings and extra time they generate.

Reason No. 3: Amassing Financial Runway Enables You to Seek Better Opportunities

If you are a regular full-time employee working a typical job, the following statement might be painfully obvious to you: *You can't seek greater income opportunity right now because if you lose your nine-to-five, you're screwed. In fact, because you aren't frugal, you can't even take a job that pays slightly less than the one you have now.* Think about that.

Liz earns $50,000 per year after tax. Assume someone offers her a job that pays 15 percent less than that—$42,500 per year—but gives her a 50 percent shot at earning $100,000-plus per year in two years. This job has the potential to drastically increase her income, allowing her to accumulate income-producing assets in pursuit of early financial freedom far earlier than her current job. However, because of her spending constraints, Liz is unable to take that opportunity. She has bills to pay. She has a car payment, a hefty rent obligation, an internet bill, streaming subscriptions, bar tabs, and many other expenses she needs to cover with her salary. She can't afford to risk earning less than $50,000 per year after tax.

Suppose instead that Liz was very frugal. Suppose that she spends only $2,000 per month and is able to save $2,000 per month. Suddenly, this job opportunity is something she can seriously consider. She probably has thousands or tens of thousands of dollars in the bank, and the new job's base salary is still far higher than her spending. She can afford to take a chance on a new opportunity and pursue her dreams.

Most Americans can't, or won't, seize an opportunity like this. They have little money saved up, and they save a small fraction of their income every month. If that's the case for you, you're missing out on opportunities with every passing day. In fact, you can't even see the opportunities you're missing because it hasn't even crossed your mind to look for lower-paying work that offers commissions, equity, or other scalable financial rewards.

If you can easily get by on significantly less income than you earn, you open yourself up to an entire world of possibilities or opportunities. Some people call this luck—and only the financially prepared are in a position to get lucky. Those possibilities absolutely include jobs and entrepreneurial pursuits that require short-term sacrifice for the opportunity to pursue huge long-term gains.

Reason No. 4: Spending Is the Key Mathematical Variable in Financial Freedom

To recap, the financial independence equation can be simply articulated like this:

$$\textbf{Assets} \times \textbf{Return} > \textbf{Lifestyle Expenses}$$

To become financially free, one must accumulate enough assets—and generate enough return on those assets—to comfortably cover their lifestyle expenses, plus an appropriate margin of safety.

Reducing long-term spending patterns has a multiplier effect in accelerating one toward financial freedom. First, it increases the amount saved each month. These extra savings can be added to the pile in one's bank account or other investments. Second, and perhaps more importantly, reducing long-term spending reduces in turn the assets (and returns) needed to sustain financial freedom or extend financial runway.

Let's go back to Liz, who earns $50,000 per year after tax. If Liz spends $45,000 per year, then she will save $5,000 (10 percent of her income) per year. She will need to save for nine years to accumulate one year of financial runway. To become financially free, she would need to amass a portfolio capable of generating $45,000 per year. Liz may never retire at this rate without government subsidies (such as social security), and it would be a long time from now.

Suppose instead that Liz implements the suggestions in the next chapter and lowers her annual spending to $25,000 per year. She now saves $25,000 (50 percent) per year. Every year, she accumulates one year of financial runway. She will also need to amass a much smaller portfolio, one capable of generating just $25,000 per year, to become financially free. It's not just a little faster. It's *much* faster. Exponentially faster.

In a strictly literal sense, Liz has accelerated her wealth building by five times ($25,000 per year in savings versus $5,000 per year). But the power of this example is more extreme than that. In Case 1, Liz accumulates one-ninth of a year of financial runway every year. In Case 2, Liz accumulates one year of financial runway every year. Before even considering the magic of compound interest, Liz is moving toward financial freedom at least nine times faster in the 50 percent savings scenario than in the 10 percent savings scenario.

The irony here is that if Liz is able to get on the other side of the financial freedom equation and live off less than the return generated by her assets, she will almost certainly grow wealthier over time as her assets grow faster than her spending. This means she can actually spend *more money* five years down the road than her Case 1 counterpart and *still be financially free*—if she focuses on spending as a key financial lever in the initial years of her journey to financial freedom.

