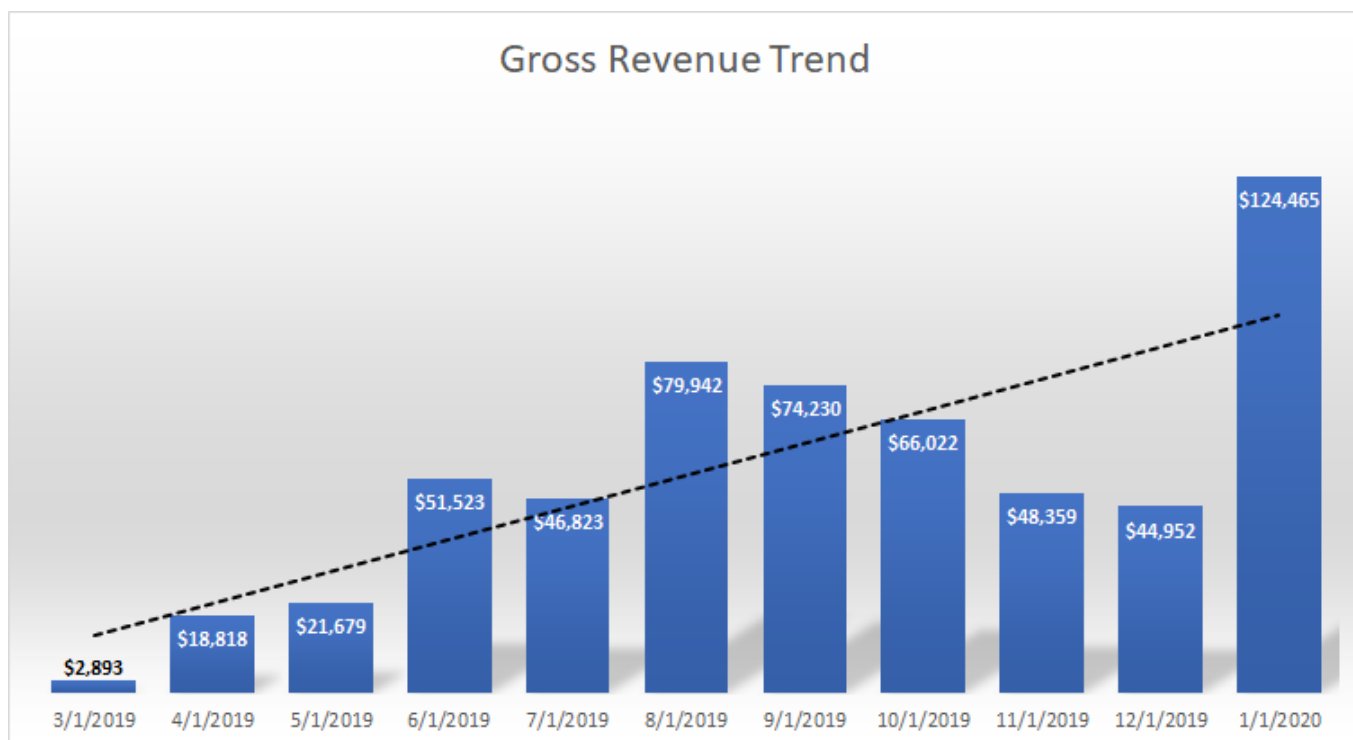


January 2020 - Detailed Financial Report #61 - Net Worth \$1,767,532 | Income \$48,427

And now...we return to our regular programming!

January was a fantastic month filled with so much growth even if it had me [overwhelmed at times](#). In my recent posts, I thought it was important to show the other side of coin for a super achiever. I share my journey to inspire and motivate others but I also want to represent the whole story and keep it real. I love celebrating my successes as much as the next person but every success is built on the back of struggle. It's not always rainbows and butterflies. I don't want anyone holding me up on some pedestal as some freak of nature who only ever does well. That's not how it is. I'm a regular guy with a lot of grit and hustle. I have faced a lot of adversity in my life and if I have any advantage it's turned out to be the adversity I faced growing up. Somewhere through that, I learned that when the going gets tough, the tough keep on going, and that is what I do!

After coasting through the last few months of 2019, I went from zero to 1,000 miles per hour right out of the gate in 2020. At the same time, I also decided I would give up both caffeine and alcohol - you could say I'm a glutton for punishment. I have never consumed large quantities of either, but that morning cup of joe always put me in a good place to start the day, and the occasional drink was just enough to take the edge off. And when I say there was an edge, you will see what I mean when you take a look at the revenue trend for my business below:



You can really see the effects of our conscious decision to slow down in the last quarter of the year (around the time I left for Hawaii in October – the first time in a decade that I didn’t bring my laptop with me on vacation). We were turning down work left and right during Q42019 and I’d be lying if I didn’t admit to having been a little nervous turning down work, as I did fear there not being enough work when we were ready to put our foot back on the accelerator. Well, my fear was a “**False Event Appearing Real.**” Remember that acronym the next time fear starts creeping in. Around the 10th of December, I started dipping my toes back in the water of securing more work and within about ten days we had contracted enough work for Q12020 almost equal to all of 2019.

