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**Ed:** The other big mistake, of course, is lifestyle inflation, it's a really common thing. We made more money every year for years and we were saving almost nothing, we were spending all of it. And so, at each turn, we just spent what we earned rather than having that financial plan and making choices.

**Narrator:**You're listening to the Millionaire's 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.

**Jace:**Already, hello and welcome back to another episode of the Millionaires Unveiled Podcast. This is Episode 110. Clark, how's it going today?

**Clark:**Good. How are you?

**Jace:**I'm doing great, man. The weather's super warmer. We actually had an 87-degree day if you can believe it down here in Texas, it was a record.

**Clark:**Wow, that's crazy because we're still in the-- Well, we're just in the 50 today but it has been in the 40s, it's been pretty cold here in New York. So, that sounds a little nicer right now.

**Jace:**Yeah, you know, I got an email this morning to that the Schwab TD Ameritrade deal that we talked about last week is now official.

**Clark:** Yeah, who do you use, you have TD or Schwab?

**Jace:**So I actually have a little bit of a TD, is mainly just through self-directed investments with my 401k and then I also have some HSA investments that flow through there and then also an old ESA account so-- Who knows what it will look like when it's all said and done? Sure, they're going to keep the Schwab name but I think the, you know, the platforms and everything kind of be user friendly, like they are now and--

**Clark:**Yeah, because I do my HSA through Lively and they partner with TD Ameritrade so I have all the investments through them, but kind of curious how that's all going to play out as well as if that's kind of kind of shift through or maybe that just gives me an excuse to get it back to Fidelity. I don't know. But interesting.

**Jace:**Yeah, we'll see how it works out. But, you know, it kind of got me thinking to you know, we're kind of getting into the holidays here which also means we're getting towards that year end, you know and kind of one of the things that I like to do and I think that a lot of people like to do is kind of look at the finances take a 1000 foot, you know maybe 30,000 foot view, do a net worth statement. I actually like to do those monthly, kind of run my personal household like a business almost where I'm, you know, doing a P&L and a balance sheet pretty much every month and kind of taking, you know month by month looking at things but definitely at the end of the year, kind of take a little bit different eyeball, make some different calls on some strategies, what do you like to do?

**Clark:** I just do it yearly but if you don't, how do you do it monthly? Because you said you don't budget so how do you do it monthly?

**Jace:**Yeah, I mean I just track everything, I download my statements and pull it all up and kind of, it's all automated really. So, you know, P&L wise, like I just kind of look at it. You know, that's kind of automated into basically a spreadsheet and then I do the same thing with my net worth, you know, I'm always used Mint and Personal Capital, but it just, you know, they have so many, I've got some high yield savings account with  GS bank or Marcus, I guess, by Golden they go by now and you know, those don't sync with Mint anymore. Yeah, other ones don't sync and so it's like, I got to get down and do it, you know, Excel spreadsheet wise anyway.

**Clark:**So, do you go into category though, on a P&L and you go into groceries and food or do you just kind of do a high level?

**Jace:**No, I get down to like groceries and food. But I kind of, I mean, I have it under like, I don't know, maybe 15 categories that I just look at. And really, I don't use that to budget. I think I've said that on the podcast before. Like, I really don't budget, I just kind of look at it, you know, just make sure that no categories like crazy out of whack for whatever reason, and mainly to kind of just do an audit, make sure that like my car didn't get hit for something that I forgot about, or, you know, because we've subscribed to so many things nowadays too, you know, especially on an annual basis like you know, Amazon membership come through and I'm like, what did I spend 100 and some bucks on Amazon, well that was the membership deal, you know, so those kinds of things pop up when I take an audit like that, looking at, you know, 30,000 foot view, you know, on an annual basis if I was out of whack, one way or the other,

**Clark:**Yeah, I need to do better at that and looking at it by category, I do net worth every six months or so. So, I have that under control but probably should be a little bit more aware by category, but you know?

**Jace:**Yeah, different practices. So, today's episode, we've got Ed and Ed works in public education along with his wife, he grew up very poor and was always interested in money. Today, he's got a net worth of $1.2 million, about 300,000 of that's in real estate equities, got a rental and then a vacation home that he shares with some friends and then he's got several hundred thousand in retirement accounts, mainly equities, and then a few hundred thousand dollars in cash because they just sold a house and are currently renting.

