

September 2021 - Detailed Financial Report #81 - Net Worth \$6,688,328

What a month!

September was a bit rough as we concluded the peak of our busy season that runs from May through October. Everyone (including myself) is looking forward to the seasonal slowdown that naturally happens this time of year as we head into the holidays. This holiday season is going to be bittersweet; it is the first holiday season that we won't have my mother-in-law but it's also our daughter's first Halloween, Thanksgiving and Christmas.

I was hoping to be able to share that the sale of my business closed in September but due to delays related to legal issues, it was pushed into October. I'm typing this report on the 13th of October and we are down to one final issue that we hope to resolve in order to close by the 15th. We are so close to the finish line, but I think there is a strong chance it all slips into the next week. The good news is that I was able to get an increase in the valuation due to the delay in closing. The business has continued to grow triple digits and is currently on pace for 135% YoY growth on both the top and bottom lines.

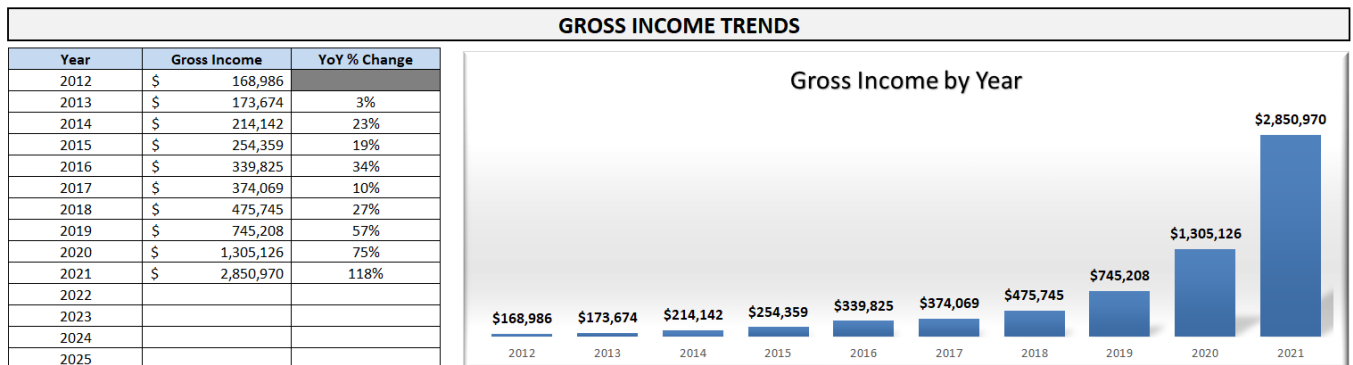
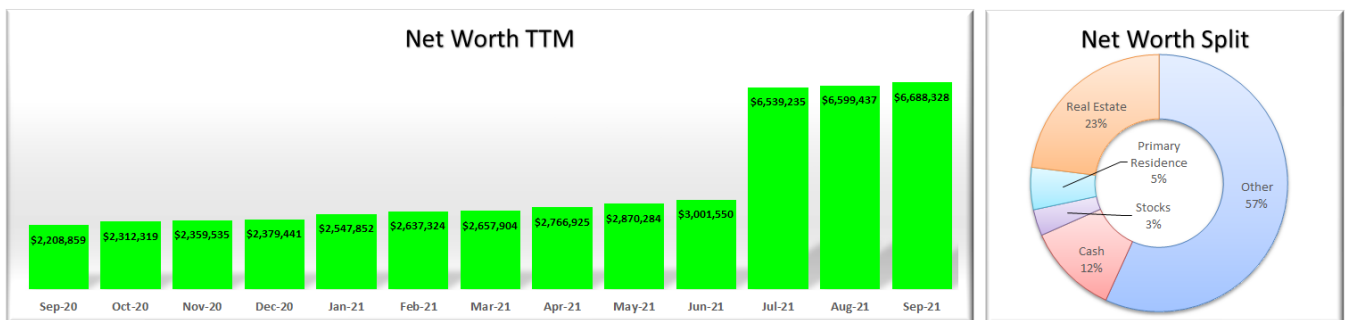
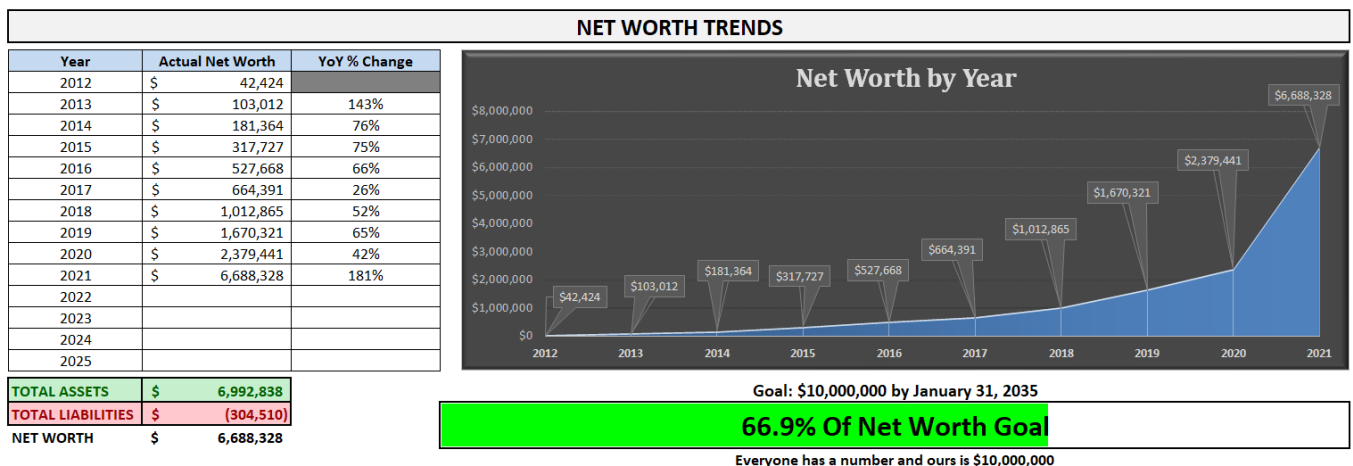
With the business sale, the peak of our busy season, an active almost-three-year-old, and an infant, I'm running on fumes. So, this update will be a bit shorter than the normal monthly, but I will be back next month with lots of details to share.

