

June 2018 - Detailed Financial Report #42 - Net Worth \$806,918 | Income \$41,466

Wow, June was a doozy of a month. I felt like I traveled all around the world in 30 days. That might be a bit of an exaggeration but I did travel for half the month. I made it to Toronto, San Francisco, New York, Lake Mead, and Dana Point. The good news is Mrs. GYFG was with me for three out of the five trips and on those we got to really relax.

I got bored on one of my flights and decided to pay an extra \$5,000 towards the principal balance on our mortgage. You have to love being able to get Wifi from 30,000 feet up in the air. A few short days later I was walking the dogs and decided to round it off to \$20,000 by paying an additional \$15,000 towards the mortgage.

These aren't just crazy impulsive expenditures, but reflect a pivot we are making in our financial strategy.

With baby GYFG on the way and our income exceeding our wildest projections, we have decided to [pay our mortgage off over the next 13 months - by July 2019](#). We originally set a goal of seven years (and three months) and this new plan will get us across the finish line in four and a half years.

If you're a regular reader and only want to read the new content, feel free to just skip the intro below (no harm, no foul). If you are new or haven't read many of these reports, I encourage you to take two minutes to read the intro below, which will change periodically.

Intro

Mission Statement: To Humanize Finance, Build Wealth, and Reach Financial Freedom.

For those of you new around this corner of the internet, these monthly reports are about full transparency. They are just as much for me as they are for you. It was a hard decision to make all of my financial details public, but it has proved to be a very motivating one. The process I go through every month to produce these reports has been enlightening and life-changing. I published [my first “income and net worth report” for January of 2015](#) when our net worth was only \$195,141, and our gross income was on pace to hit \$178,000 that year.

Fast forward three years: our net worth finished 2017 at \$664,391 with a gross income of \$372,477 (and as you will see below both are still growing exponentially).

- That’s a **3.4X increase in net worth** due to a **compound annual growth rate of 50%** for the past three years.
- At the same time, income has increased 2.1X, which translates to a compound annual growth rate of 28%.

Honestly, I don’t think the GYFG household would have experienced these kinds of results without the existence of this blog and the accountability it brings. Knowing that I will need to share our results with my readers every month keeps me very focused and intentional with all things related to our financial well being. For that, I **THANK YOU** for taking the time to read and interact with me on this blog.

Above and beyond this benefit to my own household, my sincere hope is that my policy of full 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 he or she is willing to do things differently than the pack. If you’re after average results, then you’ve landed on the wrong site. There’s nothing wrong with average, but the kind of results I preach are **EXTRAORDINARY**. Sure, the “get rich slow” method is proven, but there is an alternative, which is to “Get Rich Fast.” Look, I have no interest in living like a starving college student until I am old and brittle to only then have the means to check off bucket-list items when my body might no longer be physically capable of doing them. And I don’t want that for you either!

Here at GYFG, we approach the pursuit of **FINANCIAL FREEDOM** with an abundance mindset, so you won’t hear me telling you to cut out those \$5 lattes. [I spend a lot, but I also strategically earn a lot, save a lot and invest a lot.](#)

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. Nor does it have to take 40-50 years of slaving away for The Man before you have the option to retire. I think that 10-20 years is all you need, with the most aggressive folks probably able to reach financial freedom in 10 years or less. A high income paired with a high savings rate are two vital components of a good recipe for the 10 year track.

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 (not that many people giving financial advice actually 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.

Net Worth

Our net worth was up \$15,548 in June vs. May. Compared to last June, our net worth is up \$235,708 year-over-year (or +41.3%).

