**File Name: Episode 150**

**File Length: 41:41**

**Peter:**We would go pick grapes in the summertime, we were out of school, we didn't go to summer school. We'd go pick grapes and raisins, gather raisins and all that stuff in California at that time so, seeing that, seeing my parents work hard has really kept me humble, grounded and I think if you've never struggled, you never appreciate what you have. And I'm a firm believer that everybody should struggle at one point or another just to keep them humble, because the life we have here is not the life that other people lead in the rest of world. People would die to come here and be the poorest people in America versus the richest people in a third world country.

**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:**Alrighty, welcome back everybody to another episode of the Millionaires Unveiled Podcast, this is Episode 150. Jace, 150, almost three years of doing this, right? What's going on?

**Jace:** It's pretty phenomenal. Not a lot, how you doing?

**Clark:**Good. So, we've interviewed, I think we're close to, because we have a bunch in the pipeline, about 200 millionaires, I'd say, right?

**Jace:** Yeah. I mean, some we haven't released yet, and then obviously, we've done you know, several over the years, you know, that we released and a few that, you know, we haven't yet. So yeah, we got 200 plus millionaires coming up on or at least coming up on that for sure.

**Clark:**Yeah, we just interviewed a lady who has nine real estate properties, I guess, 8, right? A little hunting cabin, seven rentals, and then her primary residence and she never earned, she and her husband together, never earned over 75,000.

**Jace:**Yes, pretty remarkable story.

**Clark:**And they have a net worth of over a million and yeah, and the rentals will be paid off in five or six years and they'll cashflow 60 or 70 grand a year. Yeah, or that'll be the rent roll at least, right? So, maybe they'll get cashflow 50 or something after repairs but pretty amazing story to never make over 75 and have 8 real estate properties, 7 rentals and all of them paid for; pretty amazing. So yeah, we had a great interview last week too, I thought her story was amazing, that was Jackie, she's black, single mom, recently retired. Her net worth is 1.3 million about, she's a first-generation college graduate, got a job at Walmart right after graduation and then worked up and worked for, after Walmart, I think she worked for the same company, right? Most of her her time so, really phenomenal, inspirational story with Jackie who's now trying to teach financial independence, right? And really anything financial to those in low income areas, or kids that grow up in poverty that aren't able to learn those things. So, phenomenal mission from her and also phenomenal story so, go check that out if you haven't heard it, it's Episode 149. And along that line Jace, one thing we were talking about earlier this week is an article, it was CNBC, right? I think you found, initially Bill Ackman sent a letter to Pershing Cap, or Pershing Square Capital Investors, it's hedge fund, and basically said, "Look, capitalism is the best system for maximizing the size of the economic pie.", but said that we've had stagnant wage growth for most of America and that's what's presented one of the big problems in the US economy. Anyway, he goes on and he brings up a really interesting point, that people that are new-borns basically should have, we should have a mandatory investing account for every US child to basically combat wealth inequality. And he goes on to say, basically, hey, if you put $6,750 at birth, you know, get an 8% average return, you know, over your lifetime, then have a million dollars in retirement. Now, we can sit here and debate all day, whether or not that million dollars in retirement will be sufficient or whatever but nonetheless, he makes a point, $6,750 a year today, let it sit there for every single born child, that's what's going to combat, you know, wealth inequality. And he brings up a really interesting point.

**Jace:**Well, it reminds me a little bit of Social Security, but flipped the other way, right? It's almost like you get the money at birth, and then it grows for you and nobody really touches it. But in Social Security, it's like you get these pay-outs in retirement, you know, you still worry I think about how people spend the money, but I think by the time you're 60, right? Most people have better spending habits, or at least more aware that and say, "Hey, I'm going to need this for the next 20 years.". So, I like the idea. I think it's almost the reverse system of Social Security, right? Like, you take the pay-out now and it grows for you and obviously in the article, it says you can't touch it, right? You couldn't touch it until you're 59 and a half or 65, or whatever, I'd have to go and look back exactly what his plan was. But yeah, that idea of having it set away-- I mean, I think in a perfect world, you don't do that, right? In a perfect world. You probably don't need Social Security, right? Everybody saves for themselves; taxes are lower, pay-ins are lower for everybody and everybody can save, right? In a perfect world, that's the environment you'd want to be in, but obviously not feasible.