Reason No. 5: Our Tax System Favors the Saver, Not the Earner

Surprise! *Income* is taxed in the United States of America (and many other countries). That's *income*, not *wealth*.

Those in the demographic most likely to benefit from reading this book are probably paying a marginal tax of 30 to 35 percent on any income earned, including both state and federal taxes. And more earnings mean more taxes. A single person earning $50,000 per year who gets a 10 percent raise (a *really* large raise!) might think they are $5,000 richer per year. But they are wrong. This person is only making about $3,300 more after taxes take their bite out of the new income.

Instead, if this individual moved closer to work and into a slightly less expensive apartment, they might spend $5,000 less per year between the commute and the rent. That's money they get to keep—they truly *are* $5,000 richer. Furthermore, the move does not preclude this person from earning a raise (obviously, it's great to get a raise). Understand, however, the absurdity of attempting to move toward financial freedom by working fifty- to sixty-hour weeks for small increases in taxable income when thousands of dollars in after-tax wealth can be easily saved!

Another way of stating this concept is to say that it's 33 percent more effective for someone in this tax bracket to save money than to attempt to earn it. A penny saved is 1.33 pennies earned!

In Summary

The preservation of capital should be the primary starting focus for financially ambitious nine-to-five employees for five main reasons:

1. Controlling spending is immediately actionable.
2. Frugality is noninvasive to one's lifestyle, relative to moonlighting or building businesses.
3. Amassing financial runway enables you to seek better opportunities.
4. Spending is the key mathematical variable in financial freedom.
5. Our tax system favors the saver, not the earner.

This is not to discredit the importance of scaling your income and increasing your investment returns. This is just to point out that it's less effective to attempt to earn more money or invest efficiently when you can have far more impact by taking control of your spending. You don't have to stop trying for that promotion at work! But your focus starting out should be on saving more of your income, wherever and whenever practical.

Finance is a game of multiplication and exponential synergies. Folks who spend less can earn more. Investments that produce more cash flow can appreciate faster. You don't have to spend less and earn less. Spend less to earn more instead.

THE PSYCHOLOGY OF FRUGALITY

The strategy outlined in this book relies heavily on your emotional motivation. None of this content will matter to you if you don't care about gaining early financial freedom. If you're perfectly happy working a forty-year career, or if you're uninterested in planning your financial future, then becoming frugal and changing your lifestyle in the pursuit of early financial freedom will not be appealing. On the other hand, if the concept of early financial freedom strikes a chord, if you're convinced this should be your goal, then you will experience a powerful emotional urge to pursue this goal.

Early financial freedom should be a powerful motivator. The result of attaining financial freedom is a life lived on your terms. A life of impact. A life of growth. That motivation should be the driving force behind many of the most important financial decisions you make.

Your long-term goal should be one that is rooted in emotion. You must have great pride to become a champion athlete. You must have tremendous love to find a life partner. You must have great ambition to become a successful politician. And you must yearn for freedom to effectively pursue frugality as a means to early financial freedom.

Yet you can't allow your emotions to run wild. Champion athletes don't let their emotions interfere with their focus in the arena; they don't train in bits and starts. Good spouses and partners don't leave or give up after a heated disagreement. Successful politicians don't stay in the game long or successfully lead nations with wild emotional reactions to outside stimuli. And those who excel at personal finance don't make rash decisions with their money.

You must pursue a long-term goal based on your deep desires. The strength of your desire to become financially free early in life is paramount to your success. But you must also learn to control your emotions. It's called being disciplined. Do not allow shallow, fleeting emotions to prevent you from achieving your bigger goals. In the short term, emotions can be our enemies. Over the long term, they can be powerful allies.

This directly applies to disciplined spending. Just because tickets to the big game or a great concert are on sale, even at a great price, doesn't mean you should pounce on them. Instead, ask yourself the following question: *Is that event/trip/item so important that I'm willing to delay my financial freedom to purchase it?*

There's nothing wrong with saying "Yes!" occasionally to that question; there's nothing wrong with having fun and buying awesome things with your hard-earned money. But always understand the implications of those purchases. Always understand just how far back they set you on your journey toward early financial freedom. You should be very uncomfortable spending money unnecessarily, because wanton spending delays your freedom.