Last three year-over-year increases:

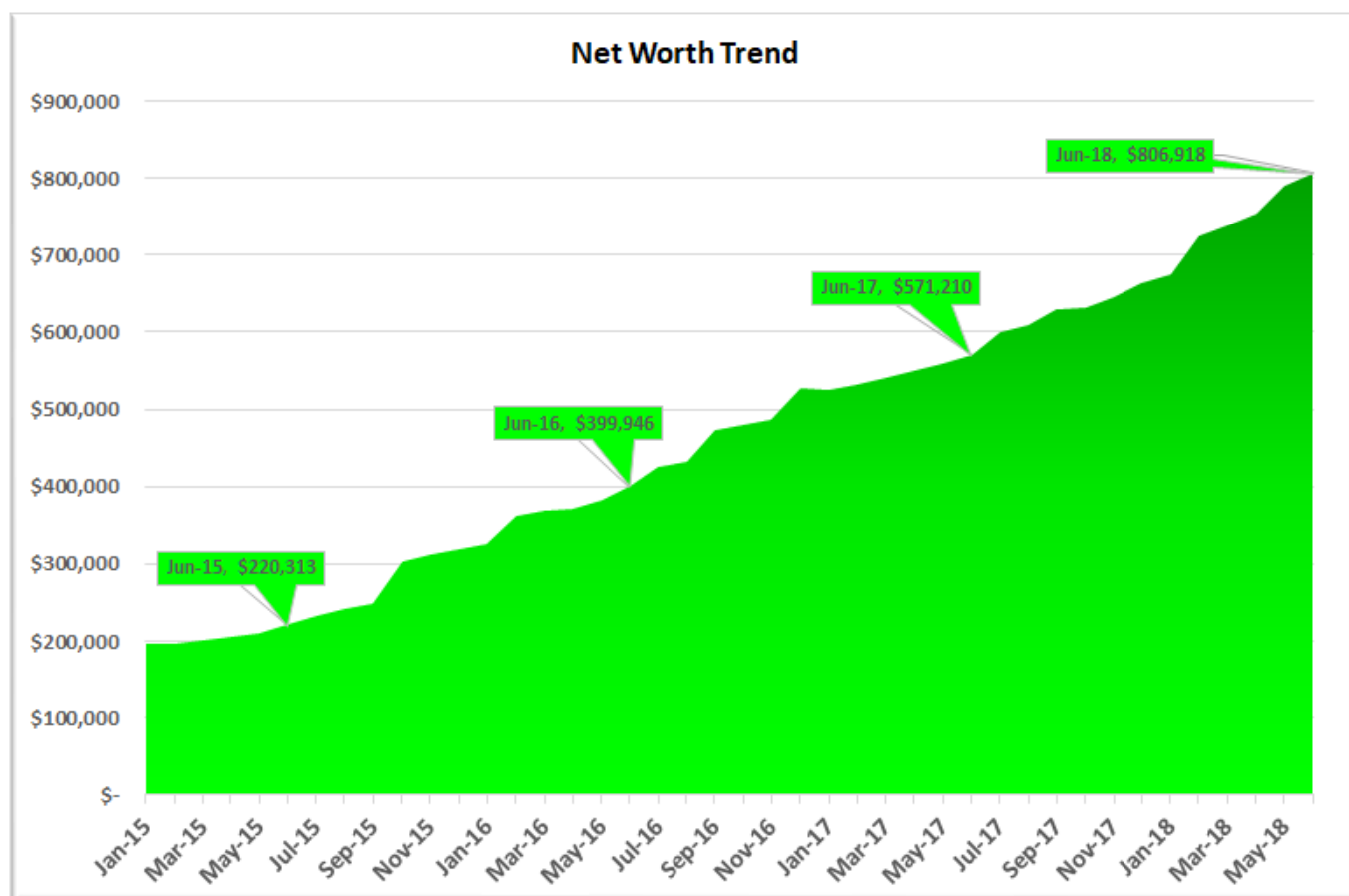
June 2016 - \$179,634 (+82%)

June 2017 - \$171,264 (+43%)

June 2018 - \$235,708 (+41%)

As I look forward to the end of 2018, I'm currently projecting our net worth to finish