During the insane ramp up in January, I finally reached an agreement on a day to leave Corporate America for good – January 22nd, 2020. My official last day is actually February 18th, 2020, however, because I had accumulated a bunch of unused PTO days. So, I will continue getting paid until then and will receive a prorated portion of my year-end bonus for 2019 (negotiated at a 50% haircut of what is owed). I also just signed the documents to liquidate my stock and option position in the company and will be receiving a very nice lump sum in February ([about \\$7,000 higher than what I calculated last month](#)).

If you're a regular reader and only want to read the new content, feel free to just skip the intro below, and head to **Net Worth**. 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 does change periodically.

Why I Share These Monthly Reports

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*. And, 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 (we entered 2015 with a net worth of \$181,364) and our gross income was on pace to hit \$178,000 that year.

Five years later, our net worth currently clocks in at \$1,767,532 with a gross income over the trailing twelve months of \$764,863.

- That's a **9.7X increase in net worth** due to a **compound annual growth rate of roughly 58%** for the past five years.
- At the same time, income has increased **4.3X**, which translates to a **compound annual growth rate of roughly 34%**.

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 share our results with you 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 does. 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. Choose to spend on what is meaningful to you. [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. Keep this famous Jim Rohn quote in mind:

"If you don't plan your future, somebody else will. And you know what they have planned for you? *NOT MUCH!*"

You must be intentional with your finances if you ever want a fighting chance to make it to financial freedom. But it does not have to take 40-50 years of slaving away for "The Man" before you have the option to retire. [I think 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 of the 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 so 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, and I think real life examples and numbers can help slice through the complexities (and the BS). Personally, I have always enjoyed the financial reports put out by other bloggers around the blogosphere, so I always intended to share my own.

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.

You can find all my previous reports on the [Financial Stats](#) page.

Financial Stats Dashboard

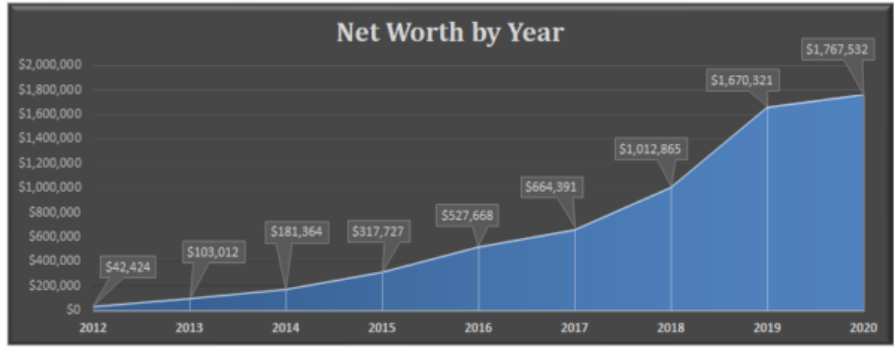
At the end of each month, I download a .csv file from my [Personal Capital](#) account and drop it into my custom built Excel workbook in order to update the dashboard you see below. I'm blown away every month by the progress we have made in a relatively short period of time. The only number below that is not an actual number and instead is a forecast is the current year projected income of \$1,070,591 in the gross income chart below.

**GEN Y FINANCE GUY
FINANCIAL STATS**

Year	Actual Net Worth	YoY % Change
2012	\$ 42,424	
2013	\$ 103,012	143%
2014	\$ 181,364	76%
2015	\$ 317,727	75%
2016	\$ 527,668	66%
2017	\$ 664,391	26%
2018	\$ 1,012,865	52%
2019	\$ 1,670,321	65%
2020	\$ 1,767,532	6%
2021		
2022		
2023		
2024		
2025		

TOTAL ASSETS	\$	1,797,100
TOTAL LIABILITIES	\$	(29,567)
NET WORTH	\$	1,767,532

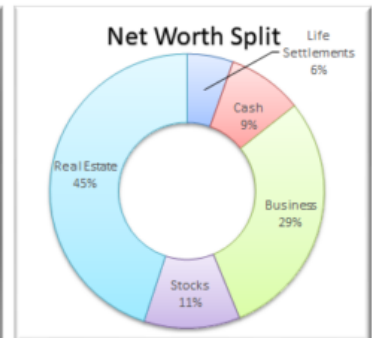
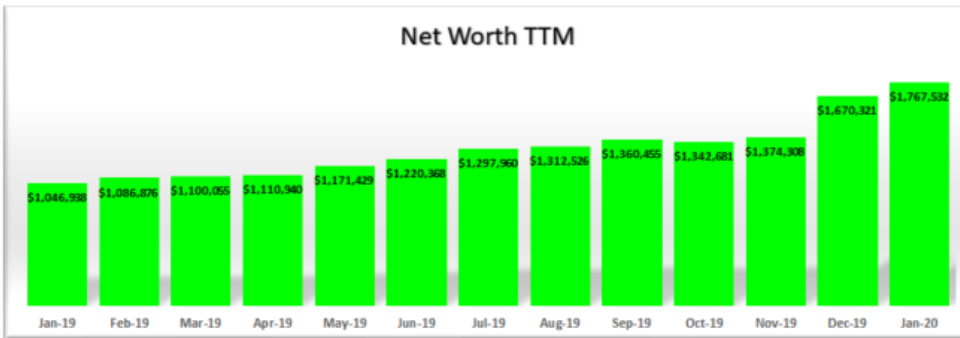
NET WORTH TRENDS



