Rise Above The FIRE Movement!

Description

By now, you must have heard about the FIRE movement, in which people aim for financial independence and retiring early. That's a great aim, but it may not be suitable for everyone.

FIRE often involves living a frugal life now, which comes with the benefit of a super high savings rate, such as saving 70% of your after-tax income, to prepare for the future. However, the trade-off may be too much to bear if it means giving up on enjoying your life today.

For example, from big spending to small, some people can't do without their annual vacations, eating out with family and friends, movie nights, **Starbucks** coffee, or **Netflix**/**Disney**+ subscriptions.

It would be meaningless if you live an unhappy or dissatisfying life now just so you could retire early and enjoy doing things later. It makes more sense to enjoy yourself now, because as it's often said, life is short.

Nonetheless, the concept behind the FIRE movement is a good one. It promotes saving a portion of your paycheque each and every time and planning for your future.

Rise above the FIRE movement

What you can do is learn from and take what makes sense for you from the concepts involved in the FIRE movement.

A savings rate of 70% is too extreme for a lot of people, but saving 50%, 25%, or even 10% of your after-tax income is much more acceptable and plausible.

Instead of aiming to retire in your 30s or 40s, aiming to retire in your early 50s or 60s is not a bad idea, given that life expectancy continues to rise over time.

Rather than focusing on how much you spend, spend some of your energy on building an income stream. Setting up multiple income streams will give you a lot more flexibility in your current and future spending!

Start with a true, passive income strategy by investing in safe dividend-growth stocks like **Fortis** (TSX:FTS)(NYSE:FTS).

Fortis is as safe a dividend stock as you can get. It's a top dividend-growth stock; its last dividend hike in September marked the 46th consecutive year of dividend increases!

The quality utility commands a premium valuation and a relatively stable stock price. Investors can pretty much buy the stock when it's attractively valued, sit back, and collect a rising income stream.

The recent dip of the stock from the $56 to the $53-per-share level is a good time to start pecking at the stock. Currently, it's good for a yield of 3.6%. Moreover, Fortis aims to increase the dividend by about 6% per year over the next few years.

Fortis's growing rate base is what will drive growth. It's planning to grow its rate base from $28 billion this year to $38.4 billion in 2024, which equates to a compound annual growth rate of 6.5%. Because its assets are regulated, the returns it will get on the assets are highly predictable.

With Fortis, you can be sure to get current income, income growth, and long-term price appreciation. Moreover, there's no need to worry about a recession because even during recessions, people need to use electricity and gas. They're simply a necessity!

Investor takeaway

Enjoy your life today, but make sure to save a portion of your paycheques and invest in safe dividend stocks, such as Fortis, to build a truly passive income stream to help with your goal of financial independence and retiring early.

CATEGORY

1. Dividend Stocks
2. Investing
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TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
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