

My Financially Alert Interview - If You Take Consistent Action, Over Time, the Results Are Exponential!

The post below was originally written as a guest post on the blog [Financially Alert](#) over two years ago. It was a great experience, and I was happy Michael asked me to share my viewpoints. For me to read where my head was at then vs. now is such an enriching experience. What boggles my mind is how clear I was on my core financial philosophies back then, and how those have basically stayed the same for me, even though I feel like I have gone through so much evolution since writing this. Blogging has been a great barometer of growth and of what has remained the same!

(1) Walk me through how and why you started your personal finance blog? Was the decision easy or hard, and why? What's your core message you're trying to share?

I started it for myself as much as I did it to help others. Finance has always just clicked for me and I found myself being the go-to guy among my friends and family when it came to financial questions and advice. One day, I realized that since this was something I loved to talk about all day every day, and since I'd long wanted to improve my writing by doing it regularly that writing a personal finance blog was a great fit.

I think there is a gap in our knowledge when it comes to financial literacy. Not a problem limited to any generation...but a real problem that 's been around for a long, long, long time.

Financial literacy both in this country and around the world is very low and that is just unacceptable to me. Think a second about the statistic that [two out of three adults around the world are financially illiterate](#). Even if you just look at this statistic domestically, almost 50% of the population is illiterate when it comes to personal finances. The US has the largest and most robust economy in the world but our citizens don't even rank in the top 10 of the most financially literate countries (we are ranked 14th). This is a problem that needs to be rectified!

There's definitely not enough time spent in school covering such a life-impacting topic. And if each generation passes on its illiteracy, how will it get better? Whether we acknowledge it or not, money determines a huge part of our life choices. How can we think we are in charge of our lives without knowing how to manage money? Of course we all know that both the rich and the poor have problems; but knowledge is power, and since I personally would rather money not be one of the problems I have to worry about, I want to increase my knowledge about it, and I'd like to share my knowledge, too.

So, on September 25, 2014, I decided to be the change that I wanted to see in the world (thank you, Ghandi). With the creation of Gen Y Finance Guy, I decided I would strive to motivate and inspire others by sharing my own financial journey.

The Good. The Bad. The Ugly.

Of course, there are already hundreds (if not thousands) of personal finance blogs out there but I wanted to bring something that most of those blogs lack (not Financially Alert, of course!): **FULL TRANSPARENCY!**

I decided early on that in order to provide the right context for people, I was going to have to share everything, including real numbers.

It was an easy decision to start the blog. Figuring out exactly how I was going to provide full transparency took a little more thought. In order to do this and protect my identity, I had to make the decision to blog anonymously. One day I may unveil the man behind the cartoon, but as long as I'm gainfully employed, it's probably best that I remain anonymous due to the level of transparency I maintain. No one I work with knows about this blog. Only a few close friends and family members in my circle of trust do.

At the core of everything I do I'm trying to show people that **Personal Finance can and should be fun**. It doesn't have to be dense and boring. I'm not here to preach or sell sleazy financial products. Instead, I believe part of my life's purpose is to inspire others through my own story. My hope is that people will be inspired to take the helm of their own financial ship to build the life most only dream about.

Unlike a lot of blogs out there, you won't find much about extreme frugality on

my blog. Instead, [I tend to focus on the income side of the equation](#) (and practice “relative frugality”).

My mission is **“To Humanize Finance, Build Wealth, and Reach Financial Freedom”** alongside my readers and the community at large.

At the end of the day, I know it doesn’t have to take 40-50 years to build enough wealth to reach Financial Freedom. For those willing to put in the work, [it’s more than feasible to reach FI in 10-20 years](#). The blog is a way for me to [share my own journey of reaching \\$10M in net worth by the time I am 48](#), and along the way to inspire, and to motivate as many people as I can.

(2) Describe your past relationship with money. How has it evolved into your present views today? How do you want it to change in the future?

My relationship with money, for the most part, has always been a positive one. Money has always been a big motivator for me and that’s largely due to the environment I was brought up in. [I grew up on welfare](#), lived in government subsidized housing, and had parents that were horrible role models. My dad has spent more than a decade of his life in and out of prison for running meth labs. Both my parents have suffered from drug addiction for as long as I can remember.