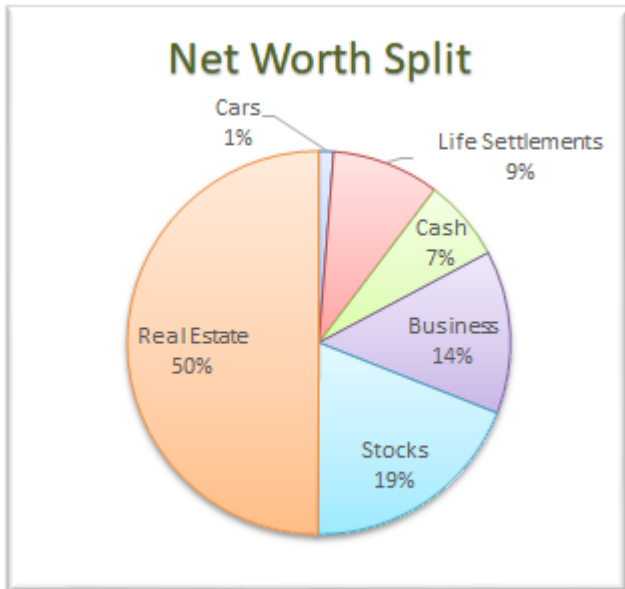
at around \$890,000 before any gains (appreciation, dividends, or interest). There are two variables that will make or break whether we have a serious shot at making a run towards a \$1,000,000 net worth by the end of the year: 1. how the market performs during 2nd half of 2018; and 2. how the company that I work for and own stock in performs (I only re-value the position once per year and last year it was flat – boo!).



June Net Worth \$806,918 (up +21.5% for 2018)

- Previous month: \$791,370
- Difference: +\$15,548

Net Worth Break Down:



The **Real Estate** category increased from 48% to 50%. Keep in mind that this category includes the equity in our primary residence (\$243,686), our investment in the [Rich Uncles commercial REIT \(\\$55,369\)](#), and our hard money loans through the [PeerStreet \(\\$103,599\)](#) platform.

Cash decreased from 9% to 7%. We are currently holding \$55,871 in cold hard cash (what I like to call dry powder). This is net of our credit card balances of almost \$10,000, which we pay in full every month based on the statement due date. I had previously expected “cash” to continue increasing through the summer but our focus to [pay off the mortgage over the next 13 months](#) changes this view. We will aim to keep \$40,000 to \$50,000 in reserves through the remainder of 2018.

As a clarification for newer readers, the **Business** category (at 14%) represents the [ownership I have in the private company that I work for](#).

Life Settlements remained flat at 9%. We currently have investments in seven policies at \$10,000 each.

The **Stocks** category (at 19%) represents the cumulative value of our brokerage accounts (retirement accounts and after-tax account) that are invested in stocks. However, it is not all of our retirement money, as the majority of our [PeerStreet](#) investments are made through a self-directed IRA (worth about \$75,000 and are counted in the Real Estate category of the pie chart).

That leaves the **Cars** category at 1%. I include our cars because the goal is to keep the value of our cars as a percentage of the overall net worth pie as small as

possible. By including them, it keeps me conscious of the opportunity cost of sinking too much capital into the machines that are only meant to get us from point A to point B. The combined value for our cars is currently being held at \$10,000 based on current Kelly Blue Book.

Total Capital Deployed in 2018 (YTD):

I am actually borrowing this idea from Sam over at [Financial Samurai](#), who started sharing his own capital deployments in a similar form last year. One item not captured in the table below is the capital deployed due to automatic reinvestment of dividends and interest, but I do plan to include that total at the end of the year. I estimate that we will deploy somewhere between \$250,000 to \$300,000 for the year. This will make for a very easy way to see where and when it was deployed.

