



Your go-to resource for timely information about personal finance, college planning and student loan management

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## FIRE: Financial Independence, Retire Early

What does financial independence mean to you? If you're like the majority of people Oklahoma Money Matters serves, your answer revolves around travel and retirement. Traditionally, people aim to retire around age 62, because that's when the IRS allows people to withdraw retirement funds penalty-free. However, there is a new breed of workers that aim to enjoy retirement in their 30s and 40s. These ambitious folks follow a financial strategy sparked by FIRE (Financial Independence, Retire Early).

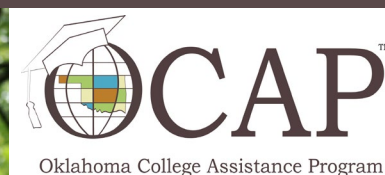
When following the FIRE lifestyle, early retirement is the ultimate goal, but not necessarily in the traditional sense. Gaining financial independence involves modifying your lifestyle and expectations so that you can have the freedom and flexibility to follow your passions. If you continue working once you achieve FIRE, it's because you choose to, not because you have to. If you're interested in working

toward a lifestyle where your bank balance holds less power over you, consider the following:

- By FIRE's definition, you're financially independent when your net worth is 25 times your annual expenses. Determine your net worth by subtracting your liabilities (what you owe) from your assets (what you own). The less you owe and the less expensive your lifestyle, the earlier you'll reach this financial benchmark.
- FIRE requires focus, resourcefulness and determination. Gaining FIRE isn't a get rich quick scheme; in fact, it's not about getting rich at all. It's about knowing how much is enough, living with less, investing the balance and eventually living comfortably on the passive income your investments generate.

- It's important to identify your "why." Is your driving force for FIRE a desire to volunteer more, spend more time with family and friends, or start the nonprofit organization you've always dreamed of? Whatever your reasons, write them down to help you focus your vision and maintain motivation.
- Achieving FIRE involves some sacrifice, but it doesn't require extreme frugality. Spend intentionally and alter your behavior to increase the margin between your expenses and income by strategically cutting out expenses that don't matter to you so you can dedicate money to things that add greater value to your life and help you become financially independent.
- FIRE practitioners think of money spent as energy spent. Calculate how much money you earn in an hour and use that dollar amount to inform your spending decisions. That tasty steak dinner for two may not seem as enticing when you realize you worked more than five hours to afford it.

The biggest key to gaining financial independence and retiring early is saving the money you don't spend so that it becomes a passive source of income. FIRE advocates encourage people to live frugally and creatively, spend less than they earn and save the difference in low-fee, diversified investment vehicles. As with any other financial strategy, talk to a certified financial planner to determine which investment options can help you reach your goal of financial independence.



## Names New Director

We're pleased to share with you that Melissa Neal, who has worked for the Oklahoma State Regents for Higher Education for more than 12 years, was named executive director for the Oklahoma College Assistance Program (OCAP) effective July 2. In this role, Neal provides strategic leadership for the agency and oversees all operational, fiduciary, regulatory and educational functions. Neal's selection follows the recent retirement of Mary Heid, who served as executive director of OCAP since 2014.

In her prior role as Educational Services Manager, Neal led the State Regents' and OCAP's financial literacy initiative, Oklahoma Money Matters, and OCAP's financial aid training programs, and cultivated an extensive network of campus and community partnerships to strengthen student, parent and service provider access to personal finance, borrower education and student loan management information, tools and expertise. Neal has strong relationships within Oklahoma higher education and the financial education and workforce development communities, serving on the Oklahoma Jump\$tart Coalition for Personal Financial Literacy, including more than two years as board president; Oklahoma Council for Economic Education; National Council of Higher Education Resources College Access and Success workgroup; Federal Reserve Bank of Kansas City Economic Education Advisory Committee and a variety of other industry committees and advisory councils.

We look forward to Neal's leadership as executive director and to continued collaboration with our campus, community and industry partners as a provider of college access, aid awareness, financial literacy and student loan management programs and services.

*Looking for a cool place to go?*

Check out your local

*library*

*shopping center*

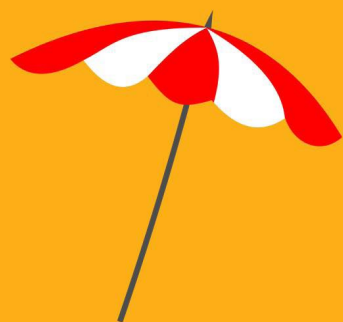
*or*

*senior center*

to avoid the heat

and prevent

heat-related illnesses



Visit OG&E's website at [www.OGE.com](http://www.OGE.com) for a complete list of Cool Zones in their service area.



