

August 2021 - Detailed Financial Report #80 - Net Worth \$6,594,162

I'm a super planner...but August decided to ignore my plans! The first major surprise was that our daughter decided to show up three weeks early from her September 7th due date, which began a cascade of plans going out the window. I had somehow deluded myself into thinking I could plan everything to perfection...but life had something else in mind.

Although our introduction came earlier than expected, we were excited to meet our little girl, and my wife was ready to be done being pregnant. I had planned to be in the delivery room for the birth of my daughter and cut the umbilical cord like I did for our son, but that was something else that didn't go according to plan. Instead, I ended up getting food poisoning from the Chipotle food I had before going into the hospital on the night of 8/18 - luckily my wife had decided she didn't want to eat any of that dinner I had brought home to her. The long story short is I left the hospital at 5am to try and get something to deal with stomach issues I was having and was in the hospital parking lot on my way back up to the hospital room (still very green) when I got a call from my wife telling me that our daughter had just been born! (BTW, that food bug stayed with me off and on for a week, and I'm so grateful we had help for the first 11 days.)

Did I mention that we had actually planned for our daughter to be early? Not as early as she ended up coming, but my wife was scheduled to be induced on 8/24 ahead of her 9/7 due date. But as I explained, that didn't go according to plan either. This put us both scrambling the night her water broke to make arrangements in the two businesses we run.

I had also intended to have closed the sale of my business by 8/31 but that has now been pushed to 9/30 because we just couldn't get everything done in time and we want a clean cut at a month-end.

We expected a big month of life-changing events, and we got it, but not exactly rolled out the way we thought it would be.

Note to self: life doesn't always consider my plans, so I need to remain flexible and

just go with the flow. That's life! Despite going "off script," we had an incredible month as we got to meet and welcome our beautiful daughter to the world. I feel incredibly blessed and grateful for a healthy family.

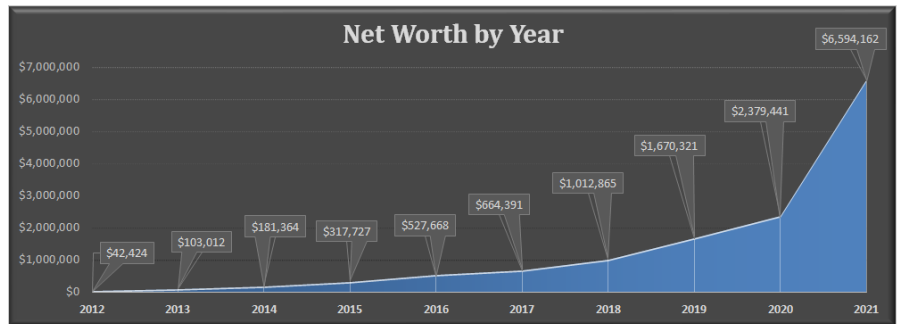
With all that said, let's dive into the financial update, and go through the details of this month's update.

Financial Dashboard

I remember when I first created this financial dashboard back in 2015 and how [that first update](#) I shared had us at less than 2% of the way to our \$10M goal. Here we are, six and a half years later, 65.9% of the way there. The most astonishing thing to me is the compound annual growth rate (CAGR) we have been able to maintain since 2012. Our income has grown at a robust 26.3% CAGR. Even more mind-blowing is that our net worth has been compounding at a 79.0% CAGR during that same time period.

NET WORTH TRENDS

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	\$ 2,379,441	42%
2021	\$ 6,594,162	177%
2022		
2023		
2024		
2025		



