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**Mark:** I think I owed pretty much 80,000 on my house, couple of cars, maybe 5000 on a credit card, I had a lot that I had purchased, and I had a loan on that for $15,000. Yeah, it was, we ran out of money before the end of the month and that's why I couldn't go to McDonald's. Because even if it was at the beginning of the month, I knew I would be spending money we didn't really have.

**Narrator:** You're listening to the Millionaires Unveiled Podcast, where you'll hear the stories and interviews of everyday millionaires. We'll unveil their decisions, their strategies, and their current portfolio allocation. Now to your hosts, Clark Sheffield, and Jace Mattinson.

**Clark:** Hello, and welcome back to another episode of the Millionaires Unveiled Podcast where we tell the stories and strategies of everyday millionaires and unveil their current portfolio allocations. I'm Clark, here alongside my co-host Jace and this is episode number 104. On last week's show, we had Chris Mamula, he's the co-author of the new book Choose FI: Your Blueprint For Financial Independence. We discussed the book, what one can expect to learn, some of the chapters and information that stood out to us as well as to him and also, we really dove into his story of financial independence. On today's interview, we have Mark, Mark has a current net worth about 3 million, of which 1.4 million is in seven different rental properties and also about $900,000 in retirement accounts. The remainder mostly is in his paid for house. One interesting thing about Mark story is that all of his rentals are fully paid for and his primary residence, so he has no debt in his life whatsoever. We dive into his story, how the rental snowball got started, how he's recently retired and what he's doing with his time now, a really terrific story with Mark, where at one point earlier in his life, he said that eating at McDonald's was a luxury, so truly amazing how he was able to turn his financial story around.

But before we get into that interview with Mark, just want to thank our sponsor Obsidian Capital for supporting the show. Creating passive income is one of the quickest ways to create and establish wealth. At Obsidian Capital, their core philosophy is to enable qualified investors to create long term wealth passively through strategic real estate investing. Their team of experienced real estate professionals identify stabilized and value add multifamily real estate assets that will provide strong financial returns, a healthy risk profile, tax incentives and additional benefits that come from investing in real estate. They pride themselves on a high level of integrity and have experience in acquiring and managing over $300 million in multifamily assets. Furthermore, their leadership has over 45 years of combined industry experience through their website today to learn more about their streamlined investment process at www.obsidiancapitalco.com. We appreciate everybody tuning into the podcast week after week. If you enjoy the show, we'd appreciate you leaving our five-star review on iTunes. It helps us grow the show and reaching millionaire interviewees, but without any further delay, please help me welcome mark to the show. Mark, you want to just give us a little bit about your background and what you're up to now?

**Mark:**Sure. Well, today I'm 62 years old. I retired when I was 60, so about a year and a half ago. But my story starts when I was 27, 28 years old, married, we had two young boys, my wife and I did and we were just broke, we were broke, I couldn't go to eat for lunch, couldn't go out to eat for lunch. I couldn't, you know, I'd be hungry on the way home from work and I'd pass McDonald's and I literally didn't have 39 cents for a burger and a water. So, I took control of my finances and I I heard about a strategy that was that's now called snowball, and I decided to pay off our debts and become more financially secure.

**Jace:** That's awesome. We're going to get deep into the details of that because it's quite a remarkable story, but what's your net worth today,

**Mark:** About $3 million.

**Jace:**And how is that broken up?

**Mark:** My house is about 800,000. I've got about 800 to 900 in my 401k or IRA now, rolled it into an IRA. And I've got seven rental properties near the local university that are worth about 1.4 million.

**Jace:** And all of those are paid off?

**Mark:**Everything's paid off, didn't want to take any debt into retirement, so everything's paid off. And I'm, you know, I'm not taking Social Security yet, so we are living on our rental income and we're also taking out some money from the IRA every month.

**Jace:**That's quite phenomenal. How do you decide how much you want to take out from your IRA every month?

**Mark:**You know, that's interesting. You know, there's the famous 4% rule from the Trinity study. And so, I'm taking out more than that so I'm taking out 6000 a month, and a lot of, you know, a lot of that goes to taxes. So, I see 4250 in my net from that. And the reason I'm taking out more than the 4% is because I plan on doing it only until I--. So, I retired at 60 and I need to use my own funds until I start taking social security at 67. So, I'm going to take it at 67, that's about six months after my full retirement age, my wife will then be able to take her social security, which will be half of my benefit and she'll also have a pension of about $1,000 a month. So, once all that kicks in, I'll be able to rely less or maybe not at all on my IRA. So, for now, I'm taking out a higher percentage, but I think that will eventually turn into zero or near zero in the future.

**Jace:**And how do you have that invested right now?

**Mark:** You know, I am a real proponent of Gail--. Oh my gosh. Okay, let me try this again.

**Jace:**Gail Collins.

**Mark:** I am a real proponent of Gail Collins and, I would love to be doing that and I'm just not. It's funny, I haven't done it yet, but I plan on doing that. For right now, I have a lot of Apple stock, a lot of Amazon stock, and a few other stocks, that when I retired, I took about half of my IRA, so about $400,000 and moved it into just a money market account.

**Clark:**Awesome. And then the rentals I kind of want to get into this a little bit more but just so we can get all the facts up straight. How much did they rent for each month or how much did they cash flow? I guess there's no payments because you paid off the mortgage but--

**Mark:** Right, right, my income from each one is close to 1000, 950, 950, 900. So, you know between 900 and 1000.

**Clark:** Are those single-family homes or apartments or--?

**Mark:**They are condominiums, and they are, mostly the people who want to rent from me are mostly young married couples, I rent to anyone but just to where they are, where they're located. The people who come to me are mostly young married couples.

**Clark:** And what are they, two beds?

**Mark:**I have four two-bedroom, one bath and three one bedroom, one bath.

**Clark:**Awesome. And how much did you buy them for? And how much were they renting for when you bought them?

**Mark:** Oh, yeah, yeah. So, you know, buying that first one is the most scary. And so, the first one I paid 43,000 for. And yeah, and today, it's worth, you know, it's worth close to 200,000. Rent was 325 and then I also had to pay $50 for the condo fee. So, you know, that's not a lot and my payment was 3, I remember exactly, it was my very first one I was young, it was $373. And so, I was negative about $100 a month. And of course, I was told that I was dumb that it was the wrong thing to do. I was going to be home, my mom told me I was stupid. Thank you, mom. And I was told I was going to be on the street, my family was going to be homeless if I did this, so I really had to stand up for myself and do it.

**Clark:**Yeah, well, good for you and congrats on your financial success, obviously. So, Mark, there's probably some people it's okay. Are they all worth about 200?

**Mark:** Yes.

**Clark:**So, you got seven rental properties worth about 200, you said 1.4 million, right? Would you ever, either leverage out of them right or would you ever sell them and buy up or I mean, obviously you have the peace of mind and you kind of shared that with us with the notes before that you have the peace of mind of having no debt?

**Mark:**Yeah. And you know, here's a thought about that, when I see this, over the past 25 years when I both been saving in the stock market via the 401k and IRA and I've been saving in my rental properties or investing in rental properties. You know, at times the rental properties didn't do very well, there were too many rentals in the area, at times the stock market has really, you know, done poorly obviously, 2001 and 2009. And so, it's interesting that how at times one seems like the better investment and other times the other seems of the better investment. But there's one thing good about the rental properties and that is, I get checks in the mail every single month, and I can spend them, I just love that, absolutely love it. So, yeah.

**Clark:**Do you self-manage all of them?

**Mark:** I do.

**Clark:** And how often do your tenants turnover?

**Mark:**About every two or three years.

**Clark:** All right, it's not too frequent, then right?

**Mark:**Yeah, yeah, you know, per condo.

**Clark:**And I am going to come back to real estate but now we're already here. So, what are the biggest issues you've had, any big damages or any headaches, anything that stand out to you?

**Mark:** You know, I've been doing it for 25 years, I now have seven properties. So, over those 25 years, I maybe I've averaged four or five and in those 25 years, I have always been paid rent. I have never had somebody not pay my rent. So, it's a wonderful area, these kids are in college. Here's what I'm thinking, a lot of them are supported a little bit by their parents, their grandparents, they've got a safety net. If they are paying for it all themselves, then I think they can reach out to mom and dad or grandma and grandpa if they need to pay and they've got student loans too. So, while I would never do student loans, you know, I don't dictate my renter’s finances. So, you know, if they want to pay me that way, then that's great. So, it's a great opportunity, it's a great clientele, these people are just wonderful. They're going to school, they're in difficult programs, a lot of them go on to be doctors and dentists and engineers and so anyways, that's been wonderful. Maintenance hasn't been very difficult. I do everything myself, other than a little bit of plumbing, if there's some plumbing that needs to be done, I can just call somebody and as I grow older, you know, there's a concern so as I grow older, will I want to be as involved, will I want to do as much work at the condos, fix that many toilets or whatever? And I suppose there could come a time when I maybe would want to move out of the area or when I would not want to do all that work myself and if so, I don't think I would hire a management company. I think I would either have let one of the renters, you know, kind of collect rent for me or bill and handle phone calls. And then also, I would call a handy man as necessary.

**Clark:**Sure. Mark, what did you do for work through the years and maybe what was your, we usually ask this at the end, but just to give our listeners an idea what was your range of income as you're working?

**Mark:**Yeah, I was a software engineer. So, when I first graduated from college, I was making 25,000 a year and that was when we should have been okay, that was actually a pretty good salary in 1982. But you know, that's when we got in financial trouble and then I quickly got up to about 100, 120,000 and pretty much stayed there for the last 20,000 or, I'm sorry for the last 20 years.

**Clark:** Awesome. Good for you. And you said you recently retired so, you know, it's pretty amazing, Mark, you have to admit, right, your net worth of over 3 million. You have 7000-ish, right and cash flow a month from your rental properties that you own outright, do you own your house outright?

**Mark:** Yes.

**Clark:**So, no debt at all?

**Mark:**Right.

**Clark:**And in this first bullet you wrote to us, if I can just kind of rephrase, this is before we started recording here, you said, "my wife and I were poor at around 28 to 32, two young boys, house debt, credit card debt, car debt, going to McDonald's was a rare treat. I was sad and depressed, and I didn't ever see myself having $1,000 buffer in my checking account. I never ever imagined having 10,000 or $100,000 saved, I was truly depressed".

**Mark:**Yeah.

**Clark:**So amazing, right, from that first sentence to here, just I mean, what 30 years later?

**Mark:**Yes. And that is just amazing. I mean, I am so amazed, you know, every day I wake up, and I'm so happy that life has turned out so well. And I think part of that is the work I did and the investments that I made. Part of it is timing and the economy happened to, the last 10 years is when I was putting a lot of money into the max plus the over 50 catch up into the 401k plus getting matching. And so, I can't take all the credit but on the other hand, there are plenty of people who lived through the same time and didn't do it, you know, didn't put that money in the 401k and didn't invest in rental properties.

**Clark:** Yeah, it's just, I think you have a great story and one that can provide hope to a lot of people because I just want you to tell people how you got started, right? You tell us that you are kind of working on a house each night and while you're working, you happen to hear an infomercial about a financial advisor and that's kind of what got this whole thing started, right?

**Mark:**Right, right, I was working on my basement trying to deal with the work myself and I would listen to the AM radio back in those days and there was a financial advisor that was drumming up business and that was great. I listened to him every night, but he wasn't he wasn't really saying what he was doing but he had a plan to get people out of debt. So, I listened for a full month and he led a little bit slip, just enough that I figured out that he was doing what's now called the snowball, the snowball plan. And so, I was a software engineer and I said, hey, I can figure this out and see how it works. And, I wrote a little DOS program, now windows hadn't come out yet, that's how long ago this was. And yeah, and so, I just, that became the focus of my life. It really did because not only did I wrote this program for DOS, but then when windows came out, I needed to learn windows. So, I wrote that for Windows, and I snowballed my debt, but then, you know, I didn't, it was my own creation at this point. And, I said, well, you, you don't stop there, as soon as you've paid off all your debt, you just snowball that entire amount into savings. And so, I just snowballed those as I bought rental properties, I just snowballed those and it was really this magic of snowballing that I think, changed my life.

**Clark:**So, you're telling me we're talking to the founder of the Debt Snowball?

**Mark:** You know, I don't know, but I certainly created it and I called it snowball myself and I actually had a website snowball.org, www.snowball.org. But it would have been great to have taken it to the masses or be successful, I only sold a few copies, and--

**Clark:**You need to call Dave 16:24 [inaudible]. So, how much debt did you have at the time?

**Mark:**Wow, I spent, that's a long time ago. I had my and also, you know, money was different back then, right. A nice home was 150,000, my house was about 80,000. So, I think I owed pretty much 80,000 on my house, a couple of cars, maybe 5000 on a credit card. I had a lot that I had purchased, and I had a loan on that for $15,000. Yeah, it was we ran out of money before the end of the month, and that's why I couldn't go to McDonald's because even if it was at the beginning of the month I knew I would be spending money we didn't really have.