## On Our MIND

What's on the mind of OCAP staff? This month, UCanGo2 outreach specialist Sheniqua Haynes talks about finding \$20 adventures.



Borrowing money for school involves more than completing the [Free Application for Federal Student Aid \(FAFSA\)](#) and signing your Master Promissory Note (MPN). To minimize debt after graduation, make smart borrowing choices throughout your college career. The Oklahoma College Assistance Program (OCAP) offers the [Borrow Smart from the Start](#) brochure to help you make wise choices and successfully manage your student loan. This online resource is a step-by-step guide to help you navigate the entire student loan life cycle.

Topics include:

- Completing the FAFSA and applying for grants and scholarships
- Maximizing cost-cutting measures
- Considering your post-college salary
- Borrowing only what you need to pay necessary school expenses
- Monitoring your student loan balance through the [National Student Loan Data System \(NSLDS\)](#)
- Crafting a budget while in college that includes making student loan interest payments
- Exploring your repayment options
- Overcoming the consequences of missed student loan payments through loan rehabilitation and consolidation

Whether you're preparing for college, in your student loan grace period or currently repaying your loan, *Borrow Smart from the Start* provides the information every student loan borrower needs to know. Check out all of our resources at [ReadySetRepay.org](#).

During my years of traveling as an army brat, I developed a love for adventure. I've experienced activities from indoor rock climbing and indoor skydiving to bungee jumping at a local theme park. Always on the search for a fun-filled day, I've discovered that adventures can enrich your life, but they can also break the bank. When I started my graduate program I had to figure out how to continue my adventures without going over my budget. I can easily save \$20 for miscellaneous activities, so I challenged myself to find affordable adventures that cost \$20 or less. Since then, I've found more adventures than I can embark on.

I seek out adventure through social media, local magazines and websites, like my town's tourism website, which lists all the city's upcoming events for the month. When I can't find anything through these avenues, I drive around town to see what I haven't explored yet.

My adventures aren't always wild and crazy, like hang gliding, parasailing or snorkeling. An adventure can be any activity that enriches your life. I've even turned a trip to the fabric store into a \$20 adventure. It's simply about enjoying the world that you live in. Try visiting a place you've never been before or doing something that's out of your element. Exploring a new interest can be one of the greatest adventures of all.

Enjoying an affordable adventure is possible; all it takes is a little research and creativity. Here are some \$20 adventure ideas worth considering:

- Take a walking tour of your city
- Go salsa dancing
- Hike a new trail
- Discover regional tourist attractions
- Attend a local sporting event or play
- Visit a local museum
- Get together with friends for an art class
- Have a picnic in the park
- Enjoy a home improvement workshop at your local hardware store





## Summer Home & Car Care

During the intense heat of an Oklahoma summer is no time to become stranded on the side of the road or for the air conditioning unit in your home to go out. Seasonal maintenance checks will help you avoid expensive service charges and mechanic fees.

- During the summer months your top priority may be your home's cooling systems. Dust off your ceiling fans and change the rotation direction to counter clockwise to create a cooling downward air flow. If your air conditioning unit isn't cooling efficiently, try cleaning your outdoor condenser and removing any plant growth that may be restricting airflow. If that doesn't fix the problem, it may be time to schedule professional maintenance.
- Perform periodic checks on irrigation systems; check all hoses, sprinklers, and connectors for leaks. Take time to fine-tune the direction of your sprinklers to make sure you aren't wasting money by watering the sidewalk.
- Clean out gutters and downspouts and make sure there are no obstructions that can lead to leaks, mold and siding damage.
- Clean your refrigerator coils and door gaskets and replace them if necessary to keep the appliance cooling efficiently.
- Battery life can drain much more quickly in extreme temperatures. Check your vehicle's battery regularly for corrosion and clean away any buildup.
- The increased heat of the season can also make your tire pressure fluctuate. Check the pressure often to reduce the risk of having a blowout.
- If the air conditioning is blowing lukewarm air, check your coolant levels and the air filter for dust or damage and replace as often as is recommended for your vehicle.
- Brake fluid is also affected by the heat, so be sure to check it regularly.
- Protect your car's interior from cracking and fading by using sunshades and applying protective conditioners to leather seats and dashboards.



The Oklahoma College Assistance Program, an operating division of the Oklahoma State Regents for Higher Education, provides college access and financial aid awareness, financial literacy and student loan management programs and services that benefit students, parents, schools and community partners.

