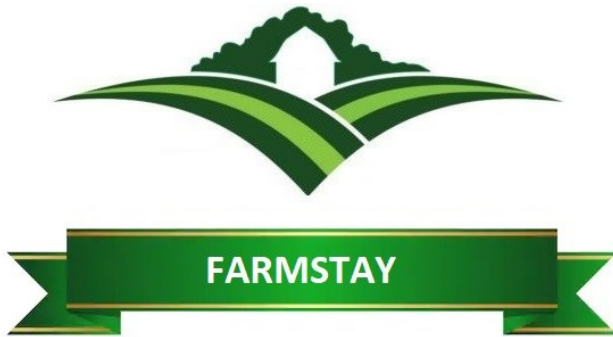




Rob Scott

Rob Scott | Farmstay

The following are the first few pages of
“Farmstay” by Rob Scott

Chapter 1: Unwanted

No employer will come right out and say it, but they deem older applicants to a job as tired, less energetic, slow to learn and less adaptable to new technology, requiring higher salary, more time off and higher liabilities on health care premiums. Even worse, culture of the workplace is prioritized around young ideals; so, older workers are viewed as not meshing well with the younger culture agenda. So, employers just don't advance older candidates in the selection process for the job. Thirty years of experience is not considered good enough to employ when a younger, more eager to learn employee with grit and drive will eventually figure it out. Even if employers are not intentionally discriminating against older workers, unconscious biases still influence their hiring decisions. These biases are deeply ingrained and cause employers to overlook older candidates in favor of younger ones almost every time.

In America in 2024 there are 160 million employees in the US doing what they are told to do by 700,000 supervisors being managed by 1.9 million managers who are directed by 176,000 directors who carry out the orders from 3.8 million C-level executives. The average age of a boss is 42

years old and the average age of an employee is 39 years old with 13% interns and clerks; 64% under 54; 23% over 55. The truth is that 35% of the workforce or 59 million workers in America is 50 years old or older. If forced out of a job, they are powerful as a collective with their knowledge and experience. It is not likely that they will retire peacefully.

So, what do you do when you are fifty and discarded from the employment pool? Thirty years of experience doing a specific job, practicing flawless execution and building very strong relationships both internal and external to the company. It is in our DNA to preserve that experience, to want to sustain it, to protect it and to transfer it elsewhere, perhaps to a competitor.

As weeks turn into months, as time goes by and there are no employers interested in your experience, what then?

How long will it take until you understand that no one cares about how it used to be. It only matters what happens now and that is totally up to you. When you see that all your resources are tied up in

a retirement account and you cannot touch it without a huge penalty until you are 55, what can you do?

Most people at 50 own their home and it has appreciated in value 11% per year compounding year after year. It can be sold and the proceeds placed into a new endeavor, perhaps a lump sum is achieved at \$250,000 as you sell it for sale by owner and you keep it all. How long will that last until you can draw from your retirement? An annuity is a financial vehicle that takes a lump sum and divides it over fixed payments. If you are 52 and need to bridge until you are 55 the annuitized payments are \$7,800 per month. Now you can afford to live in an apartment, buy food and pay the light bill.

But what then?

Chapter 2: Entrepreneurship

Throughout history, not much has ever gone to waste for very long. When something is deemed scarce it is priced high and when it is deemed not it is briefly discounted. During the 1700's, lobsters were considered cheap and plentiful and used to feed prisoners, slaves, the lower class and livestock. In the 1860's they became canned and demanded by soldiers and after World War II they were deemed a luxury to consume, increased in value and became expensive. Low cost is a luxury to most entrepreneurs, when they discover it, they tend to exploit it until the rest of the world understands the true value of the assets at hand.

The world is full of repurposed examples where the cheap and discarded became the expensive and demanded. Entrepreneurs are generally the responsible party for discovering cheap things and employing them to make profits. Where profits are seen, competition quickly follows and immediately the thing that was once cheap becomes expensive again.