**Clark:** And so, then where did the idea of buying these condos come in, you bought your primary residence, right and then how'd you decide to start buying something else?

**Mark:**Yeah. So, my income went up, I had always wanted to be a landlord. I don't know exactly why, I don't know what that, it's a, you know what my real goal was, but I thought, you know, rather than buy cars and boats and four wheelers, snowmobiles and RVs, if I take this larger income that I've come to have, if I take that and invest it in a rental property, that might be a good idea to do. And so, I went down to the local town and looked at them, nobody was interested. That's also what's funny, today, oh my gosh, you know, they usually sell within a couple of hours, when they're listed. Back then, they sat for months or weeks and it just wasn't a popular thing to do. And so, I had a real estate agent show me one and it was, they were asking 48,000 and they were not budging on the price. But there was a for sale by owner in the window up the one next door so after I left the real estate agent, I went back and knocked on the door and purchase the one for, they're asking 45 and I paid 48 or 43, I paid 43 and because I wasn't going to pay 48 because I could get the one next door for 43. But then a year later, I purchased that one that was for 48 that I paid 71.

**Clark:** Good for you and then you share, I just I think this is really interesting, I don't know that we've necessarily heard this strategy specifically but you're snowballing to pay off all these rental properties.

**Mark:** Right, right. So, as I paid off one, then I just took that money and put it into the next one. And, you know how mortgages are, the principal might be, if you have a payment of $500, the principal might be $100. So, when you free up a payment of $500, then you're adding 500 to the next one and instead of just 100 towards principal, now you have 600 toward principal. So, it's not like it just speeds it up a little bit, this is speeding it up tremendously. And then that one gets paid off and then now you've got, say, $1,000, to add to the next one, and I just kept doing that, it was great.

**Jace:** How long did it take you to go from your first rental property to your second rental property?

**Mark:** You know, I'd have to go back and look, but I thought it was only about two years.

**Jace:** And then what about from the second to the third? Because it's usually this part is to kind of get that first little base going, right?

**Mark:**Yeah, so back then, you know, I think I was buying one about every two or three years. And what was good back then is it was a lot easier to purchase rental properties than it is today. I think the housing bust of 2009 caused there to be more restrictions for non-owner-occupied homes. So, back then when I was starting, it was really pretty easy. I did have to put down 30% most of the time so you know, not only was I snowballing them but I also had to save some because I needed, you know, if I was buying an $80,000 property and I needed to put down 30%, I had to have 24,000 plus closing costs usually so 25, $26,000 so, luckily, my income was going up, and I was able to snowball my rental properties and save at the same time.

**Jace:**How long did it take you to from when you decided to buy a rental property to actually purchasing it?

**Mark:** Oh, like the same day.

**Jace:** So, you just made the decision, found one, done, going after it, going to make this happen.

**Mark:**Yeah, wherever we'd go, I would go, and my wife and I would go look at a rental property and if it was the right thing, we would just immediately print out a contract. I did most of it on my own without real estate agents on either side, we would just fill it out with them, sit down and read through the whole thing so they were comfortable. And, you know, in four or five weeks we'd close, then I'd take over.

**Clark:**Mark, that's, just going to interrupt Jace here for a second. It's pretty amazing, right? Because now when people want to buy deals, you hear so much talk about trying to find them, right? Oh, there's no deals or oh, there's deals, you just got nowhere to look or oh, you got to find deals through sending out mailers or you know, whatever, you know, it didn't seem like obviously that wasn't the case for you.

**Mark:** Right, I think things have changed. Now, prices are high, and demand is high. It's very hard to find one and if you do find one, they'll probably be five offers in the first day. So, it's hard and also, they're going to pick somebody. That's the other thing I've noticed, they're going to sell to somebody who has a cash offer. Because if somebody can close in less than a week, or about a week, then they're not going to sit around and wait for somebody to get qualified and close in six weeks. So, I see back when I started, there were a lot of rental properties that were owned by just individual moms and pops, like I was, and today I see it's held by are condos and these condos are purchased by people who have the cash and probably have multiple properties. And also, I think that shows that people are taking their cash and putting it into real estate, because it's more consistent, giving them a good return, as opposed to putting it all in the stock market.

**Jace:** And why haven't you continued to maybe buy more over the years, you know, I know you started to kind of get that snowball method, but why seven, why not go to eight or nine or why not to go to bigger properties?

**Mark:** You know, I've told my kids that 10 probably would have been the right number. If I could have had 10, I could have had them paid off, I could have retired years earlier. But there were times when I had three or four that I went like, no, this is scary, this is a little too much, maybe I'm getting in over my head, do I really want to make these rentals my business or is it kind of just something I do on the side? And so, I struggled back and forth with, you know, just how much of a business I wanted to make it and if I could go back in time and I think I would have purchased more, of course, I mean, it worked out so well. I would have purchased more, and I probably could have retired 10 years earlier.

**Jace:** And what age did you stop at seven?

**Mark:** I purchased my last just a couple of years ago, just before I retired.

**Jace:**So, at some point you kind of had a slowdown then of purchasing every two years or so or did you just not purchase the first one until a little bit later in your career?

**Mark:** Oh, yeah, that's a good point. Yeah, so the first three I purchased about two years apart. The next one, so what's that, number four, was probably, well, that was actually pretty soon. So, maybe the first four were about two years apart. Maybe the fourth was three or four years after that and then the other, the last two, I just did a move maybe 10 years ago, and just a few years ago.

**Jace:**Awesome, so good for you.

**Mark:**And really what happened, I guess, you know, when I had my first my four or five, I thought I was done. And I talked to a friend of mine and he said, like, why did you stop? I mean, he asked me what you asked me like, why did you stop, why didn't you just keep going? And so, I kind of turned the heat back on so I probably had four and then 5, 6, 7, I decided to go for it again, keep going. And it's always worked out, every time, they're the most expensive ones. And, oh man, it's just hard to pay double what you paid for the first one and the same complex. You know, they do continue just to go up in value and rents go up, rents go up and rents go up with inflation, they go up faster than inflation. And when there's a problem with the economy, it's near the college, I rent to college students, so when there's a problem with the economy, a lot of people go back to college, so there's more demand. When the economy is great, a lot of people are going back to college and the demand is great, so it seems like no matter what the economy's doing, good or bad, it's good for me in the rental business.

**Jace:** Right, out of curiosity, when someone has a lease renewal, how much do you raise their rent?

**Mark:** I've never raised rent on anyone.

**Jace:**How come, just curious.

**Mark:** You know, first of all, they're only there for two or three years. They're going to graduate there; they're going to move away. And their income is not going up, they're in school. I'll have an opportunity in a in a short time to raise rent, so I just feel better if I don't do that to my renters. I had one person who rented from me for many years and then got a job and now he and his wife were both employed full time and I hadn't raised rent, and I finally wrote him a letter. And I said, you know, I've never raised rent on anybody, I know, we've talked about this, but you know, you've been there for a long time, it's been like six years and I'm afraid you might be the first person that I'm going to raise rent on. And he said, well, you know, I'm building a house and we're going to move out in three months. And I went, oh, man, I'm so sorry. I brought it up, then.

**Jace:**You said, perfect, I'll raise it for those three months.

**Mark:**Yeah, no, no.

**Jace:**So, Mark, I want to ask you because we haven't interviewed too many people that are retired, when did you know it was the right time? Were you kind of working towards this goal? I mean, I know you mentioned that you want to retire when you knew that nothing could happen that would really make you hurt financially. So, was there a number goal or was it a when you hit a certain age goal or what was the thought behind when to retire?

**Mark:**Yeah, you know, I always wanted to retire in my 50s. So, 59 came and I was ready to do it but you know, I made a good income as a software engineer. And about that time, I had paid off everything so now the money that I was bringing in could really be saved. And, you know, so I just decided to work one more year and put more away, if I had worked another year, oh my gosh, you know, I would have saved another because, I would have had an income, I wouldn't have had much outgo because my rental properties were paid off. I think I probably would have saved another, you know 150 to 200,000, if I would have worked one more year and wow that would have been really cool. But I, work was stressful for me, I was in charge of a lot of computers and a lot of things and there were a lot of changes and it was just time, it was a goal, I had to retire, I don't know that I had a specific, really a specific time or amount of money but it was clear that at 59 that I could have and it was clear one year later that you know, I could have continued to work, had even more money but at some point, enough is enough.

**Clark:** Sure. I want to just read one of the bullet-points you sent to us because I think this probably sums it up best and just kind of hear your thoughts on this. So, you say, "between the ages of 30 and 60, I could have saved a lot more money. We did not live over the top but we went out to eat on the weekends as a family and had a lot of fun times doing or a lot of fun doing so, we went to Disneyland often and stayed at resort's, we bought a lot of new cars, we purchased a boat. When my kids started riding bicycles, I bought them the nicest bicycles possible. I believed we could do it all. I believe we could enjoy life as long as we were also saving and investing plentifully, I did not regret going on trips to Disneyland with my family. I do not regret having nice cars, I saved first and spent only what we had left". It seemed like you really found the balance, right, between saving and spending and not necessarily living a full life or you lived a life of frugality but you spent where it mattered to you and you spent with your family?

**Mark:**You know, that's right, and there's a, in fact, I kind of looked at the fire movement but every time I look at the fire movement, I see people who say, I'm going to live in a trailer, I'm going to live in a tiny little home, I'm going to drive a, you know, a $2,000 car and that just doesn't resonate with me. And so, what we did, I mean, we'd go out to dinner as a family and we would go to the local pizza place and my boys would sit across from me and we'd order just tons of food and cookies at the end. And we just had a great, great time, we went to Disneyland and we didn't stay in fancy hotels, but we, to begin with. But then later on, as my kids were older, and I was doing better, we would stay at resorts and we'd go to Hawaii as a family. We went to two luau together and we just had a whole table that was just my family and my oldest by them was married. And, yeah, I just thought we could do it all and, you know, I drove nice cars, we had nice vacations, but really I think it came down to saving first and then being free to spend what was left over. I think that was the key. You know, I never ever have done a budget. Well, that's embarrassing to say.

**Clark:** No, no, there's actually I think honestly, I think more of the millionaires that we interview haven't, to be completely honest with you. Jace, correct me if I'm wrong but--

**Jace:** About 80%, I'd say do not budget or follow some sort of strict budgeting process. I think more of it is, hey, I'm going to put away this much and save this much and then spend what's left but I'm not going to fret over $20 spent in a grocery store more than, you know, I spent on gas that I had planned or whatever. I mean, it's hard like I don't budget, I'll throw it out there, like my wife and I discussed it, I mean, I try to stay in certain parameters and not spend like, you know, ridiculously in one category or another or let a category get out of hand but I would rather pay myself first, put all my stuff in certain buckets and then whatever's left is left, like I don't really care where it goes, too much to keep track of, to try to like say I'm not going to spend at the grocery store this week because I only allocated like $55 there or something like, it's just way too much brainpower for me to like waste or do that, you know, from my personal life.

**Mark:** Right and from the 90s, from the middle 90s anyway on, I maxed out the 401k and put in every dollar I could, often the companies that I worked for would send me, they would go through their testing that they were required to do and they would often send me a check towards the end of the year and stop me from putting more money into the 401k. But yeah, so I just oh and then, so not only did I save in the 401k but all of that condo money, just went right back into the condos. I didn't spend any of the condo money because I always had debt on the condos. And so, I just felt like that had to go right back in and really, if I have these condos and all the money is going back in and all of the growth is staying there. I was, even without 401k, I was saving a large percentage of my, I don't know how to say it, my net worth, my income, my money. You know, I was saving a huge percentage of it so yeah, so then I just felt like I was justified and having a nice car and having a nice house and going to Disneyland and having-- I remember I want to take my kids fishing and we went over to there was a nice tackle store here, if that's what it's called, fishing store, Anglers In is what I think is what it was called. It was by my house and I just went in and I said, I just need everything. Let's get this thing going. And I spent over $1,000 on poles and lures and lines and holders and just everything and then I took my kids fishing out on the reservoirs and we just went up and fished and caught tons of fish and made great memories.

**Clark:**Awesome. Good for you. How old are your kids?

**Mark:**Wow, now they are 36, 34, 30 and 26.

**Clark:** Awesome and are they kind of following your same pattern of financial independence and freedom?

**Mark:** I think they are overall. I mean, they're all very wise with their money. The two of my three boys are physicians and one is in technology like I was, and he, I have seven rental properties, he already has seven rental properties and he's only 34 years old. So, he's still paying off for a few of them. You know, he's still has some debt on them, but the first three he paid cash for. So, that's, you know, he's going to do really well. I started getting serious about buying rental properties and, you know, it's getting out of debt earlier on, but then I started really saving, that was when I was about 35. Well, he's only 34 and he already has seven rental properties and you know, he's doing really well, he's going to--

**[Crosstalk]**

**Mark:** Yeah, there you go. We need to get him.

**Jace:**So, Mark, just before we get into some rapid fire questions, and maybe some last mistakes and advice, what's maybe been the most surprising thing you in retirement, is there anything that stood out to you that you wish or something you wish you would have known before you retired?