A deep-rooted desire to attain early financial freedom makes deciding on purchases more rational, and it makes living a frugal lifestyle more achievable. For example, many people who attempt to control their spending rely heavily on budgets and other tools to remain disciplined. In any given month, they might set aside $100 for clothing, $200 for meals out, and $150 for gas. They'll refer to these budgets when making financial decisions to stay on track. They do this because they want to be in command of the moment. They don't allow their short-term emotions and desires to get in the way of what they truly want.

However, if you aspire to the long-term goal of early financial freedom, you do *not* need to make budgets or track every dollar every month of the year (we'll get to tracking things later on). If you consistently prioritize your early financial freedom the way it deserves to be prioritized, then many spending decisions are easy. For instance, you won't set aside any money for clothing, meals out, or gas. Instead, you will make decisions on a case-by-case basis, erring toward the lowest-cost option to fulfill your needs and desires wherever reasonable. Tactics like budgeting can be useful, but they aren't critical. Far more impactful will be your emotional thirst to move toward early financial freedom. That desire will drive you to make decisions logically, with or without a monthly budget.

Whether you want early financial freedom so you can focus on raising a family, pursuing a hobby, relaxing on the beach, traveling the world, or making an impact on your community, the reason you're working toward this needs to be at the forefront when it comes to each individual spending decision. You need to prioritize the end goal more than you prioritize trinkets and luxuries. Your long-term motivation needs to be stronger than the majority of your short-term urges. Oh, and it's perfectly acceptable to have no idea what you want to do once you become financially free—the simple desire to be *free* to choose whatever you want can be your motivator.

GET RICH BY DOING IT YOURSELF

One of the fallacies many people have is the idea they need to turn to the experts to do basic things to run their lives. Americans tend to over-rely on professionals in alarming ways:

- They helplessly rely on mechanics to keep their cars running.
- They hire plumbers to fix basic water problems.
- They fearfully ask lawyers to watch over every legal loophole.
- They blindly trust financial advisors to handle their money.
- They ignorantly hope for accountants to file their taxes correctly.

Specialists have their place, and everyone should use experts when necessary. But accountability in life rests with the seeker of financial freedom. Those who seek financial freedom should be educated on what it takes to live a healthy life, and how to maintain their home and vehicle. They should have an understanding of how to handle risk. They should have a plan to invest their money and manage their wealth. They should know how to file their taxes. There's no excuse for failing to have at least a baseline of knowledge on maintaining your health, fitness, happiness, business and career, relationships, finances, home, and vehicle.

Those starting out in pursuit of financial freedom with a median income should be filing their own taxes, fixing their own cars/bikes, doing their own home maintenance, and developing their own financial plan and risk-management framework. *Then* they can hire experts to check their work and test their hypotheses. Too many people abdicate these duties entirely to so-called specialists and overpay for help that underdelivers or applies to people with different goals.

It's not the plumber's job to fix your toilet. It's your job to do that. Toilets are extremely rudimentary pieces of equipment, and anyone reading this book can watch a few YouTube videos on diagnosing, repairing, and safely replacing a toilet in a few hours. It is the plumber's job to fix problems that are beyond the scope of simple repair work. If you want to expedite financial freedom, you must become reasonably competent in solving day-to-day problems and fixing things yourself.

Part of life, and part of becoming wealthy, is taking responsibility for your life. Learning how to manage the important things in your life (your home, your equipment, your body, your mind, and your car) is part of that process. Yes, you will screw up a few things. The sink might drip for a few weeks until you replace the drain, or you might make a mess when first trying to change your oil. Across any individual job, you increase your risk of problems associated with work when you don't hire it out to an expert. But if you fear trivial failures—to the point where you outsource basic tasks to professionals—you will almost certainly lose out on opportunities to grow over the long run.

Instead, first attempt to do things yourself. Develop an understanding of the scope of work involved and the potential risks to look out for.