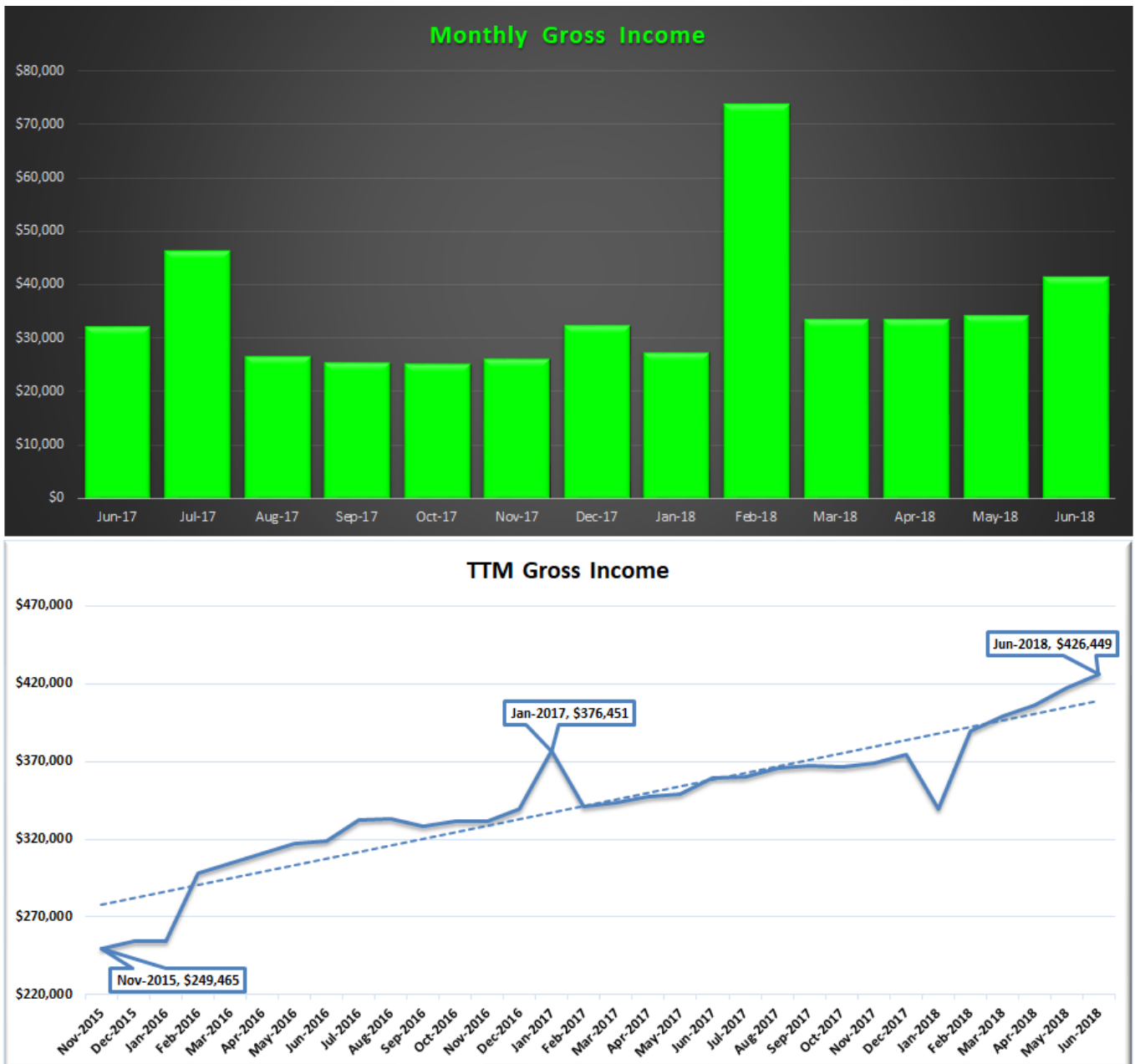
About \$80,000 of the 2018 total anticipated deployments is [from idle cash that was sitting in my 401K](#) (for way too long).