**Clark:**Yeah, no, I love the idea to be honest. I think, you know, flipping the script, like you mentioned, in almost like a reverse Social Security, you know, we get these pay-outs, our grandparents or whoever, we start looking at the math, like the system's going to fail at some point, right? We know that it's not going to be able to last forever, especially those that are retiring today, you know, they may be the last generation that really receives, you know, "full Social Security benefits", you know, our generation, I think most of us would agree that, "Hey, we're not even planning on Social Security.", there really probably won't even be much there. And, you know, I think it goes back to just the economic system we have, we're the richest country on Earth, you know, maybe China is up there with us, but we also have insurmountable amounts of debt and a lot of times, I think we flip the script like we always spend first, and then try to pay back later; same kind of deal with putting money into the Social Security fund in retirement and whereas you deposit that  6750, per Bill Ackman, and let it grow and it's completely flipping the way that wealth is built, instead of trying to chase the tail, you know, later in life. And it brings up Australia's superannuation system, which is, I think, the fourth largest pension in the world, $2.7 trillion, and several other countries that have made some similar system work. You know, nonetheless, it's an interesting idea, I think some of these ideas-- the businessmen and finance ears and other people, entrepreneurs bring about are something that our political officials should take a look at.

**Jace:**Yeah. And it's something we've heard over and over again on the show, right? Is invest and then wait, right? Put it in, compound interest and I mean, I think my favorite quote about this is the lady we had on, I can't remember which episode but she said, "Look, I don't know how I got here. I just invested it and it grew and here I am.", and she was at 4 or 5 million. And so, I mean, that's what it comes back to, right? Just being a little bit more intentional and I guess the problem trying to be solved is, "Hey, if people aren't going to be intentional, then we're going to try and be intentional for them.", and that's really what's happening with social security too, right? So, anyway, pretty interesting stuff, really interesting interview today, as well. He has a net worth of over 1 million, about 30,000 in cash, he's an immigrant who worked three jobs at one point to get ahead and has worked at a network security for a cable company for the last 15 years. So, really interesting interview coming up here with Peter. If you're interested in sponsoring the show, we have some sponsorship openings available, send us an email, our email is millionaires,unveiled@gmail.com, and also some multifamily syndication opportunities coming up for accredited investors. So, if you're interested in that, again, same email, feel free to reach out. Thanks for listening, if you enjoy the show, please review it on iTunes or Stitcher, whatever you listen to, it helps us grow the show and keep this thing going. So, thanks for tuning in, hope everybody's staying safe and healthy and without any further delay, please help me welcome Peter to the show. Peter, do you want to just give us a little bit about your background and kind of what you're up to now?

**Peter:**Ah, yes, I'm 38 years old, I work for a networking company, a cable networking company and I'm one of the business technicians in California, and I've been doing this line of work about 15/16 years.

**Jace:**Nice. That's awesome, man. And what's your net worth today?

**Peter:**1.5.

**Jace:**Wow, and how is that broken up?

**Peter:**It is-- I have about 951,000 in real estate, I have about 210 in 401K, about maybe 30 grand, 30-35 grand in cash and then we have a 457, which is my wife, she's a government employee so, she has about 85 or 90 in there.

**Jace:**Awesome. Let's start with the real estate, it's the biggest-- a big chunk of your portfolio, is that primary residence, investments or?

**Peter:**This includes our primary residence, which we paid off in like four years. We were kind of, not to use a Dave Ramsey word but gazelle intensity, you know?

**Jace:**Yeah.

**Peter:**Just peace of mind. I mean, I've always financially looking at it, although some people may disagree with paying off your primary residence but I've always thought of it as just peace of mind and felt like it was a weight over my shoulder so, we paid that off. And then, I have four other rentals, three of them have mortgage, one is paid off.

**Jace:**And when did you pay off the primary residence?

**Peter:**We bought in, luckily in low end of the market, during the crash in 2011 and then we ended up, I think I just paid it off in 2017.

**Jace:**Wow. So, six years, you pay off a house in California which is crazy because most people think you got a mortgage forever out there, correct?

**Peter:** I agree, just like slow and steady, you know? One step at a time and I think overall my wife didn't really see the investment side of things until I brought home almost $100,000 check for her birthday and said, "Here you go, pay off your mortgage.", because she primarily makes the payment for the house. So, then that was off her shoulders and I think she kind of turned into a believer.

**Jace:**How much is your-- sorry to interrupt-- how much is your house worth, Peter? Or rather, how much did you buy it for and how much is it worth now?

**Peter:**248, I put about 50 into it, I would work daytime and night time, I would spend time working on the house for about six months before we got married. So, now it's close to 400-410,000.

**Jace:**Okay, awesome. Good for you. So, there's so much to jump in here in, so many places I want to go with you. And I know you have a tremendous story here so; I want to start with that because we were just talking about it a little bit before we started the recording here. But tell everybody what your story is, I'm going to let you do it; I'm not going to summarize it because you're obviously going to tell it much better. So, maybe give the background to who you are.

