

May 2017 - Detailed Financial Report #29 - Net Worth \$558,202 | Income \$23,452

GYFG here checking in for the May 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 May 2017”](#) section where the new content begins.

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?

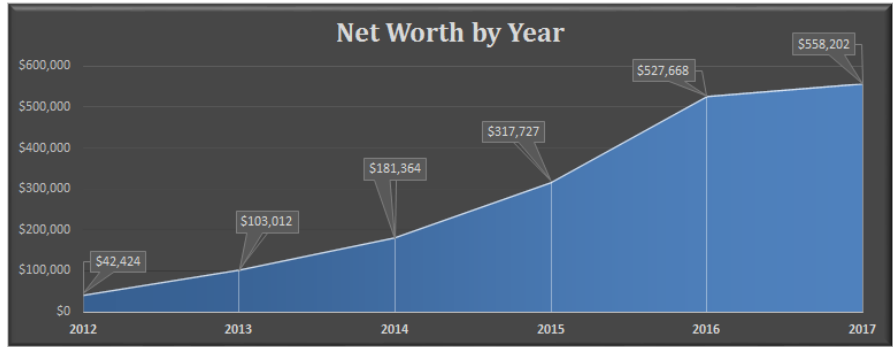
Summary of May 2017

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	\$ 527,668	66%
2017	\$ 558,202	6%
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		

TOTAL ASSETS	\$ 1,208,541
TOTAL LIABILITIES	\$ (650,339)
NET WORTH	\$ 558,202

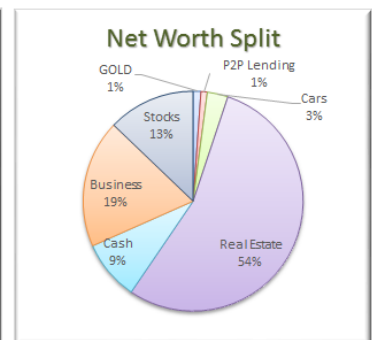
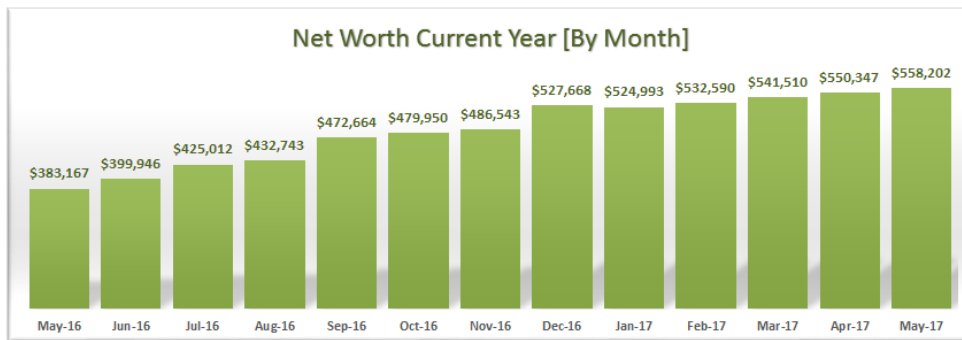
NET WORTH TRENDS



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

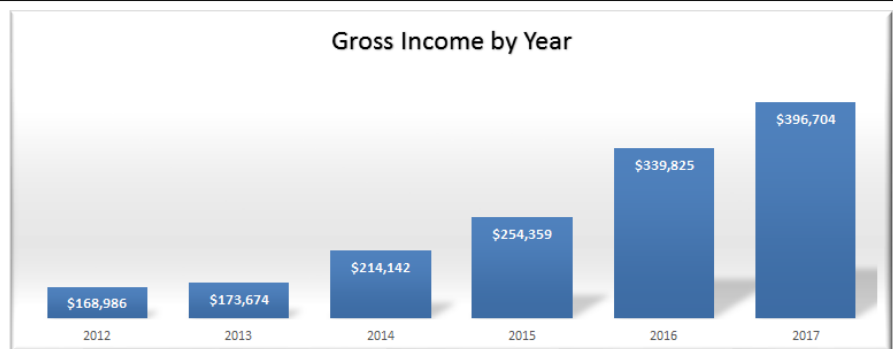
5.6% Of Net Worth Goal

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



GROSS INCOME TRENDS

Year	Gross Income	YoY % Change
2012	\$ 168,986	
2013	\$ 173,674	3%
2014	\$ 214,142	23%
2015	\$ 254,359	19%
2016	\$ 339,825	34%
2017	\$ 396,704	17%
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

