

November 2016 - Detailed Financial Report #23 - Net Worth \$486,544 [+53.1% for 2016 YTD]

GYFG here checking in for the November monthly financial report. If you have been reading these reports for a while you will notice that I introduce each month with the same intro month after month. I do this for two reasons; a) for the newbies to the site (which make up about 50% of the sites traffic); and b) to remind everyone what these reports are all about. By all means if you have read the intro at least once, then please feel free to skip down to the [“Summary of November 2016”](#) section where the new content begins (click the orange link to be taken there automatically).

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:

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.

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:

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

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, Savings Rate, and progress on the [mortgage pay down goal](#).

Shall we begin?

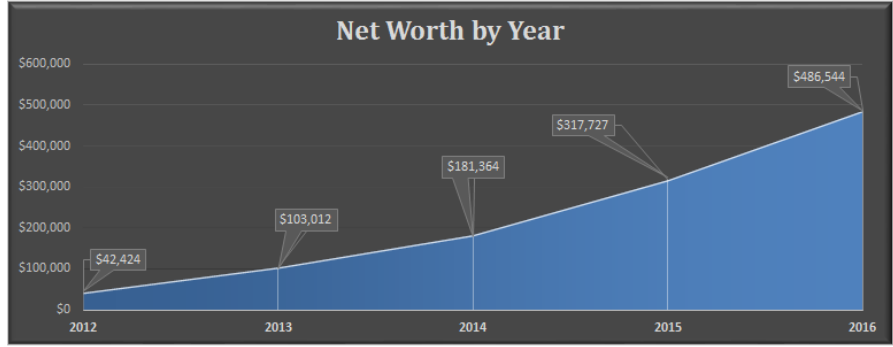
Summary of November 2016

GEN Y FINANCE GUY
FINANCIAL STATS

Year	Actual Net Worth	YoY % Change
2012	\$ 42,424	
2013	\$ 103,012	143%
2014	\$ 181,364	76%
2015	\$ 317,727	75%
2016	\$ 486,544	53%
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		

TOTAL ASSETS	\$	945,497
TOTAL LIABILITIES	\$	(458,954)
NET WORTH	\$	486,544

NET WORTH TRENDS



Goal: \$10,000,000 by January 31, 2035

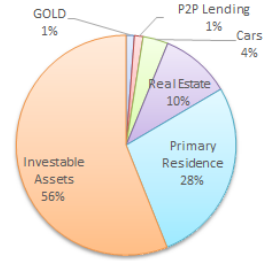
4.9% Of Net Worth Goal

Everyone has a number and ours is \$10,000,000

Net Worth Current Year [By Month]

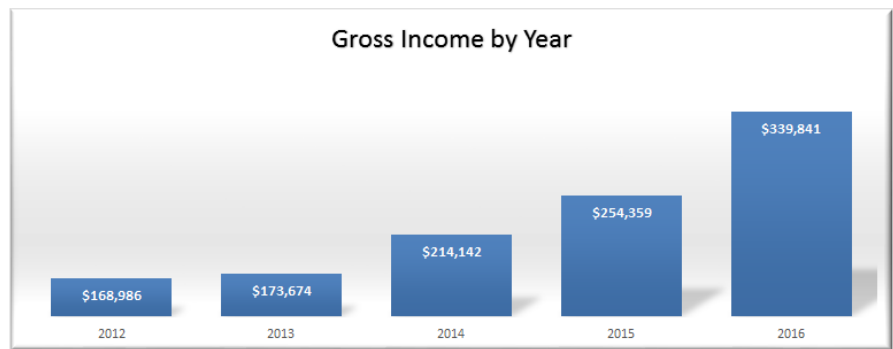


Net Worth Split



GROSS INCOME TRENDS

Year	Gross Income	YoY % Change
2012	\$ 168,986	
2013	\$ 173,674	3%
2014	\$ 214,142	23%
2015	\$ 254,359	19%
2016	\$ 339,841	34%
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		



REAL ESTATE EQUITY AND MORTGAGE PAYOFF (PRIMARY RESIDENCE)

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

15.1% Paid Off

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.

