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4 Ways to Reach Financial Freedom in the New Year

BY Krystal Bowen Posted January 15, 2025 In Financial Planning

The year is just fifteen days old, yet the news headlines of 2025 are familiar and life changing.

From personal tragedies to new virus outbreaks and climate change events, as you plan ahead, there is more to consider now than just the new gym membership, a change in careers or starting or ending relationships.

How do you perceive a "Better You" in 2025?

What is your strategy to better security and personal happiness and purpose?

In our first article, we explore the best ways to do this by achieving financial freedom.

Tackle Your Debt Obligations, Plan A Budget

Financial freedom comes when you are not dependent on easy lending resources with high interest rates. In 2025, strive to eliminate or consolidate your minor and major debts.

There are several debt paying strategies that can be adopted including snowballing- paying your smallest debt first to boost your motivation to become debt-free. Your strategy towards financial freedom should be included in a budget which is adjusted to inflation, personal emergencies and life changing events.

Young couple budgeting their finances (Shutterstock)

2. Prepare for the Unexpected

The beginning of the year can bring the biggest problems. Car trouble, death of a loved one, job loss or illness. The key to preparing for the unexpected is to plan ahead and invest in financial safety nets.

A new insurance plan, retirement or Peaced Assured plan -one which takes care of funeral expenses can prove beneficial. It is also important to create that emergency fund and a sound saving plan to help with unforeseen expenses. In this period, also consider investment in mutual funds and other financial instrument which grow or increase in value over time.

3. Evaluate You

The New Year is a year of rebirth, refresh and reflection. How can you improve your environment and personal outlook? The power of financial freedom is unlocked by self-evaluation of your current life and expectations. Professor and psychologist, Joshua Hook (Ph.D.) suggested that individuals use SPIES an acronym which stands for S-Social, P-Physical, I-Intellectual, E-Emotional and S-Spiritual.

Social -review your relationships, romantic connections, friendships and professional interactions.

Physical-know your numbers and ensure that physical checkups are completed, and screening is done for blood sugar, blood pressure, breast, prostate etc.

Intellectual-seek to expand your knowledge, signing up for online training, enrolling in college or tertiary institutions, evaluate current career situation and possible shifts in aspirations.

Emotional-as individuals, it is important to understand your mental health -dealing with anxiety, depression and stress can impact your physical and social environment. Seek out help, therapy, yoga and meditation, journaling to manage your emotions.

Spiritual-The human existence whether acknowledged or not, is a spiritual one. Evaluate this connection or create that relationship to motivate yourself and reach your overall goals.

Meditation is important to a "Better You". (Shutterstock)

4. A Better You is A Better Environment

Climate change is on everyone's mind as we see the daily news reporting on the increase or prevalence of airborne pathogens, allergies, fires, floods, storms and drought. Our environment is becoming more hostile, and it is crucial to maintain one's health, eating well and safeguarding our homes from internal and external threats. This is an investment; and we must plan for it. In the home, swap out light fixtures that increase utility costs, buy energy saving appliances, invest in water saving faucets, solar energy and electric vehicles.

As an individual or family, try to increase physical activity-walking versus driving, eat more greens, consider staycations instead of flying frequently. Lastly, ensure property and public liability insurance policies are up to date to avoid surprising out-of-pocket cost.

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