

# Wealth Building Made Simple: Make Sure You Get A Little Richer Every day

*Note: Just to clear up any confusion, although I say “get a little richer every day,” I don’t mean this in the literal sense. The idea is to get a little richer every day on average. Personally I calculate this by taking my total savings for the year dividing by 365 days.*

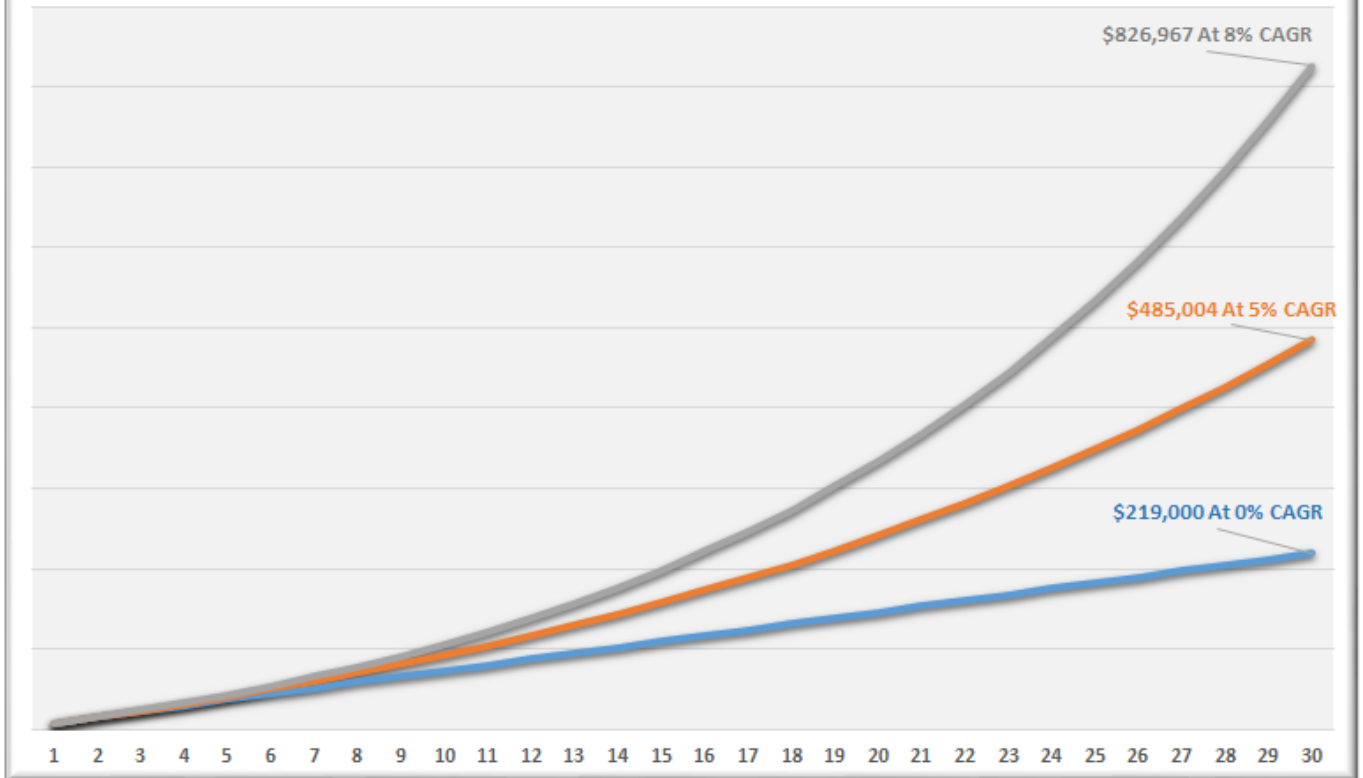
I have known since I was a little kid that **I wanted to be rich**. It wasn’t until I got to college that **I knew I was going to be rich**. As you can imagine, I started reading all the books, filled with all sorts of strategies to accumulate wealth. It was very stimulating to fill my head with all these clever ideas on building wealth. Every day was filled with a new fantasy on how I would build my fortune.

But deep down, I knew these complicated strategies were not the only way to wealth, it could be simplified. That is when it hit me, the simplest strategy would be to **make sure you get a little richer every day**. I have to admit that this was not an original idea, I had read it from a newsletter, but it immediately resonated with me. I have adopted that simple philosophy/discipline ever since (this was back in 2011 sometime).