16.1% 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
83,236
35.4%

Home Equity
137,086
31.5%

Total Equity
220,322
29.5%

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 export 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 having 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 already 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 your 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
May-2017	\$ 21,357	\$ 745	\$ 1,350	\$ 23,452
Previous Month	\$ 24,016	\$ 445	\$ 1,400	\$ 25,861
Change vs. Last Month	↓ (2,659)	↑ 300	↓ (50)	↓ (2,409)
% Change	↓ -11.1%	↑ 67.3%	↓ -3.6%	↓ -9.3%

Assets	Stocks	Liquid Cash	Real Estate	CARS	P2P	GOLD	Company Stock	Total
May-2017	\$ 77,362	\$ 49,236	\$ 753,402	\$ 17,000	\$ 5,180	\$ 6,362	\$ 300,000	\$ 1,208,541
Previous Month	\$ 95,133	\$ 51,994	\$ 733,107	\$ 17,000	\$ 5,529	\$ 6,348	\$ 300,000	\$ 1,209,109
Change vs. Last Month	↓ (17,771)	↓ (2,758)	↑ 20,295	⇒ -	↓ (349)	↑ 14	⇒ -	↓ (568)
% Change	↓ -18.7%	↓ -5.3%	↑ 2.8%	⇒ 0.0%	↓ -6.3%	↑ 0.2%	⇒ 0.0%	↓ 0.0%

Liabilities	Condo Mortgage	House Mortgage	Credit Float	Company Stock Loan	Total
May-2017	\$ (151,764)	\$ (297,914)	\$ (5,661)	\$ (195,000)	\$ (650,339)
Previous Month	\$ (152,272)	\$ (298,521)	\$ (12,970)	\$ (195,000)	\$ (658,763)
Change vs. Last Month	↓ (508)	↓ (607)	↓ (7,309)	⇒ -	↓ (8,424)
% Change	↑ 0.3%	↑ 0.2%	↑ 56.4%	⇒ 0.0%	↑ 1.3%

Net Worth	Assets - Liabilities
May-2017	\$ 558,202
Previous Month	\$ 550,347
Change vs. Last Month	↑ 7,855
% Change	↑ 1.4%

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

	16.1% 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.

Just three things to point out in case you missed it:

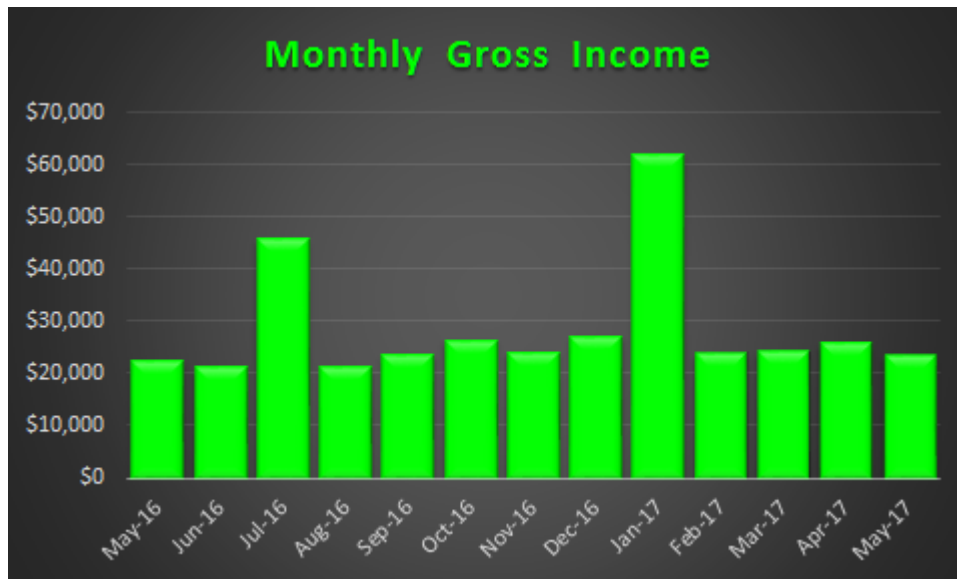
1. The Stocks asset bucket went down by \$17,771 or 18.7% due to a transfer from an old roll over IRA to my self directed IRA with [PeerStreet](#).
2. Due to one above, the large increase of \$20,295 is primarily driven from this transfer, as well as some interest payments I received.
3. Credit Float decreased by \$7,309 and should continue decreasing as statements become due (we pay them off every month).