Labor is a peculiar thing. It is ability and experience embodied within a person. When great

nations falter and proceed down a disenchanting path causing people to leave to have a better chance at life, like in the example of China and Taiwan. China's emperor Qing in 1885, following defeat in the First Sino-Japanese War in 1895, the Qing government signs the Treaty of Shimonoseki, by which it cedes sovereignty over Taiwan to Japan, which rules the island until 1945. During the 1911-1912 uprising, Chinese revolutionaries overthrow the Qing Empire and establish the Republic of China. In 1949 the ROC government relocates to Taiwan, followed by 1.2 million people from China fleeing communism. Over the course of 70 years Taiwan grows to 24 million people and 95% are Han Chinese. It was the most wealthy, the most intelligent and the most determined that left Communist China for Taiwan, they built it into the world's most powerful tech nation, and now Communist China wants it all back.

What were once deemed nothing important, simple dissidents, people who refused to conform are now deemed worthy of a World War to reassimilate into the Communist China way.

Cheap labor is a temporary situation, when it is discarded from a corporation the value is presumably low, but when the desired income is

agreeable to another employer using that labor to make even more, it is no longer cheap but has value. A typical Oil & Gas employee makes \$150,000 but a typical twenty-something makes a third of this amount and is perfectly happy with that income. Big companies trade high-salary employees for younger, lower-salary employees day in and day out as a matter of policy. In 2024 there became a glut of 50-something unemployed across the Nation.

Over a million of these workers, about 15% of the unemployed, are over 50 years old and heavily networked, however their contacts were not lining up to capitalize upon their opportunity to work for another. In the US, 840,000 consultancy companies needed experienced answers to their backlog of business needs. While they had two million employees under their wings, to increase their payrolls another 50% was a monumental task.

The average revenue per consultant is \$212,000. The average pay for a consultant is \$121,860. Some consultants command more and some are paid less. Most consultants are paid by billable hours of work accomplished. The consultants charge \$100 per hour and are paid \$50 per hour. Usually, the rule of thumb in consultancy is to charge three times the normal salary rate for the

profession. When a person in Oil & Gas work makes \$150,000 that means they earn \$70 per hour, so as a consultant they command \$200 per hour.

It's all fine and well to shed \$150,000 salaries for \$50,000 salaries but when those younger new hires fail to deliver upon the work because they simply don't have the experience and do not understand what must get done, what then?

"Hello, Barbara?"

"Yes, this is she."

"Barbara, this is Jill Hansen, with Star Oil Company, you used to work in Accounting, right?"

"Yes, I did."

"Would you be willing to come in for a conversation with the Director this week?"

“What about?”

“Becoming a consultant, we need your help to complete some work at Star.”

“Why me? I mean, why now?”

“Come in and we will try to answer all your questions. Can you be here tomorrow around ten o’clock?”

“I suppose so, yes, I will be there. Who am I meeting with?”

“John Dickerson, Director of Finance and Accounting.”

Barbara hung up the phone and immediately called Emily, who used to work in Finance, and said, “Guess who is groveling for me to return to work?”

“Star?”, Emily asked.

“Yup! I have a meeting with John Dickerson, Director of Finance and Accounting tomorrow at ten o’clock. Do you know him?”

“Can’t say that I do. That sounds very interesting though. I heard they had to file an extension on their quarterly reporting because they have not been able to close their books. What a shit show! When they offer you a consultancy be sure to get \$200 per hour and milk them for as long as you can.”

“\$200? Do you really think they will pay that much?”

“Barbara, do not accept a penny less. That is a fair and reasonable rate for an accounting consultant with thirty years of experience at Star.”

“Ok, I will let you know how it goes.”

Chapter 3: Retirement

What do you want to do when you retire? Just not work? It does not require any money to do nothing. The older you become, the less you tend to be able to do. Social Security requires one to be 67 to receive full benefits. If you wait until you are 70 to draw Social Security payments you nearly double the amount of each payment compared to drawing at 62.

The Rule of 55 is an IRS provision that allows workers who leave their profession for any reason to start taking penalty-free distributions from their retirement plan in or after the year they reach age 55. If you have the means and enough funds to draw from your savings to bridge you until 70 for maximized Social Security payments, it is an option worth serious consideration.

