

October 2021 - Detailed Financial Report #82 - Net Worth \$7,521,552

It happened! We finally closed the transaction whereby I sold a majority interest in my business. As I reflect back on what has been accomplished over the past 32 months since [starting this business](#) I am extremely satisfied with the progress we made in a relatively short period of time. I think the best thing I ever did was [start with an exit in mind](#). From day one I had a five-year plan and tracked everything I knew an eventual buyer would want to see to properly evaluate the business. I thought it would take another two years before we would get here but here we are on the other side of a deal.

Starting and growing a business has been the hardest and most fulfilling thing I've done in my career. That said, I don't think I will be one of those serial entrepreneurs that starts and exits multiple businesses. I've been very intentional with the things I wanted to accomplish in my professional life to satisfy my own ambition but also to design the lifestyle that I desire. There are three major goals that I set for my professional self:

1. Make the C-Suite by age 30. **CHECK**
2. Start and Exit a business with a liquidity event. **CHECK**
3. "Retire" early and manage my family's wealth. **IN PROGRESS**

You'll notice that I put retire in quotes because I'm not the kind of person that could live the pro-leisure life indefinitely. I like to be productive and at the core, I am a serial achiever. For me, FIRE has always translated to Financial Independence / Recreational Employment. Besides satisfying my ego these goals have enabled my family to build wealth aggressively and condense a 20-year goal to achieve a \$10M net worth into what will likely be done in 12 years or less.

In order to successfully sell the majority stake in my business, I did have to agree to another five years of running the company but in return, I got a guaranteed (contractual) liquidity mechanism to sell the remaining equity I retained at a pre-defined formula. I'm fairly confident that we will hit \$10M before we hit the end of my five-year obligation so anything from the "second bite of the apple" as they call it in private equity will be gravy. I fully intend to be done at 40.

During this next chapter, which I project to span the next five years, I can't afford to spend the same kind of hours I've put in the last ten years. I have a growing family that I want to be present for. I made sacrifices early by putting in the long hours so that when I had a family, we could live an incredible life together. Going forward, I don't have new financial goals I want to achieve, nor do I have any interest in increasing my net worth goal even though I realize we will likely overshoot \$10M by a long shot.

When I sit down this month (like I do every year) to set my goals for the coming year, they will be entirely around family, fitness, and fun. This means that I need to find ways to offload things on my plate professionally so I can keep my work week to as close to 40 hours a week as possible. I'm currently in process of crafting a chief of staff role for a rock star I hired last year that will help me manage my chaotic professional life and ensure it has minimal bleed into my personal life. No more work/life blend; this is a new phase, hard stop. I will also be shedding some of the extra hats I have been wearing as I now have the support of a back office to take over accounting, marketing, human resources, and IT.

I am so excited for this next chapter of my life. My son just turned three years old and our daughter is three months old and I don't want to miss out on the incredible adventures and memories that should be availed of during a young family's journey in this thing they call life. I've been an okay dad and husband but I want to transition into being a great one on both fronts.

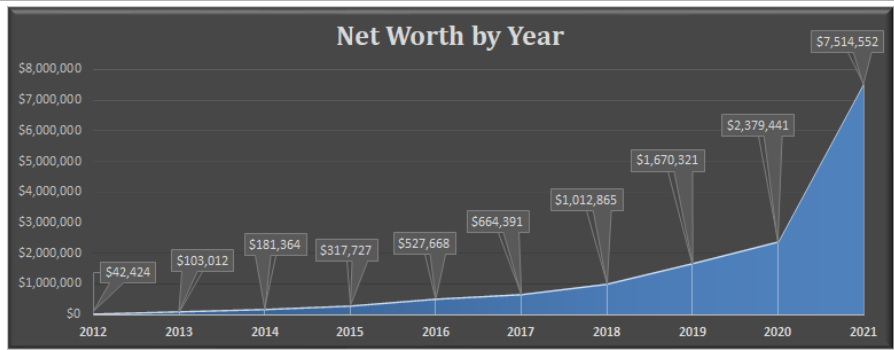
With all that said, let's dive into the financial update, and go through the details of this month's update.

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, seven years later, 75.1% 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 35.5% CAGR. Even more mind-blowing is that our net worth has been compounding at a 79.7% 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	\$ 7,521,552	216%
2022		
2023		
2024		
2025		



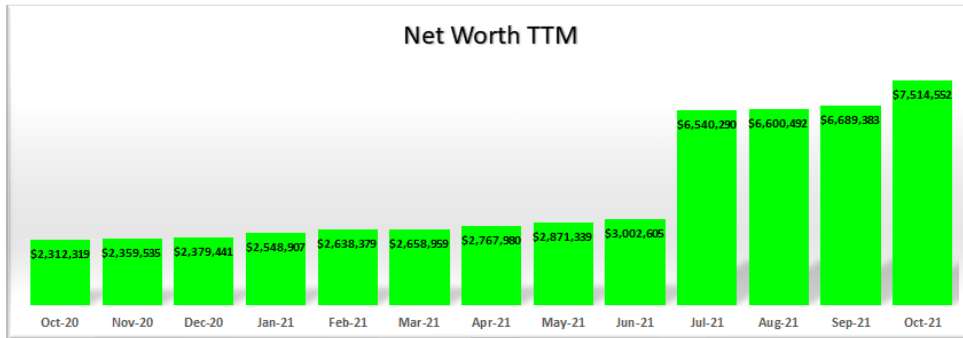
TOTAL ASSETS	\$ 7,844,633
TOTAL LIABILITIES	\$ (323,081)
NET WORTH	\$ 7,521,552

