

For some time now, I've been sending you letters on different topics. The point of these letters is to share a little bit of the knowledge I've gained during my years as a financial advisor. Hopefully you've found them helpful as you work to simplify and enhance your financial life. In this letter, I'd like to share a friendly tip that has served me well over the years, both personally and professionally:

Time Management Is Crucial to Financial Success

You're familiar with the concept of time management, of course. But just to make sure we're on the same page, here's the definition: time management is "the act of planning and exercising control over the amount of time spent on specific activities, especially to increase effectiveness, efficiency, or productivity."¹

Those last three words are key. The ability to work effectively, efficiently, and productively is directly linked with financial success. These traits can help you potentially secure more income, cut back on unnecessary expenses, and complete more tasks that affect your bottom line.

Say you're mowing the lawn. Would you mow a strip of the front yard, then a strip of the back, and then return to the front for a few more strips before pulling out your edger? Of course not! That's an unproductive use of your time. Now, apply this same scenario to a different topic over a longer period of time. For example: retirement planning. People who don't practice time management plan for retirement this way:

1. Dream about what they'd like to do in retirement, and then decide it'll probably happen "some day." Then they start thinking about what to have for dinner.
2. A few months or years later, read a book or article on retirement planning and think, "This makes sense, I'll have to get on that sometime." Then they turn on the TV.
3. Occasionally remember to save a portion of their paycheck, between bouts of buying a new gadget or planning their next vacation.

Before they know it, they're in their sixties and realize they're nowhere close to being ready for retirement. Time is more than moving hands on a clock. Time is an asset. But like all assets—money, property, personal skills—if you fail to manage it properly, it can go to waste.

Remember: don't let time pass you by. Time is an *asset*. Use it. Manage it. Make it work for you. And never forget the words of Benjamin Franklin, who said in his book, *The Way to Wealth*:

If time be of all things the most precious, wasting time must be the greatest prodigality, since lost time is never found again, and what we call time-enough, always proves little enough.

¹ "Time Management," *Wikipedia.org*, accessed March 11, 2015. http://en.wikipedia.org/wiki/Time_management