**Peter:**Well, we came here from India, six family members here and then we lived middle class over there. My dad was a chef over there so, he did very well but coming here, we had to start from scratch. So, he had 60-$65 in his pocket and came here, six of us and parents worked two jobs where he worked in the field, and they would work at a factory during the daytime and then that's it. I mean, we would go pick grapes in the summertime, we were out of school, we didn't go to summer school. We'd go pick grapes and raisins, gather raisins and all that stuff in California at that time so, seeing that, seeing my parents work hard has really kept me humble, grounded and I think if you've never struggled, you never appreciate what you have. And I'm a firm believer that everybody should struggle at one point or another just to keep them humble, because the life we have here is not the life that other people lead in the rest of world. People would die to come here and be the poorest people in America versus the richest people in a third world country. So yeah, it's been a blessing. I mean, our fan of opportunities is the reason everybody wants to come here.

**Jace:**Yeah, really amazing. And you shared with us, if I'm okay to share, you were nine years old, right? When you came to the States?

**Peter:**Yes, sir, nine years old, 38 today.

**Jace:**So, four kids, two parents, right? You immigrated from India, you went right to California and you stayed there since? Are your siblings still there? Have they moved around?

**Peter:**Siblings are still here, one sister moved, she lives in Texas, Fort Worth, but all the other siblings are here.

**Jace:**Okay. Good for you. And then, did you go to school?

**Peter:**I did. I went to school about three years, local college here, I was going to go to school to be a teacher, took some time off, we all know how that starts. I started having a part time job and then got a taste of money, which was my parents' worst nightmare, not to have the kids work and because it seemed like you get money, you start working more, and that's what kind of happened. But then, I was working three jobs at one point, hustling but I just stopped all that and got my current job that I've had for about 15-16 years, working for the local cable company here. And then, ever since I've been here and kind of moved on to different position, I've done six different positions, including management, and then that has been great. Great start working here, and the opportunities have been just tremendous, just working for a large corporation.

**Jace:**Awesome. Good for you. And your wife, works as well, you mentioned and then you have a child, right? One child.

**Peter:** Yes sir, one child.

**Jace:**So, really amazing Peter, right? I mean, you come here when you're nine, and now you're a millionaire, you're going to hit two here probably shortly, right?

**Peter:**Yes, sir.

**Jace:** I mean, how were you able to do it? It's really an incredible story, right? I mean, this is the story that we started the podcast to tell, and obviously everybody has a different journey and a different allocation. But I mean, you came from, I want to say nothing, just from coming to the states and having nothing, right? You said your dad at $60 in his pocket to now being a millionaire and by the time you retire, you'll be a multimillionaire.

**Peter:**Yeah, I mean, I don't really see it, it's just a number to be honest. Like, my cost of living, I think for the first, I started my job making 985, I was probably making double that and I was still living on about 11 $12 an hour budget which allowed me to just be in a financial position to sock all that money away, especially during the financial crash that we have in 2009/2010. So, that was, I guess, timing, a little bit of luck, a little bit of timing has a lot to do with it, which gave me the opportunity to buy into real estate and, you know, it's one of the things I think every immigrant that comes from India wants to have, property. Property is like big thing because we all know it's a great hedge against anything that can happen in the economy, a property's always going to go up or down based on the economic times.

**Jace:**Sure. So, the money you have in the markets, right? In your retirement accounts, both you and your wife's, how is that invested? Is it index funds, bonds, more actively managed mutual funds?

**Peter:** I think for my wife, she's not as, I guess, liberal with her money and risk taker as I am so, hers is, it's all in municipal bonds pretty much, 457 so, that, I just kind of just let her have that and just leave it; I see the growth of it, it's not much overall. But my-- the 200 and about 20,000 that I have invested is invested in the stock market, I have the graph here, 48 in domestic stock, 27 in foreign stocks, and the rest are just a little bit of bonds, about 8-9% bonds in short term. But most of the money is in large cap market and it is on the stock market, for the most part high risk. I started off just picking different things and then we had opportunity to go and buy into, as a company expanded, we had more opportunity to buy more funds, and there was a 2045 freedom fund, I think it's JP Morgan, I'm sorry, one of the time line funds. So, I look at it, I haven't moved stuff around, it's been good to me in last six, seven years, I don't really fiddle with it. I'm one of those people kind of set it, forget it, kind of thing when it comes to the things, I don't fully understand like stock market. I mean, I understand stocks, bonds, everything, but I leave that portion to let someone semi manage it, you know? So, but I left that money alone, it's been good and that's about it. I have a wrap account, which I have about 9000 that the company puts in, I don't put anything in, the company just put 3% of my salary in that one. Yeah, that one's also in a timeline fund, it's pretty much 2045. And I noticed that I'm not obviously-- I'm not going to retire at 2045, I'll retire a lot before that but I do realize that with those funds, the target date is what gives you, if you're conservative or liberal, so then with your money, so then I have it on my targets that way, it's more stocks and more, you know, more potential for growth overall.

