

[Guest Post] Freedom Fighter Interview #19 - Michael @ Financially Alert

Today we have our 19th Freedom Fighter interview in this series.

Our guest today started an IT services company a couple years out of school that he and his partners grew to over \$2M in annual revenues. After 10 years running his own business they decided to sell it for a sum that earned each partner a 10 year compounded return of 69%. Each partner put in \$2,000 initially to get the business going and besides the income they enjoyed while running the company they turned that initial investment to \$380,000 (each). After selling his company in 2012, Michael, stayed on the payroll for a while until negotiating a severance package to retire early and be home for his new daughter.

I will let Michael take it from here in his interview below:



Who are you and what do you do? What is your story? How are you fighting for your Freedom? Where did you start, where in the journey are you, and where do you ultimately want to end up?

My name is Michael. I'm a Dad, husband, blogger, and investor. I guess I've been a [freedom fighter](#) since I was a little kid. I was always looking for an angle, or hustling something on the side. I can clearly remember brokering playground deals in primary school, selling baseball cards, candy, or firecrackers! You could say I've always had the entrepreneurial itch.

After my parents got divorced, we downsized into a much smaller house and finances became tight. I decided then in my early teens that this was no way to live and I would become a millionaire by the age of 30. Of course I had no clue how I was going to do it, but the mind and money have a very special relationship. You can read about my [decision process here](#).

A few years out of University, I started an IT services company with a couple friends. We supported desktops, servers, and networks for small and medium sized businesses. We had humble beginnings, but grew it steadily over a decade to just under \$2MM revenue per year.

While we were profitable throughout and never took on any debt, it was also difficult to scale a service business. Despite making a comfortable 6-figure income, I felt like I was stuck. So in 2012, we sold the company to a national IT company and spent the next year and a half helping with the transition.

With the arrival of my daughter in mid-2013, I decided to make my exit into "early retirement". I negotiated a generous severance package from the acquiring company and headed home to be with my family. It's been an incredible blessing from God that I'll never take for granted.

It was really quite strange being at home at first - no more going into the office, dealing with business problems, or HR issues! I loved it. But at the same time, there was still something missing. So, I decided to take on a new challenge by building my next business completely online.

To that end, I started a personal finance site, www.financiallyalert.com, to share, inspire, and learn with a community of like-minded friends. I love to explore the relationship between money and mind with the hopes of helping others to find financial freedom and independence sooner than later.

Remember, it's never too late to become financially alert!

What is your favorite Quote or Mantra that you live by?

It's all a matter of perception! Mastering our minds and how we perceive things makes all the difference in how we make decisions. Decisions fuel our drive and actionable choices we make in life. So, I believe strongly that financial freedom is a choice. Once you come to this [realization](#), building wealth is just mechanics from there on in.

Where in the world are you from?

I am from a Los Angeles suburb called, Covina, which used to be covered in orange trees in the early 1900's. After high school, I moved to sunny San Diego to attend the University of California, San Diego (UCSD). The weather is pretty much perfect here year round and the traffic much better than LA and this is where my family calls home now.

I love being able to go fishing in the SD Bay and local reservoirs anytime. We have gorgeous beaches and the best tasting fish tacos this side of the border (did I mention I'm a [food blogger](#) also?)!

What is the worst financial decision you have ever made?

This one is pretty easy. My first rental property was a complete BUST! Read more about my real estate investing failure [here](#).

What is the best financial decision you have ever made?

My best financial decision was starting a business when I was 25. My partners and I each put up \$2000 to launch the company and the average annual return year over year for 10 years straight was a fat 69% (based on return of equity when we sold).

Are you a morning or a night person? What time do you wake up and go to sleep?

I'm definitely a night owl... always have been. However, there are some very successful people that swear by being a morning person. Maybe I'll try it someday.

For now, I go to sleep around 3:30am, wake up around 8am, and take a 1-2 hr nap during the afternoon (coincides with my kids' naps). A bit abnormal, I know!

What is your definition of Financial Freedom? And what is your FREEDOM number?

My definition of Financial Freedom is having enough money to do whatever you like on a daily basis. This doesn't necessarily mean you are financially independent (can live off your asset basis indefinitely), but you do have enough to be free of financial worry... maybe you work part time, or have a side business consulting, etc., whatever it is it's on your own terms.

