

Becoming financially independent

At its core, financial independence means not relying on financial assistance from others. In other words, you are completely responsible for your living expenses, are able to support your desired lifestyle, and prepared for financial setbacks. The process of achieving financial independence involves identifying tasks and targets to help guide you along the way.

Financial tasks for today

Financial targets for tomorrow

COMPLETE RESPONSIBILITY FOR YOUR LIVING EXPENSES

- **Create a monthly budget**, identify expenses to eliminate
- **Begin saving**, even if a little each month to take advantage of compound interest.
- **Create a debt management plan** focused on eliminating bad debt first
- **Be responsible with credit cards**; limit amount of credit card debt you carry



- **Managing monthly budget is now routine**; adjustments are made easily
- **Saving is automated**, setting aside about 10% of net income each year
- **Student loans are closer to being paid-off**; other debts effectively managed
- **Less reliant on credit cards**; balances are paid off each month

ABLE TO SUPPORT YOUR DESIRED LIFESTYLE

- **Establish financial goals**. Consider goals for income, savings, retirement, debt
- **Learn to invest**. Know the basics (vehicles, strategies) and your risk profile
- **Understand and manage** your credit score
- **Talk with several financial professionals**, find one you can trust



- **Established financial goals** are S.M.A.R.T. Plan is in place to achieve
- **Building diversified assets**; allocation strategy properly managed
- **Credit is established**, credit score about 750
- **Have written financial plan**. Updated as needed with your financial professional

PREPARED FOR THE FUTURE

- **Establish emergency fund** with goal of 3 months income set aside
- **Understand your employer benefits**, particularly healthcare coverage
- **Sign up** for both life and group long term disability insurance through employer
- **Contribute enough** to your 401(k) to ensure employer match



- **Emergency fund** balance is at least 6 months of income
- **Written Will in place**; beneficiaries, executors, and guardians identified
- **Individual life and disability insurance** in place to supplement work coverage
- **Equivalent of 2 – 3 times annual salary** saved in your 401(k)



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to help people secure their future and protect the ones they love.**

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