**Jace:**Yeah. How much cash do you have to hold Peter? Or how big is-- do you have an emergency fund?

**Peter:**Yes, I'm a big Dave Ramsey fan when it comes to conservative with my money, that's kind of the aim to pay the house off and everything when I started off. So, I always keep about a year worth of mercy fund, I've had up to about maybe five years at one point, but I've kind of just tried a little bit and see, "Okay, I'm okay, money's coming in.". So, I always keep about 30-50 cash and my wife usually keeps about the same amount overall.

**Peter:**Now thatthe house is paid off, that's been kind of-- I kind of took a little higher risk on that, you know, lowered it a little bit.

**Jae:**Right. So, you kind of strike me as a Millionaire Next Door type of guy, right? Does anybody in your neighborhood or your friends or even your family members, do they know you're a millionaire?

**Peter:**I think they have an idea because all my family invest in real estate so, they know that slow and steady always wins the race when it comes to real estate. And you know, I have, most of my family members I think, every family member I have, they have at least one to two rental houses upwards to 35, 36 for one of my uncle's and you know, that's how he started, we kind of see that Rich Dad, Poor Dad type of thinking is what got me here but Millionaire Next Door is the habits and living simple is, I think what I've always been like, but having that book, someone recommended to me and I just, I loved it, went through it in like a couple days, and that's it. I mean, I love those books, you know, I don't think my neighbors know but I mean, it's not a secret. I think I'm one of those people that if anybody wanted to know how to invest, how to make money, I'm happy to share with people. I think-- I believe that, you know, we can rise the tide for everybody to be a winner, no one has to lose for me to win or vice versa, you know?

**Jace:**Sure. Well, I appreciate you, we both appreciate you coming on the show and sharing your story so, thank you, I think you're going to help thousands of people here so, definitely appreciate it. So, in this journey, Peter, to be a millionaire, is there something or a couple things that you could point to and say, "Hey, those are the two or three things that really led to my success.", you know, maybe it was just grinding along the way and living frugally or maybe it was being able to take a chance on real estate or maybe it's that you didn't want to be poor or that you know you were a good salesman or you worked hard in your career, whatever it is, are there a few things that you can point to and say, "Hey, that's kind of what led to my success."?

**Peter:**Yes, I think overall, living simple is always going to be great, especially if you start making more money, I've never changed my lifestyle. I think for the first 10 years of my career, as I made more money, I didn't increase my lifestyle, increase my spending, I didn't keep up with the neighbors or I've never bought a brand new car, just living simple. I mean, if you live humble, when things break, it's easier to fix things and when things are less complicated versus more complex your life is, when the roof crashes, and your money's gone, you lose a job, you're not scrambling to make it work, I don't know what to do. I keep it simple and everything I buy, besides the house, and all my vehicles have all been cash, if I don't have the cash for it, I just don't buy it, just peace of mind to me is worth it overall. And then, I don't really have compare and compete with anybody, I compete with being humble and being a good person to maybe donate money to charity; that's something I try to compete against people, I mean, just if I see someone do it, that's a good thing, you know? So, I don't change my lifestyle for anybody or see someone else have something, I don't want it. You know, I'm my own person, my family's the same way as well.

**Jace:**That's awesome Peter. So, can you give us a little insight into how you started acquiring those properties? Did you pay off your primary before you started investing in other real estate? Or did you start accumulating these properties along the way?

**Peter:**I read a lot so, in real estate and I have a uncle that's done very well with real estate and interesting, just slow and steady, just buy it, don't worry, it will eventually go up in value. So, I think to me, it was just timing was key but I started in my job in 2005 and then 2009 is when I bought my first house, so I did the whole young kid buy a car and waste money, but I just had like a moment where I just said, "What am I doing with my life?", so, I sold my car, used that money, down payment for my second house, because the first house I saw, and I saw the value go up, you know, just slowly, money was started coming for the rent, like, "Hey, look, I'm making 500 bucks a month.". So, what I did was I would start-- I started saving money and then from the first house to the second house, I think it was only like a year and a half, because I saw the potential of making monthly dividends, pretty much cash flow and then in the long run, I would read a lot and say, "Okay, it's going to, you know, go up in value.". So, I pretty much just save money, bigger down payment I had was the smaller payment so, then I always have-- every property I've bought, I put at least 30-40% down, if I can't have 30-40%, I do not buy a property because rainy days come, renters may not pay me, who would have sensed this COVID-19 thing you know? So, all my real estate, when I buy, I have at least 40-50% equity, which includes my down payment but obviously, there's some equity in it and I can recapture that as well. So, I make sure that I have a real fat down payment so, get peace of mind on my real estate. That's how I started, just having about 30 grand, I put it down towards that house and then I had that house paid off, the first one in about three and a half, four years and then I was making cash flow, making a thousand bucks a month. So, then motivating me to get the second one. And obviously you guys all know, the first one's always hard and kind of have like a part time worker giving you hand, which is the house that's giving you money every month so, I used that and kind of just domino effect and just kind of cumulated from there. So, my original two houses are pretty much, I can pay the other one, I think my interest rate's like less than 3% so, I never paid that one off, but the first one was higher so, I did pay that one off. That's how I got started pretty much.