**Mark:**You know, a lot of people say they retire, and they just have to go back to work. They can't take it, I think, really, I'm only half retired because I have those seven rental properties. And sometimes they give me a lot to do and sometimes they, you know, months, go by and I don't have to do anything. So, you know, we're doing a lot of traveling, I retired on February 28 and the next day, March 1, I was in Hawaii, and we were there for a month. And since then we've traveled maybe a third of the time, a third to a half of the time, we're gone from the house, we're in Hawaii, we're on cruises, we went on a cruise to South America. We went to Hawaii for two months since I retired. Cabo, San Lucas, so we're just, you know, there's plenty to do, I don't think I am surprised. Maybe one thing, I think I used to decompress by watching TV so I would come home from work, sit down in front of the TV and just watch whatever it was on. And, now I have more time, more free time and the TV doesn't interest me, and I'm just really surprised at that. That's really funny.

**Jace:**Awesome. It seems like, you know, this definition of financial freedom, the ability to do what you want, where you want, when you want, how you want and with whom you want, that kind of, that's you.

**Mark:** Yeah, yeah. I mean, well, I'm just, I feel so lucky.

**Jace:** So, when you travel, Mark, if something comes up at one of the rental properties, do you have somebody watching over it or--?

**Mark:**Yeah, so I've got my son who also has rental properties in the area and you know, when he was a little kid, I would buy these rental properties and he would go in, this is the kid that was at home at that time, and he would go in and cut the carpet into pieces and roll them up and tie them up and put them out in the dumpster. He's probably only 13, 14 years old and so today he's doing the rental properties and if I'm away, he helps me out. And if he's away, I help him out.

**Jace:**Gotcha. That's a good little partnership he got there. So, just for some rapid-fire questions here before we close, what's the most expensive jeans or pair of pants you've ever purchased?

**Mark:**Oh, I almost have no idea, whatever Levi's cost which I think is probably 25 or $30

**Jace:**Nice, I like that, not even looking at the price tag, I like that.

**Mark:**Well, you know, it's like I didn't buy very many but what's funny is more recently there's a liquidation store by my house and they, a lot of it is just junk but the clothes are really nice. They're just when Costco just gets down to a few pairs of pants or a few shirts and they need to close it out, they just give it to this liquidation store. So, actually, the most recent pairs of pants that, the last five pairs of pants and the last 10 shirts I've purchased have been from the liquidation store.

**Jace:** Wow, that's awesome, most expensive car?

**Mark:** I did, also before I retired, I redid my roof and I bought a new truck so I paid probably about $34,000 for a brand new, 2015 Nissan Titan.

**Jace:**Okay, what's worth spending more money on to you, either items or experiences?

**Mark:**You know that okay, you know, you asked me what surprised me and here's another thing that surprised me, I always wanted everything perfect. Before I retired, I wanted to tear up my driveway and replace it. Just everything just had to be right and now that I'm retired, my priorities have kind of changed. I don't care that my driveway isn't perfect and so I think I'm more for trips and tell you what you called it, again.

**Jace:**Yeah, if you wanted items or experience or both?

**Mark:** Yeah, I think its experiences now. And I also see and, wow and that really makes me think about, you know, being 62, 10 years from now, 72, I know a lot of people are doing great at 72. But a lot of people aren't and, you know, I travel and I see a lot of people who are shuffling around and, you know, I need to get those experiences in now so that I can walk those trails and do those kinds of things today. So, I think way more into experiences rather than things now.

**Jace:** How old were you when you hit your first million, do you remember?

**Mark:**Oh, I'm thinking about between 35 and 40.

**Jace:**Okay, how much do you spend a year, household spending?

**Mark:**Well, we probably spend about 150,000 a year.

**Jace:** And what was it? I'm just curious because I know you're traveling a lot now what was it maybe, I don't know five years ago before you retired?

**Mark:** You know, really before, I was saving, I was working, we didn't really spend money. We weren't buying new cars back then and so what's funny is I think I was probably living on 70, 60 and now to be spending, you know, 150 when none of that is going towards the house, or maybe what I'm thinking is it's like 60,000, if after the house paint and I maybe I just don't know exactly, but I am surprised that I am spending a lot of money. I am spending more than I used to gross.

