

GYFG Household Income Grows From \$101,336 to \$1,050,000 in 12 Years

[I wrote myself a letter](#) back in October of 2012 wherein I set out a vision for my life 10 years into the future. I can't believe it has already been seven years since writing that letter (2.5 years since I shared it here on the blog). Many of the things I envisioned accomplishing have already come to fruition. I feel fortunate to have had such a clear vision of what I wanted to accomplish and to know where I wanted to be in my future life. I don't think I would have been able to accomplish so much in a relatively short period of time if it were not for the act of sitting down, thinking through, and writing my vision for the next ten years.

I now have visibility into the eighth year of that vision and I have a high degree of confidence that I will accomplish the last goal I wrote in that letter to myself. That is achieving a seven-figure income. The GYFG household has been fanatical about growing the income side of the equation and it has paid off. We are projected to finish 2019 with an income of \$721,492, with 2020 currently projected at \$1,050,000. I had actually forgotten about this goal until I dug up the letter a few years ago. [My original blueprint to a \\$10M net worth](#) at 48 (a 20-year goal) has proved to be very conservative with respect to the income assumption. The most I ever had us earning by the end of the 20-year goal (in 2035 at age 48) was \$578,800.

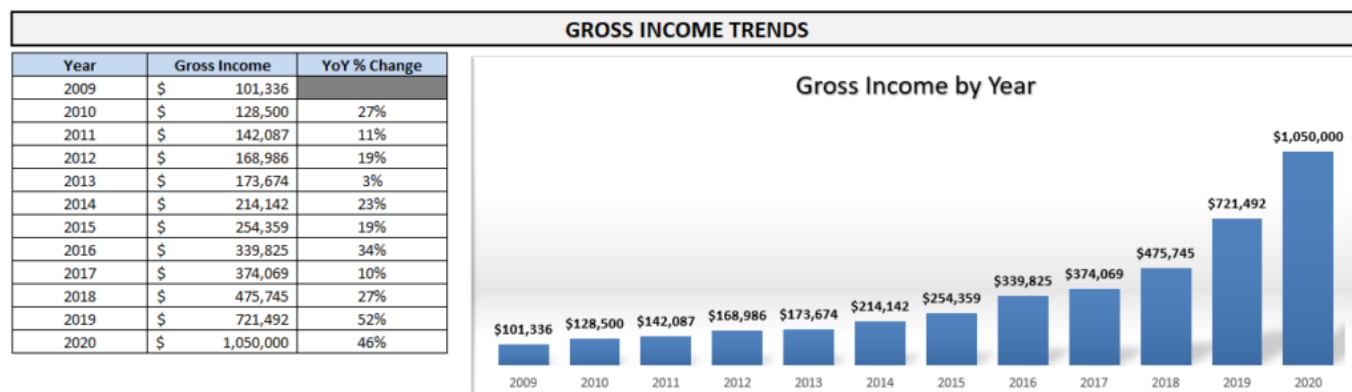
Although Mrs. GYFG and I didn't officially combine our finances until we were married in 2012, we had formed a household in 2009 when we moved in together after graduating college in 2008 (she in May and myself in December). Our first year of full-time work post-college was 2009 and together we earned \$101,336. We thought we were ballers back then because we were making the most money we had ever made. We worked very hard those first five years out of college and were rewarded with above-average raises, which allowed us to compound our combined income of \$101,336 in 2009 to \$214,142 by the end of 2014, a 16% Compound Annual Growth Rate (CAGR). Again, we thought we were crushing it! We didn't know very many people our age making that kind of money.

Over the years we each also invested a lot of time into both personal and professional development. We were able to monetize our hard work and ongoing