**Jace:**And are these located pretty close to you?

**Peter:**Yes, every house is about less than three, three and a half miles and one is about five so I can couple them on walking distance. I try to keep it so you can just drive by kind of thing, you know. So, and I was managing them myself so that kind of helped me save money but now they're more busy with life in general and so, I kind of just take a step back and I'm giving it to a management company. As each house becomes available, I fix it up and then I hand the keys over to a management company.

**Jace:**And are these homes typical three bedroom, two bathroom or are they bigger, smaller?

**Peter:**Absolutely, three bedroom, two bath, that's my go to because worst case scenario, you can always sell those and those are the first ones, but the highest buyers is a three, two so, all the houses are three bedroom, two bath, front yard, backyard, you know, a house that people would want to live in as, especially for renters that want a property that someone wants to come live in, you know? And then, my rent has always been honestly, like 15% below market, just because I don't want people moving in, moving out, you know, the vacancy factor, you know? So, that's what I do. So, I've always-- even now, my rent is some of them are about 20% lower because it's not my main gig, I still work. So, maybe when I start doing this full time, I would increase the rent otherwise, rent's lower, people stay longer, I think one house almost 11 years and only had two tenants.

**Jace:**Wow, that's pretty wild.

**Peter:**Yes, sir.

**Jace:**And how did you find most of these properties?

**Peter:**I always look, just one of those people that's always looking at real estate, even if you're not buying, I would say that right price, you'll find the money, you'll find the motivation. So, I've always looked I mean, I think probably I look at real estate, honestly, maybe at least two to three times a week, just to see how the market's going up or down and I keep in touch with different brokers, friends, family, my management company, they manage over 1000 properties just in town here. So, there's always somebody that wants to move in and move out or don't want to put their house for sale because the hassle of getting someone in and out of a property sometimes, people sell owner to owner or just you know, investment property for someone that's looking for investment property, I bought one that way, and that worked out pretty good, it was less of a hassle. So, I think that's why I started looking for in the features as I grow, I will look for one investor to another.

**Jace:**Interesting. So, Peter, where do you kind of go from here? You've got this net worth built up, you got these rentals, you got a great family life, where's kind of the vision for the future?

**Peter:**I think right now, I mean, I'm blessed to have everything I have in my life overall, my goals, even before the fire movement came along, the FI movement came along, was to just work because I want to work, not because I have to work. Gratefully, I think I've been in that position, maybe three, four years to where I work, because I want to work, I like my job, I work with people, I'm out and about, I'm a physical person that likes to stay in shape, you know? And then, so that's what I do so from here, I think I can just keep going. I would like to add more to my real estate portfolio but obviously the prices have gone a little bit higher so, I think I would-- my ideal would be to buy a house every year. Obviously right now I'm not in that but I have bought, I think every three years I've bought a property. So, I think I would want to get to a point where I can buy one every year, have time to work on those houses and just, you know be the main contract and get different trades to go in there instead of hiring one day contractor you know, they take their cut. So, that's going to be my job eventually. And retiring early is something I would look into so, I may want to retire maybe next four or five years maybe, maybe I'll work till 50 but options are on the table so I can actually if I want to, I can do so. My parents are older, obviously, they've done a lot for me, they've worked hard for us so, they live very close to me here. So, my idea is to worst case, I got take care of them, l quit my job, and I'll take care of my parents.

**Clark:**Yeah, good for you. So, the houses you have Peter, do they cash flow? And if so, how much?

**Peter:**Yes, every house cash flows, at least my limit is usually 450 to $500, if it's under that, I you know, I got to have cash flow. I mean, equity is great but until you recapture it and do all the hassle of getting money out or selling it or 1031 exchange it, all the houses to do cash flow. I make about $600 per property, the one that's paid off is about $1,000.

**Clark:**So, total, what is that? I'm trying to do the math; total passive cash flow a year?

**Peter:**Per year, I got four so-- I'm sorry, I cut you off. Go ahead.

**Clark:**No, no, that's what I was asking. So, four houses so, 1500, 5, 5, 5, 5 and 1000, right? So, 2500 a month? Is that right?

**Peter:**Correct. I added a property recently so, if I look at my last year, I think it was just around 26,000 and some change cash flow.

**Clark:** Okay. All right. So, 2500 a month times 12 would be 30.

**Peter:**Yeah, correct. And that one includes the house I recently acquired, but I haven't done taxes for that house yet so, it would be close to 30 grand.

