

Financial Black Belt Interview – Mr. RIP

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Here at the dojo, being a black belt in finance means to have a net worth of a million dollars. Just like a martial arts dojo, I want Millionaire Dojo to be a place where we can learn about personal finance and eventually become financial black belts ourselves. In [this series](#), we get to hear the stories of actual millionaires and see what it took for them to get to that level.

Today's featured black belt is a fellow blogger who goes by Mr.RIP ([retire in progress](#)). Mr. RIP is 42, married, and is originally from Italy but now lives in Switzerland. It will be interesting to hear how someone from another country managed to make it to their financial black belt.

If you're a black belt in personal finance and want to be featured, [send me an email](#). Having a blog of your own isn't a requirement!

Now for the interview:

What degree black belt are you? (e.g. one million = first degree, two million = second degree).

I'm just a first-degree black belt with a net worth approaching \$1.1 million.

Give us the break down on your current net worth. What is it invested in and do you have any debt?

Breakdowns in my spreadsheet are in EUR currency so let me do some math to convert in USD:

- 686k Stocks: this is mostly after-tax money, except a small portion of it (44k) which is tax-deferred account (like a US 401k). Expected 6% taxes on tax-deferred account already take into account in my net worth.
- 292k Bonds: most of it (230k) is my tax-deferred company pension plan, but unlike US 401k I can't decide how to invest it. The company follows a "low risk" pension profile which I model as bond. Expected taxes already took into account. A fraction of bonds are after-tax investments on high yield bonds (47k), but I'm on my way to refactor my bond allocation and picks, so I expect this to change. The remainder (~15k) is Italian CDs and a small vested benefits account from my wife's previous job.
- 70k Real Estates: A crappy flat in a crappy town in Milano suburbs (Italy). I'm trying to sell it, but it's hard.

- 58k Cash & others: plain cash, bank accounts, tax credits & liabilities. I'm raising cash because I might need it for an unannounced project.

You can monitor my net worth in real time on my [Net Worth Spreadsheet](#).

I track my net worth in 3 different currencies since I'm exposed to all of them. You can also navigate to "Net Worth By Currency" or "Net Worth by Asset Class" sheets on my net worth spreadsheet.

I don't have debts. [I never had one](#).

Your story

How was your childhood? Was your family wealthy, middle class or low-income?

Oh, I wrote an entire series on my blog about [my story](#), but it was at the beginning of my blogging life. I think my English has improved since then. I'm almost horrified by the quality of my first posts 😊

My family was middle class: father blue-collar government worker with many side gigs and a frugal attitude, mother housewife slightly less skilled with money.

I learned a lot about money from my father. He taught me how to spend less than I had, how to save, how to detach income from spending, how to be happy with little. We never had money problems, and my father accumulated quite a lot of money for his background. He was not very skilled with investing, meaning that he was risk-averse. He only invested in CDs, which were offering lucrative returns in the 70s-90s in Italy. He actually told me many times that "*if I had XYZ invested in BOT (Italian CDs) I could quit working!*". Does it resonate with us? 😊

As a consequence, I grew up saving money, side hustling (teaching math to other kids since age 14) and growing my Net Worth since age 14. My father was my bank, we had a book where he gave me monthly allowance and 4% interests on my money. I could withdraw money whenever I wanted and it was awesome.

Even though I was the kid who always had money, I was the poorest of my circle. 9 days out of 10 I had to listen to my friends complaining they didn't have money to even buy ice cream, then on the 10th day, they showed up with a new pair of shoes costing say \$100. Maybe the day before I pitied them and offered \$1 ice cream out of my \$5 daily chosen spending quota, but at the end of the 10 days game, they had \$100 worth of goods while I had 50. But I was the free one, that didn't depend on my parents' whim (well, to some extent).

The problem is that at that time I didn't realize how I was building the foundations of my wealth. I had a hard time not eating my marshmallow in exchange for two of them in the future!

Did you go to college?

I got a masters degree in software engineering. I also started a Ph.D. in artificial intelligence and robotics but didn't complete it. I followed one of my childhood dreams instead: develop videogames!

What is your fighting style? (Career path from first dollar ever made to present).

I don't even remember my first dollar, my parents and grandparents gave me money as allowance and extras for good school grades. I started teaching math lessons to kids in my teenage years for extra money and I've always had some sort of side income along the way. Luckily, Italian universities are almost free – even though students complain all the time. With my degree I've always been on demand and followed what I called the “Moore's law of RIP Salary”, i.e. my salary doubled every 18 months for a while.

