

# What's Best Way to Achieve Financial Freedom?

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Retirement Rehab



Achieving financial freedom is a process that takes discipline. And few people prioritize finding the best way to financial freedom these days. According to a [survey by Bankrate.com](#), 29% of people don't have money set aside for emergency expenses. Sure, you've got debt to worry about and other expenses always come up. But never making it a priority could one day mean you're up the creek without a paddle, never able to reach your financial goals. If you're one of the few worried about financial crisis, this post is for you.

## Why is a Disaster Fund Your Best Way to Financial Freedom?

A disaster fund might not be what you think it is. It's not a few thousand dollars you have stashed away for car trouble, unexpected home repairs, or a dental emergency. Those are great reasons to save, but they won't turn your life upside down.

A disaster fund is something you stash away for when the whole game changes. The last time this happened for many people was the Great Financial Crisis. It ravaged the retirement savings of Generation X. Many lost their jobs, and it could happen again.

Sure, our economy is slowly growing, but so has global debt. [Global debt has grown by \\$57 trillion since 2007](#), and that's not a problem our economy will be able to walk away from.

## How Much Do You Need?

As part of achieving financial freedom, building a disaster fund was one of the aspects I was best at. I was able to have 2 years worth of living expenses in a bank account away from creditors and it was very liberating. I wasn't hoping for disaster, but I didn't fear it either.

Two years living expenses is an arbitrary choice, but I think it works out well for most people. Two years is enough time to reinvent your whole life.

The important thing to calculate is how much money you'll really need for 2 years. If you calculate your current living expenses and lifestyle choices, it can seem like a lot. But what you actually need and what you want are two different things. You probably need a lot less than you think.

2 years works especially well if you have someplace that cost of living is low, or else it's daunting. I recommend you Check [Numbeo](#) for what it's like to live abroad or in other US cities. This changes the math entirely. Imagine taking your family overseas and experiencing a different culture, volunteering, or just living local. If you decide to return, you're much more interesting a candidate to hire than if you stay.

## Ways to Build Your Fund

Building a disaster fund is the best way to achieve financial freedom. One popular option to do it is home ownership. Your housing payments cease, but you continue to live there, giving you a long-term financial advantage.

But home ownership comes with its own problems. Say you do lose your job because of a financial crisis. Staying in the same neighborhood can be depressing. And since you've tied your financial security to your location, you can't move.

Many people hit a roadblock with building their disaster fund because they don't know how to save a substantial amount of money and reach their financial goals. Maybe they stop eating out and go back to being a one-vehicle family, but it's not enough to save a disaster fund.

That's because they're conditioned to think in terms of their current environment and circumstances. I've witnessed many people build their disaster fund and achieve financial freedom in the process by moving to a new place that's much more affordable.

Maybe you're tied to your location because of your job. But a job loss will ultimately happen for a corporate executive, so at least be open to the idea of relocation to achieve financial success long term.

**Financial crisis isn't a possibility, it's a reality. They've happened many times over the past hundred years. The only question is when the next one will be.**

If you want to sleep a little better at night and reach your financial goals in the process, start following the best way to achieve financial freedom. Start planning your disaster fund today.

You might also enjoy: [How To Protect Your Emergency Money From Yourself](#)



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