INCOME; What went down in May?

May Income = **\$23,452**

- Previous Month: \$25,861 (this changed slightly from last month due to an error)
- Difference: **-\$2,409**

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



There really isn't much excitement on the income front. Next month will see a nice jump due to it being a 3 pay period month for me. Income should be around \$36,000 in June. Then in July I will be getting my mid-year bonus, which should put our income close to \$50K for the month.

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	May	April	MoM Var. Fav/(Unfav)	
	2017	2017	\$\$\$	%%%
House Mortgage & HOA	\$1,983	\$1,981	(\$3)	-0.1%
Home Improvement	\$94	\$49	(\$45)	-91.3%
Condo-Mortgage & HOA	\$1,185	\$2,313	\$1,128	48.8%
Food & Dining	\$2,381	\$1,686	(\$696)	-41.3%
Shopping & Other	\$2,372	\$2,116	(\$256)	-12.1%
Travel & Hotel	(\$2,442)	\$3,869	\$6,311	163.1%
Deposit Reimbursement	\$0	\$0	\$0	0.0%
Auto & Transport	\$898	\$916	\$18	1.9%
Medical & Dental	\$0	\$0	\$0	0.0%
Bills & Utilities	\$455	\$556	\$101	18.3%
Health & Fitness	\$140	\$258	\$118	45.8%
Business Services	\$43	\$210	\$168	79.8%
Personal Development	\$0	\$0	\$0	0.0%
Time Share	\$0	\$0	\$0	0.0%
Expense Total	\$7,108	\$13,953	\$6,845	49.1%
Deduct Amortizations	(\$1,114)	(\$1,112)	\$2	-0.2%
Real Expense Total	\$5,994	\$12,841	\$6,847	53.3%

We did a bit better than where I thought we would be, when I wrote the following last month:

If I get the timing right our May expenses should more than offset this unexpected spike, which based on my travel schedule for May, it shouldn't be a problem. This means our expenses for May will be a record low of around \$6,500.

Our real expense after deducting amortizations was just under \$6,000. Surprisingly, our spending is projected to remain under \$7,000/month for the remainder of summer.

Note: the big negative for travel & hotel is due to reimbursements for work related travel.

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.



We are currently projected to spend about \$15,000 more than last year, which is really good considering the unplanned \$33,000 that we spent in January. Consciously or unconsciously we have been making adjustments...I guess...

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 is on hold. Trying to work down net worth concentration to something closer to 20%.**
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

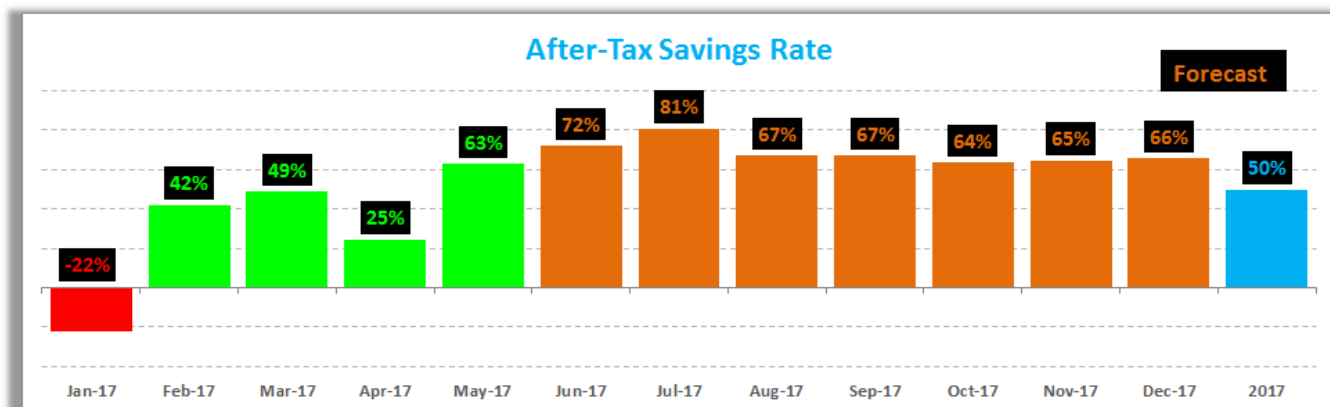
out by year end (\$6,750)