Know also that when a specialist *is* called for, the baseline ability to frame and think through the challenge (as opposed to total helplessness with the issue) will allow you to make a better hiring decision. It does not make sense to ask a real estate agent located in Denver for their opinion on the market in New York City. It's just as ridiculous to go to a lawyer who specializes in patent law and ask for their help on a rental lease. The same goes for asking an accountant who audits large companies to prepare your individual tax return. These industries are broad, and finding a professional uniquely suited to solving your specific problems is a challenge unto itself. Do not look for expensive professional advice without doing at least a few hours of research on the subject to find someone who fits the bill.

You might be surprised at how quickly you can learn about legal concepts. Why not seek legal help only after you have reviewed the issues and understand exactly what you need help with, both broadly and down to specific issues? Likewise, it makes little sense to hire a financial advisor if you have no idea how to manage money. You risk being steered toward financial planners who make money by charging fees for assets under management and by selling you life insurance you probably don't need. Instead, first learn about investing, and then hire a financial planner only if you think they can do it better than you.

Do your own taxes, and then get an accountant to confirm that your work is accurate. In fact, only do that if you have some complicated holdings that need an extra eye—not when more than 95 percent of your income is from a W-2 job. Even when your holdings become complex, educate yourself to the point where you may knowledgeably seek specialized help from an accountant who can meet your needs.

If you are reliant on people with titles, degrees, and certifications to handle the basic stuff ordinary people deal with all the time, you're not helping yourself. You're throwing away money on problems that can be researched with a few hours of applied effort. Hire a specialist only in select situations, or after you've done exhaustive research and know exactly what you need done, and how you want it done.

Now, the folks who play in the big leagues with money will argue the opposite. They will argue it's not worth your time to learn about these things, and that it's better to hire a specialist. Their advice is correct—

but only for them. Those earning hundreds of thousands of dollars per year absolutely should hire out as much as they can, focusing their time and energy on activities that produce such large income. Those earning $500,000-plus per year are silly to patch their own drywall or fix a toilet. But Average Joe earning $50,000 per year had better believe that fixing his own toilet is going to have a significant impact on his finances. It's highly unlikely Joe will be able to pay someone competent for less than his hourly rate at his own job. For example, a plumber will typically charge $75 to $150 per hour for their services. If Joe opts not to hire out a plumbing job and does the work himself, he effectively pays himself $75 to $150 per hour, tax-free.

Again, this is not to say that professionals don't have their place. This is to point out that too many Americans don't have the basic skills or confidence to handle ordinary affairs on their own because the professionals in industries like law, accounting, medicine, financial services, home services, and the like sound gloom and doom when folks attempt to tackle even the basics of their profession. If you are truly motivated to learn about what you need to do, you can handle many of the routine things that other people hand over to specialists. Most of the time, the consequences won't be memorable. So what if you screw up the plumbing and it leaks all over your floor? Shut the water off, and *then* call the plumber. Sure, you're out on that one project, but you've learned something. Work hard to become increasingly independent of specialists. For the rest of your life, you will hear lawyers, accountants, doctors, financial planners, and contractors telling you how to run your life and that you ought not to do things yourself. Forget them. Do it yourself.

If you take the position that you're responsible for all outcomes in your life, you will find the cost savings to be in the tens of thousands—or hundreds of thousands—of dollars over the next decade or so, and you will find yourself becoming increasingly skilled at hiring strong specialists when they are truly needed or as your wealth grows (and it becomes more economical to outsource this type of work).

GETTING BY ON LESS THAN "THE BEST"

Here in America, people tend to have a fixation on wanting and getting "the best." Those who take a position to not settle for anything less than the best (when it comes to consumption, at least) are robbing themselves of valuable years of their lives. "The best" is ridiculously expensive and, quite often, imperceptibly better than "quite good."

"The best" wine might cost hundreds or thousands of dollars a bottle, whereas cheap wine might be $8 a bottle. Who's happier at the end of the bottle? A 40-inch HD TV might cost $250. The same TV in 4K Ultra HD might be $2,500. Even if the picture is marginally clearer, is the experience ten times greater watching a 4K Ultra HD TV than a regular HD TV? This logic applies to almost every consumption choice available. Computers, smartphones, cars, clothing, jewelry, gyms, airline classes, seats at the ball game, and more all have low- and high-cost options.

