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**Tom:** So, I mean, I don't get my happiness from money for sure, right? I find happiness in my family and in my Catholic faith, but I would say that I am, I guess I would say that I am happier now than I was, say 10 years ago, but not in the sense that I was dissatisfied or unhappy that we only had $2,000 in our checking account or whatever. I would say it's similar to asking the question, if I'm happier now that Anne is born, and I would say yes, I am happier, not to say that I was unhappy three years ago or seven years ago, when we had fewer kids. That makes sense.

**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, everybody, welcome back to another episode of The Millionaires Unveiled Podcast, thanks for joining us, this is Episode 159. Jace, what's going on? How are you?

**Jace:** Not a lot, doing great. How are you doing, Clark?

**Clark:**Good, doing good. We're both BYU football fans here, so it's good to see they had a nice win yesterday, right, move up in the rankings a little bit.

**Jace:**Yeah, yeah. It's been a great football season, you know, all things considered. I get the PAC 12 starting again this weekend and I know they've had a couple games canceled. But yeah, I mean, BYU had a great season, even though their schedule hasn't been super great or what definitely wasn't what it was supposed to be at the start the season. But well, I'm glad they've been able to have some, I'm glad to see a bunch of other, you know, college teams on the field and other managed for the most part, it seems like the pandemic pretty well, I've had, you know, several games canceled. I think that was probably expected, but definitely makes it a little bit more interesting, you know, as we go into the holidays here to watch some football.

**Clark:** Yeah, agreed and of course, it's been a crazy week, this week, right, with the election, everything going on there. So, hopefully at some point that comes to an end, right?

**Jace:**Yeah, no kidding.

**Clark:** Regardless of what side you're on, hopefully, it's it just mellows down a little bit and I think it's consumed everybody for a while here. So, you know, one thing we were chatting about before the show, as we were talking about like saving and investing here, we always try and share just a little tidbit of information or something that we find interesting. But we came across this article, and it talks about allocating your costs, and it really breaks it down into allocating into four buckets and the first one is fixed costs. So, that's like rent, groceries, if you have student loans, utilities, something that you can't really avoid, in a sense, right or trim that much? They say you spend about 50% of your income, long term investments, which is like 401K and IRA, they say is about 10%, savings goals, which they put vacations, which is interesting, but that's worth discussing, they say 5 to 10%, and then guilt free spending, this article suggests, an article we came across on CNBC suggest 20 to 35% of your spending. But we were talking about investments and savings and this says they recommend saving about 15% and it got me thinking about how much our millionaires save? What would you say, overall, we've done about 175 or so ish, millionaire interviews, how much do you think they each save?

**Jace:**Yeah, I think for the most part, they're investing, saving and investing, you know, 20 to 30% of their income. And most of that, for the most part, is either going into retirement savings, or into some sort of fund to buy some sort of real estate for the most part. I think it's more for those that are wanting to pursue, you know, either early retirement, or some sort of, half that will cause them to need, you know, more of those funds earlier, partly because retirement accounts, you don't have access to those until you're 59, 59 and a half. And so, you've got to figure out a way, people that want to retire early, or to live on some sort of income stream prior to that to access it, because usually that's one of their biggest assets, if not their biggest asset, those that are trying to retire early and those that, even if they're not retired trying to retire early, just in general, a lot of them invest their biggest assets in retirement accounts, or a big rental portfolio.

**Clark:**Yeah, and one thing, I think we both noticed, at least for those that have their income a little bit higher and are able to save more, at least at the minimum of what they're doing is maxing out their 401K and their IRAs, right. I think probably, I think it's safe to say right, like 75% of our millionaires, certainly most of those that invest in market investments max out those two accounts and oftentimes for a spouse as well, right. So, that's at least like where they start, if they're able to save that much and then maybe build up from there.

**Jace:** Yeah, and we do have some millionaires coming on here, fairly soon that we've done, a recording that come to mind, you know, that are definitely in that 70 to, I think we have one, even though there's almost, I think he was saving, almost at 90% of his income, say we had very, very, very low expenses, being single and living with roommates and everything else. But yeah, for the most products, I'd 20 to 30 is fairly average, definitely skewed higher to those that are trying to pursue some sort of early retirement or, or some sort of way to bridge that income gap from tapping those retirement accounts because like you mentioned, it is a very big portion of their wealth building and planning.