4. We are now sending \$500/month to our [Rich Uncles](#) investment account. Looking to increase the account balance to \$11,000 by year end (currently at \$5,500)
5. ~~We are now sending \$2,000/month to our [PeerStreet](#) investment account.~~ We now have \$77,000 invested here and are on hold from new monthly investments. This is generating about \$6,000 of income annually.

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 did vs. our goal of [saving 50% of our after tax income](#).



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

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

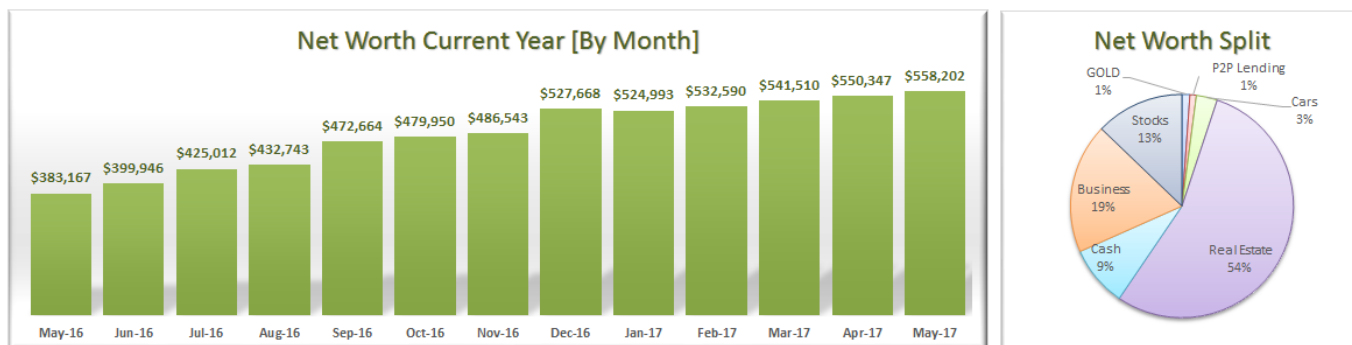
My ultimate goal is to [build up a Net Worth of \\$10M](#) returning 6% a year or \$50,000/month in gross income. Don't freak out, this is only about \$5.5M in today's dollars when you take into account a 3% inflation rate. If you want to see how I plan to get there you can read all about it [here](#).

May Net Worth \$558,202 (up +5.8% for 2017 YTD)

- Previous month: \$550,347
- Difference: +\$7,855

Net Worth is up 1,216% since 2012!

Net Worth Break Down:



A dedicated post is planned in the near future to deconstruct our net worth in a much more granular format.

I expect to see cash to grow to a larger percentage overall as we move throughout the rest of 2017. I like seeing that the value of our cars are only making up 3% of our net worth now, there was a time that [they made up way more than they should have](#), which is the reason I even include them in the net worth calculation.

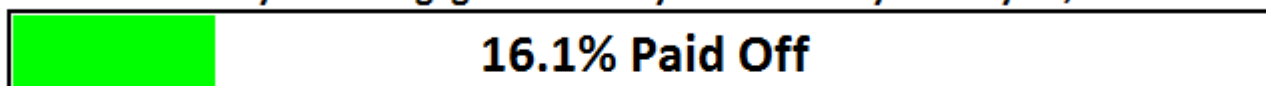
Note: I think people tend to glaze over the fact that the savings rate plays a much bigger role in increasing your net worth than the rate of return on your investments (in the early days of your journey). In the short term, savings rate has a bigger impact on net worth. The

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). After [several refinances](#) we currently have a 3/1 ARM at 2.25% and we currently owe \$299,126. It is nice to see it go under \$300K.

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.

Our primary residence is currently sitting at 24.6% of our net worth, still higher than we would like, which is why we have not made any additional mortgage payments this year. We would like to see this closer to 20% in the short term and far less in the longer term (like less than 10%). That is not to say that we don't still plan to stick to our 7-year goal to have it paid off, we just feel more comfortable stacking up the cash in our bank account.

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



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](#)