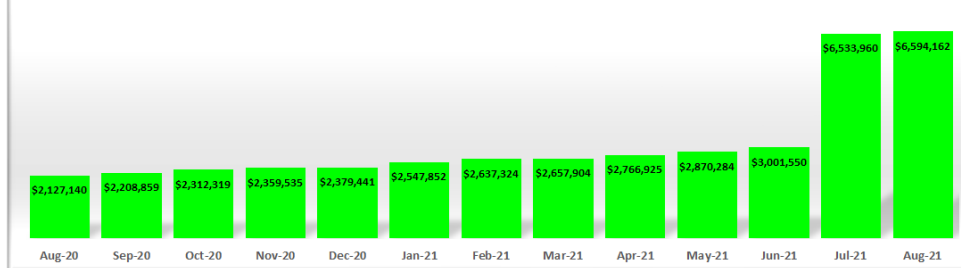
TOTAL ASSETS	\$	6,896,716
TOTAL LIABILITIES	\$	(302,554)
NET WORTH	\$	6,594,162

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

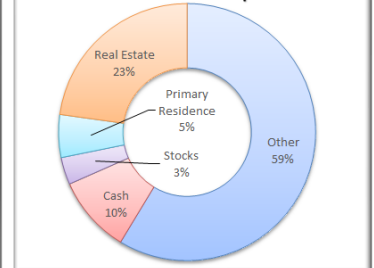
65.9% Of Net Worth Goal

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

Net Worth TTM

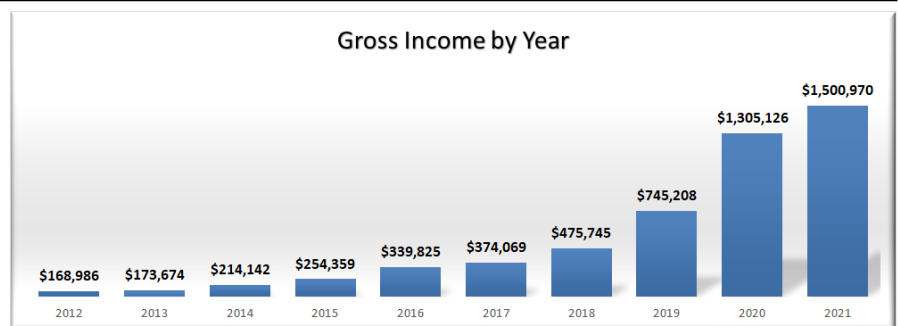


Net Worth Split



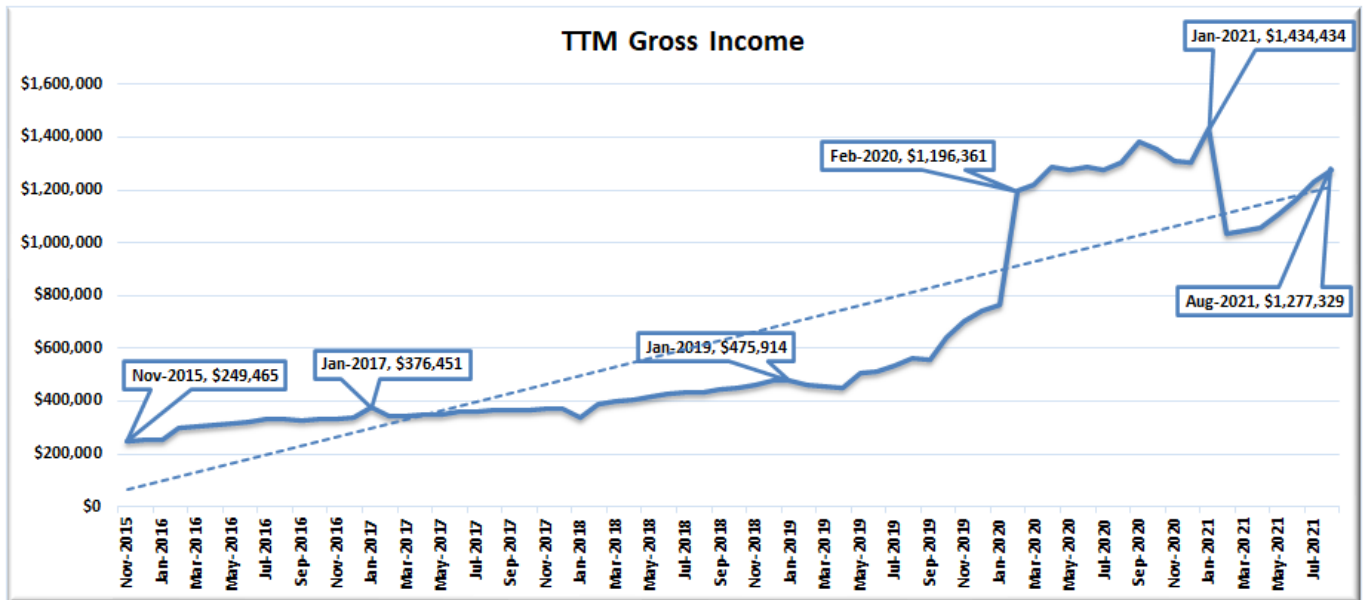
GROSS INCOME TRENDS

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	\$ 1,305,126	75%
2021	\$ 1,500,970	15%
2022		
2023		
2024		
2025		



TTM Gross Income

The income figure I like to track most is our Trailing Twelve Month (TTM) gross income. After falling off a cliff in February 2021 we continue to climb towards our previous peak of January 2021, tracking to not only exceed our 2020 annual income but also to surpass our all-time high set in January of this year.