Italian Ph.D. salary: 800 Euro/Month.

Videogame Industry: 1600 Euro/Month.

Freelancing & Teaching videogame development: ~3000 Euro/Month.

Junior at Hooli (current company): 8000 CHF/Month (6.5k Euro/Month).

Senior at Hooli (current position): 20000 CHF/Month (17k Euro/Month).

My current salary is very high, ~250k CHF/Year, but not evenly spread across months. I have async bonuses and stocks vesting events.

My current company is a US Tech giant that I call Hooli on my blog. I prefer not to be explicit with it, even though it's pretty easy to guess. Actually, if you work at Hooli it takes zero effort to identify you're a colleague of mine, so ~50 colleagues contacted me saying “hey, we're colleagues, let's have a drink!” and I'm very open to that. One went as far as identifying me based on some sparse information (age, ethnicity, starting date...). I'm trying to stay publicly anonymous, but I don't obsess over it. I've met many readers, and almost all my friends know my blog. I just don't want a random person to search for my real name online and find my blog, and I don't know... kidnap my daughter for a ransom. Things like that.

So, I got my black belt by growing my salary and spending wisely.

Sadly, I started earning interesting money late in life (age ~35) and started investing even later (~3.5 years ago, age 38).

Would you recommend people to pursue the same career path? Would you choose a different job if you could go back?

Software engineering is one of the fastest tracks to build wealth these days. It's overpowered, but it won't last. And it's becoming much less fun. So I'd recommend to anyone who's picking college right now to go for it and milk this cow as much as you can, but prepare to burn out quickly.

My humble prediction for the decade following this one would be life science (personalized medicine, gene editing, life extension, bionics...). If you're in your teen years bet on it.

If I could go back in time I'd probably do the same but more efficiently. I wouldn't waste time while in college, I wouldn't waste 3 years in research, I'd shoot for FAANG companies in my 20s. I'd aim to be FI by my early 30s, before running out of fuel. Life changes so much at 40, you want to be in a position to follow your passions, spend time with family, and assist aging parents by then.

I'm running out of energy and I'm not FI yet (close though).

Have you had any side hustles?

Teaching math/coding/physics/chemistry to kids

Be a lab assistant while in college.

Volleyball trainer for kids (awesome).

Cleaning Volleyball fields (humble, but I loved the camaraderie).

Teaching videogame development to master students.

Teaching theater acting (more than awesome).

Acting (yes, I've been paid to be on stage!).

Coding desktop widget apps for small business back in the 2000s (nice, but demanding).

Running a blog (well, only earned 200\$ so far, but I'm doing my best to NOT earn money :D).

There are probably other minor ones that I'm forgetting.

If you have a spouse, how have they contributed to your net worth?

My wife has a master degree in art and literature, never earned much. But she saved some money before getting married, and always had some minor income stream. We have joint finances, which means I'm screwed if we ever divorce... What was that "all eggs in one basket" thing?

Anyway, she's frugal (but not minimalist) too and an amazing mother. I'm happy with my family and I plan to be able to provide for all of us alone. Every extra dollar that flows from her activities is welcome. She currently earns money from unemployment benefits, but somewhere around 10% of what I earn (which is still ~40% of our monthly expenses, because we save 70-75% of our after-tax incomes).

How old were you when you became a financial black belt?

First time I crossed a million was August 2018, I was 41 years old. Then I lost my second comma in October, then earned it back in January.

At what age did you start seriously saving money?

I've been saving money my entire life. My net worth ramped up at first during my 2 years of freelancing, then skyrocketed exponentially while at Hooli.

First real jobs (Ph.D. and videogame development) barely covered my expenses (but I saved money even then). I remember stagnating at 30k net worth for years, then freelancing came and I celebrated 40k, 50k, 60k... then Hooli came and the y-axis of my graphs got compressed a lot:

□

This picture is not even 3 years old, and my net worth more than doubled since then!

What has been your investment strategy?

Oh, I've been stupid with my saved money for so long. I embarrass myself when I look at my first 38 years of my life.

First error: I invested all I had into stocks in the year 2000. I've invested the equivalent of 8k EUR in a "stock fund", actively managed (with probably 2-3% TER) by my bank. Sold all the shares in 2002. Can one be so dumb? Lost 50% of my money.

Second error: after having sold fund shares I told myself "never by stock again!"

