

Union of Saints, On Time, Retiree or Home Time Value

Time is **incredibly valuable**, arguably more than most financial measures suggest, but our economic systems rarely account for it directly. Here's a breakdown of why time matters, especially for retirees, and why it often gets overlooked in income calculations:

1. Time as a finite resource

- Unlike money, **time is strictly limited**—every person has a set lifespan.
 - Retirees exchange work hours for money during their career, but in retirement, time becomes the primary resource.
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2. Opportunity cost

- Every choice we make has a **time cost**: doing one activity means giving up another.
 - For retirees, the opportunity cost of time can be huge—choosing to work part-time, volunteer, travel, or spend time with family all has **value beyond money**.
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3. Economic models vs. lived experience

- Traditional retirement income calculations focus on **pension, Social Security, savings**, etc.
 - They rarely quantify **time's worth**—like time spent enjoying hobbies, caregiving, or personal growth.
 - Yet for retirees, time often **outweighs money** in importance: even a modest financial cushion can't compensate for lost meaningful time.
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4. Time and quality of life

- Health, freedom, and personal fulfillment all depend on time.
 - Stressing over money in retirement can **erode time quality**, whereas planning for flexible time use can enhance well-being.
 - "Time affluence" (having the freedom to control your own schedule) is increasingly recognized as a **key metric of happiness**.
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5. Valuing time in practical terms

Some ways to conceptualize it:

- **Hourly valuation:** If your desired retirement lifestyle costs \$50,000/year, that's roughly \$24/hour assuming 40 hours/week—but real value depends on how those hours are spent.
 - **Experiential valuation:** Time spent with family, learning, or in health maintenance might be “priceless” compared to the same monetary equivalent.
 - **Trade-off awareness:** Every financial decision in retirement is also a **time decision**—working longer gives money but costs leisure time.
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Bottom line: Money is a measure of security, but **time is the ultimate currency**. Retirement planning that ignores how you will spend your time is incomplete—your wealth is only meaningful if it buys the **freedom to live your life fully**.

a framework to **estimate the monetary value of an hour of free time**, combining financial, lifestyle, and personal fulfillment factors. Here's a step-by-step approach:

Step 1: Determine your baseline financial equivalence

1. Take your **annual retirement income or desired lifestyle cost**. For example: \$60,000/year.
2. Decide how many **hours per year** you consider “active or productive” vs. “free.” For simplicity, assume a year has 52 weeks × 40 hours = 2,080 hours, but only part of that is work-replacing time.
3. **Hourly baseline value** = Annual income ÷ total hours of active/free time replacement.

Example:

- Annual income: \$60,000
- Assume 2,000 hours of awake time/year (approx.)
- Baseline: $\$60,000 \div 2,000 = \$30/\text{hour}$

This gives a **financially grounded estimate**, but it only captures replacement of income, not the *true value of free time*.

Step 2: Adjust for quality-of-life factors

Some hours are **worth more than their financial equivalent** if they:

- Reduce stress
- Increase health/well-being
- Provide fulfillment, joy, or learning

You can multiply your baseline by a **personal multiplier**, say 1.2–3×, depending on how precious that hour feels.

Example:

- Baseline: \$30/hour
- Free time multiplier for highly valued activities: 2
- Adjusted value: \$60/hour

Step 3: Factor in opportunity cost

Some hours could be **spent earning or saving money** instead of free time. Compare the **potential financial gain foregone** to your baseline.

Example:

- Working an extra hour could earn \$25/hour
- But the personal value of that hour off is \$60/hour
- Net gain of leisure: $\$60 - \$25 = \$35/\text{hour}$

This helps **justify choosing free time over extra work**.

