

# FIRE Starter: The Power of Habits

*Zach spent his first three posts providing us with nine actionable tips for savings, investing, and growing wealth in your 20s ([part I](#), [part II](#), and [part III](#)). The information in that series could change the rest of your life if you were to follow it. He then shared "[How Creating a Side Project Can Boost Your Marketability and Income](#)."*

*Today Zach is going to discuss the power of habits. Our habits are either working for us or against us. Personally, I can attest to life-altering outcomes resulting from habits I developed. Don't underestimate the power of your habits (current or future).*

*I hope you enjoy Zach's latest FIRE Starter post below.*

## **First, a Quick Reminder of Why I Started This Series**

*For the astute observer, you will notice that I have added three new series to the blog: [LateFIRE](#), [FIRE Starter](#), and [Chasing FIRE](#). Notice a theme? They all capitalize on the explosion - one might say the COMBUSTION - in the FIRE (financial independence retire early) movement. But let's set the record straight: on the GYFG blog, "FIRE" is defined in a slightly different way, meaning, as I see it, Financial Independence / Recreational Employment. That's because I am after **freedom**, rather than a typical retirement, and see myself working forever. But once I hit [my number](#), my employment will represent my recreational choice.*

*At 32, I find myself on the older end of the millenials' age range, which in 2018 is 22-37, [according to the Pew Research Center](#). Guys like Zach have got me thinking that there is a younger part of my generation that may not be able to relate to where I am in life personally. Thus the decision to bring on Zach as a regular GYFG contributor, to reach those younger millenials. He will be writing about earning, investing, and saving money in your 20s. At 24, with a net worth in excess of \$130,000 and an income approaching six figures, he is more than qualified. Believe me when I say there is always someone younger and better than you out there, and Zach is putting my own 24-year-old self to shame. I share that only to say that I wish I had been reading people like Zach when I was in my early 20s.*

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F.M. Alexander once said, “People do not decide their futures; they decide their habits and their habits decide their futures.”

This short quote holds a powerful lesson: You are the product of your habits. What you do day in and day out determines how your future unfolds.

This idea applies to any area in life. If you’re someone who exercises every single day, you will be in good shape (if you’re not already) in the future.

If you’re someone who studies a specific topic every day, you will be knowledgeable in that topic in the future.

If you’re someone who tracks their income, spending, and net worth each day, week, or month, you’ll be someone who has money saved up in the future.

In each scenario, you don’t directly decide your future. Rather, you decide what habits to put in place each day and these habits ultimately decide your future.

Personally I’ve experienced the benefits of positive habits in three particular areas of my life: weightlifting, writing code, and personal finance.

## **Weightlifting**

As a freshman in high school, I was a skinny kid. I didn’t have much experience with lifting weights and I knew very little about how to put on muscle. However, when a close group of my friends started becoming interested in weightlifting, I hopped on the bandwagon.

We were teenage boys, so naturally we were competitive. We were in a constant battle to out-lift each other and put on more muscle than one another. To get an edge, I would look up YouTube videos posted by fitness gurus and professional bodybuilders. I would try to find the hidden secrets that allowed these fitness buffs to put on so much muscle.

But the more videos I watched, the more I began to notice a trend: each fitness guru was essentially doing the same types of lifts – the only subtle differences being the order in which they did them. I began to realize there was no hidden secret to

their fitness success. There were simply five or six different types of movements that composed the art of weightlifting. And anyone who could master these movements was capable of building muscle.

The trick, it turned out, was to simply do the same boring lifts over and over again day in and day out for *months* at a time. Eventually I started to put on some muscle and was able to lift heavier and heavier weights.

This was my first time experiencing the power of habits. By showing up each day and simply putting in the reps, I made just a little progress each day. Over time, these little gains turned into noticeable gains.

It's like [James Clear](#) once said: "Small changes often appear to make no difference until you cross a critical threshold. The most powerful outcomes of any compounding process are delayed. You need to be patient."

## Writing Code

Another area in which habits have had a huge impact on my life is in learning how to write code. When I started my current job as a data scientist two years ago, I knew just enough about the programming language "R" to get hired. I was by no means an expert. I had dabbled in it at my previous job and had used it in some of my college stats courses.

During the first few months at this new job, I had to learn *fast* because I had to generate and deliver reports that relied completely on R code. This was a stressful time. I would show up to the office around 8:30am and literally keep my head down for three hours straight, constantly asking google for help and copy/pasting chunks of code I found online into my own programs.

I would take a break for lunch, then return to my laptop and grind it out for another four hours or so. This was my life for the first three to four months at this job.

I felt like a complete idiot most days. Over time, though, I recognized a pattern: with each new project or request, I became just a little more comfortable with R. I actually knew where to begin when I started a project. It was the habitual practice of writing code for several hours each day that eventually helped me become proficient in the language.

On a daily basis, I might only learn a couple new things each day about R. Over time, though, these tiny bits of information compounded into a serious knowledge base. By simply sticking with it and not quitting, I was able to turn a daily coding habit into a powerful skill that I can now use to earn a fairly high income.

## Personal Finance

Another area where I have directly benefited from habits is my finances. Specifically, I have a few habits that I've found to be helpful:

- Each month I track my income, expenses, and net worth.
- I invest a portion of each paycheck I receive into a 401(k).
- Each month I reinvest any dividends I received from various investments back into more investments.
- Each morning I work on my side hustles

These simple habits, combined with a natural lifestyle of frugality and a fairly high income, [helped me save \\$100k in just two years](#).

By tracking my financials each month, I'm able to make adjustments when necessary to make sure I'm on the right path financially.

By investing in stocks and real estate each month, I'm able to get compound interest to work in my favor and slowly grow my net worth over time.

And by working on my side hustles each morning before work, I'm able to increase my overall income. Specifically, I work on creating articles for my websites each morning. I've been doing so consistently for over two years now and this has turned into a serious income stream for me.

On any given day, one article won't bring in a life-changing amount of money for me. But as I write more and more, I slowly am able to build up an army of articles that all earn a few bucks here and there, which amounts to a noticeable amount of money.

By developing a daily writing habit, I've been able to boost my income and speed up my path to financial independence.

## Your Life is a Reflection of Your Habits

Your habits make up your days. Your days make up your weeks, which make up your months, which make up your years, which make up your decades, which make up your lifetime. Your life is merely a reflection of your daily habits.

A day packed with bad habits won't impact much. Even a bad habit-filled week or month won't have noticeable effects. But string together enough bad habits for a long enough time horizon and you'll wake up one day looking back on an unremarkable life.

Likewise, a day packed with positive habits won't make much of an impact immediately either. But string together enough positive habit-filled days and you'll wake up one day in the future looking back on an incredible amount of progress you've made.



### Gen Y Finance Guy

**Hey, I'm Dom** - the man behind the cartoon. You'll notice that I sign off as "Gen Y Finance Guy" on all my posts, due to the fact that I write this blog anonymously (at least for now). I like to think of myself as the *Chief Freedom Officer* here of my little corner of the internet. In the real world, I'm a 30-something former C-Suite executive turned entrepreneur turned capital allocator. I am trying to humanize finance by sharing my own journey to Financial Freedom. I believe in total *honesty* and *transparency*. That is why before I ever started blogging, I decided that I would share all of my own [financial stats](#). I do this not to brag, but instead to inspire motivate, and also to hold myself accountable. My goal is to be a beacon of hope, motivation, and inspiration for *you*, the reader, by living life by example and sharing it **all** here on the blog. My sincere hope is that you will be able to learn from me - both from my successes and my failures! [Read More](#)