



IS 'FINANCIAL INDEPENDENCE' BETTER THAN RETIREMENT?

Rethinking life after work

Retirement isn't what it used to be. Gone are the days when stopping work at 65 was the automatic goal. Today, people are living longer, staying healthier and thinking differently about their later-life plans. Instead of a fixed end point, many now aim for financial independence, a more flexible alternative that puts choice at the centre of the conversation.

But what exactly does financial independence mean, and how does it differ from traditional retirement? More importantly, is it a better goal?

What is financial independence?

Financial independence means having enough income from your savings, investments or other assets to support the lifestyle you want without relying

solely on a pension or earned income. It gives you the freedom to decide how you spend your time. You might choose to keep working, switch to part-time, travel more, volunteer, start a business or simply slow down.

It's not necessarily about stopping work altogether. It's about reaching a point where work becomes optional rather than essential and having the confidence that your finances can support that choice.

More people are choosing flexibility

This mindset shift is becoming more common. Rather than fixating on a set retirement age, people are increasingly focused on building financial flexibility, especially in a world where careers, lifestyles and family circumstances are more fluid than ever.

For some, financial independence means being able to work less without compromising lifestyle. For others, it's about pursuing purpose-driven activities without worrying about earning money. In both cases, it's about being in control of your time and finances and reducing financial stress in the process.

Diversifying your income

Traditionally, retirement income came from a pension and maybe some savings. But financial independence usually involves a more diversified approach. You might draw income from:

- Workplace or personal pensions
- ISAs and investment accounts
- Rental property
- Business interests
- Part-time or freelance work
- Cash savings

The goal is to build a range of income streams that work together to support your lifestyle — and provide resilience if one source is disrupted.

This approach also allows for more control. You can often choose when and how to draw income, which may provide tax efficiencies and help you manage market risk over time.

Careful planning is essential

Achieving financial independence takes more than a strong savings habit. It requires clarity about what kind of lifestyle you want, and a realistic understanding of how much that lifestyle will cost. It also requires careful planning around when and how to access your various income sources, some of which may have age restrictions or tax implications. That's why getting financial advice can make a real difference. A tailored plan can help you:

- Understand your retirement income needs
- Optimise your use of tax allowances
- Balance investment risk and income certainty
- Plan for later-life care, inflation and longevity
- Build in flexibility for life's unexpected turns



Freedom, not just an end point

For many people, the appeal of financial independence lies in its focus on freedom and personal choice. It shifts the conversation from “when can I retire?” to “when will I have enough control over my finances to live life on my terms?”

Whether your goal is early retirement, reduced hours or simply peace of mind, we can help you plan for a future that’s financially free and personally fulfilling.

Important information:

Tavistock Private Client Limited is authorised and regulated by the Financial Conduct Authority. The Tavistock Partnership Limited is authorised and regulated by the Financial Conduct Authority. All subsidiaries are wholly owned by Tavistock Investments Plc. This content is provided for informational purposes. You should seek financial advice before making any decisions.