Goal: \$10,000,000 by January 31, 2035

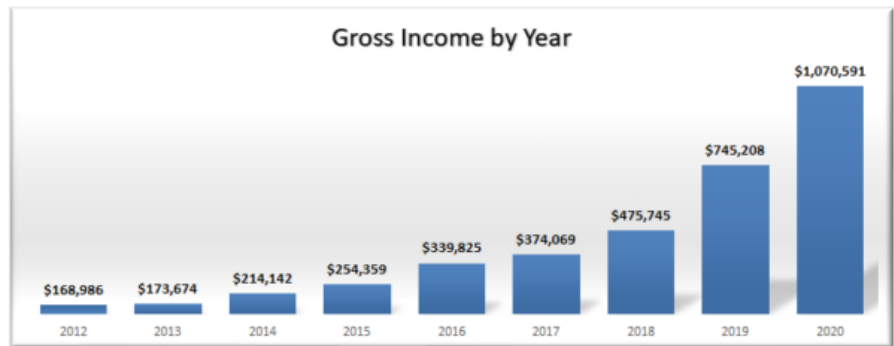
17.7% Of Net Worth Goal

Everyone has a number and ours is \$10,000,000



GROSS INCOME TRENDS

Year	Gross Income	YoY % Change
2012	\$ 168,986	
2013	\$ 173,674	3%
2014	\$ 214,142	23%
2015	\$ 254,359	19%
2016	\$ 339,825	34%
2017	\$ 374,069	10%
2018	\$ 475,745	27%
2019	\$ 745,208	57%
2020	\$ 1,070,591	44%
2021		
2022		
2023		
2024		
2025		



REAL ESTATE EQUITY AND MORTGAGE PAYOFF (PRIMARY RESIDENCE)

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

100.0% Paid Off

Home Equity
463,896
100.0%

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.

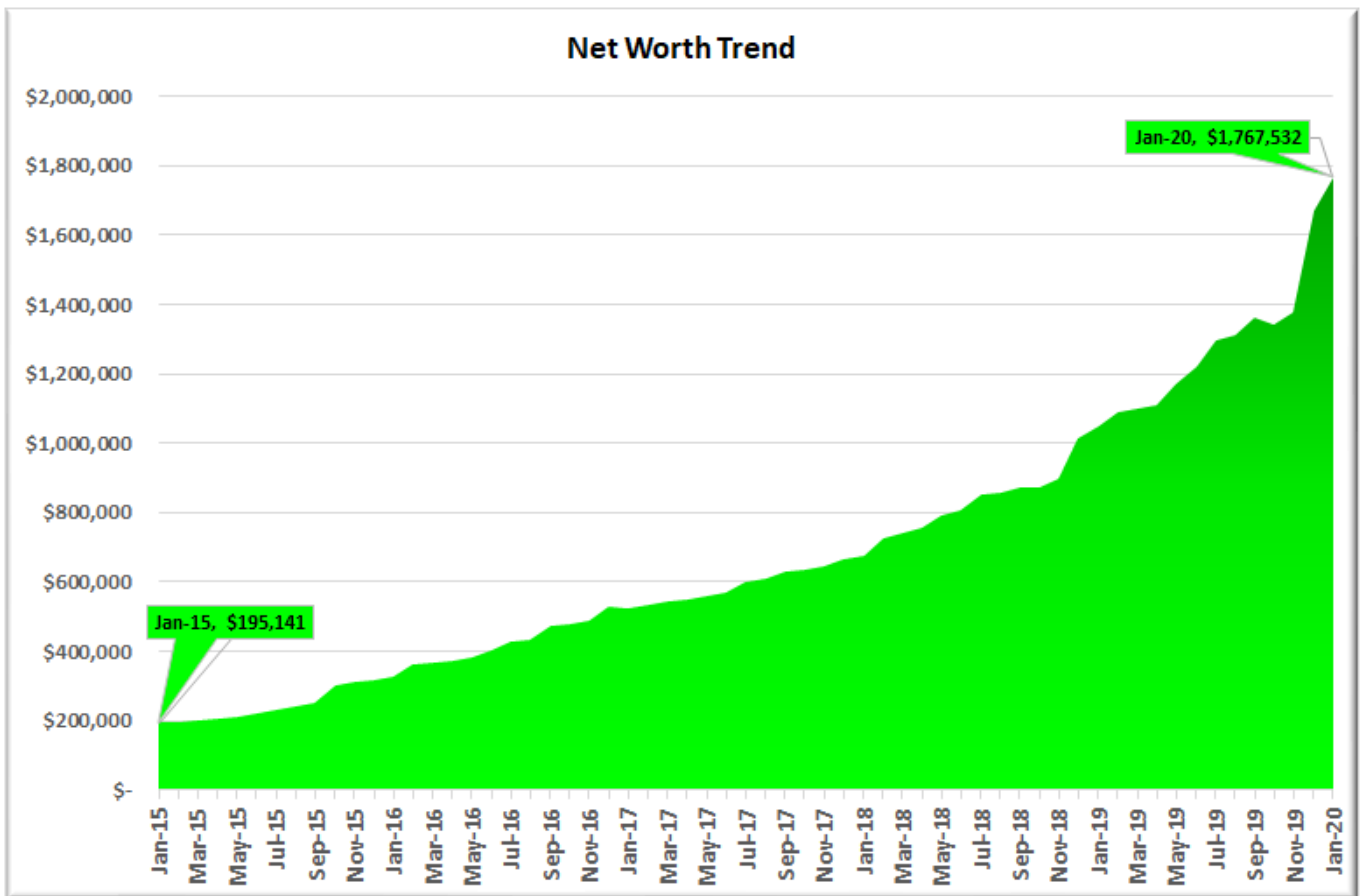
Now that we have seen the overall, let's take a closer look at a few of the items

