

# From Welfare to Well-Off: My Rags to Riches Story (in the Making)

*After two and a half years of writing this blog, I'm finally ready to share my back story with my readers. Some might find it hard to believe that I grew up on welfare to drug addicted parents. To be honest, from my current vantage point, that life seems like just a dream. The following was originally [published as a guest post over at Financial Samurai](#) about two years ago. After reading some posts between [Rich and his cousin Penny](#), I was reminded of my own past and inspired to share my story.*

They say the best time to plant a tree is 20 years ago. You know when the second best time is? TODAY!

As you are about to discover, it doesn't matter where you start in life. What matters is how you play the hand you were dealt. You can stand around and complain how the world is unfair - which it is - but get over it. Complaining and dwelling on your dire circumstances does nothing to improve your life and just wastes your time. The thing to remember is that **successful people do what unsuccessful people are unwilling to do.**

**We live in unprecedented times with more opportunity for success than any other time in history.** To get your bite of it, you only have to decide if you're willing to put in the work. Read on: if I can start where I did, and end up in a C-suite by age 30, you can set your own eyes on your own prize and achieve it. Will you do the work?

You could say I'm one of those rags to riches stories (still in the making, as my goals far exceed my current situation). I entered this world like most, naked and screaming. However, for me, my lack of clothes mirrored my advantages: I entered the world with absolutely none. Some might say I was dealt a crap hand. I grew up in a low-income area, where my family and most other families were on welfare or other forms of government support. My three brothers and I slept on the floor of my grandmother's two bedroom apartment. My grandmother and mom shared one of the bedrooms, and my uncle took the other one.

We were so poor that my grandmother used the oven to heat the apartment (cracking the oven door while it was on with nothing in it). That couldn't have been safe. To this day I don't really know if it was actually cheaper to heat the apartment using the oven vs. the actual heating unit...but my grandmother was determined it was, so that's what she did.

## **MY PARENTS WERE NOT ROLE MODELS**

My mom never held down a job longer than a few months. She was and still is both an alcoholic and drug addict. Pretty hard to hold down a job with those qualifications. I still remember days where she would pile my brothers and me into a car and go buy drugs with our food stamps. Luckily, our grandmother always made sure we had something to eat, even if it was just a bologna sandwich.

My dad was a real winner himself. He was and still is a drug addict. An erstwhile entrepreneur as well, specializing in the manufacture of methamphetamine. I can actually recall memories of being in a trailer out in the middle of nowhere, while my dad was extracting the pseudoephedrine from cold medicine to use in his meth cook. Sometimes he came home from a cook gone wrong with his hands wrapped in gauze.

I'd guess that the batch had exploded (later in life he confirmed this in the stories he told). After watching the series [Breaking Bad](#)<sup>x</sup>, I can confirm that it wasn't too far from the truth. But as the son of the addict-cooker...it was a lot worse to live than to watch on television. My father has been incarcerated more times than I can count and has spent at least ten years of his life behind bars.

These were the kinds of "role models" I had growing up: my parents and their friends, who were just like them. Although my current definition of "friend" does not parallel these individuals. I don't think many of them finished even high school. To find people I could admire, I had to reach out to people outside my circle of influence and live vicariously through them. From an early age, I knew I wanted nothing to do with the type of lifestyle I grew up in.

**I realized early on that education was important and would be my ticket out of poverty.** I saw a recurring theme from successful people I met during my childhood: they were all educated. College for most (or at the very least, a high school diploma).

## THE REALIZATION TO GET IT TOGETHER

My true “aha” moment didn’t really come until I had a mentor who entered my life sometime in the sixth grade. At the time I had a 1.33 GPA. My school performance didn’t really get much attention at home, good or bad. However, this new mentor took an interest in me, and held me academically accountable. He made me bring him weekly progress reports. Pretty soon I was getting all As and my first of many 4.0 report cards.

This mentor took me under his wing and spent a lot of time with me. He was an entrepreneur who owned several pizza places where I spent a lot of time studying, doing homework, and learning about business. By the time I got into high school I knew I would study business in college.

Let’s face it: **statistically, I should be in prison based on my background.** Instead, I went to college, graduated with honors, and got a high paying job in finance right out of school. I can’t remember exactly when I made the goal to become financially successful and eventually reach financial independence, but it’s been an obsession from an early age.

Now I earn more money in a month than my mother has ever made in a year (maybe two years combined). My father may have had some good months when he was selling drugs, but in the end, he is almost 60 years old and has nothing.

Over the years I tried to help both parents get their lives together and have even [helped out financially](#). However, I eventually learned that I was only enabling their lifestyle since they weren’t willing to change. They just saw me as the bank, and I will warn you that this is the risk you run when doing well for yourself. It’s sad that the only time I hear from most of my family is when they need something from me (which is usually money).

Don’t take this the wrong way. I’m not opposed to helping people out. I have spent tens of thousands of dollars over the years (quickly approaching six figures) to help family and friends ([I recently shared how I helped my brother](#)). But now, I have drawn a line in the sand: my primary goal is to use the money I make to make sure my wife and our future family will never have to worry about money. I still donate a lot every year, as does my wife, who belongs to [Impact club](#). We have learned to steward this resource, and enjoy offering a strategic hand up when we donate, not a enabling hand out.