**Clark:** The history is kind of interesting, too, because he used to work as a teacher I think and now he works more on the administration side, right? So, he's kind of stayed in the same area, but it kind of had a shift in job focus. So--

**Jace:** Yeah, and I think you know, the episodes very, very, very fascinating, but he is, kind of sheds light though I even if you do go into the public sector, I mean, there's a very, you know, predictable way to get to, you know, millionaire status or be able to build wealth. You know, I think sometimes we think that teachers make zero money but they, we have had several teachers on here and I think in some of the research in Chris Hogan's recent book shows that teachers are one of the most common professions, you know, and they're very disciplined to be able to get there so that it's very possible to get there and you know, a lot of these millionaires that are teachers obviously have maybe not had six figure incomes their whole career,

**Clark:**Right, but they're still been able to save and get there.

**Jace:**Totally. So, anyway, it is going to be a great episode. But you know, last week we had Jeff, his net worth was 4 million. He worked in the financial industry for most of his life and just recently retired, he's got a million dollars in retirement assets, just over 2 million in after tax investments which he caught. He kind of went into that account and how he utilizes it and then the rest in some real estate including pay for primary residence and a rental cabinet in Yellowstone.

**Clark:**He's going to let us come stay in, he's listening to this, he's going to come let us stay in it some time.

**Jace:**So, before we get in an interview with Ed, I just want to thank our sponsor of City and 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 enables qualified investors create long term wealth passively, through strategic real estate investments. The team of experienced real estate professionals identify, stabilize and value add multifamily real estate assets that will provide a strong return, healthy risk profile, tax incentives and additional benefits that come with investing in real estate. They pride themselves on a high-level 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. View their website today to learn more about their streamlined investment process a www.obsidiancapitalco.com. We appreciate you all tuning the podcasts week after week. If you enjoy the show, we'd appreciate you leaving a five-star review on either iTunes or Stitcher, helps us grow the show and reach new millionaires and interviewees. So, please help us grow the show by sharing it. Also, if you'd like to be on the show, send us an email at millionairesunveil@gmail.com. Getting several inquiries lately, definitely have some great episodes coming up, also had several inquiries about our investments. We really appreciate those that have reached out to us, that are interested, and we'll get back to you as soon as we can. So, after any further delay, please help me welcome Ed to the show.

**Clark:**Ed, do you want to just give us a little bit about your background and kind of what you're up to now?

**Ed:** I'd be glad to. First, just thanks for having me on the show, I'm excited for the conversation. I am a career public educator, worked in public education for about 20 years now, started out as a teacher, I have been a school principal, history administrator, and now I run a program. I'm also married to a public educator. We've been married for 20 years, together for about 25 and we, you know, like a lot of young people kind of started out not really thinking or caring about money. I, however, was grew up kind of poor and so I was really interested in making a lot of money when we first got together. So, we're bouncing around and I was in a job where I had a pretty good financial future. But my wife ended up transitioning into public education, as a teacher, I started volunteering your classroom, and then I got drawn into education and here we are 20 years later.

**Jace:**That's awesome. Did you all meet it at school teaching together? How did that kind of--?

**Ed:** Yeah, no, actually, we met in college. We're going down very different tracks, we met in college. And then like I said, I volunteered in her classroom and, you know, the rest is history.

**Jace:** Wow. That's awesome. And what's your network today?

**Ed:**Yeah, today we're worth just over 1.2 million.

**Jace:** And what's kind of the rough breakdown of the 1.2?

**Ed:** Yeah, so we have just under 300,000 real estate, that's in the single-family rental and then we actually own and partnership with another couple a vacation house. So, there's a little bit of equity in that. And then we have investments in stocks in both a brokerage fund of about 200,000. And just under 500,000 in our 403B and 457 accounts. And then right now we're actually carrying just over 200,000 in cash. We sold a house a few months ago, we're renting now and so while we're waiting to decide what we're going to do next, where we're going to live permanently, we have some money in high yield savings accounts where we're getting bonuses, about 75,000 in a one year CD, and 70,000 in the money market fund.

