

FIRE Starter: What Would Personal Finance Look Like If It Were Easy?

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 has the power to change the rest of your life for those who follow it. He then shared "[How Creating a Side Project Can Boost Your Marketability and Income](#)" and "[The Power of Habits](#)."

Today Zach is going to discuss what personal finance would look like if it were easy. For the newbie, personal finance can be daunting, scary, and frankly unmanageable by a mere mortal. But what if you could suddenly have it all made easy for you? Zach is going to help humanize the whole kit and caboodle, and show you how to do just that.

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.

I recently listened to a [Tim Ferriss podcast episode with Chase Jarvis](#) where the two discussed ways in which they optimize their lives. They shared tactics, habits, and rules they use to increase their productivity without increasing stress.

Tim shared one idea in particular that stood out to me. He said whenever he feels overwhelmed, he asks himself a simple question:

“What would this look like if it were easy?”

This question forces Tim to envision the easiest, most simple solution to his current problem. Specifically, it helps him focus on “the big picture” and not obsess over the tiny, insignificant details.

I think this technique can be applied wonderfully to personal finance. Here are some potentially easy solutions to overwhelming financial topics.

What would investing look like if it were easy?

- *Invest a certain percentage of each paycheck in a total stock market fund. If you want less volatility, add a total bond market fund to the mix. Rebalance once per year.

What would spending less look like if it were easy?

- Take a [Cait Flanders approach](#) and do a complete shopping ban. No need to stress about what to buy and what to avoid. Just buy nothing.
- Or try [The Frugalwoods approach](#) and participate in the Uber Frugal Month. Embracing uber frugality for one month is the easiest, fastest way to change your perspective on spending. As the Frugalwoods share:

“The Uber Frugal Month Challenge is designed not only to save you money in one month, but to restructure your consumer mindset and ultimately, turn your Uber Frugal Month into an Uber Frugal Life. What I’ve found is that after a month of extreme frugality, it’s unlikely you’ll return to your previous level of spending. Participating in an Uber Frugal Month (UFM) interrupts the cycle of hedonic

adaptation and lifestyle inflation that we all fall victim to and instead enables us to discover the peaceful simplicity delivered by frugality.”

What would minimalism look like if it were easy?

- Try a packing party [like Ryan of The Minimalist's](#):

“You see, I didn’t want to spend months slowly paring down my possessions like Josh had. That was fine for him, but I needed faster results. So we came up with a crazy idea: let’s throw a Packing Party. (Everything is more fun when you put “party” at the end.) We decided to pack all my belongings as if I were moving. And then I would unpack only the items I needed over the next three weeks...

...Each box was labeled so I’d know where to go when I needed a particular item. Labels like, “living room,” “junk drawer #1,” “kitchen utensils,” “bedroom closet,” “junk drawer #7.” So forth and so on.

I spent the next twenty-one days unpacking only the items I needed. My toothbrush. My bed and bedsheets. Clothes for work. The furniture I actually used. Kitchenware. A tool set. Just the things that added value to my life.

After three weeks, 80% of my stuff was still in those boxes. Just sitting there. Unaccessed. I looked at those boxes and couldn’t even remember what was in most of them. All those things that were supposed to make me happy weren’t doing their job.

So I donated and sold all of it.”

What would tracking my net worth look like if it were easy?

- Use free software to do it for you. I personally use Personal Capital. Minimize stress and anxiety about net worth by only checking it once per month. Or once per quarter.

What would learning more about money look like if it were easy?

- Listen to podcasts on your commute or during your workouts. You’ll pick up bits and pieces of knowledge over time. Best of all, listening to podcasts is like eavesdropping on two smart people talking to each other. Since we’re all just the average of the five closest people in our lives, you can elevate your own

thinking by artificially surrounding yourself with incredible people you aren't even in the same room with.

- For reference, some of my favorite podcasts are [The Mad Scientist](#), [Invest Like The Best](#), [Animal Spirits](#), and [Radical Personal Finance](#).

What would increasing my income look like if it were easy?

- Earn money through side hustles without inconveniencing yourself. I learned about this approach [in my interview with Kevin from Financial Panther](#). He provides an example of doing this with Airbnb:

“Think about cleaning your house, for example. Even if you’re a total slob, you probably occasionally have to make some effort to keep your house clean. When you rent out a room on Airbnb, any cleaning you do benefits you as well. I keep my bathroom clean because I have Airbnb guests, but cleaning my bathroom is something I’d already be doing anyway for myself. In a way, it’s like I’m getting paid to clean my own house by hosting Airbnb guests.”

- You can apply this approach to any side hustle. If you like dogs, use Rover and let people drop off dogs at your house for the weekend. If you like tutoring, connect with students online and [earn money without leaving your own house](#). The possibilities are endless.

The Power of Pareto

Use the [Pareto Principle](#) to make things easy.

Knowing that 80% of your desired results will come from 20% of your efforts means the answer to the question *“What would this look like if it were easy?”* will almost always point you to the 20%.

Some people (like myself) actually prefer to exert extra energy to track their net worth, invest in different areas, and manually rebalance their portfolio, but we're the outliers. Most people are looking for easy ways to simplify their financial life. For these people, the suggestions I provided above will get them 80% of the results with only 20% of the effort.

With the amount of financial apps, technological aides, and sheer quantity of

information on the internet, personal finance has become a confusing, opaque field that most people find intimidating. But personal finance doesn't have to be hard. Nor does it have to be scary.

When you feel overwhelmed by your finances, try asking the question:

“What would this look like if it were easy?”



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](#)