

# June 2015 - Detailed Financial Report #6 - Net Worth \$220,313 [+21.5% YTD]

*GYFG here checking in for the June monthly financial report. For those of you that are new around this corner of the internet, I wanted to fill you in as to what these reports are all about. These monthly reports are about full transparency. They are just as much for me as they are for you. It's a hard decision to make all of your financial details public, but it's also a very motivating one. It's not just the post, but the process of putting this post together that really benefits me.*

*My sincere hope is that my transparency will inspire you to take the helm of your own financial ship and be intentional with its direction. I truly believe that anyone can reach financial freedom, if they are willing to do things differently. If you earn an average salary and have an average savings rate, then you can expect an average result! That means you will likely have to work at a job you may or may not enjoy until you're 65 and then **maybe** you can retire **IF you're lucky**.*

Hey, there is nothing wrong with average. If you're happy with average, then by all means keep doing what everyone else is doing. Not sure how you feel about that, but I have no interest in living an average life. I want **EXTRAORDINARY**.

Most people don't want to live below their means in order to reach **FINANCIAL FREEDOM**, because that's painful. They think it involves cutting out all the joy in life. You know what I'm talking about, those financial gurus that tell you that in order to get rich you need to cut out the \$5 lattes and stop going out to eat. Then after 40 years of diligent and above average savings and super low spending, you will be a millionaire. Basically, you have to live like a college student and suppress all the things you want to do in life and then when you're old you will be rich.

Okay, that doesn't sound like the plan for me either.

The good news is there is another way. This site and these reports are here to show you the **OTHER** path to financial freedom. There is a way where you can have your cake and eat it too. I believe and hope that over time I will be able to convince you

of the following:

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**In order to reach financial freedom you can choose to live below your means by cutting expenses to the bone and living in a state of scarcity or you can expand your means and live in a state of abundance by increasing your income and enjoying the \$5 latte or other indulgence of your choice.**

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Not only that, but if you're diligent you can reach financial freedom a lot sooner than anyone has ever led you to believe.

### **Our Mission Statement:**

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**To Humanize Finance, Build Wealth, and Reach Financial Freedom.**

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I know I don't have to publish my juicy details every month, but it's important to me that you know that I put my money where my mouth is (because not that many finance blogs or people giving financial advice do this). I publish all of my financial details not to brag, but instead to show you what is working as well as what's not working. Sometimes finance can get pretty dense, but I think real life examples and numbers can help slice through the complexities (and BS). Personally, I have always enjoyed the financial reports put out by other bloggers around the blogosphere.

As always, you can find all my previous reports on the [Financial Stats](#) page (as well as annual trends and a few other financial metrics not found on this report). In these monthly reports the plan is to give you a month over month update on Gross Income, Assets, Liabilities, Net Worth, Expenses, Contributions, and progress on the [mortgage pay down goal](#).

**Can I ask you for one small favor before you continue reading? Could you use one of the icons to the right of this post to share it on your favorite**

**social media channel to help spread the word?**

**Thank you, thank you, thank you soooooo much!!!!**

Shall we begin?

## **Summary of June 2015**

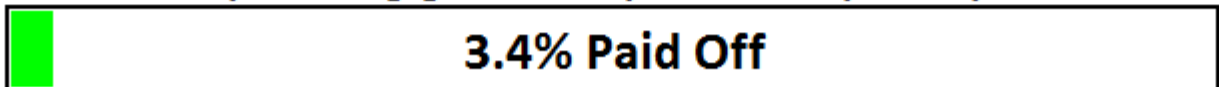
Gross Income	JOB	Side Biz	Rental Income	Total
June-2015	\$ 16,753	\$ 720	\$ 1,950	\$ 19,423
Previous Month	\$ 13,698	\$ 146	\$ 2,350	\$ 16,194
Change vs. Last Month	↑ 3,055	↑ 574	↓ (400)	↑ 3,229
% Change	↑ 22.3%	↑ 391.6%	↓ -17.0%	↑ 19.9%