Condo Equity
31,645
15.4%

Home Equity
133,463
30.7%

Total Equity
165,108
25.8%

Wonder how I pull all this information together every month?

Note: You may be wondering why I don't use a bunch of screenshots from personal capital in these reports, and that is a fantastic question. As many of the other bloggers out there who use personal capital, post nothing but the graphics from within the application. I personally only use it as an aggregation that feeds into my own database that creates all the graphics you see in this post. The tool is fantastic, but I personally think the graphics are a bit limited, and prefer my visualizations.

We use [Personal Capital](#) to aggregate and consolidate our transactions from across all of our financial accounts (checking, savings, retirement, credit cards, mortgages, HSA, and other investment accounts). At the end of the month I then drop that information into my financial stats spreadsheet in order to produce this (beautiful) monthly report.

Tracking your finances is, in my opinion, *the best* way to stay on top of your finances. **You can't optimize what you don't measure.** You can't make informed decisions if you don't know what you have coming in vs. going out. Without a holistic view of how much you spend every month, there's no way to set savings, debt repayment, or investment goals. It's a financial freedom must!

If you don't have a **FREE** account with Personal Capital, **stop reading** and [go sign up for your account right now!](#) (Seriously, this financial update will be here when you're done. There's no time like the present to take action. You will thank me later!)

Month Over Month Financial Summary

Gross Income	JOB	Other	Rental Income	Total
November-2016	\$ 22,344	\$ 387	\$ 1,350	\$ 24,081
Previous Month	\$ 23,804	\$ 2,224	\$ 1,350	\$ 27,378
Change vs. Last Month	↓ (1,460)	↓ (1,837)	⇒ -	↓ (3,297)
% Change	↓ -6.1%	↓ -82.6%	⇒ 0.0%	↓ -12.0%

Assets	Pre-Tax Investments	Liquid Cash	Real Estate	CARS	P2P	GOLD	Total
November-2016	\$ 155,738	\$ 119,220	\$ 640,459	\$ 18,000	\$ 6,207	\$ 5,874	\$ 945,497
Previous Month	\$ 153,527	\$ 119,190	\$ 640,459	\$ 18,000	\$ 6,327	\$ 6,459	\$ 943,961
Change vs. Last Month	↑ 2,211	↑ 30	⇒ -	⇒ -	↓ (120)	↓ (585)	↑ 1,536
% Change	↑ 1.4%	↑ 0.0%	⇒ 0.0%	⇒ 0.0%	↓ -1.9%	↓ -9.1%	↑ 0.2%

Liabilities	Condo Mortgage	House Mortgage	Credit Float	Total
November-2016	\$ (154,789)	\$ (301,537)	\$ (2,628)	\$ (458,954)
Previous Month	\$ (155,289)	\$ (302,137)	\$ (6,586)	\$ (464,011)
Change vs. Last Month	↓ (500)	↓ (600)	↓ (3,957)	↓ (5,057)
% Change	↑ 0.3%	↑ 0.2%	↑ 60.1%	↑ 1.1%

Net Worth	Assets - Liabilities
November-2016	\$ 486,544
Previous Month	\$ 479,950
Change vs. Last Month	↑ 6,593
% Change	↑ 1.4%