**Jace:**Awesome, let's get a little bit into some of the details here. So, you've got some money in a single-family rental, is that paid for or does that have a mortgage on it still?

**Ed:**Yeah, it still has a mortgage on it, but its cash flowing and every dollar we make on it, we put it back into the mortgage. We expect it to be paid off in the next three or four years.

**Jace:**Okay, so that one, you've got quite a bit equity as well, from what it sounds like. And then you've got this vacation rental, how did that kind of come about?

**Ed:**Yeah, so I'll go back, even a little bit farther than that. So, you know, I described how my wife and I got together and bounced around for a while. So, we, when we first started out, we were like, you know, many new teachers pretty broke and I only know what our net worth was because we weren't paying attention to our money. But our very first year of teaching, we bought a house, and we bought it on a new teacher loan that allowed you to buy a house without putting any money down. And so, starting out together as two brand new teachers, we had a net worth of about -$130,000. Most of that was student loans, but we had a car loan and some consumer debt in there too. Then we worked together for 10 years on our career, work pretty hard. 10 years later, we were making more money, but we bought another house and upgraded in size and I know then that our net worth was about zero. So, after 10 years of pretty hard effort, if we had liquidated everything, we would have been worth exactly nothing, which is better than negative. And then we just continued to earn and spend. And about four years ago, we decided that we would go in and partnership and buy this vacation house, so we did. And the purchase of that house was both a, kind of an achievement of what, at that time was a life goal. But then that's actually what led to me first and then both of us together getting more serious about our finances.

**Jace:** Yeah, I'm kind of curious about the vacation rental so do you do that on Airbnb or Homeaway or how do you kind of rent that out right now?

**Ed:**Oh, yeah. Great question. So, we, in partnership with this other couple, we bought it and we agreed that our first priority for it was something that we would use, and so we both use it, quite a bit. But then, when we're not using, we actually rent it out with the Casa and they charged us a percentage, but they handle everything. And that was the other thing is we didn't really want to be vacation rental managers, because it's a couple hours away and it's not really our interest. So, they handle all of it and it actually works out that the amount we make and rent, it's almost buying itself right now.

**Jace:** Well, and how often you get to go utilize that property?

**Ed:**Yeah, our goal is to get out there every month for a weekend and then every once in a while, we get out there for a little longer than that.

**Jace:** And your partner about the same as well?

**Ed:** Yeah, about the same. Each of us have the opportunity, if we don't want to go out, we can rent it and then whatever it makes on, you know, that week that was for us, rather than splitting it, you get all the profit from that then. So, just depending on where people are, sometimes they let it go for an extra week and there's something to make money, but in general, we both try and use it once a month.

**Jace:** Make sense and you feel like that's been a pretty good partnership with the two of you all?

**Ed:** Yeah, it's someone we'd known for a long time. And even then, you know, I wouldn't advise getting into any kind of money sharing or partnership with friends without some clear agreements. So, before we ever pulled the trigger on it, we sat down and talked it through for a long time and actually kind of drafted up an agreement between the two of us. I'm not sure how legally binding it would be, we didn't go all that way. But things are laid out pretty clearly and we've been in it for a couple years now and it's been a totally positive experience.

**Jace:**That's cool. Let's talk a little bit about the money you've got and invested in brokerage in the market, is that in index funds or stocks, bonds, what's kind of makeup there?

**Ed:**Yeah, it's almost all in index funds. We're at about 90/10, stocks to bonds. We're starting to transition. Our end goal is to be about 80/20 stocks and bonds because we have the real estate and then we also of course have a pension that we'll eventually get so that balances out some of it. So, an 80/20 feels like the right risk as we approach financial independence. The majority of the stocks are in index funds, of course the infamous VTSAX, but then we do invest in our 403B and 457. So, there are, you're stuck with the options there, we're fortunate that unlike many educators, we have good options in both, we actually have Vanguard in one of them. In the other though we have an index fund that tracks the Russell 3000.