I don't have it baked into our income forecast but I will have it in next month's update that our TTM should end the year somewhere around \$2,700,000 as we receive a big chunk of cash at close related to selling a large percentage of my business. The deal is not structured as an earn-out but I have requested that the payment be split into three payments over the next 12 months in order to help with tax planning.

Net Worth

Current Net Worth: \$6,594,162 (up \$4,214,721 or +177.1% for 2021)

Previous month: \$6,533,960

Difference: +\$60,202

The majority of our net worth that isn't cash or stocks only gets re-valued periodically and I currently think our net worth is understated, which means we will periodically have large and lumpy changes to it. Net worth is up much less than it could have been (I cut about \$90,000 from this month's increase to accrue for taxes) as I have had to change my tax strategy for the sale of my business and

won't be doing a monetized installment plan. So I'm bleeding the impact of the taxes in over the remaining months of the year for the 2021 payout, and will do the same for the payouts next year as well.

Note: I was doing some back-of-the-napkin math and there is a possibility that our net worth could end 2021 somewhere between \$7,000,000 and \$8,500,000. Here are some of the drivers:

- My BTC position is being held at \$200K cost but is looking like at December expiration (I sold a bunch of call premium against my position and short puts) this could be closer to \$400K. **(+\$200K to current NW)**
- When we agreed to buy a 50% interest in my in-law's house/5 acre property back in March of 2020 (right before the Pandemic hit full force) the value that set the price was \$1.6M. The real estate market has been going crazy these past 18 months. Today, similar properties are going for \$2.2M to \$3M. **(+\$300K to \$700K to current NW)**
- The 20% ownership in my business I'm retaining post transaction is expected to appreciate. **(+\$200K to \$400K to current NW)**
- Another \$1M of our current NW - mostly real estate - is being held at cost. **(+\$100K to \$300K to current NW)**
- Our current primary residence is being held about \$100K under comps in the neighborhood. **(+\$100K to current NW)**
- We expect to add additional savings via our earned income and profit distribution between now and YE. **(+\$200K to \$300K to current NW)**

Upside Range by YE = \$1.1M to \$2M

Because I still prefer to be conservative we won't realize all of the upside but if things continue the way they are I see us realizing at least the bottom-end of the upside range.

Net Worth Break Down:

Real Estate (23%) - This is a mixture of private placement deals, equity, debt, and crowdfunding.

Primary Residence (5%) - I decided to split this out on its own because it is

something I do want to manage separately from our overall holdings in Real Estate. Our primary residence currently makes up 5% of our total net worth (down from 23% in September 2020). I expect the concentration to continue its downward trend until we move into our new house in the next three to six months - move in date is a moving target.

Net Cash (9%) - We currently have \$648,784 in cash vs. \$569,000 last month. This will grow substantially in next month's update and probably through January of next year.

Alternatives/Other (59%) - This is a catch-all category that captures our investments in the following: [life settlements](#), a [special purpose acquisition company](#) (SPAC), a private investment in the Robinhood trading platform, Bitcoin, and the newest addition of Bowery Farming - a vertical farming company that recently closed [a \\$300M in a Series C funding round](#) that I was lucky enough to participate in. **This now also includes the value of the equity I own in my business. A large part of this will shift from this bucket to the cash bucket when the transaction I'm involved in closes at the end of August September.**

Stocks (3%) - Our 401K accounts are maxed out and we don't have any new investment planned here for the year. The only thing that could tick this up is when we get the shares from a SPAC that we participated in that currently sits in the alternatives bucket above.