**Clark:**Yeah, and just speaking of investing and saving right, it reminds me of the guy that we have on today's show, right? I think he's been so aware and so intentional about his saving, just such an interesting interview and such a different perspective, right than a lot of the millionaires that we've had. So, it's Tom, he's 39 years old. He grew up actually as the oldest of 13 kids, so oldest of 13. He now lives overseas and has eight children for himself, so he has eight children. And so, he talks about this concept right of saving and investing and how much he saves and his story and really just a super interesting perspective, because eight kids right and growing up in a family of 13, I think the most I don't know what Jace, what's the most we've had somebody that has kids on the show?

**Jace:** I think maybe four, definitely not eight.

**Clark:** Yeah, and you're living overseas. So, he's got a net worth of 800, that includes two rental properties and a couple 100 in retirement accounts. But super interesting with Tom just, if anything to hear his story, a totally different unique perspective that we haven't heard before. Last week, just as a quick recap, we had Chris, he had a net worth of over 5 million, primarily in all real estate and he has a couple of unique concepts, one is owner financing, one is sale lease backs. So, if you're interested in real estate and how he's been able to be successful in that area, and grow his net worth so well, that's an interesting interview with Chris. So, again, this is episode 159 with Tom, thanks for listening. Thanks for tuning in. If you enjoy the show, we'd appreciate you leaving a review on either iTunes or Stitcher or any platform that you listen on, it helps us grow the show, reach new listeners, get new millionaire interviewees and keep this thing going. We're growing and getting; I think we're in the top 50 now of investing podcasts on iTunes. So, continue to move up and close to a million downloads here. So, thanks for joining in with us, especially in such a hectic week and hectic year, right so thanks again and let's get into the interview with Tom.

**Jace:**Tom, do you want to just give us a little bit about your background and what you're up to now?

**Tom:**Yeah, sure, thanks for having me on guys. So, I'm 39 years old and married and have eight kids. And aside from the eight kids, I would say I think I live a pretty ordinary and unremarkable life. I don't have any apartment complexes, I'm not worth millions of dollars, like a lot of your guests are. My net worth is only about 800,000 today. But you know and listening to some of the different podcasts which I've gotten something out of, every one of them, they're really good. But I don't think I've heard anybody with a larger family, in my situation, so I thought I'd reach out to you guys and see if maybe it was something that you'd be interested in having on.

**Jace:** Yeah, totally. I want to get into the net worth and stuff but eight kids? How did that come about and give our listeners some context of what it's like to have eight kids?

**Tom:**Well, I guess for starters, I'm used to it. I grew up in Panama, actually, I'm American, but grew up overseas, and I'm the oldest of 13 kids and we're Catholic. And so, we believe what the Catholic Church teaches on every issue, including sexuality. So, it was just a natural thing that we would end up with a larger family. It wasn't a surprise at all.

**Jace:** And what is the age ranges of the eight kids?

**Tom:** So, our oldest is 12 and the youngest, we just had Anne, she was born in March of this year.

**Jace:**Oh, wow. So, you got a little newborn there, born in the during the pandemic.

**Tom:**Yeah, right at the start of it. It was interesting.

**Jace:**That's pretty wild. So, and you have some twins in there too, you let us know, right?

**Tom:**Yes, we have a two-year-old twins, and they are a handful. Anybody that has twins knows how difficult that is to have twins.

**Jace:**Yeah, I can only imagine, your poor wife, she just must, with two-year-old twins and a newborn, I've got a two-year-old and a seven-month-old and that's plenty. I can't imagine throwing twins in there plus a few older ones. I guess probably some your older ones helped a little bit though, right?

**Tom:**The older ones are very helpful. Our oldest is Claire and of course I wanted a boy when we were first married. I wanted the oldest child to be a boy but I'm very glad that we had a girl, she's like a second mother around here. And then James and Andrew are also very helpful. So, it's actually, having Anne, number eight was actually the easiest, I think for, out of all of them just because we have so much hope here now.

