

Your Finances Are Under Control When ...

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You will probably have to work 30 or 40 years before you amass enough money to quit your job and live off your savings. But that doesn't mean you have to spend those 30 or 40 years fretting about money.

Indeed, while true financial independence may take decades, you can achieve a sense of financial freedom in just a few short years. How do you know when you've finally got your financial life under control? Here are 41 signs that you've become a savvy investor and a smart saver:

1. Shopping is no longer your favorite hobby.
2. You get excited when stock prices fall.
3. You're richer than your neighbors, and they haven't a clue.
4. You smirk when others boast about their stock-picking prowess.
5. You save part of every paycheck.
6. You may not make your heirs wealthy. But you've ensured they won't inherit a nightmarish financial mess.
7. You remember your investment mistakes, and they still make you shudder.
8. Before you buy an investment, you think about when you will need to sell.
9. You aren't 100% sure about anything.
10. You never open your credit-card bills with trepidation.
11. You know bonds will likely drag down your portfolio's performance, but you own some anyway.
12. You can bring yourself to sell losing investments.
13. You could easily afford to buy a new car, but you don't.
14. You check your portfolio every day, but trade only twice a year.
15. You don't trust anybody on Wall Street.
16. Whenever you hear about somebody with a huge house and a driveway full of new cars, you don't wonder how rich they are. Instead, you are in awe of the staggering sums they must have spent.
17. You never thought Beanie Babies were an investment.
18. You still haven't figured out how to beat the market. But you're a whiz at cutting investment costs and trimming your portfolio's tax bill.
19. You think CNBC is a font of useless insights, but you enjoy watching it anyway.
20. You are filled with horror when your neighbors describe their latest meeting with their broker.
21. You've given your executor a list of all your financial accounts. It fits on one page.
22. You view personal-finance columnists with suspicion.

23. You know enough about hedge funds to know you don't want one.
24. Your retirement dreams don't hinge on beating the market or earning double-digit annual returns.
25. Sure, you want the big house, early retirement, the fancy vacations and the kids to go to Harvard. But you long ago realized you couldn't have it all.
26. You don't own any investments you don't understand.
27. Yes, you worry about a market crash. But what really scares you is not having enough money in 30 years, when you retire.
28. You're appalled whenever you see somebody buying lottery tickets.
29. You realize remodeling the bathroom is a money loser.
30. You have all the insurance you need, and no more.
31. You can describe your investment strategy in 60 seconds.
32. You always make the maximum possible 401(k) contribution.
33. You would love to sell your house and buy a bigger one. But you get queasy thinking about the brokerage commission involved.
34. When the TV talking heads throw around technical jargon, you don't understand what they're saying. But you're pretty sure it's garbage.
35. Whenever a market sector rockets higher, you don't get greedy, you get scared.
36. You never do anything just to earn frequent-flier miles.
37. You have no idea which part of the market will perform best over the next year. But because you're well diversified, you're pretty confident some part of your portfolio will make money.
38. You earn more than your brother-in-law, but don't live nearly so lavishly.
39. You wince when you think about the time you carried a credit-card balance and ended up paying 17% in annual interest.
40. Every time you buy a stock, you wonder whether the seller knows something you don't.
41. Whenever people ask you for investment advice, they're almost always disappointed by your answers.

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