So, how much do you need for 15 years of bills? An annuity that pays out \$94,050 per year for 15 years at 7% interest rate requires \$917,000.00, which provides \$7,800 per month untaxed revenue to pay the bills, similar to a taxed income of \$188,000 per year. At 70 years of age, full Social Security

benefits pays out \$4,873 per month so a couple will then generate \$9,746 per month until they perish.

I dearly love my wife, but I don't like to travel under any circumstances. If it were up to her, she would be a nomad, following the comfort zone of weather constantly heading North during the Summer and South during the Winter. But her doctor appointments keep her firmly rooted in Houston, Texas. She is not ill, but she feels the need to verify that fact on a daily basis. On a supplemental insurance basis, she gets her money's worth, maxing out the benefits year after year. In total, she visits her twelve doctors at least monthly and sometimes more often when she feels that something might be going wrong. She has standing appointments every month and groups them within the same week and nearest the same location in the Houston Medical Center. She treats the appointment week like a spa event, she stays at a posh hotel near the Medical Center and visits her twelve doctors, has her tests run each morning and returns each day back to the hotel for pampering, massages and wellness revitalization. After the Medical Center week is completed, she resumes travelling.

When we were still employed, she worried constantly about how much money would be available for medical costs just in case she was to fall ill again. In 2020 her diagnosis of Behcet's Syndrome ran medical bills into the millions of dollars for the numerous surgeries and procedures, tests, chemotherapies and infusions following the illness. Insurance covered most of it, except for the co-pays on medicines and visits to all of the various doctors involved with her care. It could happen again, there is always a chance it can return, so she keeps a very close watch on it with all of her doctors. Because the costs in 2020 ran into the millions of dollars for her care, she is constantly paranoid that the retirement she saved for over 30 years will not cover her needs for medical care into the far future. She feels as though her medical care is absolutely necessary to spend all that she has upon to gauge whether it is going to happen again. So that when it starts again, she can spend all of it to ensure it is stopped, I suppose. It is her money; she can do with it what she chooses. It just seems so odd to me that she worries if it will happen again and not just enjoy each day as they come, but I keep that to myself.

I, on the other hand, have no such retirement account. All of my savings are invested into our Farmstay resort which I built slowly over time, just North of Houston. I never asked Karen for financial

help in any of my endeavors, I only ever invested the cash that I saved up. I never borrowed to build it, only ever used cash on hand; that was our deal. I suppose Karen always considered me to be a burden looming over her ability to enjoy the retirement of her dreams. She did not agree with and she never understood what my retirement Farmstay dreams entailed. Sure, she would much rather I travel constantly with her on her Nomadic journeys, but I am not built to do that. I have always known that about myself. But we did not begin to discuss that problem until about the time of Karen's illness. That's when she was told by the doctors that she most likely will never be able to travel again. And then that became the one thing she wanted to do the most.

My retirement goal is a self-sustaining perpetual revenue machine where my applied efforts result in a constant stream of income, irrespective of a traditional retirement account. Retirement accounts are so highly restrictive, you are not allowed to touch the money placed into the account until you reach a certain age far into the future. My ultimate goal is to start the revenue machine as fast as possible, before I am too old to work it and enjoy it. If I had to wait ten more years, until I turned 62, to draw money out of a retirement account, I would be far too old to then build and run the Farmstay. With

the income stream, the social security is postponed until much later so those payments accrue to much higher amounts when you are 70.

The standard rule for investing money is 7% earnings per year. That is the long-term average earnings anyone can expect by placing money into the stock market for the long-term. Most people expect to pay 15% capital gains taxes upon said earnings. The typical range for short-term capital gains is 10% to 37% with the majority of scenarios falling closest to 15% on average; meaning the actual wealth accrual is just 5.95% after federal taxes. When money is invested into an IRA or 401K it is deposited without taxes paid upon it. When it is drawn out, it is all taxed as if it was 100% “earned”. The difference is whether it was earned in the short-term or over the long-term. Developed property, on the other hand, increases at 11.8% earnings per year over the long-term and Polk County real estate taxes are 1.5%, for an effective rate of return of 10.3%.