**Jace:** Yeah, that makes sense. So, let's get a little bit into your net worth, 800,000 with eight kids, you got 100 for each kid, basically, how is that broken up?

**Tom:** So, it's primarily in real estate, not that I planned it that way or anything, but I own two homes currently, one is valued at about 330 and one's valued at about 530 and I have mortgages on each of them, 200,000 apiece. I have 220,000, roughly in retirement accounts, that's broken up with about 160,000 in the Thrift Savings Plan, which is the federal government's 401K, essentially, that split 60-40 with the C Fund, which tracks S&P 500, and the S fund, which is a small and mid-cap index fund. I also have a couple Roth accounts, one has 36,000, one has 26,000 in it. And I also have 45,000 in 529 accounts, those are in Vanguard, total stock mutual index, or market index and Vanguard growth index. And then I have 50,000 in cash. I'm a little bit cash heavy right now and I also have a $12,000 investment account that I just opened up after the coronavirus pandemic hit the market and I bought like in late March, April, early April sometime in there, just to see if I could make a little bit of profit. And then I have like 15,000 vehicles. And that's it.

**Jace:**That's awesome. And how did that account go that you just opened up? Were you able to make a nice little profit? I know we've had quite the second quarter run here, we're recording this on July 1 and it just closed out with the I think one of the best in history of the stock market quarters, think back since like 1970.

**Tom:**Well, so what I did was I just, kind of googled like the worst hit stocks, big stocks and I just put $1,000 into 10 of them. So, I bought like a couple airlines and some oil company Exxon and MGM, I don't know all of them, but I just put 1000 in each and kind of let it ride and see what's going to happen and it's up right now, just a couple 1000

**Jace:** Not bad. So, Tom, I want to rewind here a little bit back maybe to when you kind of started your career and you got involved, you told us that you were always going to have a large family, how did you plan to build wealth and allocating your resources to being able to support a large family but also build wealth for yourself and your family in the long term?

**Tom:**Well, I kind of stumbled into the personal finance part of it. When we got married, I mean I had no, I would not have guessed that 14 years later, I'd have $800,000 net worth at all. We just trusted in God every step of the way; I would say. But it wasn't until, we got married in 06 and it wasn't until 2009 that I was introduced to some personal finance CDs Dave Ramsey. And it was at that point that I realized, oh, geez, I've been making some pretty big financial mistakes. And I decided to start working his plan and I've been doing that pretty much ever since.

**Jace:**So, at that time when you started that plan, where was your financial situation at the time?

**Tom:**Oh, we had student loans of about $25,000 and in 2007. In April, I made a big mistake of buying a house. And it was the most I could afford and of course they were just giving out loans at the time. So, I had no money down on this house and six months later, it was underwater. But yeah, so I realized a couple years later, following Dave Ramsey, all the mistakes that I've made along the way and just started trying to correct it. I have committed Dave Ramsey heresy a couple times. One of them was when I decided, you know, I was looking around in 2012 and I was looking at home prices and I realized, you know, we were living in 1100 square foot home at the time, and I was looking at home prices. I was like, geez, you know, I think we can probably get something bigger. And so, I went to my mortgage broker and we qualified and so I bought my second home and decided to go ahead and rent out my other home that I owned, basically, because it was underwater, couldn't sell it, I'd have to bring money to the table to sell it. So, we rented it out and the rent covered the mortgage. And so, now I actually own both of those homes and they're rented out currently, because I'm actually overseas in Japan on a three-year tour here.

**Jace:** So, that was in what year Tom, 2012, you said?

**Tom:** 2012, I was looking, and we bought early 2013.

**Jace:**Okay, and so I'm just curious, did you have it on a 15-year or a 30-year, that rental?

**Tom:**So, the first home that we bought, I paid $240,000 for that home, and that was on a 30-year fix and then, that was in 2007. And in 2013 we bought the second home, I paid 290 and the market was really soft at the time and that was on a 30-year fix. I've since refinance that one into a 15. It's worked out really well because the home prices have gone up since then, of course. So, I paid 240 for the first one, it's worth about 330 now I paid 290 for the second one and it's worth about 530 now.

**Clark:**Wow. Nice jump on that. So, you have them both rented out, you'd mentioned, do they buy the cover the mortgages, both of them?

