

## 5 Habits of Financially Independent Individuals

### Transcript

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After years of working with hundreds of successful families, I've noticed something fascinating.

Millionaires don't just make more money, they manage it differently, especially in their 50s when the decisions they make can either lock in more freedom or delay it for a decade.

Today I'm sharing 5 habits I see most financially independent clients practice and how you can start applying them right now.

Hi, I'm Glenn Smith, CEO of GDS Wealth Management.

For over 20 years, I've helped clients turn success into freedom, and I've learned this: the difference between millionaires and everyone else is not luck.

It's discipline, timing, and clarity.

Let's dive into the five habits that sets them apart.

The first thing wealthy clients do is they know their number.

They aren't saving blindly.

They've calculated to the dollar what it takes to live their ideal life without a paycheck.

Once you know your freedom number, every decision is going to get simpler.

Your investments, your spending, even your tax strategy.

If you don't know yours yet, that's step number one.

You can't retire confidently without it.

The second habit?

They run their personal finances like a business.

They track income, expenses, and even profit margins.

Some even keep a personal P&L statement each quarter.

At this stage it's not about earning more, it's about keeping more.

They make sure every dollar either supports their lifestyle or builds long-term wealth.

#3 Average investors diversify by products.

Millionaires are different.

They diversify by purpose.

They organize their wealth into three buckets: income, growth, and legacy.

Part of the portfolio produces cash flow, part compounds for the long run, and part preserves wealth efficiently for their heirs.

For example, take the stepped-up cost basis rule.

When an asset passes to heirs, its cost basis resets to the current market value.

Minimizing capital gains right there is a perfect example of tax-efficient legacy planning in action.

They're not chasing returns, they're aligning their money with intention.

The wealthiest people I know are borderline obsessed with tax planning, not because they're cheap, but because they know taxes are the largest ongoing expense.

They leverage Roth conversions, tax-loss harvesting, charitable trusts, and even strategic income timing.

Every move they make keeps more of their money working for them.

The final habit?

They engineer their retirement like a business exit.

They know when they want out, how much they'll need, and what's next.

They build predictable income streams, receiving dividends from stocks, bonds, real estate, and alternative investments.

So there you have it, the five habits that separate successful 50-something millionaires from everyone else.

If you're in your 50s and are starting to think seriously about your next chapter, it's not too late to do what they do.

If you'd like help defining your freedom number or building your retirement plan, visit [gdswealth.com](http://gdswealth.com) or schedule a call.

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