**Jace:**Awesome, good for you. Good for you and congrats on your financial success, again. I was just looking at your blog at EducatorFi.com for anybody that's listening that's interested in learning a little bit more. And I just kind of was briefly reading your story here and I just want to read a portion of it for our listeners, because I think it's pretty inspiring. "I grew up poor, raised by a single mom, my early experiences and sense of limits created an early and unhealthy obsession with money. I planned to be stupid, rich and pursued a career in economics that I ended up hating. Fortunately, I met my amazing wife and stumbled into teaching elementary school. We started out together as two broke teachers with a net worth of -130,000. Then we financially wasted most of a decade. We were clueless about five finances, our lifestyle was inflated, we spent as much as we earned. Suddenly, we were approaching 40 and had little to show for it and no real plan. Our net worth was zero". So, first of all, you know, now you've been able to turn around and at 1.25 million, obviously amazing. So, l kind of want to talk about two pieces here. The first is how did you pay off that 130,000? or 100,000 in debt, net worth of -130, right? And then how did you kind of have that mindset shift from where you were, to where you are now?

**Ed:** Great question. So, the mindset and I think the impact my childhood had on me, is something that I'm still realizing even now as we've shifted into these things, and so I did grow up with a single mom or my dad left when I was in elementary school. And so, watching her work full time, go to school full time, struggled to make ends meet, had a profound impact on me. And I felt that insecurity and I also felt a sense of deprivation, there are some opportunities for colleges I could have gone to that I would have liked to pursue, but we couldn't afford. And so, that's really where I had that mindset around. The whole importance was making money, right. And then fairly quickly, I realized I'm not actually wired that way. I'm wired more in a service mentality. So, that's when I shifted into the public education piece. Within that my wife actually was raised by immigrants. And so, her father worked really hard and so she was always financially secure, but also had a little bit of that sense of deprivation.

And so, our first couple years, we were making money and we're spending money and not even wisely, it was more like we, the chains were often in the deprivation and that's where we started accumulating that debt. But then things kicked in and we did two things right. And the two things we did right, which are good because they've helped us bail out of all of our other mistakes are fairly early on, we eliminated our debt as much as we could, we got things right, we stopped buying things on loans and credit cards. We actually had a budget early on, we did a cash system and so it was only a couple years into teaching that we eliminated all our debt. The other part of that is, we both always worked really hard, both because we love our careers and our careers matter to us. So, we've always put in a lot of extra hours and taking on additional duties.

And so, we're always earning money on top of things. And so, that helped us pay down the debt. Also, as teachers, there are debt programs that can forgive portions of your student loan. Back then, at least as far as I'm aware, there was nothing that would forgive all of it as the Public Service Loan Forgiveness will now but both of us worked in Title One schools and so we had portions of our debt forgiven. And so, in combination with that hard work, paying some extra money, we were able to eliminate both of our debts and then we were earning pretty well and when I went into administration, we're actually earning, you know, well above what the average American household does. We were just spending it all. That's where we bought the bigger house and the vacation home. But when we finally got our heads right and made that shift on getting our financial life in order, that income we're earning has helped us turn things around very quickly.

**Jace:** Pretty amazing. Talk about, you know, you said, you bought the big house, right and then you kind of turn things around? At the time, did you think you're happy when you're doing that and has the confidence levels now shifted from being out of debt and having a more substantial net worth?

**Ed:**Yeah, so a couple things shifted. Yes, we were happy and part of that was going back to my childhood. My whole relationship with money at the time was, I wanted to be making enough money that I didn't need to think or worry about money, right. And so, we were in a period in our life where we could travel, we could buy a larger house, we could buy super nice cars if we wanted. Fortunately, we, neither of us are super luxury people so we never, ever spent more than we're earning, but we spent all of it, right. And so, part of that was looking around realizing how much money we're making and moving into a nice house that was much larger than either of us needed. And so, we shifted into that and that actually has been part of our turnaround too and this is why I talk a lot about part of it is intention and part of it is luck, right? So, we made a lot of mistakes, but none of them were crippling financial mistakes, including this buying a large house because when we moved into it, we ended up having bought at basically the bottom of the market after the crash. And when we moved into that we converted our first house into the single-family rental that we still owned. So, both of those things turned mistakes into potential net worth right so we just downsized and sold that home we were able to cash a couple hundred thousand out of that, you know, I can do the calculations now and had we stayed in a smaller home and invested instead we would have made more so it was actually a net loss but not a catastrophic loss and it helped us save up money in a time where we weren't really thinking about it.