**Tom:**Yes.

**Clark:**That's pretty great on the one that has a 15-year mortgage.

**Tom:**Yes, it is. And the first one is really starting to cash flow for me now, because the rents have gone up quite a bit, too.

**Clark:**Yeah, good for you. So, how many beds, how many baths?

**Tom:**The first one's a three-bedroom, two bath and then the second home is a four-bedroom, three baths, we went from 1100 square feet to 2800 square feet, which was nice with a growing family.

**Clark:** Yeah, so will move into that, into the four-three, when you get back?

**Tom:** Maybe, right now my goal is to purchase a third home before we go back. With interest rates where they're at, I have some cash in the bank and I'd like to try and get into a third home. And I'm just looking at, you know, over the last 10 years, my portfolio and a lot of it, the primarily, the biggest chunk of it is in real estate, that's been a great return for me so I'd like to continue that trend if I can.

**Clark:** Yeah, good for you. Who's managing them?

**Tom:**So, I have an individual property manager back home doing that for me. But when I was there, I was managing the other rental myself. And I would go back to managing myself once we go home.

**Clark:**Gotcha, I was curious, any big issues since you've been away?

**Tom:** No and I've really learned that, you know, screening your tenants is the key to renting a home and it's solves, you know, 98% of the headaches. So, I have really good tenants in there now.

**Clark:** What do they rent for?

**Tom:**So, the first one rents, right now it is renting for 1625 and I'm going to increase that here when these tenants move out in August to probably 1800. The second one is renting for 2300.

**Clark:**And longer-term rentals, are you having a lot of turnover?

**Tom:**No, so in the first home, the tenants had been there three years, the only reason they're leaving is because he's 16:54 [inaudible] and the second home, they've been there a year and a half, and they, I think they'll probably stay there for years to come.

**Clark:**Awesome. So, is it fair to say, Tom, that you became an accidental landlord, in a sense, because you couldn't sell the house?

**Tom:**Very much so.

**Clark:** Bet you're glad you did, obviously, it's worked out well for you.

**Tom:**Yes, I am. And since then, I've started kind of, and I think I found your guys’ podcast through Bigger Pockets, because I was kind of starting to get interested in the real estate business. And so, I was listening to Bigger Pockets and they've given me some ideas as well. I think I'd like to try some vacation rentals once I get back.

**Clark:**Yeah, well, good for you. So, I mean, it's pretty amazing, Tom, your story, right? You started out making $35,000 at your first job you told us, right, you just mentioned to Jace that you had 20,000 in student loans or 20,000?

**Tom:**Yeah, we started negative with 25 in student loans. And then shortly, you know, within a year, we owned a house that was pretty much underwater.

**Clark:** And at that point, did you have kids or when you had your first kid, what was your net worth?

**Tom:** So, Claire was born right after we bought that house, so negative net worth with the first kid.

**Clark:** Wow. And then now you've grown at eight kids to $800,000 and you'll be a millionaire, I mean, I don't know, 40, 41, 42, right?

**Tom:**Yeah, or 10 kids, however you want to count it.

**Clark:**Whichever comes first. So, do you have any sense, I'm just curious, do you have any sense how much you spent per kid in the first 10 years of their life, any idea?

**Tom:**No, but I will say it's not very much, we homeschool, and we live pretty frugally. We don't do nothing extreme. But there's so much online like Craigslist, you can buy bundles of, you know, infant and toddler clothes for really cheap and good quality stuff. So, there's ways to, you know, keep costs down even with a large family. I think right now our grocery and I say grocery budget, but it's, you know, really everything from toilet paper and paper towels to, you know, cleaning products and all the rest of it, I would say we spend probably about 16 or 1700 a month right now for our family. So, it's not too terrible.

**Clark:**So, about 400 a week-ish?

**Tom:**Yeah.

**Clark:**Did you homeschool in the states as well or just now since you're abroad?

**Tom:**No, we made the decision when Claire was about just going into kindergarten age and I was pretty ambivalent. I didn't have a strong preference one way or the other. But my wife really wanted to try homeschooling and I said, well, you know, you're going to be the one doing all the work here, so if you want to try it, that's fine with me. And she did and we have never looked back. I mean, it's one of the best decisions we've ever made.