Assets	Pre-Tax Investments	Liquid Cash	Real Estate	Total
June-2015	\$ 106,777	\$ 44,756	\$ 574,901	\$ 726,434
Previous Month	\$ 105,082	\$ 39,902	\$ 573,851	\$ 718,835
Change vs. Last Month	↑ 1,695	↑ 4,854	↑ 1,050	↑ 7,599
% Change	↑ 1.6%	↑ 12.2%	↑ 0.2%	↑ 1.1%

Liabilities	Condo Mortgage	House Mortgage	Other	Total
June-2015	\$ (163,339)	\$ (342,782)	\$ -	\$ (506,121)
Previous Month	\$ (163,835)	\$ (344,147)	\$ -	\$ (507,982)
Change vs. Last Month	↓ (495)	↓ (1,366)	→ -	↓ (1,861)
% Change	↑ 0.3%	↑ 0.4%	→ 0.0%	↑ 0.4%

Net Worth	Assets - Liabilities
June-2015	\$ 220,313
Previous Month	\$ 210,853
Change vs. Last Month	↑ 9,460
% Change	↑ 4.5%

### Goal: Pay off Mortgage on Primary Residence by January 31, 2022



We set a goal to pay off the mortgage on our house before we were 35 years old. The original mortgage was for \$355,000 and we started the goal on January 1st, 2015.

## What went down in June

During the month of June gross income was up 19.9%. If you have been following for any length of time you may remember in March when we made the decision to invest in business coaching for my wife. After much thoughtful deliberation we decided that it was just the thing my wife needed to “level up” in her business.

Adam Chudy of AdamChudy.com wanted us to share whether we thought it was worth it:



Adam @ AdamChudy.com  
adamchudy.com

Submitted on 2015/04/06 at 11:04 am

Man your not playing around on those personal development costs. I'll be curious if you decide the outcome was worth it.

We never had a doubt that making an investment like this would pay off. We can emphatically say that it was/is worth it. As I write this my wife is 4 months into the coaching program and has increased her monthly gross income by \$1,700/month on average since March. This equates to an additional \$6,800 over the past four months against an original investment of \$5,000. That is already a 36% return on investment.

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### **The best investment you can ever make is in yourself.**

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This past month my wife continued kicking ass and taking names. She earned an extra \$3,000 as she continues to grow her book of business. The hard work and business coaching has already more than paid for itself. We did see a drop in rental income of \$400 due to a roommate that moved out (but she will be back in September). This was partially offset by an increase in side biz income of \$574.

June's income does include \$100 of blog affiliate income that was paid in June. Since monetizing in March, **the blog has produced \$464.18 in revenue**. But don't worry, I will be detailing all that and more in a separate blog update where **transparency** will still be the name of the game (this will probably start once we hit the 1-year mark in September). I am sure you guys have seen a lot changing and I want to share the results with you all - especially those that are currently blogging or those that are thinking about blogging. You can learn from my successes and my failures.

Let me be your blogging and financial guinea pig!

**June Income = \$19,423**

- **Previous Month: \$16,194**

- Difference: +\$3,229

In July I anticipate a nice spike in income due to semi-annual bonus payments and a 3-period pay cycle (I get paid on a bi-weekly schedule). We also have a windfall of \$5,000 coming our way this month as part of an inheritance distribution. **We could see income jump to as high as \$25,000+ in July.**

## Now where did all that money go?

The last four months have been very high with regard to expenses due to some planned and some unplanned expenses. **I THINK I can finally say that our “one-time expenses” are behind us.** If you want to see what I mean you can go look at the prior four reports here: [January](#), [February](#), [March](#), [April](#), and [May](#).

**Home Mortgage & HOA \$3,233** The **NEW** normal payment is \$2,349/month for the mortgage and \$84 for the HOA (after property taxes went up). However, as a part of our [7-year mortgage pay off plan](#), we started adding an extra \$800/month towards principle.

- Previous Month: \$3,233
- Difference: \$0

**Condo Mortgage & HOA \$1,138** This is the payment on our rental condo and includes the mortgage of \$888 and HOA of \$250. We currently rent this place out for \$1,350/month, as seen in the summary table above.

- Previous Month: \$1,138
- Difference: \$0

**Timeshare \$37** My grandparents left me their timeshare before they passed away. This month I paid the \$37 listing fee in order to place it with the management company for rent. We decided to use a few days for the 4th of July weekend in Vegas. I put the remaining days with the management company to rent out in order to cover the annual fees.

