What you can learn from a couple who retired at 35

Steve and Courtney Adcock certainly aren't your average couple when measured by household income or determination to get out of the rat race.

When they were both working in the corporate world, they had a household income of over $200,000 per year. And they were both willing to make drastic changes to their lifestyle in the short-term to achieve their longer-term goal of retiring in their thirties so they could travel. At one point they figured out how to live on $30,000 per year to greatly accelerate their current deferrals to retirement savings.[1]

That all might seem a little extreme. But writing for CNBC, Steve Adcock says that some of the biggest lessons they learned along the way can apply to everyone hoping to retire, early or not.

1. When saving, think big

Steve says that cutting out little things won't save you enough to make a difference. Not ordering a beverage every time you eat out will probably only add up to a couple hundred dollars a year. So you need to look at the big things that are costing you extra thousands. For example, use a budget to track where all your money is going. This exercise isn’t a rough estimate or general idea. It means track every single dollar so you can get a realistic picture.

When the Adcocks did this, they discovered that they had a lot of unnecessary services set up on monthly auto-pay. They were things they really didn't need and were paying for each month without really thinking about it but were soaking up significant cash flow.

But simply saving a lot isn't enough.

2. You have to invest

Adcock learned that just piling up cash in the bank would not get them the nest egg they needed to fund their future retirement cash flow needs. His advice, "Get that cash in the market and let compound interest run its course like it has for so many of us who enjoy life outside the confines of a full-time job."

They used a diversified investing approach where they didn't have to worry day-to-day how their accounts were doing.

And finally, the biggest lesson they learned.

3. Focus on your money's purpose

What, ultimately do you want to do with your future income? Once you know what that "something" is, you have a target you can focus on. Be specific about what you want in the long-term and then arrange your short-term spending and saving priorities so you’re most likely to be able to make it happen.

Adcock says that you don't need to be the most frugal person on the block or depend on some huge windfall like selling a company for a few million dollars. You just need to be persistent, because achieving a goal like retirement (early or not) will take time and discipline.

"Keep throwing those greenbacks into your investment accounts," he advises. "Month after month. Year after year."

Maybe it's too late for you to retire at 35—you'd be happy just to retire *on time*. Your trusted advisor can help you define the steps needed for achieving that goal and then make sure you stay on track to get there.

Sources:

1. https://www.cnbc.com/video/2017/10/19/this-couple-retired-in-their-30s-travel-full-time-in-an-airstream.html

Important note: