

INTRODUCTION

If you're like me, you've probably read numerous investment and retirement books over the years. Although I found them helpful, the one thing I realized is that most authors were suggesting ideas they had not personally implemented for themselves. It's one thing being a financial advisor or author and telling people how to save and plan for retirement, but it's quite another to do it yourself and have to live with the consequences of your decisions. Based on the absence of authors having firsthand experience personally implementing their financial strategies with their own money, I decided to write this book and tell you the process I personally followed to become completely debt free, achieve a multimillion-dollar portfolio, and fulfill the dream of an early retirement.

Now when I say early retirement, I don't mean early 60s, mid-50s, or even late 40s. The age I decided to leave corporate America and live the rest of my life doing what I wanted was at 43. You're probably wondering how I did this. Did I inherit a fortune from my family, win the lottery, invest in Apple stock when the company was left for dead, or did I just put all my money on 36 red at the roulette table? No, it was nothing that simple, but on the other hand, it wasn't anything too difficult that can't be done by you or anyone else for that matter.

In order to explain how I was able to retire at the age of 43, we need to go back to my childhood so that I can give you some insight into my financial foundation—a foundation that developed over the years through my application of basic principles, which I'll share with you in a moment, taught to me by my father all those years ago. Before getting into the specifics, let's start from the beginning—my childhood.

When I was young, life was great. I got to play all my favorites sports, spend time with my friends, and do all the carefree things you get to

do while growing up. Although my parents never spoiled me, I can't remember wanting for anything. Both my parents worked very hard and always made sure we'd spend quality time together as a family. Dinner every night was a special time when we all talked about our day. Of course, my father had a way of turning any conversation into a life lesson. Looking back, I realize this was the part of the day where I got my real education in life. But of all the things we discussed, the one I remember the most is when my father would say, "You better enjoy everything now while you're young and don't have any real responsibilities, as there will come a time when the fun stops, and you'll have to live like an adult."

Live like an adult? On the surface, I guess I knew what that meant, but I wasn't sure if I understood all the facets of what being an adult entailed. From watching my parents, I knew being an adult involved going to work, paying bills, and taking care of your family. It sounded relatively straightforward, but the one thing I didn't fully understand was what he meant by taking care of your family. When I asked my father how he went about taking care of his family, the answer was nothing like I expected. Before he answered my question, he asked me what I thought it meant. From my perspective, I thought it meant to protect them from harm and always ensure their safety. He said my definition wasn't wrong, but the actual process of taking care of yourself and your family encompassed so much more.

My father was a self-made man who led by example. He always said what he meant and gave 100% to whatever task he was doing. I remember my father always telling me, "If it's worth doing, it's worth doing right." So when the day came when he sat down with me at his desk where he managed the family's finances, I knew this was going to be a memorable conversation. How memorable was it? Let's just say that what he taught me essentially shaped the rest of my life and hopefully yours as well.

He told me, in a very serious tone, that taking care of yourself and your family requires a conviction to never lose sight of who you are and what you're trying to accomplish. My father was a self-taught planner who was always two steps ahead of everyone else. He told me to never lose sight of the future while living in the present.

One day, I remember him asking me about our neighbors and some of my friends. He asked me what I noticed about them and how they lived their lives. After thinking about his question for a while, I responded by saying that it seemed like they had everything they wanted. My friends had all the newest toys; their parents lived in big houses and always drove the coolest cars. My father asked if I thought all those possessions made them happy.

I answered, "I think so."

Then my father said something that really made me think. He said, "Since all these possessions aren't free, how can they afford them?"

I said, "Money."

He said, "Correct, but what if the money you earn isn't enough to pay for all these possessions? If your income only covers so much, you need to take on debt through loans and credit cards, which are very expensive."

After thinking about his statement, I turned the question around to him and asked, "How do you do it?"

He smiled and said, "I was hoping you'd ask that question."

Although the answers he gave seemed obvious, it wasn't until I got older that I realized that most people don't adhere to these basic principles. Some of his points were philosophical in nature while others felt like commandments to live your life by. Without a doubt, I can honestly say the conversations we had while I was growing up truly made an indelible impression on how I live my life to this day. In no particular order, let me

share with you these words of wisdom that my father said to me over the years.

- A dollar can only be spent once, so spend it wisely.
- Understand the difference between a want and a necessity.
- There are no shortcuts in life.
- Never put anything on a credit card that you can't completely payoff when the bill comes due.
- Know who you are and don't try to define yourself by your possessions.
- Wear your mink on the inside, which means don't try to show off your wealth just to impress others. (One of my personal favorites)
- What makes a vacation special is the time you spend with your family, not how much it costs.
- Avoid impulse purchases. If you want something, wait two weeks before buying to ensure you're not buying something on a whim.
- When it comes to life or money, understand the future consequences of your actions.
- Budget your expenses and plan for your future.
- With the exception of a mortgage, avoid taking on debt.
- Initially live off 80% of your after-tax income and ultimately get to 60% through managing your expenses and saving the majority of your salary increases.
- Always save at least 75%, after tax, of any salary increase, bonus, or unexpected windfall.
- Believe in the long-term process of saving and investing, not the short-term results.
- A good saver will always beat a good investor

- Educate your children about financial matters to ensure they become responsible and self-reliant individuals.
- How you handle adversity, whether it's personal or financial, will shape you as a person.
- The good times won't last forever, so always plan for a rainy day.
- If it's worth doing, it's worth doing right.
- Life is short, so enjoy every bit of it.

With these words of wisdom, I felt like I better understood my father and how he lived his life and took care of his family. As I got older, my father would sit down with me and show me in more detail how he managed the family's finances (i.e., paying bills, saving money, and investing it for the future). When I told him I wanted to continue my education, he gave me a subscription to *Money* magazine. While learning about managing money from my father and reading about the stock market in *Money* magazine, I knew I wanted to learn even more about finance. So I went to college and focused on getting an education that would not only help my career but benefit my personal life as well. After four years, I completed my bachelor's degree in finance with an emphasis in personal financial planning and analysis.

Several years later, I got married, and my wife and I started working and saving toward our goal of early retirement. As young adults, we may not have known much, but working for the next 40-plus years wasn't the way we wanted to spend the majority of our lives. So we developed a game plan and started down the path toward our goal of retiring at 50. On the surface, early retirement sounded like an impossible goal, but I knew as long as we stayed on track, there was an excellent chance we would succeed. In order to achieve this goal and advance my career, I decided to go back to school. While working during the day, taking classes at night,

and studying on the weekends, I completed my master's degree in business.

Everything felt like it was going as planned until something happened that changed my life forever. Although my father used to tell me that life is short, you never really understand what that means until you lose someone you love, like I did when my father passed away at 64 years of age. He was in great shape, ate healthy foods, and exercised by walking and riding his bike. Although I can take some comfort in the fact that he lived his life to the fullest, I'm sad that he and my mother didn't get all the time together they deserved. To say his passing hit me hard would be an understatement. Just like that, I lost my mentor and best friend.

After he died, I took a real inventory of myself, and I have to say I didn't like what I saw. When he passed away, I was a workaholic and 60 pounds overweight. After graduating from college, I spent every waking hour doing what he taught me and trying to be the best I could at my job by always giving 100%. Whatever it took to get ahead, whether it was working 70 hours a week or getting my master's degree, I was willing to do it. Although I can tell you that my hard work led to career success, I wasn't truly happy. I had two children I barely knew, and the only thing that offered me comfort was watching sports and eating food. This was obviously not the life my father wanted for me. I knew he was pleased that I was a responsible adult who lived beneath his means and diligently saved and planned for his future, but on the other hand, I also knew he was concerned that I was shortchanging myself and not living life to the fullest. In fact, he even wrote me a letter, which I still have today, where he explained his take on the true meaning of life. Unfortunately, it wasn't until his passing four years later that I really took heed of his words and changed my life.

As I look back, it's very clear that my father's passing really turned my life around. Although I was well on my way to achieving my goal of early retirement, I was broken inside and needed to change who I was or I'd never live to see 50. With this in mind, I started to exercise and change my food intake, and within eight months, I lost all the weight and then some. I also made a conscious effort to stop bringing work home and focused on being with my family and enjoying the things that truly mattered. I remember to this day my mother telling me, "If there's anything positive that I can take from your father's passing, it's that you turned your life around and put yourself and your family first."

So in the end, the result of all the hard work, saving, and investing allowed me to achieve an early retirement at the age of 43 (seven years earlier than I planned all those years ago). With enough assets to provide a financially secure retirement expenses, I decided to leave my job and enjoy the rest of my life doing the things that mattered most to me. One of those things is educating people about personal finance. Over the years, I've passed on my father's philosophy to numerous friends and coworkers who are now on their way to financial prosperity. In order to turn his words of wisdom into something a little more practical that other people could use, I decided to write this book and provide specific insight on how you too can manage your finances and live the dream of early retirement.