**Clark:**Wow, good for you guys. So, jumping back to your portfolio here, the amount you have in the market or the money you have in the market, you share that some of it is index funds, 19:57 [inaudible] or so?

**Tom:**Yeah, maybe I kind of tried different things. So, after I was introduced to Dave Ramsey, I was trying his advice of growth, stock, mutual funds that perform at 10 to 12% a year. For the last 10 years, I would see I've kind of slowly been moving more into the index funds so I kind of have a mix of both.

**Clark:**Yeah, the follow up is now you shifting more towards just index funds? Because I'm a little bit the same way as you, I like to dabble a little bit, just because I think it's interesting to follow stocks, you know, if I put in like $6,000, into the Roth or whatever, sometimes I'll buy it in two or three different funds and just watch it, knowing that I put it in at the same time. And it's, I don't know, for me, I find it a little bit fun to watch.

**Tom:**Yeah, I get the sense that they're performing better than the ones that I'm picking. So, that's kind of the direction I've been heading.

**Clark:**Yeah. So, one of the charts you sent us is titled net worth, which is just snip, right of your net worth. Did your net worth barely cross over a million a couple months ago?

**Tom:** No, that's a feature of personal capital, which is when you refinance your house, you know, the account goes away, and all of a sudden, that $200,000 that you were negative is gone and all of a sudden, it looks like your assets are up in the million and you don't have any debt on the home. So, that's just a blip.

**Clark:**Okay, you told us that, sorry. Yeah, I remember that. So, you have a budget spreadsheet as well, do you guys, actively budget?

**Tom:**Yes and no, I don't do it monthly currently, I was for a while. But I've kind of got things dialed in to where I know where things are at and I will check my checking account and make sure that we're not overspending and I line out, you know, each of the items that we do spend on and I have an idea of where the money's going, but I don't balance the checkbook every month, so to speak.

**Clark:**Yeah, and it's interesting, because most of the millionaires, I think, I don't know, 80, or 90% of the millionaires we interviewed are that same way, they're aware and they're tracking things, but not necessarily living on a monthly budget. And I don't know, maybe that's to say they were, right, at some point before they became a little bit more financially free or wealthy.

**Tom:**Right, we have before I mean, we've done the cash envelope thing and the whole nine yards. But at this point, we have enough flexibility, there's enough money in the checking account, and we're saving more every month and so there's no real need to scrutinize it to that detail.

**Clark:** Sure, so how did all the money stuff start, Tom, was it Dave Ramsey? Was it, hey, we're going to have kids, we need to get this in order, or we want to pay off this debt? Was there a moment that triggered this that said, hey, we should figure things out financially?

**Tom:** There was definitely a moment and it was definitely Dave Ramsey. I was listening to his CDs. My sister had gotten the CDs for her husband on Christmas and after they listened to them, she said, hey, Tom, I think you'd like these, so why don't you take a listen to them? So, she sent them to me, and I listened to them and I was like, geez, I've been making quite a few mistakes here. And so, we just got right on his plan right away, everything he said I agreed with. And so yeah, that was the start of it back in about 2009 timeframe.

**Clark:**And then how long did it take you to pay off that debt?

**Tom:**So, just a few months prior to that I'd borrowed 15,000 to buy a car but when I realized the mistake there, I went and I just jumped all over the overtime that was being offered at work, and we paid it off within like five months. And I paid off our student loans right after that and trying to think, I think those were the only debts we actually had outside of the mortgage. So, at that point, it was just a matter of paying down the mortgage and then like I said, I know Dave Ramsey would advise against buying that second home. But I just saw that, you know, how low prices were at the time and I thought, you know, our family's growing and this is an opportunity, I should probably just, I know it's a risk, but I wanted to get into a larger home. So, we bought that second home and it's turned out to be one of the best financial moves that I've made.

**Clark:** Yeah, good for you. So, and that's the home, I forget the exact numbers you just said a few minutes ago but was that the one you bought for like 280 or 290 that's now up in the 5s?

**Tom:** Correct.

**Clark:**So, do you ever think about selling that or just, you want to rent it and hold it for the long term and sell it eventually, but not right now?

