

Time's Role

Issue #19, 11/6/2023

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Light-hearted Week Passed

Having my academic semester ended and the plan for next few weeks determined, I decided to take a one-week break filled with more of hedonistic elements – in a way I try to forget the weights and the less desirable things around me (and, procrastinating this reflection passage for 3 days...):

- Living my days slightly slower to restrict myself to one event (studying, hangout...) per day, I find myself losing track of time this week.
I want time to flow slower so that, I get to feel and experience everything occurring fully, with myself fully revitalized on the receiving end.
- On the other hand, as the deadline of me leaving HK approaches, I became more and more eager to embrace the days outside Hong Kong – at least I no longer need to face some things and people I dreaded, and will be able to pursue what I want more freely.

With the passage of time being something I both feel reluctant and anticipated, I reflected the role of time within life this week.

Currency for Utility

To me, there are always more things I want to do compared to the time I have every day. I sometimes feel like I am granted a certain amount of energy points each day. Say I can choose:

- Studying to further polish my technical expertise
- Hanging out with friends to maintain closeness
- Reflecting on self to clarify and polish mind
- Exploring the world by trying out new things/ going to existing places for solitude recharge.

Spending time on each of the above incurs opportunity cost (time); some are one-time consumables (e.g. spending time dining/buying clothes/ playing “time killer” mobile games like Candy Crush), some are stackable and would bring long-lasting impacts, and some would help other side-tasks if done in appropriate sequences of orders.

Skillsets, thoughts, researches and guides are transferable and stackable; Repetitive tasks like eating, restocking and event planning are ‘consumables’ that do not retain value over time (one can argue that skillsets are derived, though?)

To me, I’ve been trying to stick with stackable things, hence trying to preserve the meaning of each unit of time spent.

Say, I care less about consumables that do not persist long, such as food and clothes – the side effect is self-image.

Rather, I wish to scale up things with initiatives, automation and economies of scale so that I can cater more per unit of time. It’s just that as I have limited time for ambitious goals, I would better prioritize my time and mental energy towards Initiatives, things and people that matter more and bring longer-term impacts to me.

If practice makes perfect, then one probably should seek meaning and reflections from each time – what we have done right and wrong, and ways to improve. In my context, it would be interacting with people from all walks of life that yields me insights and, formulate appropriate strategies to treat everyone appropriately.

Or let's say, wouldn't it be a good idea to try as much as one can when one is still young – to discover what one likes – and then devote the rest of their life bringing a meaning within those areas of specialization?

The notion of being able to stack up my efforts made and seeing every bit of things around me becoming better makes me happy: Maybe it's just the feeling of having a confidence boost and having each step under my foot clearly visible that matters? Or the simple fact that I'd be able to advance further and further in areas I am sure I would be passionate enough in digging further for years – spending time in those ways seems to work better?

At least I hope I need not be always rushed by the world and people around me – and could do whatever useful I want... (and during off-season like now, slow down by 30%, get to explore life a bit more, and prop up things?)

Time-Money Conversion

We all are provided with various (unknown) amounts of time for lives – but to sustain our living on the other hand, we need another currency – *money, as a generally acceptable medium of exchange* to purchase things we need, and solve most of the problems in life.

However, money as a form of wealth is distributed unevenly:

- Most of us living in the early 20s, if without family support, act as “living cost price takers” – most of us work for “enough” money and sustain living.
- Some talented people earn scholarships if one is academically smart/ outstanding in other areas).
- Other more fortunate people possess more wealth to have money to work for them.

With money likely becoming less and less of a concern to me, I began thinking about the inter-relationship between time and money, and how I can make use of the two currencies well.

Have me, or society in general focused on money too much, if my primary objective is just to learn as much as possible and be able to engage in things I like to do and live comfortably?

We can easily convert time into money actively through:

- Working as an employee:
Repetitive work are typically calculated at piece rate;
Other work more focused on quality are project-based or at time rate.
- Entrepreneurship:
Use time, identify opportunities to leverage on, take risk in income dependent on factors such as execution ability, nicheness of your market and industry maturity

Passive ways to convert time into money manifest in ways of:

- Time value of money (TVM): Yield rates on the money they set aside for deposits/ fixed income products.
We quantify such time value of money with duration and discount rates.
→ Basis of modern financial theories and models such as DCF/ bond pricing
- Renting out assets, such as properties and equipments

To me, I'd wish at some point down the road I could do all four.

Ways to convert money/ resources back into time, however, vary depending on availability and the extent of tech advancement:

- Disintermediation
Examples are (1) in businesses (eliminating middleman so as to minimize communication leeway), and (2) in transport (minimize number of interchanges and waiting).
Typically, we incur higher costs by localizing outsourced production stages but can streamline time gaps.
[e.g. Private car > taxi > public transport interchanges]
- Mechanization
Repetitive office work can be skipped with suitable mini programs or standardization (e.g. form/ data format).
Machinery/ capital usually required for tool upgrades.
[Hiring programmers/ database design/ ChatGPT edu.]
- Premium demand
Using extra money can buy goods/ services of more premium quality – that can be more specific and save time. [e.g. taking Shinkansen over regular JR trains (time), or hiring quants at premium rates (idea generation and execution quality/ efficiency)]

Flow through Rate Equations

Lastly, time is crucial in modelling everything's rate of change. Say if we intuitively write everything in differential equation form

$$d(\text{Elements})/dt = \text{<some expressions>},$$

we can view life as an integral of elements over time.

With this in mind, I have the following thoughts:

- With the passage of time, one should be able to infer the governing principles/ variables to everything in life to optimize their decisions. To me, it's only after pondering things over time that makes my mind clearer.
- Rather than looking at the peak intensity of everything (instantaneous conversation frequency with friends/ return of an investment over a month), we should look at the long-term average. 路遙知馬力，日久見人心。

Everything converges to true value over time; say, the feelings of pain/ grief smoothens exponentially to zero; your appraisal to someone converges with data points.

- While our cumulative information by learning from life is monotone increasing (unless memory impairment/ accidents happen), we can choose to steepen our learning and understanding to the world by trying more per unit time – if our life outcomes are more or less positively correlated with our learning and intelligence:

It's the quantity $d(\text{Learnt information})/dt$ matters; and time is what IS necessary to bring the impact.

So, I should get accustomed to the fact that time flows.

- However after all, the durations we get to live are random variables. While we have “existence and uniqueness theorem” that may pin down our own life trajectories over time, we never know the domain of our life t . So, treasure every segment of the time we're living and do as much as we can – while staying responsible for your own unknown “future”, yet to be fully realized.

Haven't we all been too focused on money and outcomes, rather than the exploration stage and experience with time?

Society (esp business) seems too focused on money – especially like HK about finance: some people quantify success on job income. Too much judging by cover? Shouldn't we respect more on those people spending their prime time in doing things they truly believe in they like?