- Previous Month: \$0
- Difference: -\$37

**Home Improvement \$967** There always seems to be some sort of project that we

are working on around the house. This month the big expense was adding a rod iron gate to create a dog run on our side yard. The gate was necessary because one of our two dogs (Daisy **the Destroyer**) likes to dig up all of our plants. It was getting pretty expensive to constantly be replacing the plants. So we had a custom 6ft fence made that put us back \$650 after I negotiated from \$800 and offered to pay cash. The remaining expense was used to buy rock for our back planters (\$150), pay a Home Depot credit card bill (\$128), and a Lowe's bill (\$39).

- Previous Month: \$785
- Difference: -\$182

**Food & Dining \$1,582** This amount includes money we spend at the grocery store, dining out, drinking out, and dog food/treats (our two dogs eat well). In the month of June we spent \$491 on groceries, \$112 on dog food, \$100 for our quarterly wine club, and \$879 on eating out at restaurants. This is an expense that tends to get a little out of control for us. Last year we spent \$14,000 on eating out or almost \$1,200/month on average. The goal for 2015 is to keep this combined expense at or below \$1,200/month; \$500 for eating out and \$700 for groceries. During the summer we expect this number to stay elevated, but we are still doing much better than we did in 2014.

- Previous month: \$1,651
- Difference: +\$69

**Shopping & Entertainment \$803** This month I have renamed this category to cover any **discretionary shopping and entertainment expenses**. I am feeling a bit lazy and will not be breaking these expenses out this month.

- Previous month: \$1,537
- Difference: -\$734

**Travel & Hotel \$61** We are going to Vegas for the extended 4th of July weekend and booked a cheap room at the Hard Rock for the first night. The other two nights we will be staying at our timeshare that is already paid for.

- Previous month: \$500
- Difference: +\$439

**Auto and Transport \$1,087** This includes fuel, car insurance on two cars, and toll

roads. This month I had a few more services that I needed to get done on my car to keep up with the recommend maintenance, but you need to keep up with the routine maintenance so you don't end up spending more than you need to by letting things break. I had the transmission serviced, the front breaks replaced, and a few other services. My wife's car will be coming up in the next month or so as well (it is what it is).

- Previous month: \$636
- Difference: +\$451

**Personal Development \$0** We do buy books on a regular basis but that would fall in the shopping category below. This is just for some of the larger investments we make in ourselves.

- Previous month: \$0
- Difference: +\$0

**Bills & Utilities \$541** This includes our monthly utilities like gas, electric, water, internet, and cell phones. Our internet did increase by \$20/month since we are out of the promotional period. I may try and call to see if they will lower it if I threaten to switch providers. We also paid \$120 for a cleaning service that we bring in every few months to do deep cleaning around the house.

- Previous month: \$468
- Difference: -\$73

**Health & Fitness \$229** This includes a monthly massage subscription, monthly dues to remain an active member of Team Beachbody to ensure my discounts on supplements like [Shakeology](#) and [Results and Recovery Formula](#). And a new order of [Bulletproof Coffee](#) (This deserves a post all in itself).

- Previous month: \$223
- Difference: -\$6

**Business Services \$151** I purchased a premium plugin this month for \$99 in order to run the book giveaway. This also covers hosting with WP Engine for \$24/month and parking for an event I attended.

- Previous month: -\$43
- Difference: -\$194

## **Total Expenses \$9,829**

- Previous month: \$10,128
- Difference: +\$299

Expenses did inch lower. As many of you know, our goal is to be mortgage free before we are 35. So this month I wanted to take a look at what expenses are less any mortgage payments (but leaving in property taxes and HOA, since those won't go away).

## **Total Expenses (less mortgages) \$6,535**

- Previous month: \$6,837
- Difference: +\$302

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**CALL OUT:** It is crazy how slippery money can be. Because of this I totally recommend you automate as much of your finances as possible, especially the saving and investing piece. We set our financial goals at the beginning of the year and then automate the process of reaching them.