If you have followed along with my [detailed financial reports](#), you will begin to see that this simple discipline is at the cornerstone of my streak of 24 consecutive months of positive gains to net worth (as of December 2016). Of course you can’t control what the market brings in terms of investment returns (or declines for that matter), but you can control your savings rate and your income growth. With a high enough savings rate and a relentless effort to increase your income, I believe it is possible to increase your wealth every year (if not every month) regardless of market declines. And so far I have proven this to be true with my own finances.

Think about how simple this discipline is for a moment. Let’s say your goal is to be richer by \$20 each day, that is only \$600 a month (or about \$7,300/year). If you compound that at 5% over 30 years, you will have \$485,000. And at 8% that would be worth \$827,000 over 30 years.

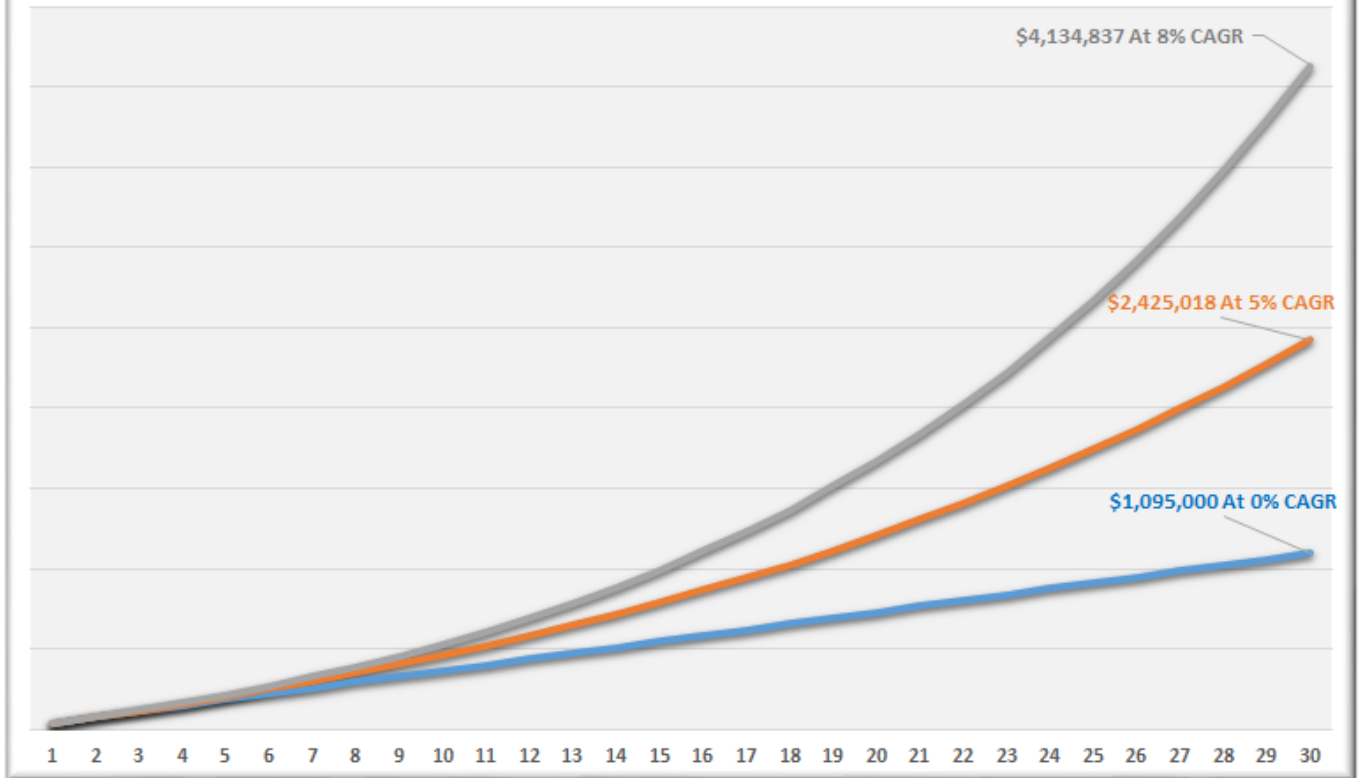
### \$20 Per Day Over 30 Years



**Note: CAGR is short for Compound Annual Growth Rate.**

Or, what if you were able to save \$100/day, over 30 years that would be \$2,425,000 at 5% or \$4,135,000 at 8%. These were the types of mental calculations I would do (okay, spreadsheet calculations), and they motivated me to increase my daily savings as much as possible.