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

	15.1% Paid Off
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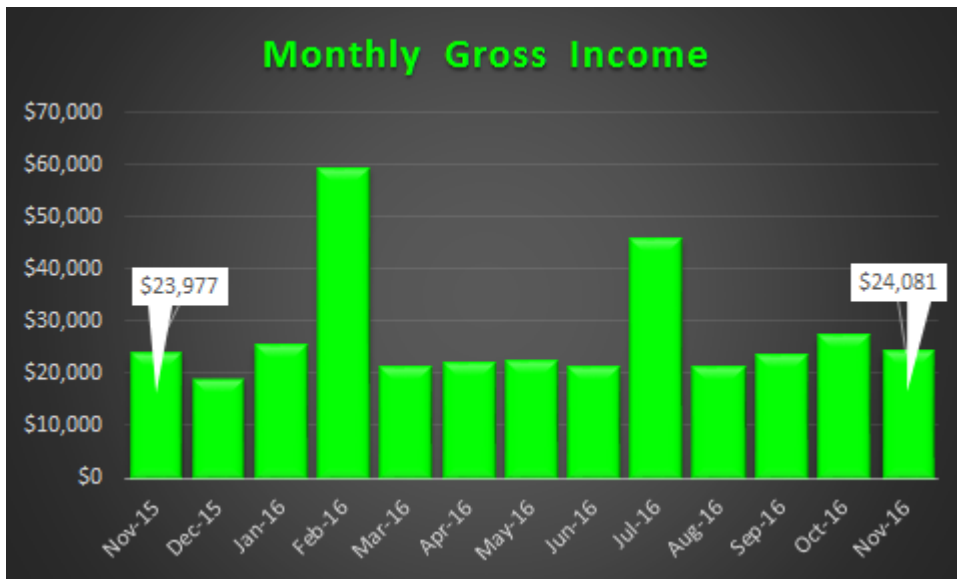
We set a goal to pay off the mortgage on our house before we were 35 years old. The original mortgage was for \$355,000 and we started the goal on January 1st, 2015.

Note: We are currently carrying the most amount of cash we ever have, and will continue to build the cash stash through January of 2017. However, we will be cutting a \$105,000 check for a new investment (more to come in a future post on 12-15-16). I project our cash balance to be around \$165,000 by the time we have to cut this check.

What went down in November?

The theme of 2016 continues with Mrs. GYFG smashing it on the income side of the equation. It was pretty quiet on all other fronts, but in December I will have a decent jump in income with an additional pay period in December, and then January will be a big bonus month (it could fall into February depending on timing).

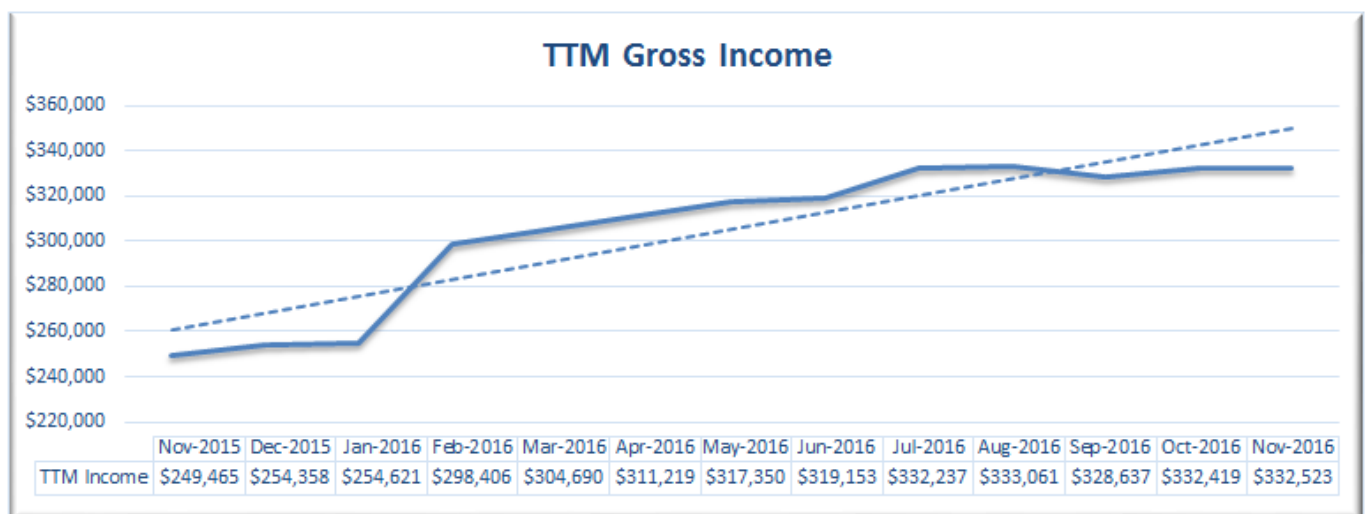
Here is a look at the trend for the last 13 months:



