



“Financial Freedom - A New Understanding”

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In today’s rapidly evolving world, with the concepts of time and money changing to accommodate an increasingly “global” marketplace, it is not surprising that the traditional understanding of financial freedom is evolving as well. But even with these changes, the core concept of financial freedom is relative to the person striving to attain it, and that will never change. Before you can define financial freedom, you must first define the context in which it exists. Financial freedom for one person is likely not the same for another.

For example, suppose you live on an island near the equator, in a place where the weather is so hospitable that you hardly have to worry about dressing to stay warm, or keeping a roof over your head. There are fruit trees everywhere and whenever you get tired of eating fruit, you go fishing or slaughter one of the wild goats that inhabit the island in abundance. You have a large family and everyone has enough food and water, and there is really nothing to worry about-ever. The concept of money is unknown on your island because as far back as anyone can remember, everyone has had everything they ever needed and everyone lives to a ripe old age because there is no stress and life is good, really good.

Are these people financially independent?

Yes, they are financially independent, in the truest sense, because they don’t even need money.

But now suppose that ships arrive bearing outsiders that conquer the people of the island and claim the island as their own. The outsiders introduce the concept of money and they impose taxes on the island



population. They force the islanders to work and pay the taxes. If the islanders do not pay the taxes, they will be taken to a land far away where they will go to prison, so the islanders begin cutting the non-fruit-bearing trees of the island for wood, which they sell to the foreigners to pay taxes. The islanders begin boxing the fruit for sale to the foreigners. They sell the meat of the animals, and soon their harmonious island is transformed into a place with its own economy. The old way of life on the island is gone. The islanders are able to make a living, but life is hardly as good as it used to be.

Are the islanders still financially independent?

No they are not because their definition of financial freedom has changed.

Now suppose that one of the islanders happens to control a large orchard of fruit trees and a herd of goats. He has enough of these things that he is able to sell a portion of them to the outsiders and build up enough capital to hire some of the other islanders and pay them enough so that they are able to pay their own taxes. In a year's time, this landowner grows his goatherd and increases the size of his orchard enough that he no longer needs to spend any time working there. Instead, he hires the other islanders to handle all of it for him. They bring him the daily receipts and he puts this money in a box. For the salary he pays his workers, they slaughter the animals and pick the fruit and box all the products and sell them to the outsiders. Every month or so the landowner needs a bigger box to store all of his money.

Is this landowner financially independent?

Yes, in terms of the new economy that has evolved, he has become financially independent.



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Andre Larabie is a published writer and successful business coach. Get a free excerpt from his book on commercial debt reduction at:

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About The Author

André Larabie, PhD, is distinguished for his expertise in Teaching, Coaching, Business Turnaround and Consulting, Commercial Debt Resolution, Consumer Debt Collection, Mediation and Arbitration. He has owned and operated 2 collection agencies, a Factoring Organization, and a Business/Management Consulting Practice in both the USA and Canada.

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