below.

Net Worth

I finally remembered to add in the value of the Whole Life Insurance policy that we got for Baby GYFG. January started off strong with a net worth increase of \$97,211, which puts our net worth up 6% for the year. In February, after getting cashed out of my stock and options, we are going to be the most liquid we have ever been. One thing to note is that our current net worth is made up of about \$1.8M of assets netted against about \$30K in liabilities (soon to be very close to zero by the end of February).

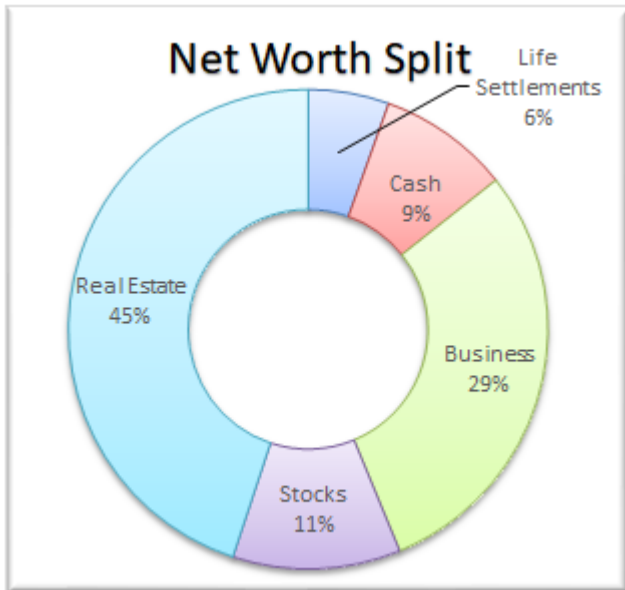
We will be gunning for \$2,000,000 net worth during the first six months of 2020, which will catapult us to the fourth milestone of [The Five Major Milestones to Financial Independence](#).



January Net Worth \$1,767,5321 (up \$97,211 or +5.8% for 2020)

- Previous month: \$1,670,321
- Difference: \$97,211

Net Worth Break Down (MoM):



The **Real Estate (\$793,829)** category decreased from 47% to 45%. This category includes the equity in our primary residence (\$463,896), a **hard money loan (\$150,000)** at a 10% interest rate, our investment in the [Rich Uncles commercial REIT \(\\$78,379\)](#), and our hard money loans through the [PeerStreet \(\\$101,555\)](#) platform. In March we will increase our investment with Rich Uncles so it hits a six-figure balance.

Net Cash (\$156,526) increased from 5% to 9%. Keep in mind that of that \$156,526 a portion (~\$89K) is related to what my business owes me (a combination of my direct billable work and the profits of the business). The cash category should grow from 9% to around 40% due to the liquidation of my position mentioned below.

The **Business (\$520,530)** category decreased from 31% to 29%. This represents the [ownership I have in the private company that I work for](#). We will be having a huge influx of liquidity as I get cashed out of my stock and options in February – leading to a \$520,530 liquidity event (about \$7K more than I estimated last month). I do not include the value of my business that still isn't a year old, so this category will disappear next month. If you recall from a previous post, [I originally invested \\$105,000](#) in January of 2017 (not a bad return for a three year hold – almost 5X the

original investment amount - 71% CAGR).

