

My Guest Post with Even Steven Money

Today's post is a throwback from four years ago. From time to time I like to republish guests posts I wrote on other blogs in order to memorialize them here on my blog and also to reflect, to see what has changed and what has remained consistent with respect to my goals and philosophies. The [Even Steven Money blog](#) disappeared for a while, but the blogger recently brought the blog back online and it reminded me of this post. I have annotated it with my thoughts and updates from the current day perspective [\[in blue and in brackets\]](#).

Who are you and tell me about your reason for setting a goal of FI?

My name is Dominic and I am the man behind the cartoon at [Gen Y Finance Guy](#). I come from very humble beginnings, [growing up on welfare and with drug addicted parents](#). My three brothers and I slept on the floor of my grandmother's two-bedroom apartment for most of our youth.

[Statistically speaking I should be in prison right now](#). However, this apple fell on a completely different continent from that tree. My father has spent a good 20% of his life in prison for the manufacturing of methamphetamine. Yeah, I know: total "Breaking Bad" visual.

With no role models at home, I got into some trouble in my youth. One day, however, I had the pleasure of meeting the owner of a local pizza joint who allowed kids to come in and fold pizza boxes in exchange for free pizza and soda. He became my mentor and the first REAL father figure I ever had. I was in the sixth grade when I first met Dan.

As Dan got to know me and my background he took an altruistic interest in my life. Before I knew it he had me bringing him weekly school progress reports. Before this, I was failing out of middle school with a 1.33 GPA. But now, with someone who cared enough to set a standard for me, I quickly turned my GPA around, earning my first 4.0 report card.

During my seventh grade year, his family took me into their home and treated me

as if I were their own son. Years later they tell the story about how excited I was to get new socks (a first for me). Socks were a luxury where I grew up. During my time with Dan and his family, my brothers went to live with my father after his most recent release from prison.

The summer between my seventh and eighth grade year I flew from Northern California to visit my brothers and grandparents in Southern California. While there, I decided that I wanted to go live with my dad so I could be with my brothers. I told Dan and his wife Sonya when I got back. This was their worst fear. But my grandfather lived close by my father, and reassured Dan that he would step in if anything bad were to happen.

Both of my parents have abused many drugs. You name it and they have probably used and abused it (marijuana, cocaine, meth, heroin, etc...). Their lives are filled with the consequences of such a lifestyle.

So, it should come as no shock that within three months of my moving in with my dad and brothers my dad got arrested for the third time for the manufacture and sale of methamphetamine. The day before my thirteenth birthday, my dad's friend used my brothers and me to search the house for drugs in case the police came there in a follow-up search. That was the first time I saw black tar heroin.

Luckily for us, my grandfather was there to take in my brothers and me. He was a great man, the second father figure and role model in my life. Dan and my grandfather taught me what kind of man I should aspire to be. They showed me an option in life that I had no idea existed for someone like me.

For brevity sake, I will stop there. To read more about my story click [here](#) and [here](#).

[\[You can't change your backstory!\]](#)

So why did I set a goal of FI?

Simply put, I didn't want to end up like my parents. When you experience the bottom of the barrel you have two choices:

(1) You can leverage your experiences as motivation to achieve your dreams;

OR

(2) You can make excuses and blame your past for your continued failure as a

human being.

In either case, the question is the same: “What do you expect when you come from a family and an upbringing like mine?”

I had all the motivation in the world to go after something more. In addition, I was fortunate enough to get two mentors speaking into my life to show me that I could do better if that is what I really wanted.

[I explain this today – hopefully more elegantly – as the choice between being the Victim or the Victor. I chose to be the Victor. I also know how lucky I was to have had great mentors at a pivotal age in my life who took an altruistic interest in seeing me succeed. This continues to be true to this day and for that, I’m very grateful! I try to pay it forward as often as I can.]

Who got you started and who motivates you on your Financial Independence journey?

Well, as I shared above, Dan and my grandfather got me started. They taught me a lot about money and value, which I used to think were one and the same. But I have come to understand that money is something you get in exchange for the value you bring to the world. Dan and my grandfather were both business owners, which is for sure where I got my entrepreneurial bug.

To this day I feel it is my duty to constantly set and achieve goals in order to make sure I fully maximize the knowledge and kindness these two men showed me.

My grandfather has since passed away, but he is in my thoughts at all times. I have tried to make his best traits part of my being. Dan is still in my life and I am very close with him and his family.

I am lucky to have had such great mentors and role models.

[Interesting note: since writing this post, I in fact did start my own business. Even more interesting, in my new venture, I have partnered with Dan’s son, who was a two-year old running around in diapers when I first met him. I’m nine years his senior, but he is wicked smart beyond his years and a really cool dude! I couldn’t have asked for a better business partner.]

What or Who is your Why?

My wife and my future family (my dogs included) are my “**why.**” FI is not about the money, [it's about the options in life it affords you](#). The end goal in all of this is to allow my family to live life by design. To have **TIME FREEDOM**. To have **LOCATION FREEDOM**. To have **FINANCIAL FREEDOM**.