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

Financial Dashboard

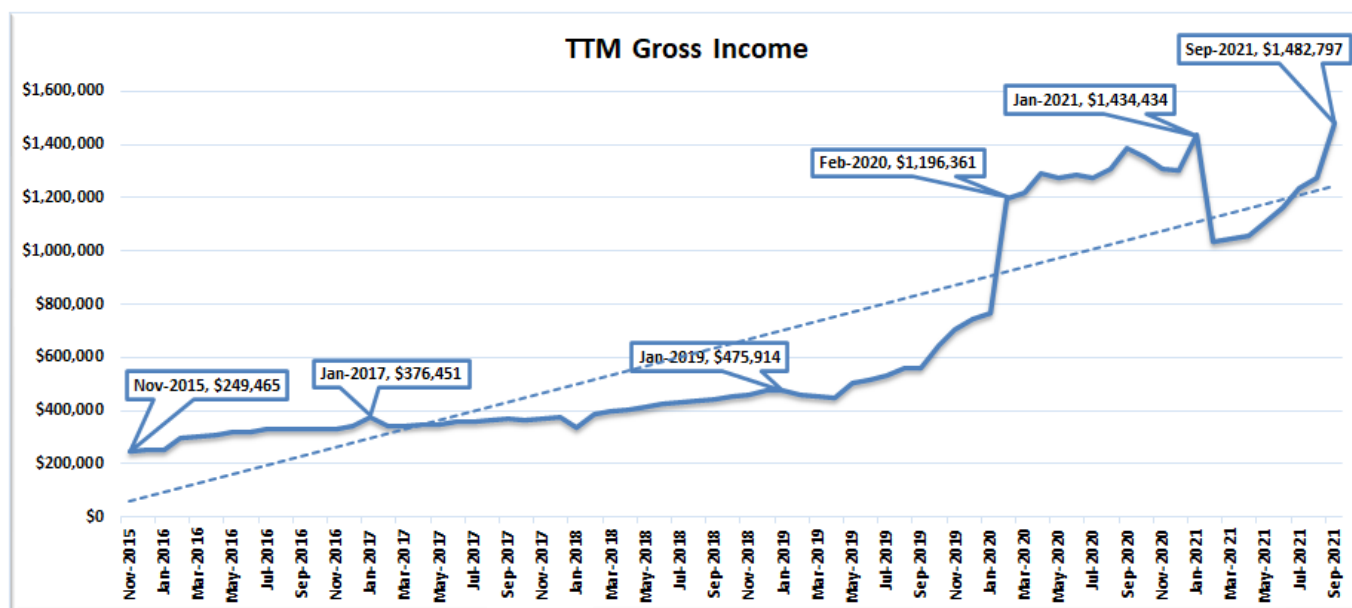
I remember when I first created this financial dashboard back in 2015 and how [that first update](#) I shared had us at less than 2% of the way to our \$10M goal. Here we