**Tom:** I want to rent it as long as I can. I look back at and these rental properties right now or the bulk of my assets and they've just done so well for me that I don't want to prematurely end that. As long as I can save myself from selling them or being tempted to sell them, I'd like to keep them and keep them rented.

**Clark:** Yeah. What's the hardest thing Tom about having eight kids and living abroad? That seems like a challenge, eight kids under 12 I should say, right?

**Tom:**Yeah, I'd say the hardest thing is just not being with family and friends. Of course, we make new friends out here, but you certainly miss your family back home. So, that's probably the hardest.

**Clark:** Yeah, did growing up, I'm jumping around here but just as things come to mind, and I'm asking you, did growing up overseas, how did that impact you or did you move to the states when you were too young to remember or--?

**Tom:**No, so I grew up in Panama, born and raised in Panama, my dad worked for the Panama Canal. And like I said, big family from Panama and when I was, in fact, I would still be down there, married to a Panamanian girl with eight children. But Jimmy Carter had signed a treaty in the 70s that said that he was going to give the canal back to Panama. And so, that happened in the year 2000. So, essentially, all the Americans left at that point, and my family included. So, we came up to Washington State, I went to college up there and that's where I met Carrie.

**Jace:**So, Tom, I got to ask, you've grown up abroad, then you went to Washington, your kids I'm guessing you speak Spanish, is that correct?

**Tom:**I wish I could say yes. But we were spoiled Americans down there and we lived in a Canal Zone, which was essentially part of Panama, it was owned by the US government. And so, it was all English, we're never forced to speak Spanish. And so, being lazy Americans, we didn't pick it up. When I left, my parents had actually put us into some Panamanian schools towards the end of the time that we were there and so I did start to pick it up, I would say I was probably 60, or maybe 70%. fluent when we left and probably that was 20 years ago, 22 years ago, I'm probably 20% fluent now.

**Jace:**Interesting. So, are you children now learn Japanese now that you're in Japan?

**Tom:**Yes, they are doing some Japanese courses, yeah.

**Jace:**That's awesome. You know, I think sometimes, with these millionaires we interview and just in general, conversations we have, everybody always has this dream of living abroad and learning another language or doing something different than the traditional American, you know, hey, we go and travel to Europe and you know, we just tried to tell them to speak English and you go to France and realize that they don't like speaking English to you, and that kind of thing, but here you are living out that dream, living in Japan, your kids are learning Japanese, and you're building wealth while you're overseas, you know, what comes to mind, we had another millionaire, who was actually in the military. And he, I think, Clark, what was he had, like 20, some rentals in in Alabama. And he was living in Korea and managing those, you know, through third party management company that he had found and whatnot. So, I think it's fairly common for, for people like you in this in a story that you've got, to some degree, to do some in real estate, and the market too but from what we've seen, it's been very lucrative for those that have been, you know, living overseas to still continue to invest in US real estate. So, Tom, where do you go from here, in terms of building your net worth and raising eight children, you mentioned you have these 529s Are you going to continue to contribute to those and what's kind of the goal that you have for you and your family going forward here?

**Tom:**Yeah. So, I think I just kind of want to continue picking up real estate as I can, as I go along, I would like to buy one, like I said, before we go back, buy another home. Part of the advantage of being out here, as you mentioned, is having this experience for the family. But also, it was a big financial boost for us because I got a promotion out of it and I also when you 28:15 [inaudible] out here, part of the incentive package is that they pay for your rental and your utilities while you're living in Japan. So, our income has gone up quite a bit. And my plan right now with a 529s, I mean, there's no way I'm going to be able to afford to put all my kids through college. Not that I think all of them will necessarily go to college, but I've started an account for each of them and my plan has kind of been to, I put in a couple 1000 when they're, you know, born or within the first year or two and then I contribute a little bit monthly, not very much, it's like 25 bucks a kid. But when you have eight kids, it adds up. And my goal is to have and I've kind of tracked it out, they should have between 15 and 20,000 each when they're graduating high school and ready to go to college. In Washington State, they have a program called Running Start, they'll let you go your last two years of high school, send you to community college for free. So, the plan is, if the kids want to go to college, we're going to, you know, encourage them to do Running Start and then we should have you know, 15 or 20,000 to help out with each of them after that if they want to go on to a four-year university.