In America, in 2024, with a goal of living tax free, a married couple may draw \$94,050 from their long-term 401K/savings and may make profits of \$52,400 during the year for a grand total income of \$146,450 or \$12,204 per month. Most reasonable

couples should be able to enjoy retirement while spending this amount of money.

Limiting profits to \$1,000 per week is a simple mathematical equation, if profits run higher, just spend more upon assets or services that will eventually create more revenue in the future. There are no taxes upon assets in Texas other than real estate. If you buy or pay for something, keep the receipt to show later if needed. Saving money is equivalent to making money, except that if you save it, it may show up as profits somewhere else and that may cause your taxes to become due upon excess profits.

For example, if you run a bed and breakfast and you use electricity to comfort your guests and you take excess profits and buy a solar power system, it will cause your electricity costs to decrease, therefore increasing future profits. If the goal is to become energy independent, then investing in solar panels and battery storage systems in annual chunks is a very appropriate means of spending excess profits. If the goal is to save money, well then it will need to be spent elsewhere to conserve upon taxes that will come due upon profits achieved.

Karen and I run a Farmstay resort in Segno, Texas. It was not what she wanted but it is what we could afford to do. I say “we” loosely, as it is me mostly as Karen spends the majority of her time staying with friends and family across the country while I stay home and run the business that affords her the ability to travel at will. Because travel is an acceptable expense of marketing activities, in order to entice business from far-away places to come to Segno, traveling abroad is sometimes necessary. Because she is on a business trip with the intent to drum up more business for our Farmstay, her frequent trips to Austin to see her daughter and to Knoxville, TN to see her girlfriend are expensed properly with meetings and flier deliveries to the local chambers of commerce. Sure, we advertise through VRBO and Airbnb but nothing beats the personal attention garnered with a visit to a chamber of commerce for reciprocal vacation business back home.

Our resort was built up slowly over time, in cash with savings garnered after income taxes were paid from my salary. In 2016 I purchased the five acres, cleared it and dug the pond, leveling the property with the dirt from it. In 2017 I built the shop. 2018 I fenced it all. 2019 I ran electricity. 2020

drilled the water well. 2021 installed the aerobic septic system. Then in 2022 we sold the house in Kingwood and purchased two manufactured oilfield purposed man camp units. Each one is 1,350 square feet. One has five bedrooms, each with a private bathroom. We placed two queen beds into each room and one queen pull-out sofa. This provided capacity of up to 30 guests. The other is just a two-bedroom two-bath abode with a massive kitchen and living room to allow the entertaining of up to 30 guests.

Last year we secured 20 Nubian doe goats, impregnated them by two bucks, and began to milk them late in the season. The 20 gallons of goat milk produces 20 pounds of cheese each day. Nubian goats produce the most milk of all the goats and they possess genes for high production of alpha s1-casein, an important protein in cheesemaking. They are the most popular dairy goat breed in the US. The Nubian's distinctive appearance is characterized by long, wide drooping ears, large almond-shaped eyes, a wide forehead, a convex nose, a tall flat-sided body, long legs, and a short glossy coat. Males are about 300 pounds and females grow to 240 pounds but the butchering weight of the offspring is about 160 pounds, yielding about 400 packages of four-ounce cuts of packaged meat. The five primal cuts are further chopped down into

smaller cuts. The shoulder into chops and roasts; the rack into rib chops; the breast into breast chops; the loin into loin chops; the leg into steaks and chops; and the offal package of liver, heart, kidneys and tongue. And the scraps are ground into one-pound packs. All bone and entrails are ground down and composted.

We erected a pavilion and built out the rabbit cages for 35 does and 5 bucks, all TAMUK variety, to handle the summer heat. The TAMUK rabbits are considered a composite breed as they are a cross of seven different breeds. They were originally created at Texas A&M University – Kingsville hence the name TAMUK. This composite breed created a hardy and vigorous backyard meat breed with a variety of coat colors, high production, strong feed conversion and heat tolerance. The seven breeds are New Zealand Red, Siamese Satin, Californian, New Zealand White, Dutch, Champagne d'Argent, Harlequin, and Havana. Because the TAMUKs have long ears and thin fur coats they are able to tolerate our hot and humid Deep East Texas summers much better than any of the other breeds separately.