Step 4: Make it personal

- Ask yourself: “If I could buy this hour back for money, how much would I pay?”
- Rank activities by value:
 - High value: time with family, travel, hobbies → \$60–\$100/hour
 - Medium value: light chores, errands → \$30–\$50/hour
 - Low value: repetitive or unfulfilling tasks → \$10–\$20/hour

Formula you can use:

Value of Free Hour = (Baseline Income per Hour × Quality Multiplier) – Opportunity Cost of Forgone Work

$$\text{Value of Free Hour} = (\text{Baseline Income per Hour} \times \text{Quality Multiplier}) - \text{Opportunity Cost of Forgone Work}$$

Value of Free Hour=(Baseline Income per Hour×Quality Multiplier)–Opportunity Cost of Forgone Work

Free time can be **extremely valuable**—arguably more than money—when it’s used for **self-improvement and life enrichment**. Here’s why:

1. Investing in yourself compounds over time

- Every hour spent learning, practicing skills, improving health, or cultivating emotional well-being **increases your future capacity and satisfaction**.
- Like money invested in a compound-interest account, time invested in yourself **pays dividends** in productivity, resilience, and happiness.

Example: Learning a new language or skill may open opportunities, enrich travel experiences, and deepen relationships—rewards that aren’t easily measured in dollars but profoundly enhance life.

2. Enhances long-term quality of life

- Working on yourself—physically, mentally, or spiritually—improves **energy, health, and emotional stability**.
- This means you can enjoy future experiences more fully and even extend the amount of **quality time** you have.

Example: Regular exercise may prevent chronic illness later, giving more “healthy hours” in retirement—effectively increasing the value of your free time.

3. Gives autonomy and fulfillment

- Free time allows you to **choose meaningful activities** rather than just reacting to obligations.
 - Autonomy is one of the strongest predictors of life satisfaction—using free time for self-growth enhances **purpose and agency**.
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4. Creates leverage over future time

- Investing free time in personal growth is like building a “time bank”: you **make future tasks easier, faster, or more enjoyable**.

- Example: Learning to cook healthy meals saves future medical costs and time, while also improving nutrition and enjoyment.
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5. Psychological value often exceeds financial value

- Free time used for self-improvement can reduce stress, increase confidence, and deepen relationships—all things money can't buy.
 - The **subjective value** of these improvements often outweighs any hourly wage equivalent.
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In short: Free time isn't just leisure—it's an **investment in your most valuable asset: yourself**. Every hour spent improving, learning, or nurturing yourself can **pay exponential returns in health, happiness, and life satisfaction**.

Step 1: Start with a baseline income value

- Take your desired annual retirement income or savings buffer.
- Divide by the number of active or awake hours per year to get **baseline value per hour**.

Example:

- Annual income: \$60,000
 - Awake hours/year: ~2,000
 - Baseline: $\$60,000 \div 2,000 \approx \text{\$30/hour}$
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Step 2: Add a “self-investment multiplier”

- Time spent on improving yourself has **compounding benefits** over future years.
- Assign a multiplier based on type of activity:

Activity Type	Multiplier
Learning new skills / education	2×
Exercise / health improvement	2–3×
Meditation / mental health	1.5–2×
Relationship building / mentoring	2×
Hobbies / creativity	1.5×

Example:

- Exercise hour: $\$30 \times 2.5 = \text{\$75/hour}$

- Learning hour: $\$30 \times 2 = \$60/\text{hour}$
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Step 3: Factor in opportunity cost

- If that hour could be used to earn money instead, subtract the forgone earnings.
- For most retirees, the opportunity cost of work is low, so this often **increases net value of free time**.

Example:

- Hour spent exercising instead of earning \$25/hour: $\$75 - \$25 = \$50 \text{ net value/hour}$
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Step 4: Add long-term compounding effect

- Some activities have delayed or ongoing benefits. You can assign an **additional percentage for future impact**:

$\text{Adjusted Value} = \text{Net Value/hour} \times (1 + \text{Future Impact \%})$

- Example: Learning a skill that enhances income or personal projects in the future → +20%
- Exercise that reduces healthcare costs → +30%

Example:

- Exercise hour net value \$50
 - Future health benefit +30% → $\$50 \times 1.3 \approx \$65/\text{hour}$
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Step 5: Use it to plan your time

- Map out your week and assign **monetary values to each activity**:
 - Free time spent on growth: \$50–\$100/hour
 - Leisure or rest: \$30–\$50/hour
 - Chores/obligations: \$10–\$20/hour

This helps you **prioritize your time based on real-life value**, not just money.