Life Settlements (\$96,406) remained flat at 6%. We currently have investments in seven policies at \$10,000 each. They are accreting in value by about \$1,000 per month. For anyone familiar with options, I liken the fixed return of life settlements to the theta of a short option. In this case, the accreted value is like the theta decay of an option you've sold. In more simple terms, with this fixed return you are amortizing (realizing) that value with the passing of time. Two of these policies have required capital calls as the insured has lived past the estimated life expectancy (that eats into the expected return).

The **Stocks (\$200,241)** category remained flat at 11% and represents the cumulative value of our brokerage accounts (retirement accounts) that are invested in stocks. However, this is not all of our retirement money, as the majority of our [PeerStreet](#) investments are made through a self-directed IRA (worth about \$84,000 and counted in the Real Estate category of the pie chart). This will be increasing substantially in January February (the timing slipped) when I pay back the 401K loan, which is currently at \$42,980 (down from the original \$50,000). I will be getting my year-end bonus payout in February for the 2019 calendar year and I have set my 401K contributions to max out as soon as that hits (I've done the same for my HSA). As I prepare for my departure from W-2 employment I have liquidated my stock positions (as of 11/14/2019) and the account is sitting all in cash until early next year when I roll it over to another brokerage account that I have early (I've already started talking with TD Ameritrade on what kind of incentives they can provide for bringing up to \$700,000 in assets over - they have initially offered me \$1,250 but are working with management).

Total Capital Deployed in 2020:

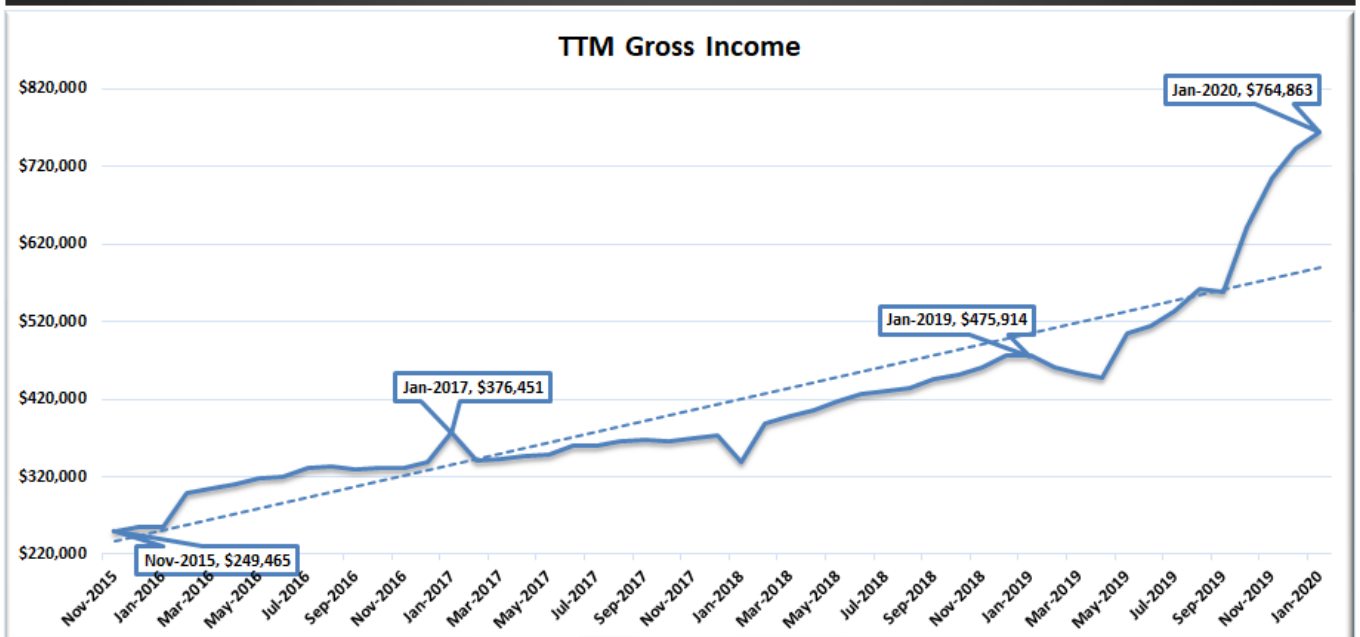
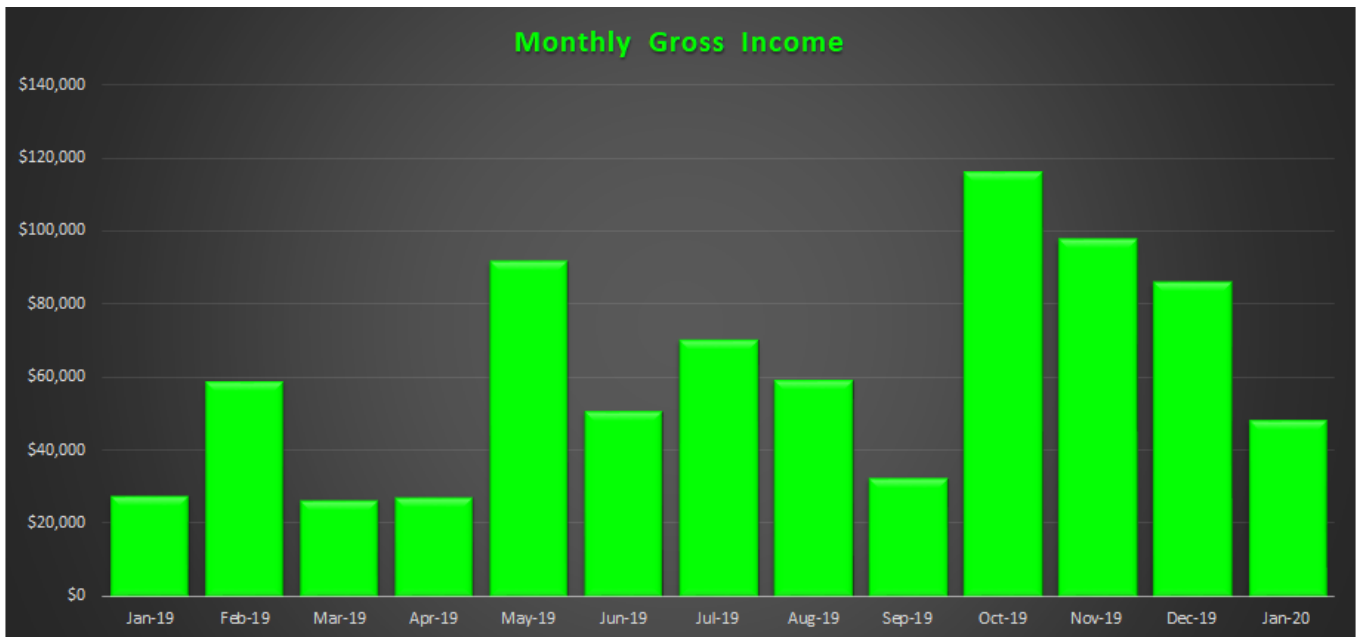
Investment	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dividends / Interest	401K Matches	2019	% Split
Peer Street	\$ -													\$ -	\$ -	0.0%
Rich Uncles	\$ -													\$ -	\$ -	0.0%
Mortgage	\$ -													\$ -	\$ -	0.0%
Stocks (401K)	\$ 23,854													\$ -	\$ 23,854	6.2%
Private Business	\$ -													\$ -	\$ -	0.0%
Whole Life Policy	\$ -													\$ -	\$ -	0.0%
Land Tax Strategy	\$ -													\$ -	\$ -	0.0%
Hard Money Loan	\$ -													\$ -	\$ -	0.0%
Life Settlements	\$ -													\$ -	\$ -	0.0%
Total	\$ 23,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,854	6.2%