Over the years, many people have asked how I turned out the way I did, in light of such a shitty beginning. I always reply by referencing a famous study I remember hearing about in my college psychology class. The study followed two brothers over a 30 year period, starting out from a very similar upbringing and family background to my own.

One brother went on to be very successful by American standards: six-figure income, college educated, owned a home, drove a nice car, and took nice vacations with his wife and kids. The other brother ended up in and out of prison. Like his parents, he was addicted to drugs and hadn't amounted to much. At the end of the study, the psychologist asked both brothers the same question, "**Why did you turn out the way you did?**"

And you know what they said?

**The two brothers answered the question exactly the same, saying "how else would I have turned out, coming from the family and upbringing I did?"**

The moral I take from my own story is that **circumstances can be used as either a crutch or a motivator**. Being born in this country is already winning the lottery, no matter what the circumstances. It is, and has always been, filled with endless opportunity for those willing to [play the long game and put in the work](#). Some might even get lucky here and there and end up with some sort of windfall.

Personally, I got a few very "lucky breaks" in mentors, and I also chose to be the victor - **not** the victim.

## **THE THREE MAIN STEPS I TOOK TO CHANGE MY STATION IN LIFE**

**1) Worked Harder Than My Peers** - If you want to be successful, you have to be willing to put in the hard work. You have to be willing to do what unsuccessful people are unwilling to do. I have been able to grow my income to [multiple six-figures](#) because I put in the extra hours when everyone else was running for the door at 5 p.m. It wasn't always in the office, either. A lot of the extra hours I put in were in learning new skill sets that would make me better and more efficient at my job (and thus more valuable).

**2) Got A College Education** - The studies continue to show that there is a direct

correlation between income and education level. **If you want to earn more, you need to learn more.** If you want to enter the workforce making \$50,000 to \$100,000 year, you need to get an education. Yes, there are successful people without college educations but they are the exception to the rule. [You don't have to go to an Ivy League school either.](#) **I went to a state school that cost about \$10,000 in total for my bachelor's degree.**

**3) Paid Myself First** - I learned early on in my career that I had to pay myself first in the form of savings for retirement and investments. I have maxed out my 401K for years now, and I now front load it and max it out by March. My wife and [I owned an investment condo](#) and are always looking for other places to put our money to work. To accomplish this, I don't drive a fancy car and we live in a house that is significantly less than we can afford. We live well below our means, and [strive to save 50% of our income.](#)

This doesn't mean my standard of living is degraded. The perfect example is the house we bought three years ago. Instead of buying in Orange County, California, where we were approved for a \$750K loan, we opted to move inland and buy a less expensive - but huge - house for \$370,000, [less than 50% of the loan we were offered](#) (today our mortgage is less than 8% of our gross income). Cheaper housing lead to increased disposable income, which increased the funds available for both investments and the things we enjoy. By not being "house poor," our standard of living actually increased.

Growing up **I promised myself that I would never be anything like my parents and that I would not take the opportunities in this country for granted.** I found people that were where I wanted to be. I studied them intently and listened to the advice that was so generously given. I've been fortunate to find many mentors to help me along the way. Don't personally know anyone to model? [Read the books of giants](#), and stand on their shoulders by implementing their strategies. Success leaves clues. I believe there is a bit of luck in every success, but **luck is found at the intersection of preparedness and opportunity.** If you never prepare yourself by doing the work and making the investment of time and effort, you will never be "lucky."

**Make your own luck based your daily, weekly, and monthly decisions.** Read [The Slight Edge](#)<sup>✖</sup>: You are not standing still. Either you're preparing yourself for success or you're preparing yourself for failure. I was on welfare as a kid, but I haven't let that hold me back. That was actually my jet propulsion fuel! I graduated college at the top of my class in

December of 2008 and got hired as a financial analyst with a starting salary of \$58,000 per year. Fast forward to 2018 and my income is projected to hit \$300,000 (individually) and \$430,000 when combined with my wife's income and other sources.

## **JOURNEY TO FINANCIAL INDEPENDENCE**

**I had nothing to lose and everything to gain.** Why wouldn't I work my ass off to take advantage of the abundance of opportunity staring me and the rest of the world in the face? My ultimate goal is to produce a monthly income of \$50,000 per month. [I also have a net worth goal of \\$10M. I track and share all of my progress here on this blog.](#)

If you're not where you want to be in life then do something about it. Take action. Or as Gandhi so famously said, "**be the change you want to see.**" Take a lesson from the late Jim Rohn. He said, "**If you want to have more, then you must become more.**" Be the most valuable person in the room, at your job, in your class. Of course it will take time and effort, but if you're willing to pay the price of success you can achieve anything. It's never too late!

Yes, the best time to start your journey to financial independence was 20 years ago.

But you know when the second best time is?

**NOW!**

- Gen Y Finance Guy



### **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](#)