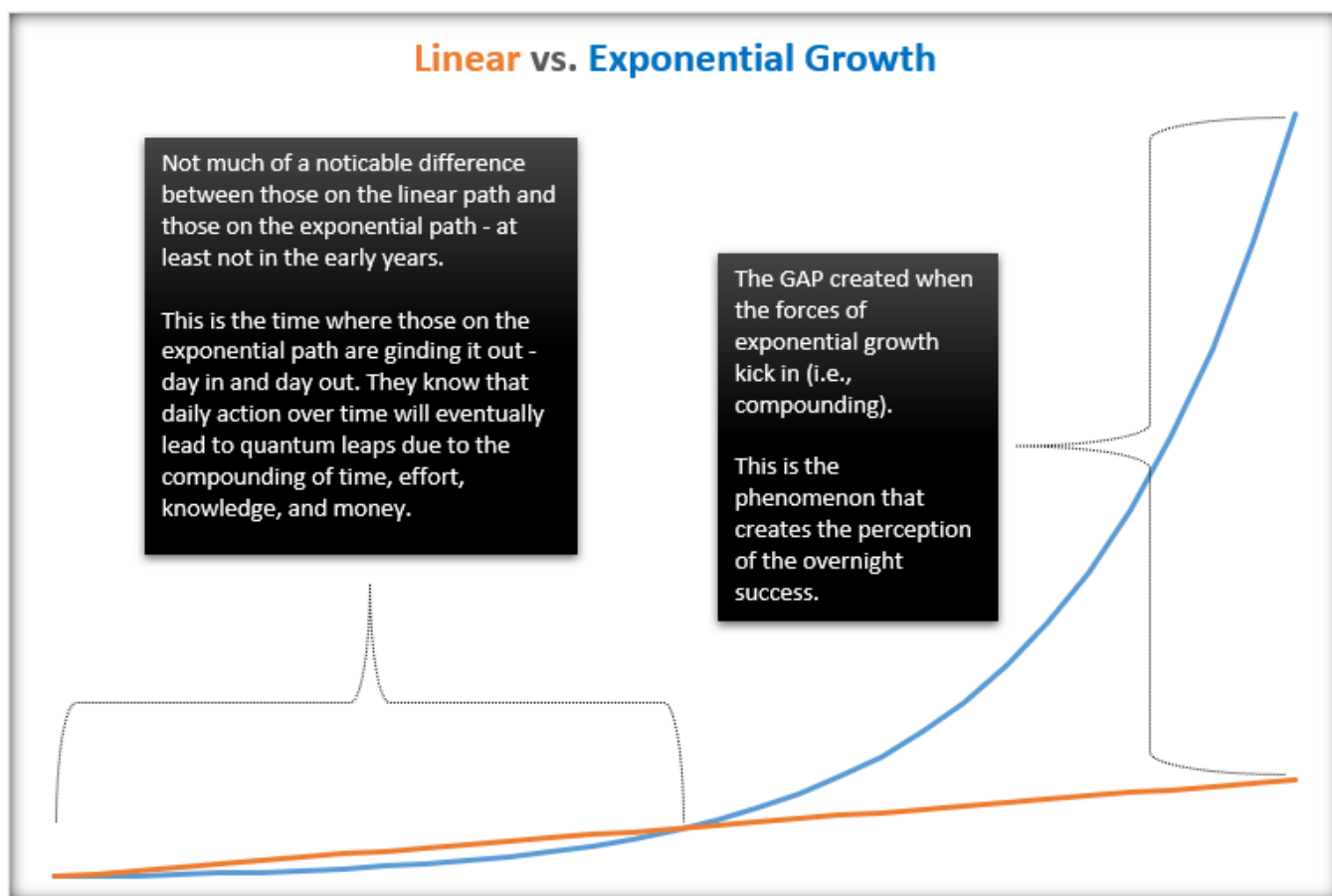
investments in ourselves but I realized we were leaving too much to chance without clear goals of where we wanted to be. That first revelation came after writing the aforementioned letter to myself in 2012. Then in late 2014, I decided to start this little blog project which supercharged my interest in personal finance. I started to set what seemed like outlandish goals to the few kind souls that started reading my blog in the early days. Even Mrs. GYFG thought I had lost my marbles. The first [crazy goal was to pay off our \\$350,000 mortgage in seven years](#), which [we accomplished in under five years](#). Then it was developing and adopting [the law of 50/50](#) whereby we aimed to save 50% of our after-tax income and spend the remaining 50% guilt-free.

I didn't stop there. I announced to the world that I had a Big Hairy Audacious Goal of building a \$10M net worth in 20 years with an income of nearly \$600,000. It doesn't seem that crazy today from my current vantage point but it was very much a stretch back in 2015 [when I first published that 20-year plan](#). Back then (early 2015) we had just finished 2014 with a net worth of \$181,364 and an income of \$214,142. We surpassed every single income goal for the entire 20-year period this year and we are on track to earn almost double the income I had projected for 2035 (in 2020).

From 2012 to 2019 we have managed to grow our income from \$101,336 to \$721,492 (a CAGR of 20% over that 11-year span of time). As I mentioned above, our current projection for income in 2020 is \$1,050,000 (a CAGR of 22% over the 12-year period). It doesn't seem so crazy when you look at it in percentage terms. But when you look at the increase in absolute dollars, an increase of \$950,000 in 12 years is insane. With a 22% CAGR, that means we were effectively doubling our income every 3.3 years.



The income didn't grow overnight. It took extreme focus and discipline. It took sacrifice. We made a commitment to ourselves and our future that we would live a few years like most won't in order to live the rest of our lives like most can't. Most people don't want to - and will not - work 70-80 hours a week for years-on-end, and then spend their free time working on additional personal and professional development. And even if they think they want to, many fizzle out. The results can seem painfully slow. Most people want instant gratification but that's not how this formula works. The power of compounding takes years to work its magic and then all of a sudden the results explode when you hit the elbow of the exponential curve (see below). Most people get discouraged because they are programmed to think in a linear fashion (it's human nature) and they give up way too early. That's because early on, there isn't much visible difference between the hustlers (those riding the exponential path) and the average Joe's (those riding the linear path).



For those ambitious enough to embark on an exponential journey, it is important to remember that [when motivation wanes, discipline reigns!](#)

Additional Reading

[You CAN Get Rich Working for Someone Else Because Your Career Is Worth Millions of Dollars!](#)

[Connecting The Dots Looking Backwards - Deconstructing My Career](#)

[The Reality of The Overnight Success...It's 10 Years in the Making!](#)

[How I Plan to Increase My Annual Income to \\$600,000](#)

Thanks for riding the exponential curve along with me. Your reading this blog has played a HUGE part in my growth.

-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](#)