From a young age I recognized that I wanted something more than my parents had ever had, or had offered my brothers and me. I instinctively knew that there was a better life out there. I saw certain people in my community who embodied this, observing that money gave them options. I wanted all the options I could get.

Early on it was about what money could do for me and my own future family. More recently though, [in realizing how fortunate we are, my wife and I have started to give back](#). We plan to continue to ramp this up over the coming years. I truly believe that with great fortune comes great responsibility to give back and send the elevator back down.

My hope and intent for the future is that I can be a good steward of the wealth I’m working to build by leaving the world at least a bit better than I found it.

(3) Describe one empowering belief you have about money and how it has

positively affected your life. On the flip side, describe one disempowering belief about money (past or present). What has been the effect on your financial goals?

ABUNDANCE is my empowering belief! I believe that the only restraints to money in our lives and our opportunities to earn it are our own self-limiting beliefs. [There is a natural floor on the expense side of the equation, but there is no ceiling in how much money you can earn.](#) I actually think each of us has a moral obligation to become Financially Independent and to earn as much as we can.

In the past, I focused way too much time on the expense side of the equation, stuck in a state of disempowering **scarcity**, missing the forest for the trees. Instead of being frugal I was just being cheap...and there's a big difference. I missed out on experiences because I couldn't allow myself to willingly part with *any* of the money I had worked so hard to earn. But I was failing to see the essential point: that it isn't about the money itself, [it's about what the money allows us to do.](#)

In making the transition from no plan to my Big Plan of financial independence, I probably allowed the pendulum to swing too far to the other side of austerity. But it was all a necessary part of the journey, and that patch didn't last long.

Today I put 80% of my efforts in earning more money and only 20% of my time controlling expenses. My wife and I have adopted a [very balanced approach by embracing the law of 50/50](#). We save 50% of our after-tax income and we spend the other 50% guilt free.

These shifts have taken place over time and have led to a substantial increase in our income since graduating college. Our combined income has increased from ~\$90K in 2008 to over \$425K projected in 2018. We have also increased [our net worth by over 1,600%](#) in five years (\$42,000 in December of 2012 to \$725K in [February of 2018](#)). After doing that in five years, we are excited to imagine what's possible over the next 20 years.

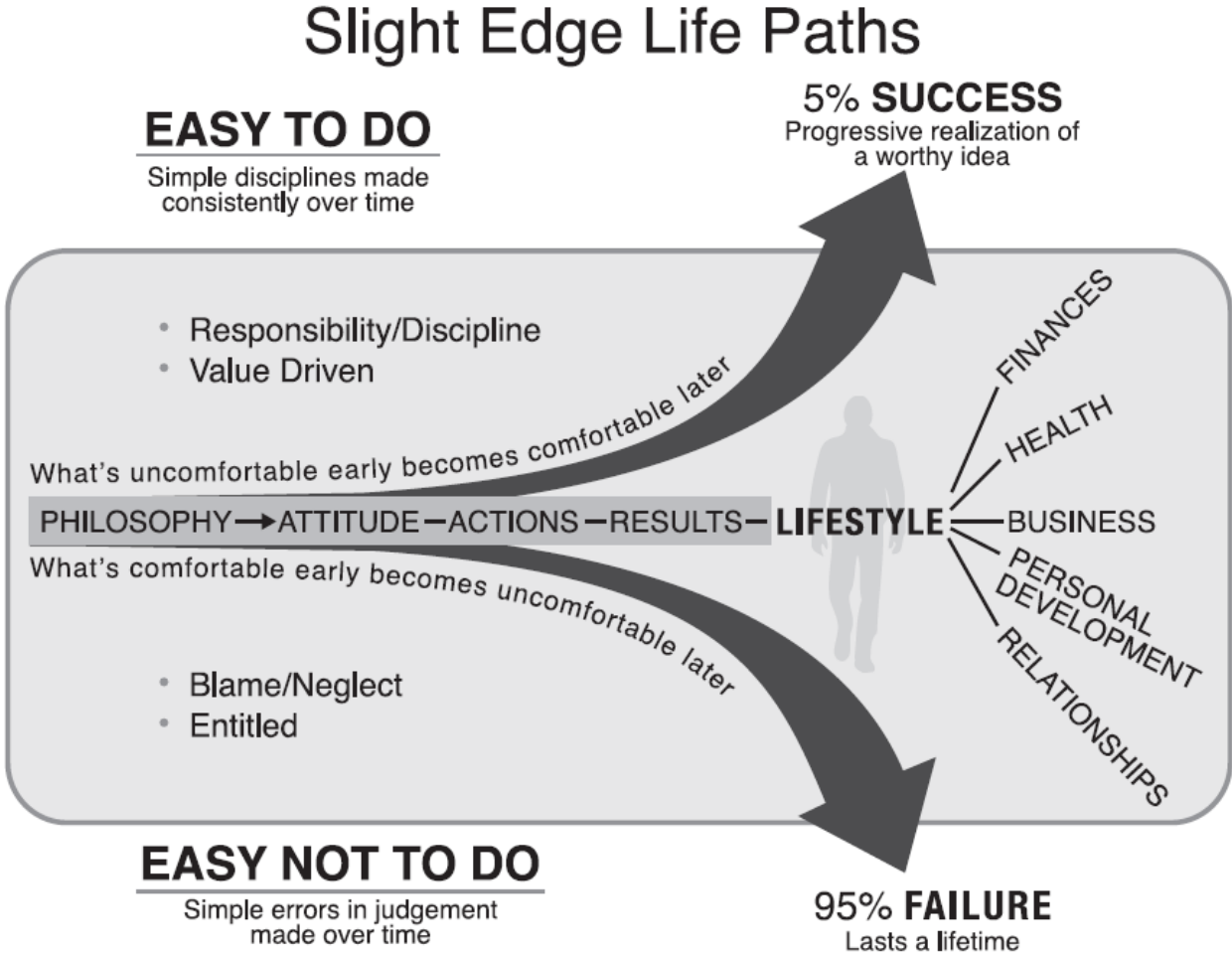
(4) Who taught or influenced you about money when you were growing up? What was the impact?