**Jace:** So, just one more question here before we do the last advice and mistakes, what are maybe the two or three or you know, one or two, if they stand out to you, things that helped you or made you a millionaire? Was it work ethic? Maybe a little bit of luck, or finding good opportunities or your drive, is there maybe one or two things that you can point to and say hey, that had a big effect or one of the biggest effects on my financial success.

**Mark:**Yeah, the rental properties were big part of my success and you know, at one point I was snowballing them and I had my renters so, you know, let's say I had five at that time, I had five people working, basically what I felt was they were working for me. So, I had five people working for me, every day, 24 hours a day, and they'd send me checks and I just really felt like that was a wonderful thing, that was a real key. The other one was always maxing out the 401k, so whatever I could put in, I put in and I really was going back and forth between which was the better investment or which had the most in it, but the stock market goes up and down. 2001 hurt me bad. I mean, just hurt me bad, both financially and emotionally and I don't know why but 2008, 2009 didn't hurt me bad. I don't know why, I could go back in and do some more investigation but anyway investing first, saving first, investing in those rental properties, those were good things. But I don't know that rental property is good for everyone. You know, I fixed a lot of toilets, I pulled off a lot of toilets and scraped off a lot of wax rings. So, I'm not sure that most people want to do that, you know?

**Jace:** Well, they don't have to, they can hire a property manager.

**Mark:** That's right. And but I do think if you hire property managers, I mean, it's just, they take a large percentage, you know, you might only be making it to start out, you might only be making a certain percentage, and that's probably the amount that they take. So, I think that really slows things down.

**Jace:** Here, Mark, just to kind of wrap up, are there any mistakes that you've made over the journey that you would caution people against?

**Mark:** Looking back, I think if I would have been more aggressive, I think I could have done even more. I could, there was a time, maybe it was at 2008, 2009 when maybe even 2010, 2011 when there were a lot of condos that came available, the price was right, and I didn't do it. On the other hand, you know, I played it safe. I preached, you know, even though I had all these rental properties, and it sounds like I was stretching, I kind of wasn't, rents were good and consistent. I could have controlled my spending better, I think. I think we could have been a little bit tighter earlier on and saved more. Maybe not, I don't know because I did save a lot. So, I don't know what big mistakes I made because I was pretty conservative.

**Jace:** How did you make that switch in spending, kind of, you know, what you were spending when you were earning to now spending double? Because it feel like a lot of people, especially that come on our show, kind of have a, you know, they work really, really hard and maybe the dream is to get to some point where then they can spend a little bit more, but it's really hard to like make that switch and kind of psychologically be okay with it and, you know, get a comfort level, fine, to be spending that when they never spent it before.

**Mark:** Oh, absolutely. I understand and going to go along with that is, a lot of times you hear well, how much how much money will you need in retirement? Oh, 80%, 70%. Well, you know, I don't have a house payment. I don't have any debt. I don't have any credit cards. I don't have any car payments. And what I have is time and I'm trying to take advantage of that time. And so, what are we doing? We go on a vacation and we're only home for a couple of weeks, and we're off on another vacation. And we're taking big vacations, we're going on expensive cruises to South America, and all over and then back and then we're going to Cuba. We went to Cuba when it was still legal and you know, also went all over and came back. We went to Mexico; we've gone to Mexico for no more than two weeks. For the past two years, we've gone to Hawaii for two months and we're scheduled for another month and there's a lot more in between, there are a lot of other vacations. My wife has gone to Italy twice without me with her sister, which is fine. I just can't do this, that much traveling. She's gone to Italy twice, Japan twice, she went to Frankfurt and drove across Europe, across like seven countries, right in an apartment in Prague. And then more recently, she went to England and Ireland, Scotland, Wales, so we are just traveling, traveling like mad. And so, that's expensive and so that's where the money's going.

**Jace:**Yeah, totally. Well, Mark, you've got a great story, appreciate you coming on the show today. That's Mark with a net worth of $3 million. Thanks for coming on the show today.

**Mark:** Oh, you're welcome, thanks for having me.

**Jace:**Thanks, Mark.

**Narrator:**Thanks for listening to the Millionaires Unveiled Podcast with Clark Sheffield and Jace Mattinson. For more stories investment opportunities and information check out our website at millionairesunveiled.com. See you next time when you'll hear from another everyday millionaire