I updated the [2016 forecast](#), and it's now forecasting gross income of \$339,841 for 2016. If you've read my [blueprint for how I plan to reach \\$10M](#), you will notice that **we have jumped about 7 years ahead of schedule on the income front.**

I didn't have us at this earning level until 2023 in the [original blueprint](#).

For those of you not familiar with the TTM acronym, it is short for 'Trailing Twelve Months'. We should stay in the high \$300K range through the end of the year. I don't expect to set a new high until January of 2017, where I am forecasting TTM income of approximately \$380,000. The all-time high so far is \$333,061 in August 2016.



The Juicy Details

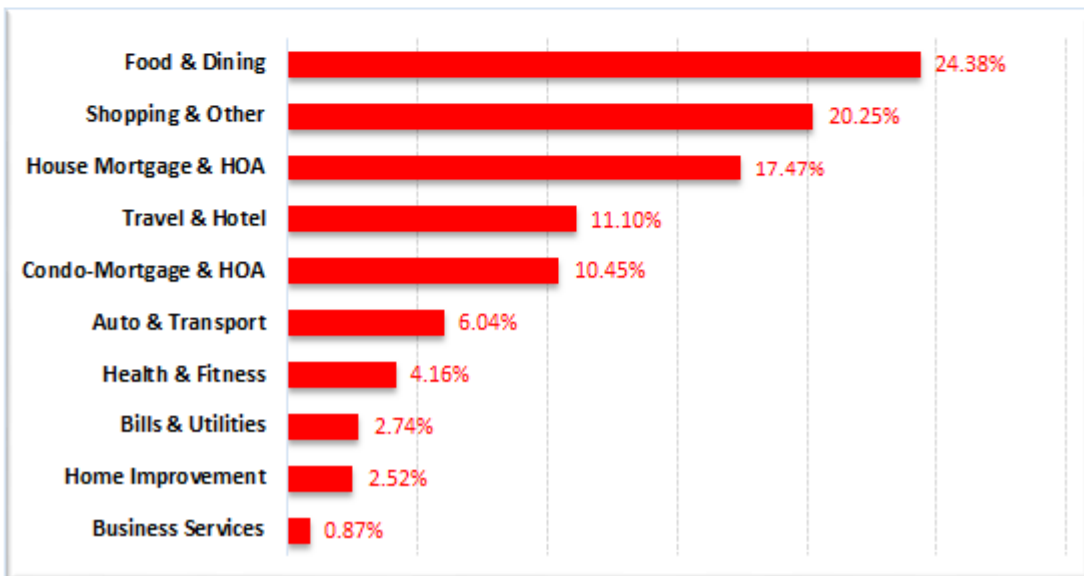
November Income = \$24,081

- Previous Month: \$27,378
- Difference: -\$3,297

Now where did all that money go?

I have come to the realization that there are always going to be unplanned expenses. [Our goal is to save 50% of our income](#) and live off and enjoy the difference guilt free. With that type of rule governing our financial life, it is a free pass to inflate our lifestyle, but only proportional to our income. You can see prior financial reports [here](#). We do however try to line up expenses with expected income as much as possible.