A great example is school selection. Some parents will pay incredible costs to ensure their children can go to the best schools. They will buy housing they can't afford, commute absurd distances throughout the day, and work jobs with a soul-crushing lack of opportunity or creativity, just to rest their heads at night in "the best" school district.

The motivation behind this decision is admirable. But many likely fail to think through the implications of this decision, and how it might impact their family life. Did they consider the possibility that a long commute might result in less time with the kids at home (a critical factor in children's long-term development)? Did they consider that taking on such a large mortgage payment might inhibit their ability to send their children to college? Did they consider that their child might pursue a high-paying trade, like computer science, welding, or electrical work, that won't require an education from "the best" schools? Did they consider that living frugally and using the surplus cash to invest in startup businesses, real estate, or other investments might be a great way to teach their children life skills that even "the best" schools can't teach? Did they consider that they are giving up the opportunity to have any other lifestyle than their current one, simply so that their kids can go to "the best" school in the short term?

Do they really need "the best" schools? Might more time at home—and early financial freedom—be more than enough to compensate for moving into the second, or even third, best school district in the area? Might the benefits of early financial freedom and the opportunities it provides for more parenting time and flexibility outweigh the disadvantages of choosing a school district that's more affordable? Are the "average" schools in the area really so terrible that these parents can't bear to send their kids there, even when that decision comes with enormous advantages in almost every other area of their lives, financially and otherwise?

The point isn't to buy things that are low quality. The point is to understand that every day we must make choices. Frequently, you'll find excellence (rather than "the best") is quite good enough, and that the trade-offs associated with "the best" are not worth the costs.

SLOWLY AND STEADILY CHIP AWAY

For some reason, people tend to think they can become a frugal superhero overnight. This is just not the case. Deliberately and significantly altering a lifestyle is a time-consuming, intentional process. Changing a mindset from "I have to call a professional" to "I can easily do this myself" is something that will take months or years. It doesn't happen instantly. It might take six months to find a suitable new place to live. It might take several weeks or months to successfully transition from daily lunches out to preparing delicious food you enjoy eating.

Designing a low-cost lifestyle is difficult and requires just as much time, effort, and planning to optimize as investing, scaling your income, or building businesses. Luckily, it also happens to have a huge financial impact on those seeking early financial freedom starting with little to no assets and a moderate income.

CONCLUSION

The wealth-building process begins with a close examination of one's expenses, as well as one's thought process when it comes to spending money. By embracing frugality and doing whatever is in your power to protect your hard-earned dollars, you will begin to set the wheels of the wealth-building process in motion.

No, you do not need to call a professional to solve your day-to-day problems. You are quite capable of handling life and dealing with everyday problems on your own. You're trying to become wealthy at an early age, right? That starts by acting like an adult. Empower yourself to fix your own sink, change your own oil, stay educated on diet and exercise, and learn to spot competence—and to fire incompetence.

No, you do not need to buy "the best"—you can get by just as happily with acceptable goods and services. Do not fall victim to marketing messages of those telling you that you deserve the best. You don't deserve the best. You deserve *freedom*. You deserve power over your day. Buy that, instead of something overpriced that under-delivers.

This is not about being cheap. It is about wanting early financial freedom so much that the choice not to spend is an easy one. Take pride in the fact that you live efficiently and don't blow your money on outlandish toys that destroy wealth. Far from being something to aspire to, ostentatious displays of wealth should *offend* your sensibilities as they so obviously delay financial freedom for a short-lived material pleasure. The guy at the stoplight with the shiny new jacked-up pickup truck should look like a fool to you, not like someone to be admired and emulated.

Remember that every dollar you spend is after tax, and every dollar you earn is pre-tax. Thus, it's inefficient to earn a dollar when there are equal or greater dollars begging to be rescued. Remember that those starting out on the wealth-building journey will impact their personal lives far less by cutting out the waste than they will by using their free time to try to start businesses or work second jobs. And remember why you're saving in the first place. You are saving so you can buy your freedom.

Yes, this book will discuss increasing income and producing excellent investment returns as part of hastening early financial freedom. Frugality and lifestyle design shouldn't come at the expense of income production. However, as a first step, most Americans earning median incomes will find that serious progress is made at first through the intelligent and intentional application of frugal living and preservation of earned income.