The only deployments we are currently making are to our 401k's. Mine with my soon-to-be-previous employer will be maxed out in the next check and Mrs. GYFG

should be maxed out by the end of March. We do plan to deploy about \$20,000 to Rich Uncles to finally hit the six-figure balance goal I've been targeting for at least a year now. Other than this we are currently evaluating our options for future capital deployment.

Gross Income

Our income took a pretty large drop in January from last month but it is nothing to be concerned about. It actually is expected to be more of the norm with booms and busts as my distributions for my business will be quarterly. As for 2020 in total, [we are currently still projecting an income over \\$1M](#) (keep in mind that this includes the gain on the stock I'm getting cashed out of in ~~January~~ February).



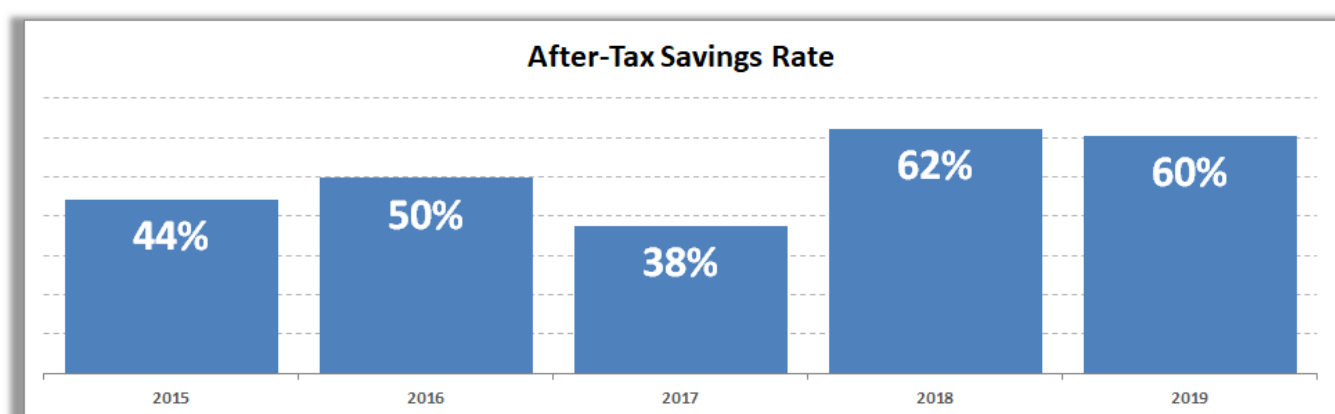
In the second chart above, I also track our income on a trailing twelve months. We recorded a new all-time record in TTM income at \$764,863 (up from the TTM of \$746,177 last month).

