

Life's Wealth Quest

Lesson 3 Workbook: Calculate Your Freedom Number

What Is a Freedom Number?

Your Freedom Number is the monthly (or annual) income you need to cover all your desired living expenses without relying on a traditional job. It's the point where your passive income matches or exceeds your expenses, giving you financial independence. This number is personal — it's based on your lifestyle, not someone else's.

Why It's Essential

1. Gives You a Clear Target – Without a number, 'financial freedom' is just a vague dream.
2. Prevents Over- or Under-Shooting – You'll know when you've reached your goal.
3. Directs Your Planning – Helps you reverse-engineer your wealth strategy.

Step 1: Define Your Desired Lifestyle – Monthly Expenses

Expense Category	Monthly Cost
Housing (rent/mortgage)	
Utilities	
Food & Groceries	
Transportation	
Health Insurance	
Entertainment	
Travel Fund	
Giving/Donations	
Savings/Investments	
Other	
Total Monthly	

Step 2: Multiply by 12 – Annual Freedom Number

Total Monthly $\times$ 12 = Annual Freedom Number

Annual Freedom Number: _____

Step 3: Factor in Taxes & Inflation

Add a buffer for taxes if your income sources aren't tax-sheltered, and at least 2–3% annually for inflation.

Step 4: Plan Your Income Streams

Income Source	Annual Income Goal
Investments (dividends, interest)	
Real Estate (rental income)	
Business Income	
Royalties/Licensing	
Other	
Total Income	