Third error: why keep renting? Let's buy a cheap flat in Milan in 2010. Purchase price 105k EUR. Current Value after 9 years: 60k EUR, heading down. If I had put 105k in S&P500 today I'd have 350k EUR.

Fourth error: I only jumped on passive investing via low-cost index funds (ETFs) in February 2016. Since then I'm doing great, with 120k+ in realized profits, unrealized profits, and dividends. Mind that in Switzerland capital gain is not taxed.

My current strategy is a manual pick of ETFs to follow my ideal asset allocation that changes slightly over time. Trying to be smart beta, but beta is more than ok!

Who was your financial sensei? (Most influential person/source of information in your financial life).

My father is definitely my inspiration for spending behaviors, saving, hustling, decoupling income and expenses, giving meaning to money. My father has been my “Your Money or Your Life”.

The FI community is my crowdsourced Sensei in terms of investing. But I had to study, understand and get confident about it, and it took 2-3 years to put my first dollar on my brokerage account.

Are you pursuing FIRE (financial Independence/retire early)? If so, how much money do you plan to retire on and are you going to quit working for money altogether?

I don't know how to name what I'm pursuing.

Originally yes, it was FIRE. I had a number for it. My blog pages show the percentage of completion of my goal (80%, but the live value is 81.5%).

I thought I'd work-work-work, accumulate-accumulate-accumulate, and then withdraw 3.5% forever, while pursuing passion projects.

Now, I think that was a good model to motivate me to save more, invest more, spend less and be in amazing financial shape. I don't believe anymore in a finish line, in a FI number, in a black or white dichotomy.

One of the posts that opened my eyes was the MMM's one named Money and Confidence are Interchangeable. Like everything that “opened my eyes” I was already elaborating my thoughts on that topic, and Mustache's post gave order to my confused thoughts.

I'm – among many other things – rethinking my plan. I like the work optional metaphor by Tanja at Our Next Life, I also like the mini-retirements idea, or the Passion+Passive income by Miss Montana.

I guess I'll take action sooner than expected. It can be a mini-retirement, a work time reduction, a sabbatical, a job change in the direction of downshifting (less money, more fun).

My original “Magic Number” was 1.2M EUR, we're close to 1M right now. That number is based on a 3.5k EUR gross monthly expenses and a 3.5% withdrawal rate. On top of that hypothesis, this model is based on a move back to Italy.

All the hypothesis are being evaluated again, but the truth is that we don't know anything, Jon Snow!

Mind over matter

Do you think psychology plays a more important role than math with

finances?

Of course, and its role is much larger than every other factor at play.

Spending is psychology driven: you can keep up with the Joneses, be minimalist, be frugal, be a spendypants, and so on.

Earning is psychology driven: you can be greedy, negotiate a raise, suffer impostor syndrome, burn out, get depressed, and so on

Investing is essentially ONLY psychology driven. Greed, fear, overconfidence, regret. I'm only reading material that makes me come to terms with those feelings. Feelings that will make you act inefficiently, sometimes in dramatical ways.

What was your toughest mental opponent on the path to your black belt?

Definitely Greed. I think greed is playing a role in my current midlife crisis.

Watching my net worth grow faster over time made me almost addicted to it. I find myself thinking 10 times before even buying an ice cream: "this is impacting my savings rate... last month our net worth grew 20k, this month we're +18k, let's not spend money!".

But mind that I won't accept any "you're just a money accumulator" label. When friends tell me "enjoy life, you only think about money!" I get angry because this is the biggest way I can get misunderstood. I don't care about money, I just want to remove it from my life completely. I want to live a life where money is an abstract thing that I know exists but I don't think about it anymore. Like oxygen. You don't obsess over oxygen, right?

In order to make money the invisible but necessary life support tool, you need to care a lot about it for a while. If you want to terraform Mars, I guarantee you that you're not going to forget your oxygen mask at first! You're going to care about oxygen every day for a very long time. Then, one day oxygen is just there, and you don't think about it anymore. You freed yourself from thinking about oxygen. You're still not free from oxygen: if you don't have it for 5 minutes you're dead. But you're free from thinking about it. It's good you don't have to build an economy upon. It's not a scarce resource anymore.

That's what I want to do with money. Build the infrastructure that will free me from thinking about it.

There are a lot more financial white belts than black belts out there. How do you think differently than the average person when it comes to money?

I simply love the idea of deferred gratification. I'm a futurist, a visionary. I like to design my ideal day, ideal house, ideal studio, ideal life. And I perceive I'm not there, and to be there, I need to delay gratifications today.

