

**[Spending your valuable time on the wrong financial activities is just plain bad for you](#)**

**Category : Financial Decision Rules**

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*Summary: A previous article, ["The Solution - ONLY follow financial strategies that are scientific, passive, diversified, savings focused, risk controlled, low cost, and tax efficient,"](#) suggested that individuals are much better off with a well-considered financial viewpoint. A stable set of financial beliefs can help you to keep focused and on track throughout your life. This follow-up article discusses the value of the time that you spend on financial planning and investing activities. Your time is valuable. Do not ignore its value, when you assess how you are doing. If you use poor financial planning and investing strategies, you shot yourself in one foot. When you spend a lot of time on these bad strategies, you shoot yourself in both feet. You have valuable alternative work and leisure uses for your time. You should require only a moderate amount of time to put in place a well-defined financial and investment plan and to sustain its periodic implementation. The value of the time you spend on personal financial planning should be part of your calculations, when you evaluate your financial efficiency. When you decide to spend more time on your finances and investments, you need to ensure that you are working on value-added rather than value-diminishing activities. Many people spend large amounts of time on uncompensated, counterproductive, and money-losing activities, such as day trading and portfolio self-management. (See: [Your personal earnings, expenditures, and savings are the most important determinants of your family's long-term financial wealth](#) and [What is the cost to individual investors of sub-optimal portfolio diversification?](#)) Depending upon your strategies, your competence, and the size of your portfolio, you may or may not be better off, if you spend additional time on your investments. Furthermore, when the "opportunity cost" of your valuable time is added into the equation, then passive strategies become even more appealing financially. The Skilled Investor website provides several articles that focus on the efficient and productive use of your financial planning and investing time. ( [See these "Personal Efficiency" articles.](#)) Securities markets are relatively price efficient and are extremely hard to "beat"; consistently — particularly after your costs, taxes, and time are considered. Because of this, you might as well become a very low cost, passive "free rider" investor who lets active market participants do the work and pay the higher costs to keep the markets relatively efficient. Given a choice, most people should do something else rather than work on their investments. When informed that they are likely to lose more money, if they spend more time on investing, most people would be happy to find something else to do with their time. (See: [Passive individual investors are "free riders" who benefit from the higher costs of active traders](#))*

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