Savings Rate

I have made a decision to no longer track our detailed expenses, which means I will no longer be tracking our savings rate. Our goal remains [saving 50% of our after-tax](#)

[income](#). In 2019 we achieved a 60% savings rate, and we anticipate that or better in 2020. This does not mean I think a high savings rate is no longer important, it's just that I don't find it necessary for us to track it any longer due to the good habits we have built and the exponential growth in our income.

Below is a historical snapshot of our after-tax savings rate since we started tracking it in 2015.

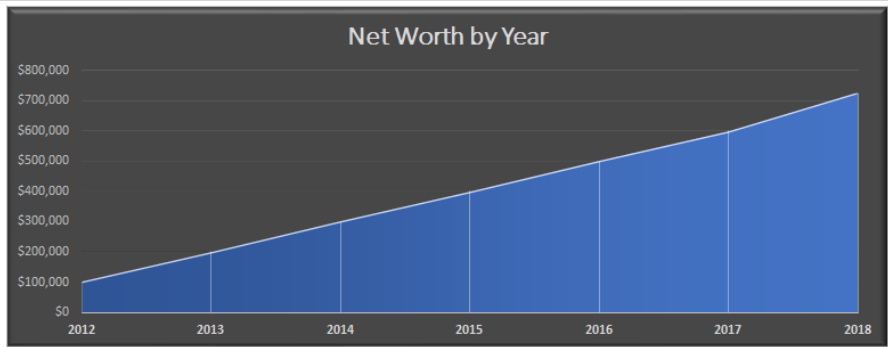


Do you want to calculate your own savings rate? I've made it super easy for you with the savings rate calculator included in the free GYFG FI Toolkit that you can download instantly by clicking the link below. Here's a peek. Did I mention it's free? You have nothing to lose and everything to gain, Freedom Fighter! Remember, what gets measured gets managed.



NET WORTH TREND

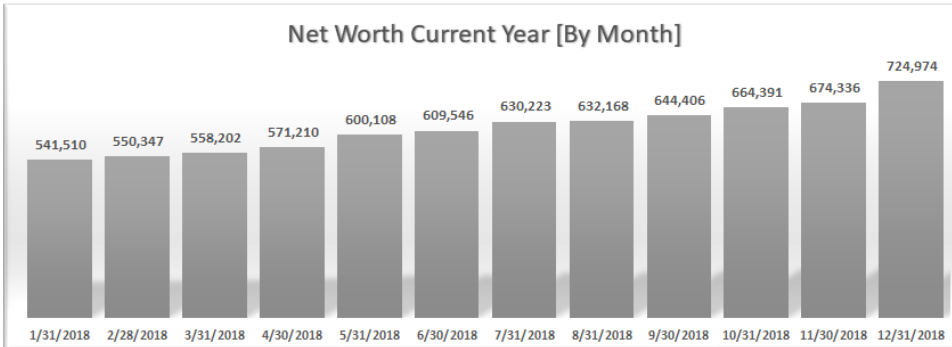
Year	Actual Net Worth	YoY % Change
2012	\$ 100,000	
2013	\$ 200,000	100%
2014	\$ 300,000	50%
2015	\$ 400,000	33%
2016	\$ 500,000	25%
2017	\$ 600,000	20%
2018	\$ 724,974	21%
2019		
2020		
2021		
2022		
2023		
2024		
2025		



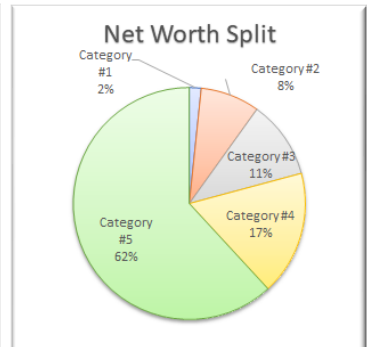
7.2% Of Net Worth Goal

Goal: \$10,000,000 by January 31, 2035

Net Worth Current Year [By Month]