**Jace:**Good for you guys, good for you. Just shifting gears here, have you ever used a financial advisor?

**Ed:**I haven't. So, I've done a lot of reading to try and put our original plan together. Part of it is at this point, I just don't want to spend the money, right. I feel like I've gathered enough that I built a plan. Yet, when we get to a point where we're actually thinking about stepping away or approaching retirement, my plan is to sit down with a fee only financial advisor and you know, just have someone else kind of check through our plan and our strategy and maybe give some tax advice at the time. But now while we're in the accumulation phase, I feel comfortable with where our money is.

**Jace:**So, ever since you guys have kind of gotten a hold of these finances and started investing and paid off your debt, has your allocation remains somewhat similar? Is that something that you plan to change in the future? Do you intend on buying, you kind of talked 80/20, right, as stocks to bonds, is that something you intend on holding or changing as you get older?

**Ed:** Yeah, we're actually closer to 90/10 right now. And at one point, we were 100% in stocks. So, we are making that shift and we're doing that as we put new money in. And so, you know, one of the things I write and talk about on my site, but one thing I love about sharing my story is a lot of my purpose now is helping other educators understand that you can build wealth while doing our important work and the work that matters. And one of the big advantages we have is educators can invest an incredible amount of money in tax advantaged accounts between 403B, 457, if you have an HSA and then the IRA on top of that. And so, it was just a couple years ago that we even realized that we had access to that 457B and so we made some out, started investing in that and between the 457, 403B, we're both maxing those out and a quarter of that is going into a Bond Fund now. And so, that's starting to balance this out and over the next couple years we'll reach that 80/20 and then we'll maintain that.

**Jace:**And do you have any sense of what your ROI, your earnings have been on these investments through the years?

**Ed:**It's hard to, no. I mean, the short answer to that is no, I don't have a strong sense of it, I would guess, close to 10% overall, largely just because most of the money we've been putting in has been since 2008. So, I recognize that we're on this long run up and it won't always be that way and that's just another part of the luck of our financial journey.

**Jace:**So, what are you doing now with that run up, are you holding more cash, are you not investing, are you kind of just keep investing, are you acting any differently now with this potential bull market stopping?

**Ed:**So, what we're doing is maxing out all of our tax advantaged options. So, for us that comes to, you know, almost $90,000 across everything, and we are still putting money into the markets. And then we are holding 200,000 in cash largely because of the housing situation. Over the next year, we'll decide, as I said, where we want to land. But we do have a plan with that too, in that holding a lot of cash is fine and you're missing out potentially on something. But the bull market makes us more comfortable sitting that out a little bit until we know exactly where we're going to land. But we've also agreed that if the market were to drop 20%, there's a portion of that that we would put in and if we were to drop 30%, we put as much of that in as we comfortably could outside of our emergency fund.

**Jace:** How much, just curious, you mentioned the emergency fund, how much do you keep in that?

**Ed:** It varies a little bit; we've drawn down to about 20,000 now.

**Jace:**Okay, and so going forward here, 1.25, is there a financial goal? Is there a goal to get in, you know, different types of investments or have rental properties or a passive income goal or a net worth goal or anywhere you guys would like to get to or just kind of you know, taking it day by day here?

**Ed:**Yeah, I think our overall thought right now is we would be satisfied or consider ourselves financially independent if we had a net worth of $2 million. And I think our plan is to get there largely by continuing to invest in our tax advantaged accounts and brokerage accounts. I don't think we're interested in owning any more real estate, although we're always open to that. But we live in a pretty high cost of living area and so there aren't a lot of good rentals that pencil out and I'm not really interested in owning rentals that I can't see and interact with, if that makes sense. The other thing that makes the overall answer tricky is we do have a pension coming someday and we invest in now intentionally without factoring that into our net worth or thinking about that to keep us aggressive. As we get to a point where if for some reason we were to decide to want to walk away or we're at the age where we retire, then we'll sit down and really calculate out what we expect from that pension when and what we value that at.

**Jace:**Yeah, let's discuss that a little bit. You know, we haven't had too many guests that are in the public sector or those that have access or potential access to a pension? Is there some advice or maybe even a warning that you might give to those that have access to a pension or how should they navigate looking at investing if they do have a pension?

