

Formative Assessment Worksheet: Defining Financial Independence

Purpose

This reflective activity helps you explore your **current understanding of financial independence**, assess your personal goals and identify areas for growth. It is self-directed and designed to increase awareness of your mindset and priorities.

Step 1: Reflection Prompt

“How do I define financial independence today?”

Take a moment to sit with this question before you begin writing.

Step 2: Reflection Guidelines

Consider the following areas as you think about your answer:

Financial Reality

- Your current income sources
- Savings, investments, or pensions
- Financial stability and flexibility

Emotional & Psychological Factors

- Confidence in managing money
- Ability to make independent decisions
- Sense of security or freedom

Lifestyle Goals

- What you want your life to look like next
- Priorities for your time, energy and money

Personal Values

- What matters most to you when it comes to money

- How your values shape your financial choices

Step 3: Writing Your Reflection (5 - 10 minutes)

Option 1: Freewriting

Write continuously for 5 - 10 minutes without stopping. Don't worry about structure, focus on honesty and flow.

Freewriting Space

Option 2: Structured Reflection

Definition

In your own words, what does financial independence mean to you right now?

Indicators (3 - 5)

How do you know if you are — or are not — financially independent?

Actions (1 - 2 steps)

What steps can you take to move closer to your definition?

Optional Peer Discussion

Share your reflections with a partner or small group.

Discussion Questions

- ☐ Did any definitions surprise or inspire you?
- ☐ How did others' perspectives influence your thinking?
- ☐ Which actions feel most achievable or motivating?

Notes

Optional Extensions

Visual Mapping

Create a simple “financial independence map” showing:

- Income sources
- Savings and investments
- Life priorities

Legacy Link

How does financial independence connect to the legacy you want to leave?

Journaling Follow-up

Revisit this reflection in **3 - 6 months**.

- ☐ Has your definition changed?
- ☐ What progress have you made?
- ☐ What feels different now?

Final Thought

Financial independence is personal and evolving. Defining it clearly is the first step toward living it.