Goal: \$10,000,000 by January 31, 2025

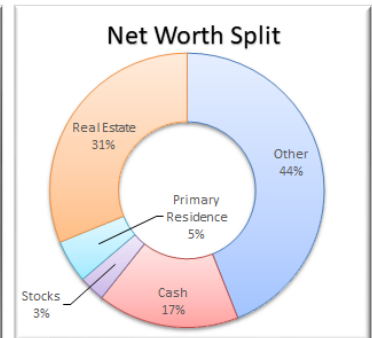
75.2% Of Net Worth Goal

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

Net Worth TTM

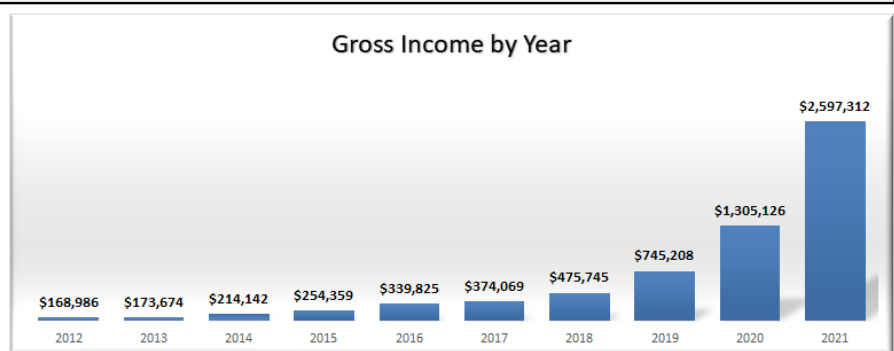


Net Worth Split



GROSS INCOME TRENDS

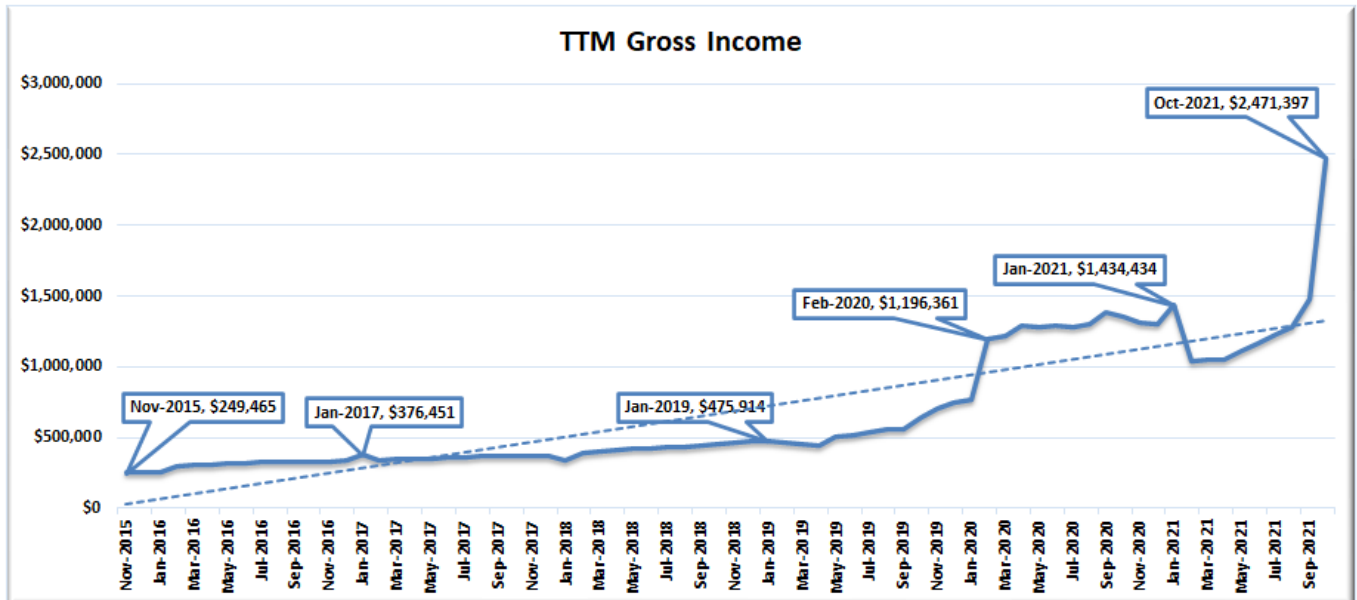
Year	Gross Income	YoY % Change
2012	\$ 168,986	
2013	\$ 173,674	3%
2014	\$ 214,142	23%
2015	\$ 254,359	19%
2016	\$ 339,825	34%
2017	\$ 374,069	10%
2018	\$ 475,745	27%
2019	\$ 745,208	57%
2020	\$ 1,305,126	75%
2021	\$ 2,597,312	99%
2022		
2023		
2024		
2025		