Investment	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018
Peer Street	\$ 18,000	\$ -	\$ -	\$ -	\$ -								\$ 18,000
Rich Uncles	\$ 36,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000							\$ 41,000
Mortgage	\$ 661	\$ 39,662	\$ 736	\$ 665	\$ 812	\$ 20,741							\$ 63,276
Stocks (401K)	\$ 22,176	\$ 16,361	\$ 11,378	\$ 9,657	\$ 11,632	\$ 10,398							\$ 81,601
Private Business	\$ 17,045	\$ -	\$ -	\$ -	\$ -	\$ -							\$ 17,045
Life Settlements	\$ 20,000	\$ -	\$ -	\$ 20,000	\$ -	\$ -							\$ 40,000
Total	\$ 113,881	\$ 57,024	\$ 13,114	\$ 31,322	\$ 13,444	\$ 32,138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,922

I can't believe that we have already deployed \$260,922 in the first six months of the year. I officially maxed out my 401K in April and my wife is set to have hers maxed out by the end of July. I anticipate deploying about \$28,000 in the month of July (\$20,000 towards the mortgage, \$7,000 towards stocks, and \$1,000 into [Rich Uncles](#)).

Gross Income

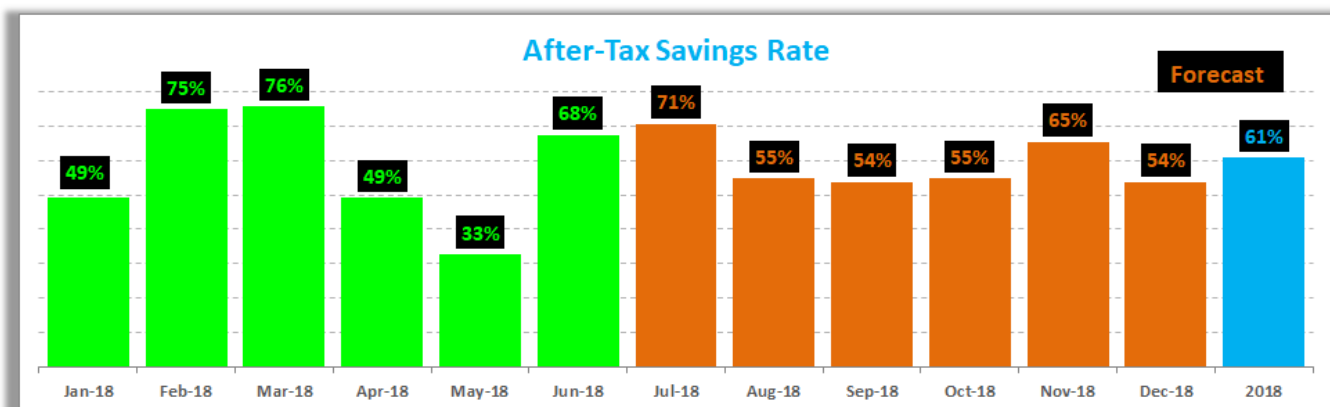
June income was up 21.2% at \$41,466 vs. May of \$34,208. I'm supposed to get my mid-year bonus in July and Mrs. GYFG should have another good month, so we anticipate income to increase further to around \$50,000 for July.



In the second chart above, I also track our income on a trailing twelve months, and we set another record in June at \$426,449. I currently have our income projected to finish 2018 at \$451,998 -it doesn't seem possible!

Savings Rate

Below is how we actually did vs. our goal of [saving 50% of our after-tax income.](#)



We managed to save 68% in June and we are still tracking to an annual savings rate of 61%.

Speaking of savings rate, go check out [my post](#) where I mathematically prove the importance of your savings rate as a higher priority in achieving financial independence than your compound return! If you're trying to build wealth quickly, then you have to read this post.