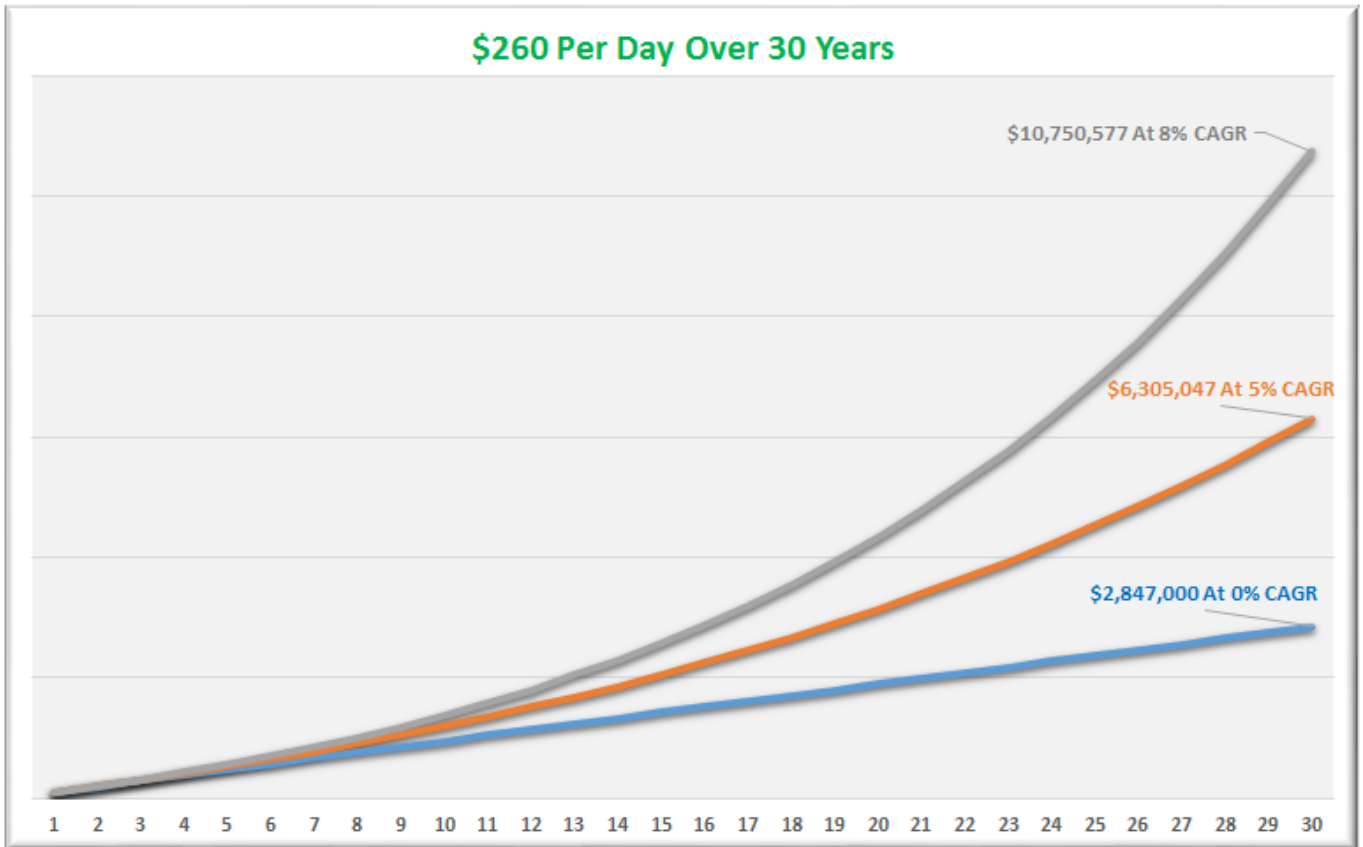
## \$100 Per Day Over 30 Years



## Let's Play With Some Real Numbers

In 2015, my wife and I were able to save \$94,774 before any sort of investment gains. That is an average daily savings of approximately \$260. Over 30 years that would be \$6,305,000 at 5% or \$10,750,000 at 8%.