**Ed:** Yeah, that's a great question. I've actually written about this a fair amount, because it is one of the things that complicates financial planning for educators. The first thing I would say is, it's really important no matter how far away you are from retirement, or thinking about this, that you sit down and figure out what your pension, how it's calculated, right, what you're paying into it, what you may potentially expect to get out. It's amazing the number of teachers that have no idea. They may be contributing 7, 8, 9 percent of their paycheck to their pension and don't even realize that and then they have no idea about what they can expect and when. And that's dangerous because particularly for young educators, a lot of States have shifted what their pension is. And so, I've personally witnessed older teachers telling younger teachers, oh, you don't need to worry about that, you've got this pension that will take care of you. But the pension benefit for a new teacher in our area is much less than what it was from someone who entered the system 30 years ago. So, the first is really to educate yourself about that. And then the tact we're taking on it is we know, you know, I could calculate, if we stop, if we quit right now, we'd have to wait 14 years before we could collect anything, and we know roughly where we'd get out. So, we could start factoring that into our planning, but instead, what we're doing is waiting until we're three to five years from that decision, and then we'll really factor it in. That just feels like, helps us feel financially secure and we also know we have this pension kind of backstopping our planning and our risk.

**Jace:**Yeah, totally. I think it's an interesting conversation to have, especially, you know, I think pensions used to be a little bit more common in corporate world, but they've kind of gone to the wayside, but there's still several out there in the public sector. And it does, like you said complicate financial planning for those that have access and trying to figure out what do I do? How do I go about it? And I've got a friend that there was an attorney for the State for a number of years, but he left the post, like a month or two before his pension kind of fully vested in the future. He's like, well, I can just go back and do, you know, a month or two or whatever, you know, even is like working in a national park or something or a state park rather. Anyway, so along your journey, what are some of the big mistakes that you would kind of caution people from making?

**Ed:**Yeah, so our biggest mistake was we really just didn't think or talk about money. And some of that was our own relationship but it's also a real problem in education, in that you're almost not supposed to talk about money, right? Teachers are supposed to teach because they love teaching and they want to serve kids, right, which in my experience, almost all of us do. I certainly do. And you don't talk about money, right? Talking about money or where you get paid is almost looked down upon. And the problem with that is there's also this idea that teachers are doomed to poverty in a lot of ways, and certainly not paid what we're worth. But at the same time, there are some ways to really build wealth while you're doing it. And so, if you aren't even thinking about it, you can fall into that trap. And so, our biggest trap was we just didn’t, or our biggest mistake was, we just did not know everything that we could have done. The perfect example is, as I said, we have 403B's, both of us, we could have been investing in Vanguard, VTSAX, the very low expense ratio, pre-tax for 20 years. Instead, I got into that because I took an administrative job, and part of the contract was contributing like 100 bucks a month to it. So, I just lucked into that, that was not intentional mistake. So, we lost over a decade of potential earnings in the market. So, that's a big mistake. The other big mistake, of course, is lifestyle inflation. It's a really common thing, we made more money every year for years and we were saving almost nothing, we were spending all of it. And so, at each turn, we just spent what we earned rather than having that financial plan and making choices. So, those were our biggest mistakes is growing our lifestyle and not investing early, buying the big house was a mistake but it ended up leading to us owning a rental now and cashing out some equity that we might not have saved up during our lifestyle inflation phase. So, while we've made mistakes, we're also pretty fortunate that they didn't burn us long term.

**Jace:**Yeah. You mentioned, you know, the education salaries and we usually talk about this in our rapid fire questions, but as much as you're comfortable sharing here, what's been your range of income through your working life, and what can maybe somebody expect on education salary?

**Ed:**Yeah, so we both started out and we were making in the 30s, I think so. We both started out, we were making mid-30s, I think. She started a year ahead of me so when I started, I was making 35, she was making 36. And the thing about teaching is those first couple years are really tight. And that's where a lot of the concept of poverty comes from, is it's tight, you typically come out, you have student loans, because being a teacher requires four or five years of college. And so, you borrowed money, because you just want to do this job you love, and you're thinking about money and so you've got your student loan payments, you aren't making very much, but each year, your salary steps up, right. And so, by the time you've been in teaching for 10 years, say you're generally making at or above kind of the medium household income in the United States. My wife, for example, now is a 20-year teacher and she's making almost $80,000 a year, again, had she chosen different professions, she could be making more than that, but that's a solid salary. As an administrator, you know, when I went from teaching in the administration, I didn't quite hit six figures, but I got there. And our combined income is close to 200,000, we also go to extra duty or side hustle work. And so, for the past couple years we've been within 200,000 up or down a few thousand only doing works, public educators. And so, that's why I talked about you can build wealth while doing the work that matters and the work that we love.