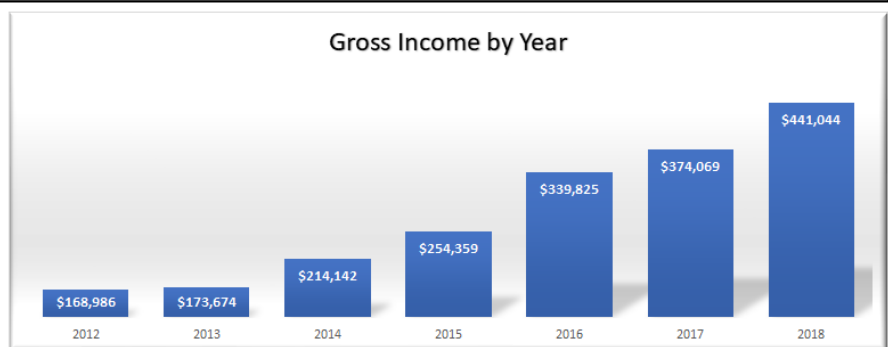


Net Worth Split



GROSS INCOME TREND

Year	Gross Income	YoY % Change
2012	\$ 168,986	
2013	\$ 173,674	3%
2014	\$ 214,142	23%
2015	\$ 254,359	19%
2016	\$ 339,825	34%
2017	\$ 374,069	10%
2018	\$ 441,044	18%
2019		
2020		
2021		
2022		
2023		
2024		
2025		



MORTGAGE PAYOFF (PRIMARY RESIDENCE)

Goal: Pay off Mortgage on Primary Residence by December 31, 2021

43.7% Paid Off



Savings Rate Calculator

Gross Income

Total Gross Income	10,000
Total Pre-Tax Contributions	1,500
Total Benefit Expenses	190
Total Taxes	1,135
Net Take Home Pay	7,175
Total Living Expenses	2,500
Net Income	4,675
Add Back Amortizations	500
Add Back Pre-Tax Contributions	1,500
Total Savings	6,675

Savings Rate (% After-Taxes & Benefits) 76.9%

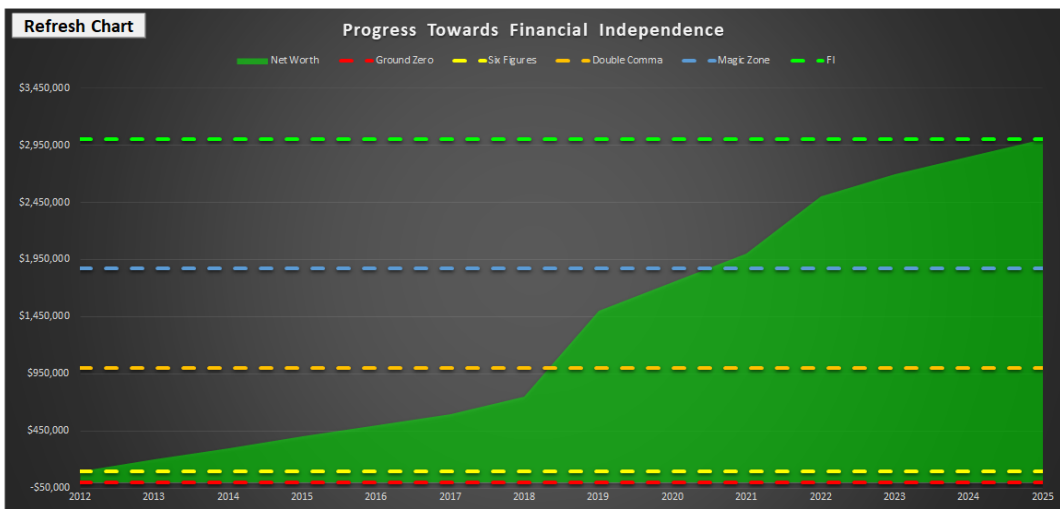
Gross Savings Rate 66.8%



Desired Annual Spending \$ 120,000
 Financial Independence \$ 3,000,000

Year	Net Worth
2012	\$ 100,000
2013	\$ 200,000
2014	\$ 300,000
2015	\$ 400,000
2016	\$ 500,000
2017	\$ 600,000
2018	\$ 750,000
2019	\$ 1,500,000
2020	\$ 1,750,000
2021	\$ 2,000,000
2022	\$ 2,500,000
2023	\$ 2,700,000
2024	\$ 2,850,000
2025	\$ 3,000,000

Your FI number is based on the 4% rule, which defines FI at the point your Net Worth Reaches 25X your desired annual.



Click Here To Download

*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.*

Closing Thoughts

The year is off to a great start. The GYFG calendar is full of adventures this year:



- Mrs. GYFG and I will be off to Ojai to celebrate our seven-year wedding anniversary (and Baby GYFG will be staying with Grandma and Grandpa).
- We are headed for Texas in March to visit family.
- We have a road trip getaway to Mexico in April.
- I will be in Vegas for a conference in May

- In June I've rented a five-bedroom house on the beach (see above) for a mid-year retreat as a perk for my full time employees and their families.
- We anticipate several trips to Lake Meade between June through August.
- In September we are planning a two-week trip to Italy.

On top of all of this, I will be traveling 4-6 days a month for my business. So, it is going to be a fun but busy year.

And that's all she he wrote!

- Gen Y Finance Guy

p.s. [Personal Capital](#) now offers a 1.55% high yield savings account that is FDIC insured.



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](#)