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Book Review:

Your Life ... Well Spent by Russ Crosson¹

Review by Tim Martin

One of the first principles we learn in our actuarial training is the *time value of money*. In the book *Your Life ... Well Spent*, Russ Crosson writes about the *money value of time*, and explores questions like:

- Why do we work?
- What is the point of earning money?
- What should we do with the money we earn?

Why would I pick this book among the huge numbers of volumes about personal finance and investing? I've found many that are educational or entertaining; but, regrettably, many are also actuarially unsound. Unlike those, I found this to be both engaging and a great resource to integrate our technical/financial acumen into life decisions.

Crosson's book is based on lessons learned over more than 30 years at Ron Blue & Co, a wealth management firm, where he is president and CEO. This 2012 edition of *Your Life ... Well Spent* is an update to the book originally published in 1994. The topics apply to today's era just as much as they did 20 years ago.

Part 1 is called "A Life Well Spent." Here Crosson offers his perspective on money and family. He touches on a few key topics:

1. Debt—The book of Proverbs tells us that "the borrower is servant to the lender." (Proverbs 22:7 NKJV). But "the world tells us we're smart to get a loan." (Crosson, p. 22) I expect most actuaries stay away from so-called "bad debt," like credit card balances, but what about a home mortgage? Are you in the camp that says, "Why would I pay off a 4 percent mortgage when I expect a higher return in the stock market?" Or do you have a goal to pay off your mortgage to attain the security of not having that monthly payment? As Dave Ramsey often says on his radio show: "A study has been done and the results are in: 100 percent of foreclosures occur on homes with mortgages."
2. Timing of life and work—Many people have a goal of retiring early. To work toward that they

put their career in high gear at the time when children need the most attention and care. And let's be honest—that's not just the first few years of a child's life, as parents of teens will readily testify. So how do you balance that? Can you be content with less career growth during that time, after contemplating the trade-offs between time invested in family versus career?

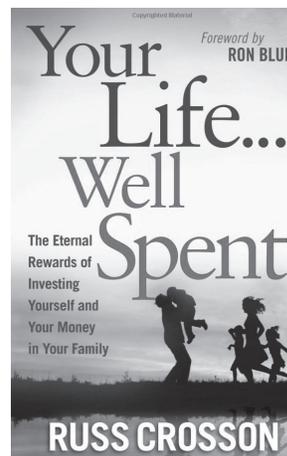
3. Lifestyle—Reining in one's lifestyle will keep expenses low and help avoid debt. This will reduce the pressure to try to earn more and more money, and should free up time for family and other priorities.

After laying that groundwork, Crosson proceeds to Part 2: "How to Get a Higher Return on Life." He introduces a concept called the Life-Overview Balance Sheet. The idea is that the balance sheet of life is about more than dollars and cents. We have different areas of life that must be balanced, and financial planning is one tool to help keep in balance. Related to this, he lays out three challenges that many of us face (p. 59, Crosson's italics):

1. *Balance life* while earning your money.
2. Use money wisely and make good financial decisions to *free up time* to invest in your posterity.
3. *Strategically invest* the time you've freed up.

In discussing these challenges, he introduces the principle of time replacement. "Each day we all have the same amount of time to allocate among the various issues of life—work, family, church and the world. We also have the opportunities to buy time for investment in our posterity." (pp. 62–63).

An example of buying time would be hiring someone to cut the lawn or clean the house. This frees up time in one's schedule. And now the question is: What do you do with that time? If the answer is Facebook or ESPN, then maybe that



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wasn't a wise investment. But if you use that time to go on a date with your spouse, or to read stories to kids and tuck them in at night, I'd say that's a great return on your investment. Summing up this topic, Crosson lays out a few "Obstacles that Steal Time" (pp. 65-74):

1. Our Inability to Say No
2. Our Inability to Slow Down
3. Our Inability to Turn Off the TV (and I would also throw in other screens such as smartphones and PCs)
4. Our Inability to Control Our Desire for Possessions.

The key chapter in Part 2 is "A New Understanding of Work." To help support his points, Crosson includes quotes from both sides of the political spectrum.

Jane Fonda (quoted in *World Magazine*): "The few things I regret in my life are ... not having put enough time into mothering, wiving, taking care of the inner life."

Billy Graham (quoted in *Atlanta Journal and Constitution*): "The greatest mistake was taking too many speaking engagements and not spending enough time with my family."

And yes, even actuaries feel the tension between family and work. It is a challenge to allocate time between the two and to meet responsibilities in both.

Crosson describes what he calls "Variable-Time vs. Fixed-Time Vocations" (p. 85). By Fixed-Time, he means a job with set hours. By Variable-Time, he means a job where "More can always be done! The question is, Where do we stop?" (p. 86). Many actuaries fall into the latter category in various ways: studying for exams, reaching billable hours requirements, or trying to keep up with health care reform. Main points in this chapter are (pp. 88-94):

1. Find a vocation you enjoy and are equipped for, and then live within the income it provides.
2. If you are in a fixed-time job that has limited

income, don't think you would be better off in a vocation that paid more money.

3. Be aware of the different time demands at your family's different stages.
4. Don't be in a big hurry to retire and quit working. Extend your work horizon.
5. Only change vocations to better fulfill your purpose and maximize your time flexibility—not to make more money.
6. If you are in a variable-time job, set your time parameters and do what you can do. Then trust God to do what you cannot do.
7. If you're in a vocation that is currently generating sufficient income, be careful to evaluate additional time spent to earn more income, especially if your children are young.

After considering the work and income side of the ledger, Crosson returns to the expenditure side and reiterates the need to wisely consider what you do with money you've earned. Pay attention to how much you spend on a house, cars and lifestyle in general, as those decisions may lock you into needing to generate a certain level of income in order to keep up with spending. He also cautions against making investments with inordinate risk. Trying to make up for failed investments is another way to lock oneself into a need to generate additional income.

The final part of the book, "How to Use Your Money More Effectively," sums up Crosson's perspective. One key part of that is "Posterity: what we pass on to others." At work, we can pass on actuarial and business knowledge, but what do you want to pass on to your children or others whose lives you can influence personally? Crosson points out that we can pass on financial resources—for example, donating to charities that help others. But also we should pass on what wisdom we have accumulated in our lives, a good work ethic, and good values.

I recommend this book to actuaries and non-actuaries too. Read it and ask yourself some serious questions, and discuss them with family and colleagues:

- As you map out your career path, have you considered how it will impact family and other priorities?
- If you are in a job where there is always more to do, how will you decide what time parameters to follow for your job?
- Picture yourself at the end of your career, even at the end of your life. What will it take for you to be able to say, “My life was well spent”?

I would be glad to hear your thoughts on this review or the book itself. Send comments to timactuary@gmail.com. ●

ENDNOTE

¹ Harvest House Publishers, 2012, 208 pages.