**Clark:** Wow, good for you guys. Good for you guys. Just want to jump into some rapid-fire questions here before we get into some final questions. What's been the most expensive jeans or pair of pants you've ever purchased?

**Ed:**Yeah, I think 50 or $60 on the jeans.

**Clark:**Okay, what about shoes?

**Ed:**Shoes, that's a different question. So, in my job, I have to wear dress shoes, right and so for years, I would do the, you know by Nordstrom Rack or in an outlet mall by the 70 or $80 pair of shoes. The last couple years I actually by Allen Edmonds Park avenues, which retails for $400 but I buy them in seconds for 190. And in the last couple years, I've bought three pairs of those and they last forever, and I've got a shoe guy who will do repairs. And so, I think by spending a little bit more on shoes over the next 10 years or so, I'll keep these same shoes and save some money on them. So, it's embarrassing to say, almost $200 pair of shoes, and yet I think it's actually economically efficient over time.

**Clark:**Okay, what about a car, most expensive car?

**Ed:** So, I actually lease, this is the part of our lifestyle inflation phase, I leased an infinity for a few years, and so had I bought it I think that was a $40,000 car.

**Clark:** Okay, most expensive meal out that you personally paid for?

**Ed:**Okay, so this was in Vegas, we went to a steakhouse with friends and we had, the steaks were expensive but what we actually end up spending money on was they had these smoked Manhattan's that were insanely good and so we had several of them so I think that meal, for the two of us was $250. And that's by far the most we've ever spent on a meal, we're not big spenders on restaurants.

**Clark:**Okay, what is worth spending more money on to you, anything that you guys splurge on?

**Ed:**Travel was always our biggest leak, we took a lot of pretty expensive vacations, we've dialed back on that a little bit. But we are both in agreement, where we will always spend money on is if we're going somewhere nice, we will pay for the view. So, whether we're outside or in the room, we can see the ocean or the mountain or whatever area we're in. So, we spend a little bit more on rooms with the view.

**Clark:**So, no garden views for Ed is what you're saying?

**Ed:** Not usually.

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

**Ed:**That's a little difficult to estimate just because in the past couple years, we've made so many adjustments to our lifestyle, and we've actually never really been good at tracking our spending. But with selling that bigger house and cutting the payments in half there, I think this year, we'll be right around $60,000.

**Clark:** Okay, just tangent. Do you budget, you guys do a budget at all or have you ever done a budget?

**Ed:**We did a budget early on, when we were paying off debt, we actually did a cash budget, we'd set a monthly budget and then use cash to spend so that we'd stay within it. What we do now is we set a general budget at the start of the year just to get an idea of where we are and then we set up as many automatic investments in advance kind of the anti-budget method, as people call it. So, that's the only budget we do, we don't do a monthly or weekly.

**Clark:**No, I was just curious, because a couple episodes ago or something just can't quite remember when it was but Jace shared that he doesn't budget right, that it's hard and you're aware of your spending, and you know how much you're transferring to a savings account, but not necessarily by category. And we had a few people write in and say, hey, that was nice to know that some of the millionaires you're interviewing are budgeting, right and you're personally not. So, was just curious to add that in there, any favorite books or websites that have been influential and beneficial to you?

**Ed:** Yeah, so books there are two specifics to kind of the path to financial independence for me, one and I know it's mentioned on your show a lot of course, is Jail Collins, Simple Path to Wealth. I also really appreciate 35:21 [inaudible], Random Walk Down Wall Street, both of those important to me because I know that I have the tendency to want to figure something out and think I can do it better. And both of those books have really convinced me of the power of index funds and keep me from going down that road of thinking that I can stock back and so that's probably saved me a lot of money and mistakes right there. I also am a big fan of Simon Cynics work and in my work in school leadership, Leaders Eat Last has been a really important book for me, so, I would name that one. And then on websites, early retirement now is the one that's really helped me understand things like sequence of return risk and digging to that, that's helped me be confident in building my own do yourself financial plan, at least for now.