**Clark:**And how much do you spend a year?

**Peter:**You know, I'm very simple. I like cars and all that stuff, but I mean, my house is paid off, I'm one of the first early adopters of solar panels, put solar panels at 2011 so, I didn't have electrical bill. I live in a pretty big house so, the pool, two AC units so, when I had my son, obviously, like electric bills, turns every light on, two ACs are on so, I just recently added more solar panels, while the credits still there with the federal government. So, it's not much I mean, I don't have an electric bill, water bill's usually about 50-60 bucks, I don't have any car payments. So, I would honestly, eating out a little bit--

**Jace:**What's your tax bill?

**Peter:** I mentioned property taxes, that, I don't have written down to be honest. But each house because since I acquired a lot of houses long time ago so, in California, the taxes only go up, it can only go maximum, I think 2-3% a year. So, tax liability on those properties is very low, some of the houses I think, I only pay like $2500, 2500, 1800, think ones like 2300, the one I recently acquired, but all of the old ones, property taxes are very low, simply because the fact that every year they can only grow 2-3% regardless of what the value of the property is currently.

**Jace:**Gotcha. So, guess what I'm trying to get at is, could you live off the 30? Probably not, right? Because if it's 2000 a month times the five houses, that's 10, that leaves you 20,000 to live off of so, you probably need maybe, I don't know, 10 or 15 more, even if you live a simple life, right?

**Peter:** Yeah, when I do these numbers, these numbers are just based on my income, not my wife.

**Jace:**Okay, gotcha.

**Peter:**Yeah. So, I've always just-- I've always done this thing just on my own and I didn't really want to fiddle with, you know, my wife because she's very conservative with her money. But--

**Clark:**So, does your net worth of 1.5 include her money or no?

**Peter:**Little bit of it, but I think you could probably add another hundred thousand to it. So, but yeah, so, you know, conservatively, my number is always conservative, I don't-- the reason I made, that 400,000 on the house is, I guess I have the solar panels, I have the pool, I've done a lot of work to the house, typical neighborhood here it's probably 37-, 380 but then when you have an electric bill and all the solar panels, everything add that to it. It's a decent neighborhood so, I always evaluate everything very conservatively because worst case something goes go up instead of going down, you know?

**Jace:**Yeah, I'm curious on the solar panels, how much did they cost?

**Peter:**You know, people pay so much for solar panels, I mean, I've looked at a lot of houses that have leases on it and when you lease a proper solar panel, they're going to get you for the best-- most they can because the more panels they put on, the more they can charge you retail price, and they can take extra money and extra energy money that comes that goes to a solar company, you have a $200 bill that you pay consistently or whatever it may be. I paid for taxes, 14, 800 in 2011 for 20 panels.

**Jace:**14,800, right?

**Peter:**Yes sir. I paid cash for them. And then, recently the ones I put in I think after the tax write off that I'm going to get into the year when I apply for, I think it's going to be like $6200 for 10 panels so, they're very cheap. Why people I mean, obviously people don't do the homework.

**Jace:**What is that? What was the before and after on your electrical bill?

**Peter:**You know, when I bought the house, my electric bill, I had a taste of summertime when I was working so the AC was running when I would work in house, I would paint everything, do things, I had a bill up to $450 a month in the summer month, in California it gets pretty hot. So, yeah, 400-$500. I think my mind was just blown so, I immediately added the solar panels, put a variable punch pump on my pool and spa so, then I have there's two pumps that were running so, I incorporated those together with an automatic system so, that dropped that bill, I think like about 40-50% because you just put on the lower speed, put the solar panels on, you know, get everything tuned up and done, and that dropped the bill pretty much zero. I think they pay themselves off in five years, the first 15, 16,000 I spent on the solar panels.

**Jace:**Wow, pretty amazing. So, your payback, I mean, a couple-- few years, I guess, right?

**Peter:**Yeah, for those ones, I think five years was the payback that was done, that's when I paid and I did a calculation, I went ahead and added the 10 more panels, these are probably going to take maybe 7, 6-7 years because there's less amount of solar panels and I'm still pretty conservative overall with electricity. So, but yeah, I mean, they pay for themselves. I mean, now like I said, electricity is pretty much free, I think I enjoyed I think three years of free electricity pretty much and now I added these panels, about 6500 bucks, and then you know, to add value to your house instead of having to lease from those companies, that's where they make their money all the time because you sell your house, they get the bill first because there's a lien on your property.

**Clark:**Jace, what's your electrical bill every month in Texas?

**Jace:**Depends man, in winter, it's not very much because we got really great weather like California in the winter. But in the summertime, we run AC pretty much all day, probably a couple hundred bucks. I mean, we have--

**Clark:**That's not bad.

**Jace:**Yeah, we've got two, I've got dual controls upstairs and downstairs and obviously like, we don't spend as much time upstairs that's where the kids' bedrooms are and stuff and then a little game room and whatnot. So, we kind of set the temperatures up there higher and allow the nest to kind of take care of that and so, I think that helps a lot. But yeah, it's not too bad. But it gets more-- it's definitely more in this summer for sure.