TTM Gross Income

The income figure I like to track most is our Trailing Twelve Month (TTM) gross income. We have officially gone parabolic on the chart and I expect to hit another all-time-high in January that will take the TTM north of \$3,000,000 where it will likely

stay until October of 2022 before an extended decline unless something else not on my radar happens to change it.



Net Worth

Current Net Worth: \$7,521,552 (up \$5,142,111 or +216.1% for 2021)

Previous month: \$6,689,383

Difference: +\$832,169

The majority of our net worth that isn't cash or stocks only gets re-valued periodically and even after making some updates this month, our net worth continues to be understated, which means we will periodically have large and lumpy changes to it. I did update several areas discussed [in August](#) to bring our net worth closer to its real value. A few of the markups include an increase of \$300,000 related to a valuation increase I got right before we closed the transaction and a \$400,000 increase in the value in the home we are remodeling (we plan to move in some time in January of 2022). We locked in the value of the home at \$1.6M when we agreed to buy 50% of the property from my in-laws in March of 2020 and the

latest price estimate is \$2.4 to \$3M if the house was listed today. I used the low end of the range to value our portion of the equity - offset by the \$400,000 mortgage on the property we just assumed this month.

Net Worth Break Down:

Real Estate (31%) - 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 January of 2022 - we just completed the kitchen remodel and have painters scheduled for mid-November. I expect this to grow from 5% to ~12% in January. Once we move, we plan to sell our current primary residence as we don't want to get into the direct landlord game.

Net Cash (17%) - We currently have \$1,287,084 in cash vs. \$782,796 last month. You will notice in the deployed capital section below that even after almost \$400,000 in newly deployed capital, we still realized a \$500,000 increase in our cash balance. I expect this to continue climbing through January of next year. The "Alternatives/Other" category will shrink as a result of this category growing. I don't want to hold this large of a cash position indefinitely but I also don't want to rush to put it all to work all at once. The goal will be to continue investing as good opportunities come up and maybe increase the size of our investments on really compelling opportunities.

Alternatives/Other (44%) - 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 also includes the value of the equity I still own in my business - including the remaining sale proceeds I have yet to receive (the next payment comes in January).

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	6.1%
Real Estate - Mixed Use	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	2.0%
Real Estate - Commercial Office	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	6.1%
Real Estate - Industrial (Cannabis)	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000	6.1%
Real Estate - Industrial (Warehouse/Distribution)	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	4.1%
Real Estate - Opportunity Zone	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	12.3%
Real Estate Debt Hedge Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ -	\$ 240,000	19.6%
Jane (Cannabis Digital Platform)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	1.2%
Cannabis Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ 125,000	10.2%
Consumer Products - Snax Sational	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	4.1%
Bowery Farming	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	4.1%
Bitcoin	\$ -	\$ 100,000	\$ -	\$ -	\$ 37,059	\$ 62,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	16.4%
Short SPY Puts	\$ -	\$ 6,300	\$ 4,158	\$ (2,500)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,958	0.7%
Stocks - Index Funds (401K/IRA)	\$ 10,935	\$ 54,030	\$ 11,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,405	6.3%
Stocks - Index Funds (After-Tax)	\$ 4,000	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,000	0.7%
Gross Deployments	\$ 64,935	\$ 239,330	\$ 15,598	\$ 72,500	\$ 87,059	\$ 62,941	\$ 100,000	\$ 25,000	\$ 40,000	\$ 390,000	\$ 125,000	\$ -	\$ -	\$ -	\$ 1,222,363	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	\$ 390,000	\$ 125,000	\$ -	\$ -	\$ -	\$ 1,072,918	n/a

We deployed \$390,000 in new investments during the month of October and the investment in the Cannabis hedge fund got pushed to November because we never got the capital call. I'm constantly surprising myself on the amount of capital we've been able to deploy this year. Due to the amount of cash we have and expect to have, I think we will deploy \$50,000 to \$100,000 per month through 2022.

Closing Thoughts

This year has been a doozy with so many life-changing events. The good news is we had the mental and emotional fortitude to get through what I believe will go down as the hardest year in our life. It's not a year I want to re-live or repeat anytime soon but it is a year I'm proud to say we got through. I can't remember if it was Jim Rohn or Darren Hardy who always reminded us that it's not about the destination as much as it is about who you become in the process.

It finally feels like we have hit the inflection point that marks the next chapter of our

life. One where time has shifted from work to the life side of the ledger. The next big milestone on the map ahead is moving into our dream house, which is only about a month away before we start moving and two months before we officially call it home.

- 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](#)