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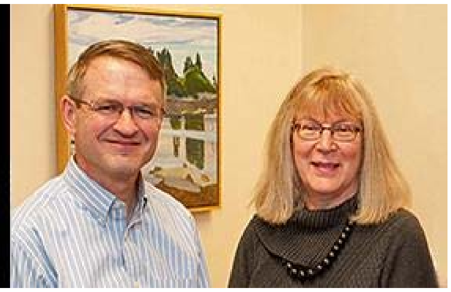

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In this issue: How we spend time, Social Security website changes, dubious data, the 80s

How we spend time

People worldwide tend to spend about 80-90% of their time on similar activities – sleeping, working, eating, housework, and leisure. The organization **Our World in Data** examined time use diaries from around the world in order to gain insights into living conditions, economic opportunities, and life satisfaction in developed countries. Some of the differences were cultural, others stemmed from economic realities. Here are some interesting takeaways gathered from respondents between 15 and 64.

People in richer countries can afford to work less. China topped the chart at 315 minutes/day of paid work plus time spent on education/study, followed by Mexico, and South Korea; France and Italy were at the bottom of the chart with 170 and 149 mins respectively. The US averaged 251.

Chinese people sleep the most - 9 hrs, 2 mins daily, while South Koreans sleep the least (7 hrs 51 mins). Americans average about 14 fewer minutes of shuteye than the Chinese.

France and Italy top the chart for the amount of time spent on eating and drinking – and why not? – tallying 133 and 127 mins. Compare that to Canada and the USA, who spend half as much time (65 and 63 mins) on their meals.

For leisure time (TV and radio, seeing friends, and other leisure activities), Norway won the prize with 369 mins, followed by Greece, Belgium, and Finland, while Mexico spent the least, 172 mins. In the US, the average is 292. TV and radio consume about two hours each day in most of the countries surveyed, the USA topping the chart at 148 mins, and India at the bottom with 61 mins (they do have those 3+ hour-long Bollywood movies!). Mexico led the other countries surveyed in time spent on housework and shopping, which when added to their work/study time, accounts for their low score.

Unsurprisingly, there is a gender gap in all countries: the average leisure time for men is higher than for women across the board. In Norway, the difference is inconsequential (4 mins), but in Portugal, men report about half again as much leisure time as women. For the sake of family harmony, we will let you research the US difference during your leisure time.

Social Security website enhancements

If you haven't logged on to your Social Security personal account online recently at http://www.ssa.gov/myaccount/, you'll now find much more useful and user-friendly information tailored to your age group and earnings situation. Age-appropriate "Retirement Ready" fact sheets will be automatically included when you access your account, and you'll also find additional fact sheets aimed at new workers, benefits eligibility, how additional work increases benefits, earnings not covered, and Medicare. All the new fact sheets can be also viewed at www.ssa.gov/myaccount/statement.html. If you're contemplating retirement, but would like more benefits scenarios than those provided on your annual statement, try the Retirement Estimator or the Related Information links on the same page.

Lies, damned lies, and statistics

We rely on what we hope is objective research in the sciences to guide the experts we consult about many aspects of our lives, and especially in medicine. Scientific studies garner big headlines, but do their results actually stand the test of time and further scrutiny? The practice of *p-hacking* (also called "torturing the data until it confesses") is widespread, and has repercussions in the financial world as well, according to a recent post in *Mathematical Investor.*

In short, one could theoretically custom-design a stock portfolio or other investment fund by cherry-picking good historical performance data and producing an investing strategy that aims to achieve similarly desirable rates of return in the future. The results, however, are often less than dependable: the methodology worked well on the sample data used to create the portfolio, but when subsequent live data were used, the results were erratic at best: a few exceeded the target performance, but most resulted in "catastrophic losses."

In a time when massive amounts of data can be regurgitated through computers, and only the "successful" or high-scoring positive results extracted and compiled into a study for publication, the impressive conclusions drawn can be the result of "backtest overfitting." In short, the strategy outlined and promoted in the study can't be reproduced under real life conditions.

In many scientific fields, replication studies assessing previously published research sometimes appear in professional or academic journals that support or cast doubt on an original study's conclusions. For example, in 2018, the Reproducibility Project could replicate only five of ten key studies in cancer research, with three inconclusive, and two negative. Amgen researchers were able to replicate fewer than 10 of 53 cancer studies in 2012. Do similar replication and verification take place in the finance/economics world? Not so much.

In short, can you prove anything you want with statistics? Given enough manipulation, yes. The takeaway: beware of fancy and unproven "investment strategies" that look very impressive, but may not mean much of anything at all.

Remember the 80s?

We recently came across this interesting factoid, which vividly illustrates how much our financial success in life depends on the era in which we live: A person with $1 million invested 100% in the S&P 500 as of 1/02/1973, and who withdraws an inflation-adjusted $100,000 per year, would have run out of money in 9 years (12/31/1981). But a second person with $1 million invested in the S&P 500 as of 1/1/1982, who also withdraws an inflation-adjusted $100,000 per year, would have had $6.32 million remaining after 39 years (12/31/2020)!

Wishing us all a happy and more social spring,

Brian Debra

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