**Clark:**Oh, is that a single AC unit? Is it two of them?

**Jace:** We get two.

**Clark:** Oh, I got you, I thought you got single one with dampers. I have two also, have a split wing house so, all the rooms have one AC unit and all of the living area, kitchen, all the other stuff has one AC unit. So, night time one goes off, the other one turns on just like kind of like how you do up and down, I do, you know one outside bedroom and living area.

**Jace:**Interesting.

**Clark:**Do all the neighborhoods-- do all the houses in your neighborhood have a pool?

**Peter:**About 80%, yes. It's a really nice neighborhood, my grandfather used to walk over here and said, "Oh, what a great neighborhood.", because it was just all, it was cornfields. You know, he's a farmer and he came to visit us, he's like, "Oh, what a great-- these houses that are building over here are just huge.". My dad would go walk in, he was like, "Oh, you got to buy a house over here.". So, when I bought this house, he was just super proud, you know?

**Clark:**Yeah. So, just in closing here, I want to ask you some rapid fire questions but before I do, I'm going to ask you just some general advice and mistakes. What mistakes do you feel like you've made investing wise or life wise, whatever that you want to share? And then, maybe what advice would you give to somebody who's in your similar situation?

**Peter:**I think when it comes to any type of investing, emotions have to be, you got to leave your emotions out of, it's easier said than done, including myself. I mean, even the recent stock market, you kind of gasp looking at your numbers, but taking emotions out of it I think early on, when I started with the investing in the stock market, I was kind of emotional, like, "Oh my god, stock market's crashing, this and that.", but then reading books has helped me a lot. I think people say you have to make your own mistakes, I mean, to a certain degree, yes, but that's what books are for. I think books are cheat sheets from people that have made mistakes and there, you can look at those lessons and learn from them instead of making every mistake in the book yourself, but look at those and learn from it; and that's what I've done. I read a lot, like you said Rich Dad, Poor Dad, Millionaire Next Door, and consistency is key. I mean, like you said, no timing the markets, how long you put your money in the market, what's going to help you grow, especially when I started off at 25, now I'm 38, majority the stock market money, I mean, I got to the point where I just, I was putting 30-35% of my money when the market crashed. You know, I knew the return would be there eventually, but they couldn't force me out of it. You know, so, that is what I mean, by emotion-- taking emotion out of it, just do it. I mean, it's hard sometimes, but even doing the right thing, it's hard sometimes when it comes to investing.

**Clark:**Yeah. Have you ever used a financial advisor?

**Peter:**I have not, I attempted to use one, but I have my wife do it. Because like I said, I told you, she was kind of skeptical of me doing investing. So, I took about 30 grand, gave it to a broker, investor, I guess you would say, he's locally in California here, Charles Schwab, I don't know if I could say names or not, but I went in there after a year and a half, two years of you know, just talk to the guy, "Hey, how come our portfolio is not doing so well?", so, I asked her to ask the guy, "Hey, what's your portfolio look like? That's compared to mine, I'm just curious.", he would not show me his portfolio. So, at that point, I said, "Why are we down 12% and my portfolio is up 4%?", even the market was down as I'm doing it myself, "What does yours look like?", the guy didn't show me so then, I think after I walked out, I immediately called my buddy that works at Charles Schwab, he's not the guy that does investing. So, I told him go ahead and sell everything, took the money, put it back, put it back in wife's account, called it a loss, lesson learned and that's the last of any advice when it comes to financial advisor that I use. I mean, I don't want to say all financial advisor uses fear fiduciary, maybe this one wasn't at the time, but if you don't know what you're doing, obviously, it's better to pay a little bit a percentage of somebody and have some gains, instead of getting no gains. But I personally have never used one, I did let my wife do it so, she kind of understood that I kind of had an idea what I was doing, once we hired a professional doing her money and see how it went.

**Clark:**Sure. And you have-- besides the houses, do you have any debt? I assume not, if you're a Dave Ramsey guy, but nothing on the cars or anything?

**Peter:**Negative. No, zero debt. I don't owe a penny to anybody.

**Clark:**Gotcha. Okay, so let's jump into some rapid fire questions here. So, what's the most expensive pair of jeans you've ever purchased?

**Peter:**Like, $32, Costco.

**Clark:**Okay, most expensive car?

**Peter:**I bought a $30,000 car. I like fast cars, a VA fast car, I sold it because I wanted to get money for a house so, the investment, I did it, and then my wife's the one that drove it, she fell in love with the car, even though I bought it for myself. So, I think fast forward two years, I just recently bought another one about 32 grand, but that's my wife's car so, I drive a Lexus LS430, $4,000 old Lexus LS, my wife calls me the old man. So yeah, so I would technically say 20,000 but I made about 5000 off that car that I originally bought, it was a S2000 collector vehicle. So then, I sold it so, actually $20,000 the most expensive car I bought for myself.