are, six and a half years later, 66.9% 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 26.0% CAGR. Even more mind-blowing is that our net worth has been compounding at a 78.3% CAGR during that same time period.



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 still climbed past our previous peak of January 2021, tracking to not only exceed our 2020 annual income but also to surpass our all-time high set earlier this year.



I'm now officially projecting our TTM to end the year somewhere between \$2,800,000 and \$3,000,000 as we receive a big chunk of cash at close related to selling a large percentage of my business (in addition to the healthy cashflow Mrs. GYFG and I have been able to generate from our businesses). 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 (one payment equal to 50% this year and two payments for the remaining 50% next year).

Net Worth

Current Net Worth: \$6,688,328 (up \$4,308,887 or +181.1% for 2021)

Previous month: \$6,594,162

Difference: +\$88,891

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 in the impact of the taxes over the remaining months of the year for the 2021 payout, and will do the same for the payouts next year as well.

I'm still expecting our net worth to end the year somewhere between \$7,000,000 and \$8,500,000 - we should get to the lower end of the range mostly through regular savings. The upper end of the range is based on the drivers [I shared last month](#).

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 (12%) - We currently have \$782,796 in cash vs. \$648,784 last month. This will grow substantially in next month's update and probably through January of next year.

Alternatives/Other (57%) - 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 in October.

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	8.7%
Real Estate - Mixed Use	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	2.9%
Real Estate - Commercial Office	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	8.7%
Real Estate - Industrial (Cannabis)	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	8.7%
Real Estate - Industrial (Warehouse/Distribution)	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	5.8%
Real Estate - Opportunity Zone	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	17.5%
Jane (Cannabis Digital Platform)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	1.7%
Consumer Products - Snax Sational	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	5.8%
Bowery Farming	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	5.8%
Bitcoin	\$ -	\$ 100,000	\$ -	\$ -	\$ 37,059	\$ 62,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	23.3%
Short SPY Puts	\$ -	\$ 6,300	\$ 4,158	\$ (2,500)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,958	0.9%
Stocks - Index Funds (401K/IRA)	\$ 10,935	\$ 54,030	\$ 11,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,405	8.9%
Stocks - Index Funds (After-Tax)	\$ 4,000	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,000	0.9%
Gross Deployments	\$ 64,935	\$ 239,330	\$ 15,598	\$ 72,500	\$ 87,059	\$ 62,941	\$ 100,000	\$ 25,000	\$ 40,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 857,363	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	\$ 40,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 707,918	n/a

We deployed \$40,000 in new investments during the month of September and you'll notice that I've already booked an investment that I committed to funding in October. The October investment is in an opportunity zone and will help defer some of the capital gains taxes on the sale of my business. I recently committed to invest \$250,000 into a newly formed fund dedicated to investing in all things cannabis (a space I continue to see lots of opportunity in).

Closing Thoughts

I feel like I'm phoning it in for this month's update but I'm going to give myself a pass.

See you all next month!

- 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](#)