## \$260 Per Day Over 30 Years

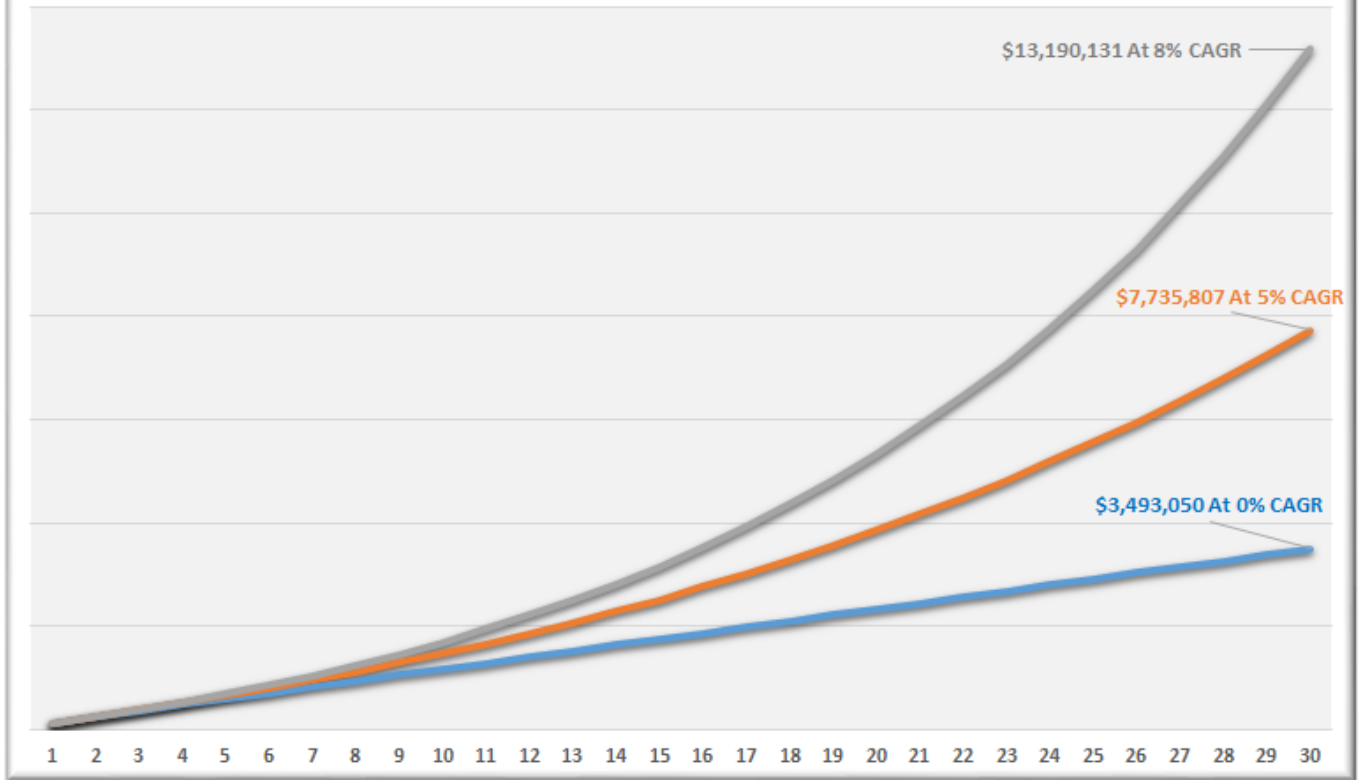


You may be wondering why I use both a 5% and 8% compounded growth rate. That is because I am rather risk averse and because of that I accept that I may earn lower returns over time. However, I have a plan to continue to compensate for the lower ROI by continually increasing my income so that my average daily savings goes up. In my [blueprint to \\$10M](#) I projected [our top income at \\$600,000 per year](#), which converts to an average daily savings rate of approximately \$800 per day (assumes achieving a 50% of gross income savings rate).