**Clark:**Well, it's great. So, I'm just curious, as much as you're comfortable sharing here, where are you at income wise, I know you mentioned you started at about 35,000, what have you averaged here over the last few years?

**Tom:**Yeah, so I work for the federal government, there's no real high upside. I'm not going to be making 200, $300,000 ever, but I make right now, it's hard to say with the, you know, with them paying for my rent and all that but if I was back home at this job, I would be making about $110,000, $115,000 a year and I won't go much higher than that. It'll maybe go to 130 maybe so but, I started out in this job making 35 and then it went up pretty quickly. But it's only been in the last few years that I made 100,000. So, my average is closer to 90,000 if you look at the whole time that I worked for the federal government.

**Clark:**Yeah, so how do you manage your, I'm just going to call your order of operations, if you will, you know, if you have, hey, I have 5 or $10,000 to invest, right? There’re so many different places you can put it, you can put it in your 529, you got eight of those, right, you said, different accounts. You got your HSA, you've got Roth IRAs, you've got, maybe buying another house or another rental, right? You've got just traditional investment accounts; how do you prioritize where to put that money? Do you just try and put a little bit into each account? Do you try and hit one account a year, you max them all out every year? Your 401k is in there, too or the government option, I guess, either. But how do you manage that?

**Tom:**In that sense, I'm working Dave Ramsey's plan, and he recommends 15% of your income going into retirement accounts. So, I have with the government, the TSP or 401K, essentially, they match up to 5%. So, I have 5% going in there and they're matching 5, and then I put 5% into each of my Roth accounts every month. And then above and beyond that, I put a little bit into the 529 and then above and beyond that I'm saving for real estate at this point.

**Clark:** Yeah, because that's just, so many options, right? What to do with your money when you want to start investing in real estate too?

**Tom:**Yeah, right now, it's going to be just finding a home hopefully, that we have, that we can all move back into and then when I get back, my goal is to, after listening to the BiggerPockets podcast, I'd like to try and get into some vacation rentals.

**Clark:**Well, Tom, we're appreciative of you coming on the show because occasionally we get a guest writing in saying, hey, you know, I'm working or my spouse is working and I'm not, right, one of us is working and I have, you know, a few kids at home, we haven't had anybody write in with eight kids, I don't think but you know, I have a couple kids at home, my spouse is working, I'm not or I'm working, my spouse isn't, you know, we're only making 70-grand or 60 or 100, whatever it may be, right, and I listened to the show, and I hear all these millionaires come on, not all of them, but a lot of them come on, and they have a spouse that's also working, right. And so, when a household has a combined income of 200, 300,000, then it's pretty easy, I don't want to take anything away from people. But you know, it's a matter of time, right? When you're making that kind of money and investing, you're going to become a millionaire and that hasn't been the case for you, right? I assume your wife, has she not worked since you've been married?

**Tom:**That's correct. Yeah, we made the decision that, you know, as far as we were able to, I was going to be working and she could stay home with the kids. And yeah, that's actually why I contacted you guys, I wanted to, you know, maybe be able to share my story as kind of a source of encouragement for anybody else in this sort of situation. And even if they, a lot of people have two incomes, but then if you have kids, you got to pay daycare, and I know, that's really expensive as well. So, yeah, I'm glad for the opportunity and I do feel, I think I mentioned before I feel a little silly being on the show, you know, Millionaires Unveiled, I'm not a millionaire. But you guy, I deferred to your opinion on it and came on with 800,000.

**Clark:**Yeah, we'll take the blame for that. So yeah, I pushed you to come on just because I thought it would be so interesting and I think, you know, a lot of people with less, and you resonate with people, right, because you resonate with where they're at in life. And so, that's why I wanted to get you to come on. And then you know, we'll have you on again and a couple years when you reach over a million. But going back to that point, it was probably growing slow at first, right as your income was low, and you started having kids and you had heavy expenses upfront, or hospital bills and such, do you ever get discouraged or how did you go about managing that? How have you been able to stay focused? I guess the broader question is, you know, what advice or pieces of hope do you give to somebody that are in a similar situation?