A white belt doesn't understand this.

A yellow belt might try, but every cut in spending would be perceived as a restriction, a limitation. Suffering.

A brown belt might be indifferent. Well done.

A black belt actually enjoys not spending. I feel good when I find ways to save money. I see money and time as a part of an efficiency framework. If I can save money, I'm efficient. I consumed fewer resources and less life energy. I'll get the benefit in some form. More money, more time, a combination of both... I don't know yet.

What does wealth mean to you? Should everyone pursue it?

Wealth is when you can live your ideal lifestyle. When you have enough to cover all your needs and wants forever.

It's not just a matter of having a lot of money, it's also a matter of having few desires. A Buddhist monk with zero on her name is wealthy. Nicholas Cage is not.

Yes, everyone should pursue wealth as I defined it. A good portion of suffering in the world is caused by people not being able to live their ideal lifestyle. So people steal, overwork, envy, kill.

Should people follow their passions or just do something practical?

There are people like GaryVee that want you to follow your passion, and people like Cal Newport that say "following your passion is bad advice".

I think you should follow your passions but in the right frame of mind. FIRE is the perfect example. I was lucky to have been able to follow my passions even in the accumulation phase, but the more I look into myself, the more I see an artist locked into a scientist body. I want to free myself from this "you're good at math, you're smart" prison as soon as I can. I want to write, act, paint, create, study philosophy and psychology. Free my creativity and curiosity. Follow my passions.

In few words, you should definitely plan to maximize the time devoted to your passions, but it might be focusing on freeing yourself from the curse of working as fast as possible in your 20s and 30s to be able to follow your passions later in life, for good.

So, should you take a STEM degree or try to be an actor? 90% of the cases you should take the STEM degree. Not because "mom and dad will be so proud of you, you'll buy a mansion and 3 Ferrari and retire at age 65 as a renowned doctor", but because "if you go straight to acting school you have a 95% chance of failing and will have to take a low

paying hated job maybe even in your 70s. Just defer your passion (of course cultivating it as a hobby in the meantime) until you can take it seriously without the need for it to pay your bills.”

Of course, there are exceptions to it, and I’m glad that none of the greatest geniuses that ever lived took my advice!

Bonus round

What is your weapon of choice? (favorite money tool/app)

Of course, you need a broker account and a bank account (never invest with a bank!)

Then, you only need spreadsheets. A lot of them.

What has been your favorite way to earn money?

Acting 😊

I started acting on Valentine’s Day 2002 (so romantic!) and before a year had passed I got an offer to take a minor role in a series of morning shows for schools. We brought on stage Shakespeare’s *Midnight’s Summer Dream* and I had the pleasure to act with professional actors who interpreted major roles. I was paid half the minimum wage for an actor, but I still didn’t believe it: getting paid to act in front of 3-400 kids at the time, for 3 full weeks! If someone approached me telling me that I could have done that for a living... I would have quit my study and said: “yeah, who cares about computer science??”

What’s your favorite way to use money?

My favorite way to use money is to not use it.

I mean “not spend it”.

The perfect use for the money is to go to work on your behalf so that you can get your time back.

Quit the consumer mindset and become an owner/producer/creator. Jump to the other side of shopping.

More concrete? Investing, building a company, launching a product, create value.

But if the question is just about spending then I need to think about it. I’d say “traveling” but I’m not convinced. Maybe “boardgames & books”. I don’t know, I have very few needs.

At the moment, I’d be happy to pay more to get some space. We’re starting to feel uncomfortably tight in our 50sqm (540 square feet) flat.

What’s your one piece of money advice to us financial underbelts?

Just one? My full package comes with at least 5 or 6... but ok, let's pick the top one: *look at everything from above*. I know it sounds abstract, but I want to be as comprehensive as I can. The down-to-earth advice would be "*spend as little as you can*", but why? "*Learn that things aren't worth much*". Yeah, but why? I love nice cars! "*Because you're a smarter monkey. Default monkeys love bananas... how stupid are they? Human monkeys love diamonds, fashion... how is this a thing? They're just bigger monkeys! But no, my car is different... wait... am I a slightly smarter monkey but still a monkey? How hard would aliens laugh at me when I give them something whose value I don't understand now in exchange for a Ferrari? Like Columbus did with native Americans 500-something years ago?*".

The more you elevate yourself, the more insignificant most of the things will become. In perspective – the easier it will be to become a financial black belt.