[Time is our most precious and scarce resource](#). It's the ultimate currency.

Sometimes we all need to take a step back from our FI pursuits and remember what it's all about. It's about the freedom we are earning to spend our time with our family and friends, and to do the things that bring us fulfillment.

[It amazes me that so much of what I wrote years ago still stands today. If anything, I have only further solidified and expanded these beliefs in the 300+ posts I have since published on this blog.]

Do you have any debt? If so do you have a plan to pay this off before FI?

The [only debt that we currently have are the mortgages](#) on the house we live in and on an investment property. We have plans to pay off the mortgage on our primary residence before we turn 35. In January of 2015, we put together a plan to [pay our mortgage off in 7 years](#).

I call the plan the “pay more tomorrow” strategy. Each year I assume that we will be able to increase our annual income by \$10,000. Each year we will add an extra \$800 per month to the mortgage payment (to pay down additional principal). We never get used to seeing the money. So by year seven, we are paying an extra \$5,600 per month towards the principal.

Now there are a lot of different views about this in the personal finance community. The first person to question the strategy on this blog brought up the loss of the tax write-off. I did the math and over the course of the accelerated loan payoff, we only end up [paying an additional \\$10K in taxes](#).

Then, of course, there is the argument about cheap money and how you could earn more in the stock market than you could save by paying that money towards a mortgage. It's a good argument. I did run some different scenarios [here](#). I'm sure there are plenty of scenarios that I didn't run. But I do remind folks in the post I linked above that this accelerated pay-off is not *in place of* investing. We still max out our retirement accounts and we look at [paying off the house early as our bond](#)

[allocation](#). Personal Finance is....well, personal. You have to put together a plan that works for you and your family. But also keep in mind that plans are subject to change as circumstances change.

This is just one piece of a bigger financial pie (yum, I love pie).

[Well, we not only stuck to our plan, [but we did it in 4.5 years](#) by the age of 32 instead of in seven years by the age of 35 (May 2019 marked our last payment). My early math on the value of the tax write-off was flawed and actually overstated, which [I later realized in this post](#). Then the change in the tax law [eliminated any tax benefit for us personally and for most homeowners across the country](#). We sold the investment property in October of 2017 after waiting twelve years for it to recover to its original purchase price. Because we had had renters, we still walked away ahead by about \$100K.]

What planned income streams are you working on towards FI and Early Retirement?

It's probably a good time to just come out and say what my goals are. A few months ago I put together a very detailed plan in my ultimate goal of achieving a [\\$10M net worth](#). I know it sounds crazy and arbitrary. First let me clarify that this is not my FI number. The plan has my family reaching FI by January of 2023 when our Net Worth will be almost \$2M.

The plan is to set up as many streams of income as possible. Ideally, most of these will be passive income streams. They fall into five major categories:

- 1 - Business (blogging, digital products and services, consulting, e-commerce, etc.)
- 2 - Real Estate (rental income through direct ownership and REITS)
- 3 - Stocks (dividends)
- 4 - P2P Interest Income
- 5 - Interest on cash (hopefully rates will be higher at some point) [\[CIT Bank has an account paying 2.3%\]](#)

Ideally, there will be multiple income streams in each one of these categories.

[The only income stream that I have lost interest in is the P2P category (I have let these investments self-liquidate and transfer to my checking account). You can see that I always had business income on the horizon, but it took me four years from this post [to create a business with serious earning power](#). Growing these income streams is now my primary focus now that we are mortgage-free and completely debt-free (except a car loan on our Suburban).]

What are your plans during early retirement? (travel, special projects, part-time work)

We want to spend three months a year in a foreign country. We're excited to blend work, travel, culture, and freedom.

For us, early retirement is not about not working. Instead, it's about working on the things that are important to us. I'm really excited about becoming a full time lifestyle entrepreneur, working where I want, with whom I want, and on what I want.

We will spend more time doing things we already do. But instead of fitting our lives around our work, we will fit our work around our lives. Some of our favorite past times include:

- Reading
- Working out
- Water skiing
- Snow skiing and snowboarding
- Food (we LOVE food)
 - cooking
 - finding new restaurants and going to ones we already love.
- Travel
- Business building
- Spending time with friends and family
- Learning (could see picking up a foreign language)

This is not an exhaustive list, but it gives you an idea of the things we enjoy. These are also things we already do as often as possible. That brings up a good point.

Something we don't believe in is suppressing every indulgence in life for "someday." I can't see waiting until we reach FI to enjoy life, because none of us are guaranteed a single tomorrow.

We plan to trade in our day jobs for our dream jobs. Together we plan to [LIVE LIFE BY DESIGN!](#)

[Since writing this post I have also come up with an alternative definition of FIRE that resonates with me even more. Instead of Financial Independence / Retire Early, I prefer Financial Independence / Recreational Employment. We have also since had our son, and that is further motivation to accelerate the transition into the lifestyle entrepreneur life. The sentence above that still resonates with me most is "I'm really excited about becoming a full time lifestyle entrepreneur, working where I want, with whom I want, and on what I want."]



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](#)