Total Capital Deployed in 2021:

Investment	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Dividends / Interest	401K Matches	2019	% Split
Gross Deployments																
Real Estate - Hotel	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	11.0%
Real Estate - Mixed Use	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	3.7%
Real Estate - Commercial Office	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	7.3%
Real Estate - Industrial (Cannabis)	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	11.0%
Real Estate - Industrial (Warehouse/Distribution)	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	7.3%
Jane (Cannabis Digital Platform)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	2.2%
Consumer Products - Snax Sational	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	7.3%
Bowery Farming	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	7.3%
Bitcoin	\$ -	\$ 100,000	\$ -	\$ -	\$ 37,059	\$ 62,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	29.3%
Short SPY Puts	\$ -	\$ 6,300	\$ 4,158	\$ (2,500)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,958	1.2%
Stocks - Index Funds (401K/IRA)	\$ 10,935	\$ 54,030	\$ 11,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,405	11.2%
Stocks - Index Funds (After-Tax)	\$ 4,000	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,000	1.2%
Gross Deployments	\$ 64,935	\$ 239,330	\$ 15,598	\$ 72,500	\$ 87,059	\$ 62,941	\$ 100,000	\$ 25,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 682,363	100.0%
Gross Liquidations																
PeerStreet Self-Directed IRA	\$ -	\$ (37,400)	\$ -	\$ -	\$ -	\$ -	\$ (9,957)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (47,357)	31.7%
Hard Money Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (75,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (75,000)	50.2%
Stocks - Index Funds (After-Tax)	\$ -	\$ (22,387)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (22,387)	15.0%
Sold Short SPY Puts	\$ -	\$ (4,700)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,700)	3.1%
Gross Liquidations	\$ -	\$ (64,487)	\$ -	\$ -	\$ -	\$ -	\$ (84,957)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (149,444)	100.0%
Net Deployment	\$ 64,935	\$ 174,843	\$ 15,598	\$ 72,500	\$ 87,059	\$ 62,941	\$ 15,043	\$ 25,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 532,918	n/a

This month we deployed \$25,000 and you can see from the above that I've already included a \$15,000 investment for September.

There are a number of liquidity events that I'm expecting later this year:

~~(1) \$75,000 hard money loan at 10%. The original loan was for \$150,000 and was made back in November of 2019. Half of it was paid back six months ago and I expect the remainder sometime in the next couple of months as the last property securing the loan is currently being listed for sale. (DONE)~~

(2) Robinhood Investment. I invested in a round led by Sequoia Capital at a \$8.3B valuation back in July of 2020. [The last round they raised in August 2020 was at an 11.2B valuation.](#) They announced that they would be filing for an IPO in 2021 and some of the chatter is that it [could go public at a \\$40B valuation.](#) I'm not going to make F-U Money but my \$10,000 could turn into \$40,000+. **Robinhood officially went public and closed in August with a market capitalization of ~\$40B. This currently values our investment at ~\$48,000 but we have a six month lock up before we could consider selling, which I intend to do at the time of writing this.**

(3) Life Settlement Policies. I invested \$70,000 across seven policies in late 2017 and early 2018. Four of those policies are now past the expected maturity date. I've had to make several capital calls to keep the policy active as the insureds have lived past the expected life spans. If all four policies payout this year, I will receive \$59,300 on an original investment of \$40,000.

(4) \$38,000 \$25,000 in maturing hard money loans made [on the PeerStreet platform](#). The volume has been significantly less since the Pandemic hit and of the new loans being added to the platform, not many have been matching my criteria of a max 60% LTV and 8% interest rate. Therefore, I have been transferring money out of the two accounts with PeerStreet as the notes mature. On top of that, the majority of my remaining notes are in some form of default.

I could see a continued deployment of capital in the range of \$25,000 to \$50,000 per month for the remainder of the year (mostly real estate and/or alternatives). That said, it also depends on the timing of our remodel and its cash needs, while maintaining a comfortable cash cushion.

Closing Thoughts

I still believe that gratitude and optimism can get you through the toughest of times. In the grand scheme of things, the parts of my world that I detail here probably seem like a fantasy to most. I know it doesn't feel real to me. That said, I do know that the hard work and long hours were and still are very real, so I welcome the reward with arms wide open. I remind myself regularly to remain grateful for all the success and growth the GYFG household has experienced on many different fronts. And viewing the world [through a lens of optimism](#) is the only way I care to see it.

I look forward to getting this transaction closed. We are also so excited to move into the new house sometime over the next several months. The kitchen remodel is well underway and is the only remaining part of the remodel project keeping us from moving into the new house.

Onward & Upward!

- 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](#)