**Clark:**Okay, what's the most expensive meal out that you've personally paid for?

**Peter:**Probably about 130 bucks, maybe Vegas, I go to Vegas, maybe once every 5-6 years.

**Clark:**Okay. What item or items or experiences are worth spending more money on to you and what's not worth the money?

**Peter:**I think things that add value to your life. You know, taking time off from work, it's technically not spending money, but actually losing money. So, if you don't have vacation, you got to-- you have to capitalize on that, you have money because you can use it because you have hours. But even if you don't, I think it makes sense to take some time off, spend time with your family and your children just for the fact that that time goes by and there's no, you know, dollar amount you can value-- put value on that money and that time is timeless. I always think you should take some time off for your family even if it means losing some money if you're a salesperson. So, I think that and anything that adds value to other people, I am big on donating my time to people, anybody can donate money, but when you give your time to people, I think it's very valuable, keeps you humble, helping others has always motivated to work hard and stay grounded, and that's my thing. My ultimate goal honestly, is to leave behind a million dollars and that's all to charity and the rest I would leave to my family, my son because I wouldn't leave that much money to my son because it could be a curse, you know? Unless you deserve and know how to manage money. So, my ultimate goal is to leave a lot of money to charity and help out people individually as I go along with my life.

**Clark:**Good for you. How old were you when you became a millionaire?

**Peter:** 35.

**Clark:**35, okay. Favorite-- how much do you spend-- favorite books, I know you just mentioned books, that you learn a lot from books, any few that you recommend?

**Peter:**The books I've read, I mean like I'm not a big reader, I read a lot articles, news, I'm a news junkie, but investment stuff, I'm not a imagination reading you know Harry Potter and like that but Rich Dad, Poor Dad, obviously it's very popular, Millionaire Next Door, Richest Man in Babylon, I'm sure you guys have read that one; I love that one, just the story overall, just in you know, in so many analogies, in so many ways, even Babylon days, you know? And then, the Automatic Millionaire by David Bach, that was a good eye opener, just keep things consistent, and dollar cost averaging is what that book taught me the most, is just go ahead and just, you know, the latte factor, I'm not into that, think it's a bunch of crap because you got to enjoy a little bit of your life, you know? You can't be that cheap. So, I mean, I indulge, I enjoy my life, I'm not a scrooge overall. But those are the books that have helped me and then obviously Dave Ramsey, has always been a big factor because when things like what's happening in the current market's happening, a lot people probably I'm sure they're loving Dave Ramsey by now, right.

**Clark:**Right. So, as much as you're comfortable sharing here, Peter, what's been the range of household income since you started working?

**Peter:**For me, I think up from 2005 to 2012 when I got married, I made-- the most I've ever made from my job is 71,000 and then average has been about 30-35. I didn't start making really good money until I got into management.

**Clark:**Okay, and your wife, but your wife does work as well, right?

**Peter:**Now, yeah. After 2012, that'll bump the income to probably another 70-80 grand there.

**Clark:**Okay, for both of you making about that?

**Peter:** Correct. Yes.

**Clark:**Okay. Gotcha. And so, last question here, what does it mean to be happy and fulfilled and has the money brought that to you as you've continued to grow your net worth?

**Peter:**You know, honestly, just knowing that you're working your job, because you want to, not because you have to, you don't feel like you're grinding away, it's fine and knowing that your family, my parents are--they grew up pretty humble and poor. So, me having that financial background now with the money to help them out, knowing that I can help my parents, you know, first thing I did was buy a brand new Lexus for my dad, that's the only car, when he retired, very simple man, never drove a fancy car, but doing things for my family, and people who truly deserve it, helping those who help others has been the key to happiness. I think money doesn't give you happiness, per se but when money is spent on other people, you see how much happiness that gives to that person that doesn't have anything. So, I sponsor people back home, I send money to a family that's poor back home. I don't forget, you know, and I do local charities here as well, on one of the charities of the hospital, just helping underprivileged kids, you know, in poor areas, regardless of how people are poor, doesn't matter; people are poor regardless of systematic, or their own doing. I mean, you know, and you just help people out, think when you've been given more opportunity than somebody else, more money, I think we have to give back a little bit; that's what I try to live by. That makes me happy overall, you know, knowing that I'm helping people out, giving them my time and money is cool.

**Clark:**Awesome, really cool story. And Peter, thanks so much. I appreciate you coming on, sharing your story and being so open about it, I think it'll definitely resonate with a bunch of people and really humbling, inspiring for me, certainly. So, thank you so much. Again, everybody, that's Peter, net worth of 1.5 million. Thanks for coming on the show tonight.

**Peter:**You guys have a wonderful evening. Thank you so much. It's been a pleasure.

**Jace:**Thanks, Peter.

**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.