### **Examples:**

1. Our mortgage payment is automatically set up to pay \$800 in additional principal.
2. My 401K contribution is automatically deducted at a rate that will ensure I max out by year end (\$18,000)
3. We have an auto investment of \$500/month into my wife's IRA to make sure we max it out by year end (\$5,500)
4. At the beginning of the month I have been sending \$1,000/month to a [REIT investment](#).

All of these things take priority over any spending that we do in a given month. We monitor expenses but don't really manage them. Instead we manage savings and investments and let the expenses work themselves out.

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## What were Investments and Contributions?

I currently work for an employer that offers a 401K with matching. For years now, I have taken advantage of maxing out my 401K for both the tax benefit and company match. This works out to be about 16% of my income off the top before I even see my paycheck.

My wife happens to work in a family business and unfortunately they are not able to offer a retirement plan, let alone matching. So starting in 2014 we opened up an IRA for her that we plan to max out with \$5,500 every year. Starting with February of 2015, we have set up an automatic contribution of \$500/month.

I also have an IRA due to a 401K rollover from a previous employer. I personally wish I could have all my retirement money in my [TD Ameritrade IRA account](#) because of the unlimited investment choices and the ability to invest in many different asset classes, including options.

### ***Now lets take a look at what activity went down this month:***

1. **Contributed \$500** to the wife's IRA for the 2015 tax year.
  - Previous month: \$500
  - Difference: \$0
2. **Contributed \$1,169** Into my 401K. The normal contribution will average 16% for the year, but I do play around with the percentage occasionally.
  - Previous month: \$1,169
  - Difference: \$0
3. **Prosper Lending \$500** We have deposited \$1,000 so far this year.
  - Previous month: \$0
  - Difference: +\$500
4. **Rich Uncles REIT \$1,000** We also got 5 free shares for leaving a review (\$50 value). We are have \$2,550 invested here.
  - Previous month: \$1,000
  - Difference: +\$0
5. **Increase in Savings \$4,354** This includes checking, savings, and CD's. This is \$500 less than the increase shows above (in "liquid cash" section) because I am currently holding Prosper in my cash section and I did not want to double count it. Eventually I will break this out on the table once it gets to be larger in value.

- Previous month: \$1,904
- Difference: +\$2,450

### **Total Investments & Contributions \$7,523**

- Previous month: \$4,573
- Difference: +\$2,950

## **Summing it all up against the Gross Income**

Benjamin Franklin famously said, “that everything has a place and that everything should be put in its place.” With that, let’s summarize where the total gross income for the month of June went.

**Gross Income \$19,423**

(Less) **Expenses\* \$9,829**

(Less) **Investments & Contributions \$7,523**

**Sub-Total \$2,071**

(less) **Taxes & Benefits \$2,071**

**Total = ZERO**

Everything is accounted for (phew!).

## **Net Worth and Mortgage Pay Down Update**

My ultimate goal is to [build up a Net Worth of \\$10M](#) returning 6% a year or \$50,000/month in gross income. Don’t freak out, this is only about \$5.5M in today’s dollars when you take into account a 3% inflation rate.

I am not anywhere close to a 7-figure net worth yet (or what some refer to as the [double comma club](#)). However, it is growing at a very respectable rate. If you want to see how I plan to get there you can read all about it [here](#).

**June Net Worth \$220,313** (with six months down in 2015, **this puts us up**

**\$38,949 or 21.5%** vs. 2014 so far and we still have 6 months to go)

- **Previous month: \$210,853**
- **Difference: +\$9,460**

With a year to date net worth gain of \$38,949, that puts us slightly ahead of target. [Recently I published a post](#) where I outlined our goal to increase our net worth by \$69,000 in 2015 (through contributions alone). We are officially 50% through the year and have reached 56% of our goal.

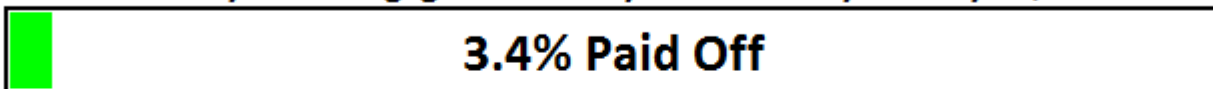
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**Note:** I think people tend to glaze over the fact that the savings rate plays a much bigger role in increasing your net worth than the rate of return on your investments. In the short term savings rate has a bigger impact on net worth. The goal is to eventually build a big enough asset base that the gains from compounding will eventually outpace the gains from savings.

