

ENJOYING THE RIDE: FINANCIAL INDEPENDENCE – WHAT IT REALLY MEANS, AND HOW TO GET THERE



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Every July, Americans gather to celebrate Independence Day—a powerful reminder of the value of freedom and self-determination. But

beyond the fireworks and flag waving, there is another kind of freedom many people are striving for: financial independence.

It is a term that is often used but rarely defined. For some, it means early retirement. For others, it is living debt-free, starting a business, or simply being able to say “yes” to life on their own terms. Whatever the goal, the road to financial independence is less about how much you make—and more about the control you have over your financial life.

So, what does financial independence really look like? And how can you build a plan to achieve it? Let’s break it down.

What is financial independence?

At its core, financial independence means having enough resources to cover your living expenses without being dependent on a paycheck. It does not necessarily mean you stop working—it means you have the option to work, retire, pivot careers, or take time off without financial stress.

This might be the freedom to:

- Leave a job that no longer serves you
- Support a family member in need
- Travel or pursue a passion project
- Retire early—or never retire at all

In short, it’s about choice. And that kind of freedom is worth planning for.

The Path to Financial Independence: 5 Key Markers

You don’t have to win the lottery or inherit a fortune to achieve financial independence. Like any goal, it takes intention, discipline, and time. Here are the five key markers that form the foundation:

1. Know Your Number

How much do you need to live on per year? Multiply that number by 25, and you’ve got a rough target for financial independence (based on the 4% portfolio withdrawal rule). Your “number” will depend on your lifestyle, goals, and location—but clarity is power.

2. Spend Less Than You Earn

This is the golden rule. The wider the gap between your income and expenses, the more you can save and invest. Track your spending, create a values-based budget, and aim to save at least 20% of your income—or more if you want to accelerate your timeline.

3. Eliminate Toxic Debt

High-interest debt, especially from credit cards, is one of the biggest obstacles to financial independence. Pay down these debts aggressively, starting with the highest interest first, and avoid taking on new debt unless it supports your goals (such as a home mortgage or business investment).

4. Invest Early and Consistently

Saving alone won’t get you there—you need your money to grow. Start investing as early as possible in tax-advantaged accounts like 401(k)s, IRAs, and brokerage accounts. Time in the market matters more than timing the market. Even modest monthly contributions can grow significantly over decades.

5. Build Resilience Through Planning

Financial independence is not just about net worth—it’s about readiness.

- Having an emergency fund

- Carrying proper insurance
- Creating a will and estate plan
- Periodically reviewing and adjusting your financial strategy

These layers of preparation protect your progress and give you financial confidence.

Rethinking Retirement

Traditionally, retirement was seen as the finish line. But financial independence isn’t about escape—it’s about the freedom to choose. Some people reach financial independence and keep working because they love what they do. Others take sabbaticals, switch careers, or pursue entrepreneurship.

In today’s world, financial independence is the new retirement—flexible, personalized, and deeply empowering.

Independence Starts with Intention

As we celebrate this Independence Day, consider what financial independence means to you. Maybe it’s time to set new goals, revisit your plan, or simply take the first step. The journey isn’t always fast—but every move you make toward financial independence gives you more control, more options, and more freedom.

Because ultimately, true independence is not just a national idea—it’s a personal one, too.

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