We secured 125 laying chickens and housed them in mobile coops. Our expense for feed is high. The goats weigh 160 pounds each and consume five

pounds of feed per day, about 14 times 50-pound sacks a week. Each Nubian goat doe gives birth to three goats as their genetic anomaly, which the flock consumes two totes of feed per week (2,000 pounds a week) at \$700 per tote. The rabbits produce 8 bunnies per litter times 8 litters a year or 2,275 rabbits per year and they consume 200 pounds of rabbit feed per day while alive or 0.75 totes of feed a week (1,400 pounds a week) at \$1,095 per tote. The chickens consume 200 pounds a week or four bags of feed at \$120 per week.

Animal feed cost \$2,350 per week. But we produce 58 dozen eggs a week. We brood and incubate three dozen eggs per week and hatch out 36 chickens every 20 days, requiring us to butcher two chickens per day. We need to butcher five rabbits a day and one goat per week. We sell the eggs for \$6.00 per dozen garnering \$300 per week. 100 pounds of rabbit meat at \$12 per pound garners \$1,200 per week and 100 pounds of goat meat per week garners \$1,200 per week. The 140 pounds of cheese makes \$2,100 per week. In total the net revenues are \$2,450.00 per week after feed cost.

35 rabbit pelts are what we are able to collect and tan each week, which produces a lap blanket, which sells for \$250.00, about the breakeven cost to

assemble and sew the blanket together. We compost the various manures, chicken feathers, bones, entrails and vegetative scraps from the gardens and pasture to create a great soil amendment.

Each room rents out for \$400 per night. For that price, up to six guests per room are provided breakfast and get to participate in making lunch and dinner as a group, they get to witness the butchering of the animals and they get to see what it is like to tend to a working farm. In an average week there are five couples/families and each stay an average of three nights garnering \$6,000 per week. To keep the guests happy, we hire local folks to tend to them, to teach them and to make witness to a working farm. We pay eleven full-time people \$12 per hour to work in eight-hour shifts every weekday. Two to milk goats, two to cook, one to clean, one to feed animals and tend to fields, one to tan rabbit hides, one to teach guests about all the various jobs on the farm and to stock retail locations with provisions and three to work the partition stations and keep the guests busy and happy. On the weekends we pay eleven high school kids \$8 per hour to relieve the weekday employees.

All in all, we profit \$3,350 per week and that allows me to have an expense account of \$1,175 per week and Karen to travel with \$1,175 per week. When we get busy during the Summer and are renting out all five rooms at full occupancy with 30 guests especially through the weekends and we are making \$14,000 a week, we can afford to send Karen anywhere she wants to go with a girlfriend even. She will often go North in the Summer to Canada, Alaska, Wyoming and Montana. When the farm is bustling with activity she doesn't want to be around anyways, too many people for her to keep track of. She rather likes when it is slower and quieter.

With my expense account I am always tinkering with something to make the future lower cost, like playing with solar power systems, making animal feed milling on the farm, but most of my time I spend working at Farmer's Markets and advertising at the convenience stores between Cleveland and Corrigan. In addition to selling the eggs, cheese and meats, I advertise the Farmstay. When I fire up the griddle and cook the cheese in front of people it is irresistible to them and they feel compelled to buy it. Grilled on the outside, creamy on the inside, you have to try it, it is so good. While the customers are gathered round the table, they then notice I am selling dressed rabbits in vacuum packs for about

\$30.00 each. When they ask about them, I say to the customer “Hey, you should come on out to the Farmstay and I will show you how to do it yourself.”

Karen did not need to touch much of her retirement account each year. We had more than enough money needed to work with to cover all our bills and then some. Sometimes, when Karen insisted, we would blank out the schedule on the rentals for a week or two and we would pull some money from savings and we would take an all-inclusive trip to the Dominican Republic in the Spring before Hurricane Season set in. While I was out, I left the crew in charge of their respective duties to continue milking, butchering, feeding and tending to the flocks and gardens and delivering the goods to market.

I hope you did enjoy reading the first few pages of “Farmstay” by Rob Scott. Please note all books can be located for sampling and purchase at:

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