**Tom:** Yeah, I think, I mean, part of, I've been very surprised in the last year and a half, my net worth has really gone up from around 500, 550,000 to now 800,000, in just about 18 months, which is really incredible. I don't think, I don't expect or think that it would continue with that quick increase. But I do want to encourage people who may be, you know, maybe they have 100,000 saved or 200,000 saved, to just keep at it, keep saving and investing and making good financial decisions, living on less than you're making and eventually, you know, you turn around and you have half a million dollars, 800,000. I'm kind of looking at maybe 12 to 24 months, I'll probably be at the million mark and it's just it's really incredible to me.

**Clark:**Yeah, I mean, it's incredible to me too, way to go. So, congrats and really, I appreciate you reaching out. So just to wrap up, Tom, I just want to end with some rapid-fire questions. I think your answers will be interesting here. So, what's the most expensive jeans a pair of pants you've ever purchased?

**Tom:**So, I only buy Levi's. I have particular style of Levi's that I buy, and it's, I don't know, 40 or 50 bucks.

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

**Tom:** Most expensive car was a 2011, 12 passenger van that cost me about 18,000. Nothing flashy there.

**Clark:** Yeah, I grew up with, we lived in Chicago, six kids and I grew up, my parents bought a 16-passenger van and so, we would drive out to visit family in the West and we'd drive out with big 35:32 [inaudible]. What's the most expensive meal out that you personally paid for?

**Tom:** You know, when Carrie and I go out, we probably spend 75 bucks to 100 bucks. I think I might have picked up the tab one time with a group of friends or something for 300 maybe.

**Clark:** Okay, what item or items or experiences are worth spending more money on to you?

**Tom:**That's a good question. I guess probably my weakness is spending more on a house.

**Clark:** Okay. Well, have you ever used a financial advisor?

**Tom:** I have not. I think the reason for that is I feel like, especially with, I don't know, less than a million, I feel like taking up more of their time than they want or something, I don't know.

**Clark:** Okay, any favorite books or tools or websites you mentioned, Dave Ramsey was influential, anything else that you'd recommend?

**Tom:** I'm not a big reader, I probably read, you know, three or four or five books a year maybe. I think if I was to recommend a book to somebody would probably be somewhat finance or economic related. It would be something by Milton Friedman, or Thomas Sol, which explains for instance, basic economics, or Milton Friedman's Free to Choose, which kind of lays the groundwork for how it is that we were even on this show taught me and listening to other millionaires and every year, there's 600,000 more millionaires in America and it's because of the free market so I think I would recommend that.

**Clark:** Awesome, good advice. So, last question here. What does it mean to you to be happy and fulfilled and you know, you're almost a millionaire here, you will be shortly, has that money brought you confidence or happiness at all or a sense of security? What does it mean to be happy?

**Tom:**So, I mean, I don't get my happiness from money, for sure, right? I find happiness in my family and in my Catholic faith, but I would say that I am, I guess I would say that I am happier now than I was, say, 10 years ago, but not in the sense that I was dissatisfied or unhappy that we only had $2,000 in our checking account or whatever. I would say it's similar to asking the question, if I'm happier now that Anne is born, and I would say yes, I am happier, not to say that I was unhappy three years ago, or seven years ago when we had fewer kids, if that makes sense.

**Clark:**Yeah, certainly. And then, you know, one thing I just want to hit on before we close because I want to give you a shout out here. You guys give a lot, it seems, right, you tithed to your church?

**Tom:**Yes, we tithed to the church and some of our charities, yeah.

**Clark:**So, I want to give you a shout out, certain amount you try and do, or it staggers between charities, I know you have it listed here on the spreadsheet.

**Tom:**We give primarily to the parish that we go to back home and then just you know, there's so many other charities that we'd like to give to, so we ended up breaking it down into small $20 increments.

**Clark:**Yeah, so good for you. I mean, you've been able to do all this and giving a lot of way to so really appreciate you coming on Tom. Thanks again for sharing your story. We're going to have you on again here, in the next year or two, so thanks again. It's Tom, net worth about 800,000, 8 kids. Thanks for coming on the show.

**Tom:**Thank you guys very much.

**Jace:**Thanks, Tom.

**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.