

Big Money Moves - Mid-Year Check-Up - What Has GYFG Been Up To?

Way back in [February I shared 5 big money goals](#) and I thought with only 4 months left to the year that it would be a good time to circle back and see how I'm doing against those goals. It's probably also a good time to update things that have changed vs. the plan I laid out months ago.

Before we jump into the financial goals I laid out earlier this year, I would like to share a very relevant quote with you:

No battle plan ever survives contact with the enemy.

The short of it is that not everything has gone according to plan in 2017. That said, I can't really complain because things are still moving up and to the right. Overall, the GYFG household net worth is up \$82,000 through August of 2017, but that is about \$50,000 short of where I had projected by this time of the year. This is really a function of 3 things:

1. I have stated this ad nauseam, but [I helped my brother out by putting him in rehab](#), that cost \$33,000 (not planned).
2. I was a bit aggressive on my assumptions for Mrs. GYFG's earnings.
3. I was also aggressive on my assumptions for my bonus amount received in February. The company had a softer finish than anticipated.

The good news is that starting in September, Mrs. GYFG got a 20% raise in her base salary, she really is a rockstar!

Without further delay, let's dive into how we are measuring up against our BIG 5 money goals for 2017...

Big Money Goals for 2017

1 - [Deploy \\$105,000 to acquire equity](#) in the company I work for.

DONE. This was actually completed back in January, although I was issued my shares in October of 2016. This was the largest check I have ever written in my life.

2 - **Pay Down \$28,800 in Additional Mortgage Principle.** We are knee deep in the [3rd year of our 7 year plan to paying off the mortgage](#) on our primary residence. To stay on track with our plan, we need to pay \$21,600 in additional principal before the end of 2017.

IN PROGRESS. We are still aiming to hit this goal, but plan to make the payment right before the year is up, which will also correspond with selling our investment condo (more on that below in goal #5).

3 - **Max Out 401K with \$18,000 Contributions.**

IN PROGRESS. My contributions are automated and through August I've contributed about \$14,000, so I still have another \$4,000 to go, which will amount to \$1,000/month in additional contributions. This is on autopilot.

4 - **Max Out HSA with \$6,750 in Contributions.**

IN PROGRESS. My contributions are automated and through August I've contributed about \$4,000, so I still have another \$2,750 to go. The company I work for will actually contribute \$800 on my behalf before the year is up, so I only have \$1,950 remaining or about \$488/month. This is on autopilot.

5 - **Refinance Our Rental to Free Up Cash Flow.**

FAIL. This was our second attempt and it didn't work out for a number of reasons that I don't really feel like going into. On top of this, the HOA has been involved in litigation with the builder for the past 2 years, and the case was finally settled, but not to the owner's benefit. There are lots of structural defects and the complex was only built in 2005, so without the builder ponying up to fix the issues, there are going to be some large assessments that get put down the throat of owners in the community.

Therefore, we have decided to sell the condo. We never bought this with the intention of renting it out. Actually, Mrs. GYFG's parents bought it for her while we were in college, thinking that if they didn't that their daughter would never be able to afford a place when she graduated college, based on the pace at which prices were appreciating back in 2005.

We graduated in 2008, right in the middle of the worst financial crisis in our lifetimes. We assumed ownership of the property in May of 2009 when the tenants moved out and we moved in (for about 18 months). We got to watch the value sink from the original purchase price of \$258,000 down to \$90,000 in the deepest and darkest part of the Great Recession (March 2009).

Almost 12 years after the original purchase, the value is finally back up to levels not seen since 2005. We have decided to take the \$100,000 in equity that has built up and cash out. We will figure out other places to redeploy the cash.

We have gone through the stated money goals I have for 2017, but what about the unplanned moves I've made? Or the moves I'm contemplating to make?

Other Money Moves I Have Made This Year:

- I opened up an after-tax account with [PeerStreet](#) and funded it with \$7,000, which [I wrote about here](#).
- I opened a self-directed IRA in April and rolled over the ~\$70,000 in cash that I had sitting in an IRA brokerage account with TD Ameritrade. I then fully invested this money on the PeerStreet platform, which [you can see detailed here](#).
- It wasn't too long ago that [I wrote about my humble beginning in the peer to peer lending market](#), but since finding alternatives I have slowly been withdrawing my \$7,000 investment as it becomes available (i.e paid back). I currently only have about \$4,000 still invested, which will likely take another year before I can withdraw the remaining balance. The way I looked at it is I could either earn 5.5% investing in unsecured consumer loans or I could earn 7.5% or higher with asset backed loans through PeerStreet. I liked the higher return paired with the margin of safety due to the fact that it was secured by hard assets.
- I started up an automatic investment of \$500/month to increase my

investment at Rich Uncles, a Commercial REIT. [This was an account I originally funded back in May of 2015](#). In February I invested a lump sum of \$4,500 in addition to the monthly automated investment.


- I started up another automatic investment of \$1,000/month to an after-tax brokerage account with [TD Ameritrade](#), where it is currently just building up a cash balance.
- In August I put \$20,000 into 5-month CDs at 3% interest offered by the credit union we bank with, Navy Federal Credit Union.

Other Money Moves We Plan To Make:

- As alluded to above in review of our BIG 5 money moves, we gave our tenant notice, he moved out, and after making some repairs we plan to list our condo for sale. We currently have about \$100,000 in equity based on the latest comp this month but are only carrying it at \$85,000 in our net worth figure. This is because with a sales price of \$250K, at a 5% commission rate we plan to pay \$12,500 in commissions, and will end up spending about \$2,500 to \$4,000 in repairs. We are confident we can sell it at \$250K but are hopeful for a higher price.
- After we close the sale above, we plan to deploy \$30,000 in Life Settlements (post to come soon).
- We will also use part of the proceeds from the sale to pay down the remaining \$21,600 on our mortgage to stay on target of achieving our 7-year goal.

That's about all I have been up to on the money front. As you have witnessed from the increased amount of guests posts, I have been trying to relax and enjoy this fleeting summer, but I'm now getting a bit antsy in my pants to be done with this hot weather. As I write this it has been 112+ this past week.

Oh, I almost forgot to share a few things that I have really enjoyed over the past couple months:

1. [Berkshire Hathaway Letters to Shareholders](#)  - A lot of these letters are posted for free on the Berkshire website, but I decided to buy the book that had all the letters from 1965-2014, which includes letters not posted on the internet for free. It has been absolutely fascinating to read Warren and Charlie's success story through these letters. I started in 1965 and have currently read through 2003. There is so much business and investment wisdom in these letters. I highly recommend you pick a copy of this up or at

least go [read the letters for FREE on the website](#).

2. [American Playboy: The Hugh Hefner Story](#) - Another fascinating story of how the Playboy empire was built. Hugh was really a brilliant visionary.
3. [Genius](#) - A short series on Albert Einstein.
4. [Invest Like The Best](#) - A podcast hosted by Patrick O'Shaughnessy, a fantastic interviewer, with some incredible guests. This guy is my age and he makes me feel like I know nothing, but in a good way. He also pens the blog [Investor Field Guide](#).

Needless to say, I have been in consumption rather than production mode. Well, the ratio has just shifted.

Until next time...

- 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](#)