



## Forget Working: Here's How You Can Retire in 10 Years

### Description

After a decade or so in the work force, many millennials are starting to come to a realization that changes their lives.

Work stinks.

Many enjoy the work itself, but can't stand the endless meetings, corporate bureaucracy, or workplace politics. Others are simply burnt out after dedicating everything they have to a company that doesn't really love them back. And many more just want to take control of their own time to work on projects they're truly passionate about.

There's just one thing that holds back every prospective early retiree — money. You still need to support your family. You can't throw off the shackles of work until you have a substantial nest egg. While financial independence is key, getting there is always a challenge.

Although you might not be able to get all the way to [financial independence](#) in a decade, you can take some big steps. Here's how.

### Live like a college student

The first step toward early retirement is cutting your expenses to the bone. This will undoubtedly involve some sacrifice, but the end result is well worth it.

You can put substantial cash in your pocket by minimizing the top three areas: housing, food, and transportation. Downsize to a smaller place, potentially with roommates. Or, if that's not possible, rent out extra space. One of my friends did this a decade ago and it helped him pay off his mortgage in about eight years.

Next, keep a strict eye on your food budget. Shop the sales at the grocery store, especially when buying meat. Minimize going out to eat; most of that food isn't good for you anyway. Rather than going out for drinks with your friends, suggest a low-key night where you stay in.

Then there are transportation costs. Driving a reliable used car will save you tens of thousands, depending on how often you replace it. And public transport is even cheaper. If you want to be *really* drastic, either move closer to work or arrange a carpool.

The important part is to get your costs as low as possible before focusing on the next pillar of early retirement.

## Earn more

This is the fun part of the equation. There are a million things you can do to earn extra money. It might be as simple as going back to school or picking up extra shifts at work. Maybe you start a lucrative side hustle or you can use debt to build a mini real estate empire. The sky truly is the limit here.

Many people like the side hustle route, embracing the idea of a passion project that happens to make them a little money. It's a perfect part-time job for retirement.

## Invest well

Say you manage to create a \$50,000 per year savings rate, an ambitious but entirely possible goal. At a 10% compound annual growth rate, you'll turn that into a nest egg worth just over \$1 million in a decade.

One stock that looks poised to deliver a 10% annual return over long-term is **First National Financial** ([TSX:FN](#)), Canada's largest non-bank mortgage lender.

First National works exclusively with mortgage brokers to place loans, usually for institutional investors who want exposure to ultra-safe, government insured mortgages. It makes money twice — first on the placement of the loan and then servicing it.

This has quietly grown to be a big business, with some \$110 billion in mortgages under administration. First National continues to take market share from larger Canadian banks by offering brokers great service and terrific rates. Its mortgage rates are consistently excellent.

Shares are also relatively cheap, trading at approximately 12 times earnings. The company's two founders own some 70% of outstanding shares, a level of commitment that's always encouraging — and the stock pays a generous 5.2% dividend.

It has also shattered our 10% annual return hurdle over the last decade, giving investors a compound annual growth rate of 15.51% including reinvested dividends. That's enough to turn a \$10,000 initial investment into something worth \$42,302.

## The bottom line

The journey to early retirement won't be easy. It'll take hard work and sacrifice to get there.

But I'm confident that many people who work hard, minimize expenses, and invest well can accomplish this lofty goal — maybe even sooner than they ever thought possible.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:FN (First National Financial Corporation)

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