As a kid, I mostly observed what *not* to do with money by watching those closest to me. But somehow I intrinsically knew that I should spend less than I made,

and I eventually acquired a natural interest in investing the difference to put that savings to work. My first mentor owned a pizza parlor and taught me about the rewards of working hard, running a business, and inspired me to do well in school. I have also learned a tremendous amount over the years from the money mentors in books I have read and people I have observed.

(5) What is your favorite personal finance book? What’s the best actionable takeaway you got from it?

Nothing stands out as much as the book [The Slight Edge](#) by Jeff Olson. Its precepts have become the standard operating system in all aspects of my life, not just finances. It’s the only book I reread every year (since 2011), and it’s the book I recommend and gift the most. The graphic below really sums up the entire Slight Edge philosophy.



If I had to distill the most important actionable take-away from the book into my own words, it is this: It's the little things that seem insignificant, the things that are easy to do, but also easy not to do, that if done consistently over time lead to **SUCCESS**.

Consistent action taken over time leads to exponential results!

(6) What are your top three favorite personal finance blogs, and why?

1. [Financial Samurai](#)
2. [1500 Days](#)
3. [Financial Mentor](#)

And of course an honorable mention to [Financially Alert](#), which is in the top ten blogs I read regularly.

The three I listed are my favorites because they are written by guys who are all ahead of me and represent milestones of where I want to get to (I think of each as a lighthouse guiding me to FI). Their writing really resonates with me, and although I may not always agree with every aspect of their perspectives, they always make me think.

(7) Describe one investment type/class that excites you the most, and why?

I love investing with options. I became aware of them, and comfortable using them when first in my own account, then for an oil company when I was a part of the trade desk. They are a very misunderstood asset class. Too many people have been led to believe that they are risky and weapons of mass destruction, when [in reality they actually allow you to control your risk much better than any other asset class around](#). They can also be very powerful when combined with stocks. (I detail that more in my post about them.)

I find them exciting because:

- They are very liquid.
- They give you more than one way to profit.
- They allow you to pick up stocks for less than the current market value.
- They allow you more control over the risk that you take.
- They allow you to increase your probability of success.
- They function as an effective tool to reduce cost basis in a stock you already

own.

- They allow you a way to get paid up front for taking risk.
- I love theta. (Google it.)

(8) How much passive income would you need per month to live happily ever after? What would life look like for you at this level?