**Clark:** Awesome. Awesome. Thanks for sharing that, just last question here before we wrap up and I know you touched on this a little bit as lifestyle inflation and I'm just kind of curious, you know, today, right I think it's so, keep up with the Joneses right with Instagram and Facebook and all the social media we have and sharing and knowing what other people are doing and how they're living and how they're traveling and there's more traveling now, I feel like then then there was you know, 30, 40 years ago, right? Whether that's because it's cheaper, more accessible, or whatever the case may be. How did you guys kind of turn away from that lifestyle inflation and maybe what advice do you have for people that are struggling with that or trying to avoid it?

**Ed:** Yeah. So, I think the first step is understanding why your lifestyle is inflating, right? So, for us, it actually wasn't really kept up with the Joneses. It was, we work incredibly hard all the time and so our balance to that was to escape by spending, particularly on vacations. And that also is what led us to the trap. You know, I said that vacation home is what made me realize that if I were to stay on the path I was on, I would be working till I was 70 and I'm not sure we would have anything even then. And so, for us, it was really realizing that path, and then by turning it around, we feel like we have more control over our financial lives and that helps us feel more balanced at work, and realize that if work ever does get to be too much, or we burn out, because neither of us want to be those burnout educators, right? We love our jobs, and we pour ourselves into them. But if we ever need to step away, now that we've made the financial shifts, we aren't trapped there. And that sense of control and freedom was really important to us turning that around. And then the way we did it was paying attention to what we spend and then really that method where we max out as many things as we can our tax advantage and then some brokerage accounts before we ever see the money, right, so it's that automatic idea. And so, that anti budget piece of penciling all that out and putting the money away on the front end, combined with a sense of control. So, our lifestyle has shrunk and yet it feels richer and that sounds cliché, but it's really true like we're happier because we're more in control of our lives. We are also more purposeful about how we want to spend our life, we cut our housing size in half. So, in doing that, we realize exactly what we needed in a house and that's what we've gotten even in our rental and so part of it is just being clear about what you really need to be happy and what you need to spend money on and then using the rest to give yourself a sense of choice and control. And that's what's been successful for us.

**Clark:** Wow, great answer. I really like that. What do you guys do in the summers? Do you work, you guys both still working with the side hustles?

**Ed:**Yeah, so you know when you shift from teacher to administrator, you make more money, but part of that is because you work 15 few more days a year. So, as an administrator, I work basically a standard business calendar. So, I work year-round. My wife on summers will sometimes teach summer school or do some other side hustle. Teaching is also one of those jobs where I don't blame people after they work a full school year, sometimes you just need a month to recover and regather, so she does that. But we've both done summer work. I have done some adjunct professor work in the summer. And now I pretty much just work year-round in my job and she teaches summer school every other year or so.

**Clark:** Gotcha, gotcha. Good for you guys. So, last question here, just as we wrap up, where can people find you and I know you have your blog, EducatorFi.com and what can they expect to learn there? Tell us a little bit about that.

**Ed:** Yeah, great. The blog is the place to find me. So, once I got control of my life, I decided that I wanted to help people avoid making the same mistakes and kind of capture the information that I would learn and the experience I'd had. And so, you know, it is financial independence from an educator perspective, I share the financial independence information that applies specifically to our profession, but also talk about my journey and my mindset. And the main goal is just to show people as I've said a couple times, we do really important work and it matters. And we can still build wealth while doing that. And it's important that teachers know that because then we will get great people in the profession and we will keep people in the profession instead of having them burnout and stress over money. And so, that right now is one of my purposes in life and that's why I write there.

**Clark:**Wow, really commendable and what a great interview. Love it. Again, that's Ed, net worth of 1.25, about 300,000 in real estate, 700,000 investments, overcame $100,000 in debt. Really terrific story. Thanks, Ed, for coming on the show. We really appreciate it.

**Ed:**Thanks for having me, enjoyed it.

**Jace:**Thanks Ed.

**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.