Mortgage Early Payoff Goal

Read here >> about our [strategy to pay off our mortgage in seven years](#) (and three months). After [several refinances](#) we currently have a 3/1 ARM at 2.25% and we currently owe \$206,314.

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

41.9% 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.

So, it's time for me to eat my words. I have been avoiding concentration risk and aiming for diversification, but we have now decided to go after this goal hard and fast. As I mentioned in the opening of this post, we are now aiming to pay this sucker off over the next 13 months, which is about three years earlier than our original goal date. This means that the equity value in our home will be growing rapidly over the next 13 months as will our net worth concentration tied up in this asset. I anticipate it will make up as much as 40-50% of our net worth between now

and July of 2019.

It currently makes up 30% of our net worth.

The original philosophy of this plan to pay off the mortgage was to accomplish this goal while avoiding any austerity to our lifestyle. I coined it the “pay more tomorrow” plan. In keeping with the GYFG emphasis on the income side of our financial equation, I decided that we could easily increase our income (after tax) by at least \$9,600/year and [dedicate that additional income to fund the goal effortlessly](#). It has played out as planned, and we have used the cumulative increases in income thus far to execute this goal flawlessly. Since setting this goal in January of 2015, we have paid down an additional \$96,600 (Year 1: \$9,600, Year 2: \$19,200, Year 3: \$28,800, Year 4: \$39,000).

This goal is now 41.9% complete (vs. 36% in May)!

RELATED: [Our Mortgage Will Be Gone In Four More Years](#)

Closing Thoughts

I have been grinding harder than ever and I have to confess that I have been fighting a case of burnout. Our weekends and mini-vacations can't come soon enough (and I had three in June). However, I continue to soldier on. Each weekend or mini-vacation provides just enough downtime to get me through the next week. What I (and Mrs. GYFG) really need is a nice long vacation. There is light at the end of the tunnel as we have a ten-day trip to Maui coming at the end of August. For the next two months, this will act as my lighthouse to keep me moving towards the finish line.

I share this with you because I want you to know that I don't always wake up with extreme drive and motivation. Some days I have to fake it just to get through the day. It's not always easy peasy. Yes, this blog has a positive bent 99% of the time, but like Facebook, sometimes I'm just presenting the highlight reel, which typically represents ONLY the shiny positive parts of life. That's not reality! Sometimes life is really hard.

During these hard times, I lean in, acting in accordance with decisions I made in

more energetic times of what I would do, and what I would not do. I encourage you to do the same: set your course with intentionality, and then lean into that in your own rough patches. Time and time again, I have seen this cycle in my own life, and I always come out stronger on the other end. I promise you will, too. It's only a matter of time before the wind is at your back again. At almost 32, I have been through many of these ebb and flow cycles. Dig deep to find the grit you need to get you through. And remember to stop and give thanks: practicing gratitude helps me so much on this roller coaster ride of being a high achiever.

Remember that when motivation wanes, discipline reigns!

Cheers!

- Gen Y Finance Guy

P.S. I recently had another opportunity to do a podcast interview. [This time it was with Gwen and J from the FIRE Drill podcast](#). In this conversation, we talk about career hacking your way up the ladder, ambitious net worth goals (like my crazy \$10M goal), putting up big income numbers, and the importance of high savings rates. My parting line was "if you're not happy and healthy, then what is the point of being wealthy?"

[Career Hacking Lessons from a 31 Year Old Executive | Dom from GenY Finance Guy](#)

P.P.S. If you haven't already, [be sure to check out my interview with Erik from The Mastermind Within](#). The conversation we had was fun, informative, and unpacked many great nuggets of wisdom that have shaped my life. It was deeply gratifying that Erik reached out to have me on the podcast, as the greatest compliment I could ever receive is knowing that I've had a positive impact on someone else. Plus, revisiting *The Slight Edge* is always great - it's the book that's had the most impact on my life!

[Practicing Simple Daily Disciplines to the C-Suite with 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](#)