Although it may sound high to many, my number is \$50,000/month. I don't expect all of that to be passive income, however. Unlike many in the community, my financial goals have nothing to do with early retirement. Honestly, I don't intend to ever stop working; I just want enough money to afford me that option. My best guess from my current vantage point is that half of it will be passive and the other half will be active by the time I [reach my \\$10M goal](#) at 48 (or sooner).

To me, this is the level of income that would allow my wife and me (and our future family) to both [live well and give well](#). And there should still be plenty left over to continue investing in order to sustain a perpetual family wealth fund and legacy.

Along the way, we plan to eventually realize our goal to live the 3/6/3 plan. The plan is to live three months in a foreign county, six months at home (SoCal), and three months at the beach. We love dining out and that is probably one of our largest monthly expenses that I expect will continue to grow as our income grows.

The goal is to be able to work from anywhere (location independence). We won't necessarily wait to do this until we hit our BIG goal, but see it as part of a gradual transition as we hit different milestones along the way. **I'm not a big believer in decades of delayed gratification, since I fully embrace the reality that no one is promised a tomorrow.** That is why [the law of 50/50](#) is so critical in our plan. It allows us to live in the present and make grand plans for the future.

The details are an evolving work in progress.

(9) Do you discuss money or financial matters with friends and family? Why, or why not?

I am very open about money with select friends and family. I tend to get very excited about financial ideas and breakthroughs and love sharing those with others. However, I do get pretty disappointed when most of the people I share with never take action. People can be really irrational when it comes to finances. I've shared ideas that are easy to execute, and the other person says he or she is going to do them, but then there is never any action taken. This is just in day to day conversation. Worse yet are the "Ask Holes." These are the friends and family that actually solicit advice, get excited by said advice, and then proceed to do absolutely nothing.

(10) Tell us something about yourself that only your closest family and friends know about.

I do magic. Mostly card tricks.

(11) Imagine a poor kid that grew up with no advantages in life. Suddenly he walks up to you asking for your best financial advice, but you only have a few minutes. What would you say?

I love this question because I was that poor kid. Below is the actual email I sent to my list that covers the things I have learned and adopted in my own wealth building journey. This is exactly what I would share with that kid (me):

From my vantage point there are two ways to become wealthy:

1 - The Slow Way

OR

2 - The Fast Way

Which one do you prefer? I choose The Fast Way every day. As my grandfather would say, "We want to get there immediately, if not sooner."

There is no right or wrong answer and you may come to find out that "The Slow Way" is the right choice for you. It works, and there's nothing wrong with it.

Plus, before you answer which way you choose, you need to know that "The Fast Way" is going to require much more **HUSTLE, DISCIPLINE, and FOCUS.**

Are you willing to pay the price to achieve substantial wealth in 10-20 years instead of 40 years plus?

Are you willing to live your life like most *won't* for a few years so that you can live the rest of your life like most *can't*?

If you answer is **YES**, here are the [10 guidelines that will allow you to reach financial freedom in 10-20 years](#):

- 1 - Spend Less Than You Earn and Invest the Difference Wisely.
- 2 - Avoid Consumer Debt at All Costs. Never Carry a Credit Card Balance.
- 3 - Maximize Tax Deferral to Pay the Least Amount of Taxes Legally Permitted by Maxing out Tax-Favored Accounts (401k's, IRA's, HSA...)
- 4 - Aim to Save 50% or More of Your After-Tax Income.
- 5 - Buy a House That is Half the Price the Bank Says You Can Afford.
- 6 - Learn Two Basic Investment Strategies with Options: [The Covered Call](#) and [Short Put](#). Use These Strategies to Invest in Index ETF's and Dividend Paying Stocks.
- 7 - Start a business, Even if it is Not Your Full-Time Gig. #SideHustle
- 8 - Invest in Cash Flow Positive Real Estate. Take Advantage of Depreciation (people tend to miss this aspect of rental real estate).
- 9 - Never Stop Learning!
- 10 - Run From Investments that Sound Too Good to Be True.

Follow these guidelines and you will achieve Financial Freedom 50-75% faster than the financial gurus that preach the "get rich slowly" method, which takes 40 - 50 years.

Then I'd make sure to pat him on the back and say, "I know you can do it. Check in with me along the way - I'm rooting for you!"

- 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](#)