Monthly Expenses	November	October	MoM Var. Fav/(Unfav)	
	2016	2016	\$\$\$	%%%
House Mortgage & HOA	\$1,981	\$1,897	(\$84)	-4.4%
Home Improvement	\$286	\$0	(\$286)	0.0%
Condo-Mortgage & HOA	\$1,185	\$1,185	\$0	0.0%
Food & Dining	\$2,763	\$3,298	\$534	16.2%
Shopping & Other	\$2,296	\$2,985	\$689	23.1%
Travel & Hotel	\$1,259	\$621	(\$637)	-102.6%
Deposit Reimbursement	\$0	\$0	\$0	0.0%
Auto & Transport	\$685	\$742	\$57	7.7%
Medical & Dental	\$0	\$0	\$0	0.0%
Bills & Utilities	\$311	\$566	\$255	45.1%
Health & Fitness	\$472	\$251	(\$221)	-88.1%
Business Services	\$99	\$178	\$79	44.4%
Personal Development	\$0	\$0	\$0	0.0%
Time Share	\$0	\$0	\$0	0.0%
Expense Total	\$11,336	\$11,723	\$387	3.3%
Deduct Amortizations	(\$1,100)	(\$1,097)	\$3	-0.3%
Real Expense Total	\$10,236	\$10,626	\$390	3.7%



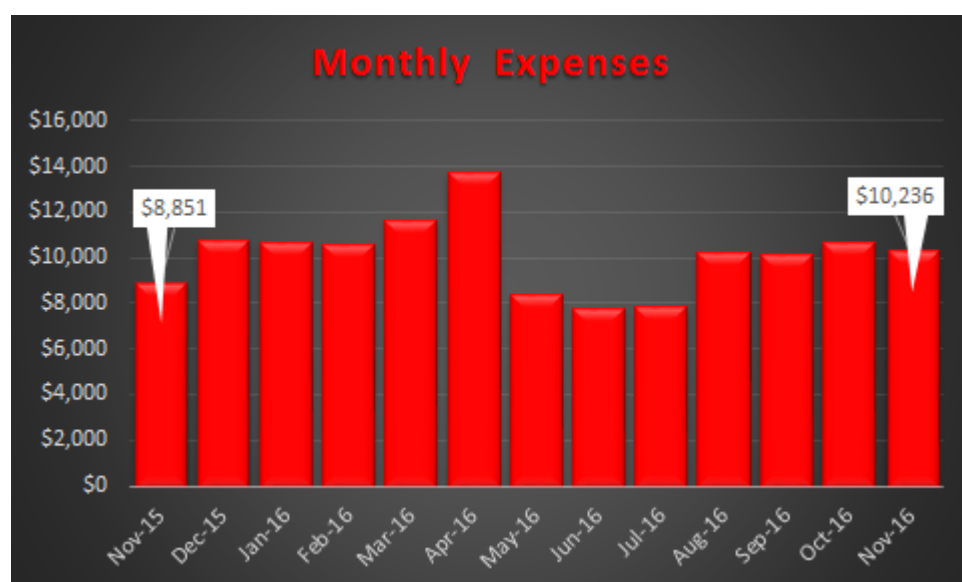
Our spending in November is a bit inflated as I have \$3,200 worth of business expenses that I won't get reimbursed for until December, so December will be much lower, and will probably be our lowest spending month of the year.

Based on our forecast through the end of the year **we are projected to spend 2%**

more in 2016 than we did in 2015 (not a whole lot of lifestyle inflation), which I would say is essentially flat. It's especially not bad when you look at the increase in the context of income, which is up 33.2% YoY.

Here is the trend for the last 13 months:

Note: I have now changed the chart to reflect the add-back of loan amortizations to reflect what I call "real spending" above. This is done because amortizations are really just a balance sheet transfer from cash to pay down liabilities, it has no impact to net worth.



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:

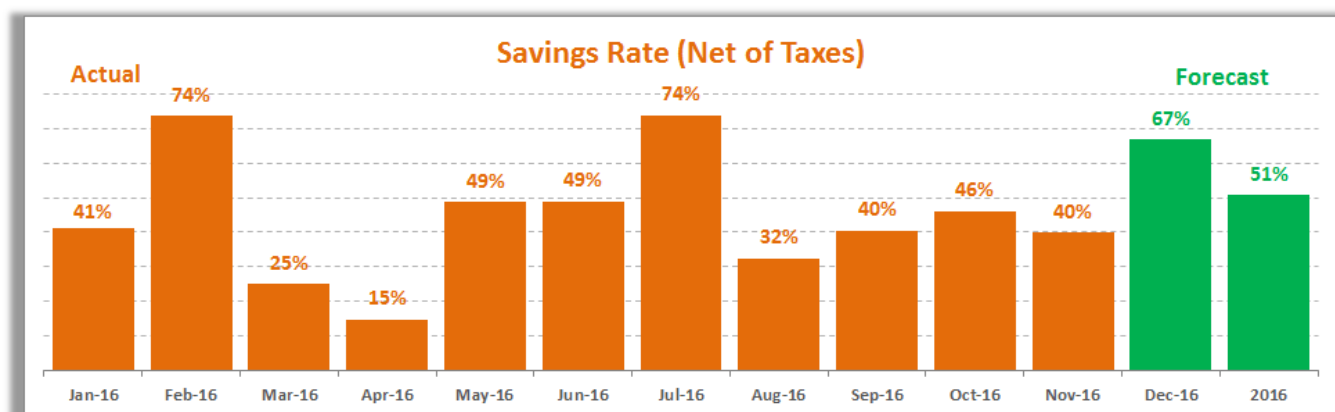
1. Our mortgage payment is automatically set up to pay \$1,600 in additional principal. **This will be put on hold until 2017**
2. My 401K contribution is automatically deducted at a rate that will ensure I max out by year end (\$18,000)

3. My HSA contribution is automatically deducted at a rate that will ensure I max out by year end (\$6,750)

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.

Savings Rate

Below is how we're tracking to our goal of [saving 50% of our after tax income](#).



You can see that although [our goal for the year is 50%](#), we bounce all over the place on a monthly basis.

So far in 2016 we are still on target to hit our goal of 50% (**1 months to go and we are trending to hit a 51% savings rate**).

Speaking of savings rate, have you checked out [my post](#) where I mathematically prove the importance of your savings rate as a higher priority than the compound return? If you're trying to build wealth quickly, then you have to read this post.

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 (at the end of November we are officially 4.9% there). Don't freak out, this

is only about \$5.5M in today's dollars when you take into account a 3% inflation rate.

Can't believe we are almost half-way to a 7-figure net worth. It's growing at a very respectable rate (just take a look in the side bar for growth at a glance). If you want to see how I plan to get there you can read all about it [here](#).

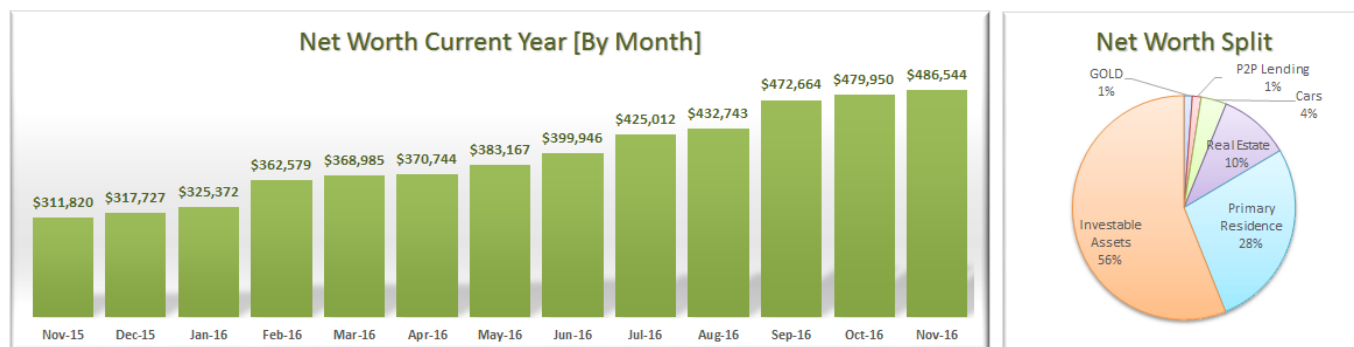
November Net Worth **\$486,544** (this puts us up **\$168,817** or **51.1%** vs. **2015**)

- Previous month: **\$479,950**
- Difference: **+\$6,593**

Since publishing the first financial report we have been able to post **23 consecutive months of positive gains to Net Worth**. Let's see how long we can continue this trend. The larger the number becomes (and the more invested we become), the more difficult it will be to continue this trend.