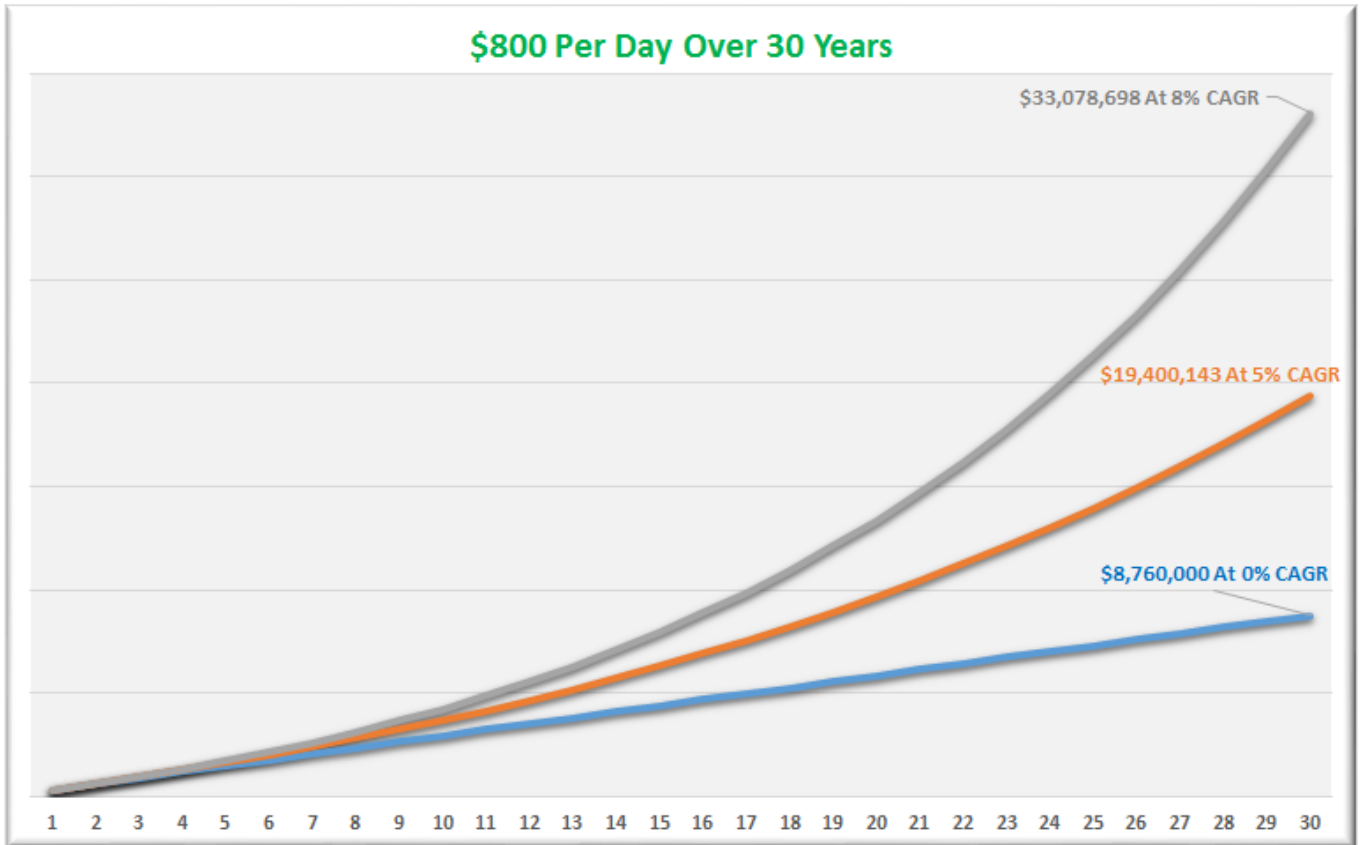
Our income has been growing at a much faster clip than we had originally planned. We are currently 6 years ahead of schedule and instead of taking 20 years to reach \$600K, it is looking like that could happen within the next couple of years.

So far in 2016 we are on track to save \$116,550, which increases our daily savings to \$319 from \$260 last year (a 23% YoY increase). Without any investment gains, in 30 years a daily savings rate of \$319/day amounts to \$3,493,050 in accumulated capital.

### \$319 Per Day Over 30 Years



Circling back to the \$800/day savings, that would be \$8,760,000 before any investment gains. **And at 5% over 30 years, this grows to \$19,400,000.**



With this simple, but disciplined approach, I don't see how we won't be **RICH**.

How awesome would you feel if you woke up every day richer than the day before? If you adopt this simple discipline into your own financial life, you will look at building wealth through a completely different lens. You will also realize that it doesn't require you to gamble with your money by taking ridiculous risk.

You will also become an income addict, which is what makes this whole thing work so beautifully.

*Warning: You may have to start attending meetings and following a 12-step program...or you can just embrace your addiction like I have ☐*

I personally like control, and in my opinion it is this strategy that gives you the most control over your future and your finances.

*Have you ever thought of wealth building in this way? Do you have an average daily savings goal? Are you as addicted to increasing your income as you should be?*

-Gen Y Finance Guy

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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](#)