My financial freedom number is \$1M and my financial independence number is \$10M. I've got quite a ways to go to hit my financial independence number, but I'm pretty confident I'll figure it out.

What is your favorite Asset Class to invest in (i.e Real Estate, Stocks, Bonds, Peer to Peer lending, etc)? Why? And what platforms do you use (i.e [TD Ameritrade](#) for stocks, [Realty Shares](#) for Real Estate, [Prosper](#) for Peer to Peer lending, etc.).

My favorite asset class is real estate. It takes a little more leg work, but if you purchase the right properties at the right time, you can have an indefinite return on investment. Invest for cash flow and allow appreciation to make you rich over time. And, yes, this is much easier said than done! (For each investment home I've actually purchased, I've probably looked at 1000 more)

I also use Realty Shares to invest in flips and debt deals. It's been great for me now that I have less free time to search for physical properties.

Although I have a large chunk of my assets in real estate, it's important to have a balanced Net Worth Allocation. To calculate your own, you can download my [tool for free](#). I'm also a big fan of P2P lending (I use Lending Club at the moment).

What is your favorite online financial resource, paid or free (i.e. [Mint](#), [Personal Capital](#), blogs, podcasts, [Tasty Trade](#), etc.)?

Personal Capital gives a great snapshot of your overall cash flow and net worth. I also use Merrill Lynch's wealth management tool. My favorite personal finance blogs are [Financial Samurai](#) and [Retire by 40](#). Oh, and let's not forget Gen Y Finance Guy - love [the \\$10M goal](#) and [progress tracking](#)...awesome!

My favorite podcasts are: Eventual Millionaire, Michael Hyatt, and Smart Passive

Income.

When it comes to building wealth, do you spend more time figuring out how to cut expenses or increase income? Why?

I try to spend more time on increasing income because cutting expenses is a finite task. [Increasing income though has unlimited potential](#). Having said that, it always make sense to manage your cash flow efficiently as a good habit that rich people keep.

How many hours a week do you watch TV? What's your favorite show?

I used to watch a lot more TV, but at some point I realized I was killing my productivity time. I still do indulge in specific shows like Game of Thrones, Suits, and Shark Tank. I'm guessing I still watch 8 hours per week on average.

If you had to recommend 1 book, what would it be? And why?

My favorite book is probably [Unlimited Power](#) by Anthony Robbins. He taught me that I have choices in life and can control my own destiny. Once you figure that out, it's impossible to fail because you'll always be falling forward. And this doesn't just apply to money.

What is the best piece of advice you have ever received or what advice would you give to the readers?

The best piece of advice I've ever been given is to *become a life-long learner* which I learned primarily from my Mom. For me this means reading constantly, listening to audiobooks/programs, attending workshops, etc. Tony Robbins says, "If we're not growing, we're dying. There's no in between!" This applies to money, relationships, health, and all other aspects of our lives.

My best piece of advice I can give is to *live a life of gratitude*. Remember, you've already won the lottery right when you were [born](#)! So, never take your life for granted, or settle for good enough. I believe we all have enormous untapped potential that is available for us. Not living life to our fullest potential is cheating yourself and your Creator. It's up to you to uncover your talents, be courageous enough to share them with others, and play to win.

What does living life by design look like to you? A typical day, week,

month, year, or whatever?

For me living a life by design starts with a balance of all things good. This means ample time spent with my wife, children, family, and friends. Next it means spending sometime pursuing my passion to learn and give back to others.

I would also take time to travel to interesting international destinations in order to experience new cultures and cuisines. Finally, I would attend conferences on personal development, investing, and business throughout the year.

What is holding you back from living life by design?

I don't think much, but there are always goals in motion. At some point I would love to teach or speak in a more formal setting. I believe the journey is half the fun and what you become in the process while attaining a goal is invaluable.

Where can we find you online? If you're a blogger, this is the perfect plug to talk about your blog and why it's great

You can find my blog at [Financially Alert](#). I discuss the relationship of money and mind, and all things in between. I explore questions like:

Why do you do what you do with your money? How can you make lasting change to your money habits? How do you consciously move towards financial freedom?

We'll explore developing a mindset for wealth and analyze strategies and tactics for to achieve extraordinary financial results. I will also share my own successes, and failures.

Finally, using my free assessment tool, you can determine where you fall into the [6 Stages of Financial Consciousness](#). Once you know where you're at, you can figure out where to head to.

Remember, it's never too late to become financially alert!!



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](#)