

Time Buckets

By Dominic Garcia

In a recent book I read written by Bill Perkins, I was intrigued by the concept of how to maximize your positive life experiences. It has always been our job as advisors to help clients find the balance between enjoying life and maintaining financial stability. Like many, I am conservative with my money: prioritizing savings, paying things off in full, investing for the long-term, and planning out my life's aspirations. As we look back on our lives, I am sure we all question whether we missed out on some experiences.

People are familiar with the concept of creating a bucket list, which is a list of things we want to do before we pass away. The problem many people face is that by the time they have the financial resources and time to do these things, it may be too late. Either health has declined or perhaps the goal is no longer relevant. For example, let's say you always wanted to go to a music festival with your friends; well now that you're 40, you probably won't fit into that scene anymore. Or perhaps, you wanted to ski at the top 25 resorts in the US; well since you're 70, your knees may not be as strong as they once were.

Different experiences are meant to be had at various stages throughout your life. The concept of time buckets allows you to distinguish which experiences you aim to have within a given age range. Ultimately, you will want to specify the experiences you want to have in your 20s, 30s, 40s, 50s, 60s, 70s, and beyond.

Let's take things a step further. We have learned that the average age to receive an inheritance is near 60. However, the age that people tend to need the most help in life is around 30. Although there is nothing wrong with passing away with a large nest egg, many people we speak with tend to get more pleasure out of helping their family members while they are present enough to see them benefit from their gift.

For this concept to work, your advisor should sit down with you each year to figure out your optimal spending amount. If it is determined that you can conservatively spend \$12,000 per month and you are currently spending \$8,000 per month, then you now know that you have an extra \$4,000 per month to employ on experiences, helping loved ones, supporting the causes that are most meaningful to you, or even taking risks on a new business venture.

Bill Perkins stated, "your life is the sum of your experiences." As a business owner with four children, it is easy to see how life can get in the way of the memories we want to share with our family and friends. However, it is up to us to put things on paper, plan it out, and make it happen before we look back and realize that it is too late.