Net Worth is up 1,047% since 2012 (10X in less than 4 years)!

Net Worth Component Break Down:



In January you will see a new category added to the net worth allocation to reflect our new \$105K investment.

We are currently on track to increase net worth by \$181K in 2016 vs. [our original goal](#) of \$112K.

Something I have been thinking about and worth pointing out is that **our net worth was actually negative to the tune of almost -\$300K back in early 2009**, so we have come a long way in a short period of time. Until now I had only reported

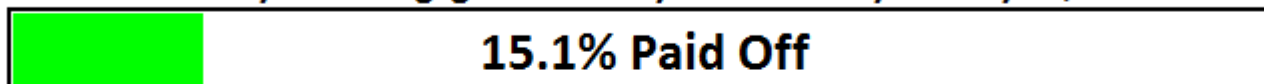
our ending net worth from 2012. I am thinking up a post that would give the full story of how we started so negative right out of college and how we have improved it so dramatically in such a short period of time (it's on the list). I mention the first drag in this post about our [investment condo](#).

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 early days of your journey). 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. Actually, check out the post I recently wrote: [Savings Rate - The Most Important Variable to Wealth Building \[and the math to prove it\]](#)

Progress On Our Mortgage Payoff Goal

You can read about our [strategy to pay off our mortgage in 7 years](#) (and 3 months). 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. We have since refinanced again into a 3/1 ARM at 2.25%, which has freed up an additional \$400/month.

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. The goal completion percentage is up 0.2% vs. October.

This goal will move a bit slower over the next few months as we work to reduce the concentration of our net worth in this area.

Mortgage Rates Hit	30-Year Fixed	3.75%	3.75% APR	➤	Calculate Payment
2.89% APR	15 Year Fixed	2.75%	2.80% APR	➤	
5/1 ARM	5/1 ARM	2.75%	2.89% APR	➤	

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The End

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:

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

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 15-20 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.

One last thing before we go. If you are new or even if you're not new and you have been wanting a more guided tour of the blog, I finally launched a "[Start Here](#)" page. I highly recommend you check it out.

Cheers!

- Gen Y Finance Guy

Oh, you're still reading.

Do you want to help keep our lights on? You're under no obligation, but if you were already thinking about it or were a little bit curious, why not help us out?

Here are a few ways you can help us out:

1. **Personal Capital** - You know how big I am on tracking my finances, that's why I totally recommend Personal Capital's FREE software that helps you see all your financial accounts in one secure and convenient place (checking, savings, investments, and retirement accounts). Without a tool like Personal Capital, these reports would take 2-3 times as long to complete. You want to track your income? Your expenses? How about your Net Worth (who doesn't like watching that bad boy climb). Just sign up and link your accounts today. **Absolutely FREE to you!**
2. **Prosper or Lending Club** - Lending to consumers is a great industry that's produced profits year after year for a handful of banks. Now with Prosper, you as the investor get unprecedented access to this market. My personal P2P portfolio is earning over 5%. **Open a FREE investment account today!**
3. **TD Ameritrade** - They are hands down the best broker for the retail investor. TD Ameritrade provides a number of investing platforms that are more robust than any other platform I have ever used. My particular favorite is the "Think or Swim" platform. **Oh, and did I mention that they have over 100 ETFs that you can trade commission FREE?**
4. **Blue Host** - Have we inspired you to create your own blog? Well let me save you some money. This is the hosting company that I use for this blog. It is stupid cheap and the customer service is amazing. The normal price is \$5.99/month, but if you use this link you will get a 34% discount (only \$3.99/month). It took me less than 5 minutes to buy my domain, install wordpress, and get the first version of this site up and running.

OR you can check out our [Recommended Products and Resources page](#).



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](#)