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One of the other huge goals that I announced on the blog was the [strategy to pay off our mortgage in 7 years](#). When you break it down and follow the 3 simple rules, it's not as hard as it sounds. We bought our house in February of 2014 and then refinanced it into a 5/5 ARM in September of 2014 to remove PMI and free up cash-flow to put towards the principal and keep us on track to pay the mortgage off at an accelerated pace.

**Goal: Pay off Mortgage on Primary Residence by January 31, 2022**



**We set a goal to pay off the mortgage on our house before we were 35 years old. The original mortgage was for \$355,000 and we started the goal on January 1st, 2015.**

The progress chart above shows how much of our goal we have completed. Last month we were at 3.1%, which means we picked up another 30 basis points in June. At this rate we will be about 6% complete with this goal at the end of 2015 (assuming no extra lump sum payments).

## The End

We had both edges of the sword working for us this month with expenses falling slightly and income increasing dramatically. That is always a fantastic combination. At the end of the day net worth is the **ONE METRIC THAT MATTERS**, and we had an increase of almost \$10K in June. I am stoked with the results in June. The good news is that July should be even better ☐

I hope these reports inspire and move you to action. Don't take a passive role in your finances and hope for the best. There is a famous Jim Rohn quote that I think everyone should keep in mind:

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**If you don't plan your future, somebody else will. And you know what they have planned for you? NOT MUCH!**

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You have to be intentional with your finances if you ever want a fighting chance to make it to financial freedom. It doesn't have to take 40-50 years of slaving away for the man before you have the option to retire. I personally think that 20-25 years is really all you need, and for the folks that are more aggressive (i.e. extremely frugal, **not us**) or very high earners you can probably reach financial independence in 10 years or less (**maybe us, it's yet to be seen but income is our focus vs. expenses**).

I am looking forward to chatting with you all in the comments below. How was your month? Also, if you have a blog, I encourage you to write a monthly financial report and come back here and share the link. I would love to be part of your support and accountability.

Cheers!

- Gen Y Finance Guy

# Don't Miss Your Chance To Win

[x\_callout type="center" title="Summer Book Giveaway" message="Don't forget to check out the summer giveaway we're running. Enter the contest for YOUR chance to win the 11 books that will change YOUR money mindset and make you rich!" button\_text="Enter Now!" button\_icon="adjust" circle="true" href="https://genyfinanceguy.com/giveaways/win-10-books-will-change-mindset-make-rich/" target="blank"]

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## **PS: Here are my favorite ways to track this stuff:**

- The "Financial Stats" spreadsheet - a simple Excel template I created to provide the tables and charts you see in this post as well as on the [Financial Stats Page](#). If you would like a copy of this spreadsheet, sign up for my email list below or at the top of the page and I will send you a copy.
  - [Mint.com](#) (free) - Mint is great for setting up budgets and automating the tracking of your actual spending habits vs. the budgets you set.
  - [PersonalCapital.com](#) (free) - This is like Mint, but is geared towards investments and net worth tracking.
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## **Gen Y Finance Guy**

**Hey, I'm Dom** - the man behind the cartoon. You'll notice that I sign off as "Gen Y Finance Guy" on all my posts, due to the fact that I write this blog anonymously (at least for now). I like to think of myself as the *Chief Freedom Officer* here of my little corner of the internet. In the real world, I'm a 30-something former C-Suite executive turned entrepreneur turned capital allocator. I am trying to humanize finance by sharing my own journey to Financial Freedom. I believe in total *honesty* and *transparency*. That is why before I ever started blogging, I

decided that I would share all of my own [financial stats](#). I do this not to brag, but instead to inspire motivate, and also to hold myself accountable. My goal is to be a beacon of hope, motivation, and inspiration for *you*, the reader, by living life by example and sharing it **all** here on the blog. My sincere hope is that you will be able to learn from me - both from my successes and my failures! [Read More](#)