

EPISODE 837

“DP: During the peak, that’s when we are most vigilant. What does vigilance mean? Vigilance means we’re able to bat away distractions, so that makes the peak the best time for analytic work; crunching numbers, going over data, writing a report.”

[INTRODUCTION]

[0:00:51.3]

FT: When is your peak time of the day? Knowing this can make a huge impact on your finances, your health and so much more. Welcome back to So Money, everybody. I'm your host, Farnoosh Torabi. You just heard from Daniel Pink. He is our guest today, author of several books. You've probably heard of him. Multiple New York Times bestseller. His previous books are *Drive*, *To Sell Is Human* and *A Whole New Mind*.

His most recent is called *When: The Scientific Secrets of Perfect Timing*. In it, Dan shows us the essential keys to timing our decisions and actions, so that we can thrive both professionally, personally and as we discuss on the show, financially. If you're asking yourself questions like when should I wake up every day? When should I work out? When should I ask my boss for that raise? Maybe when should I quit my job? Dan has the answers.

Here we go. Here is Dan Pink.

[INTERVIEW]

[0:01:49.8]

FT: Dan Pink, welcome to So Money and happy new year to you.

[0:01:53.0]

DP: Thanks, Farnoosh. Thanks for having me.

[0:01:55.0]

FT: All right, let's just dive right in. Your latest book is about time. The title is *When: The Scientific Secrets of Perfect Timing*. There are a lot of books, a lot of content around time. We're a society that's obsessed with optimizing time. What was your specific curiosity around this topic and what for you felt unanswered?

[0:02:21.0]

DP: My curiosity was really born of frustration. I was making all kinds of wind decisions in my own life. When should I do this work? When should I do that work? When should I take a break? When should I start a project? When should I abandon a project that's not working? I was making these decisions in a very sloppy way, and that frustrated me. I guess, the question that I ask myself, "Okay, how can I do this better?"

I looked around for guidance, it wasn't there. Then that just got me thinking, "I wonder if there's any science out there on this topic." It turned out, there was a huge amount of science out there on this topic across many, many disciplines. It gives us a lot of clues about how to make these decisions in a smart or more evidence-based way.

[0:03:07.9]

FT: Your book actually found that timing has a profound effect on everything from education to the justice system, criminal justice system, job performance, relationships, health. We're an audience here that's obsessed with money and also career. Were there any findings that correlated, as far as optimizing time and your money?

[0:03:30.5]

DP: Oh, well. I mean, for most of us and certainly the folks listening to your podcast, Farnoosh, and even you and me, the most important aspect of our money is our work, our talent. That is the source of our value. One of the things that this research shows is that when we do certain

things in the day, has a huge effect that is our brain power, which is the source of our income, our brain power does not stay the same throughout the day. It changes. It changes in significant ways, it changes in predictable ways. If we are able to do the right work at the right time, we are going to perform better, period.

Now when it comes to things like savings and things like that, market timing, that's a fool's errand, but as anybody knows Einstein once said the most powerful force in the universe is compounding interest. If you're going to start saving and investing, doing it earlier is far better than doing it later.

[0:04:35.0]

FT: Right. There's a lot of studies out there that promote just a concept of waking up early. There are a lot of books out there too. Is that significant? I mean, you talked about optimizing – your brain has certain optimal power throughout the day. Is it that most of us are hard-wired to be morning risers and we should do more during our early hours, or not?

[0:04:58.1]

DP: I'm glad you ask that, because this idea that everybody should get up early – in some cases, insanely early is totally oversold. It really is.

[0:05:06.8]

FT: Thank God.

[0:05:08.0]

DP: Yeah, it really is. Here's what we know, all right? Let's start with what we – and a lot of that advice just comes – is exhortation. It's not based on any real science. Let's talk about what science actually knows about this. It begins with something called a chronotype, which is are we morning people or evening people? That sounds like folklore, it's not. There's actually a whole field called chronobiology that study this.

About 15% of us are very strong morning people. About 20% of us are very strong evening people, but most of us, two-thirds of us are in between, where we're not larks, we're not owls, we're third birds. Here's what the research tells us; we tend to move through the day in three stages; a peak, a trough and rebound; a peak, a trough and a rebound.

About 80% of us move through the day in that order. We have our peak early in the day, we have a trough in the middle of the day, early to mid-afternoon and then we have this recovery period late in the afternoon and into the evening. Now about 20% of us, it doesn't work that way at all. About 20% of us are night owls and we have our peak in the late afternoon, early evening, well into the evening. What we know about these different stages is that we are better at doing certain kinds of work during these different periods.

During the peak, that's when we are most vigilant. What does vigilance mean? Vigilance means we're able to bat away distractions. That makes the peak the best time for analytic work; crunching numbers, going over data, writing a report, all right? The recovery period late in the day for most of us, not for all of us, but for most of us, that's a really interesting period because our mood is at really the highest point of the day. However, we're less vigilant. That combination makes it a very good time for tasks requiring mental looseness; things like brainstorming would be a good example of that, or iterating new ideas.

Now during that middle period, that trough period, that's a terrible time of day. There are a pile of evidence showing that performance in basically every realm of life declines precipitously during that period. In short, what we should do is this; we should be doing our analytic work during our peak whenever it is. One out of five of us have our peak late in the evening. We should be doing our administrative work during that trough period, work that doesn't require brainpower or creativity and we should be doing our creative work during our recovery period, which for most of us is late in the day. The idea that there's a single way to do things, that all of us should be waking up at 4:00 in the morning is utter nonsense.

[0:07:58.4]

FT: Maybe that's why so many cultures take naps, siestas.

[0:08:03.5]

DP: You're totally right. You're absolutely right about that. That you actually see what's happening now is that certain kinds of very old practices – I don't want to say ancient, but traditional practices are very much in sync with what we know about break the – several breakthroughs in human biology and in sleep science. There's actually a lot of research now on napping. What it shows is that naps are actually pretty good for us. However, the best naps are extremely short; 10 to 20 minutes long.

I don't think it's time to call for a siesta where every afternoon we take off three hours and eat a giant plate of paella and drink three glasses of red wine. There is a there is a logic behind breaks. Actually, one of the most exciting areas of research actually is this research on the science of breaks. What we know is we should be taking more breaks, particularly in that danger zone, and we should be taking certain kinds of breaks.

[0:09:08.3]

FT: One of the things that you discovered is that when people begin their careers matters a lot, right? A lot of our audience, for those of us listening who may be in our 20s, perhaps graduated in the recession, or in the thick of the recession, in that case the timing was not great. To some extent, that's not in your control. How do you reconcile when you know that timing matters for certain things like career choices and career moves, but sometimes it's not really anything that's within your power, because it necessarily – because you're graduating at the wrong time, or because the market does its thing and who can control that?

[0:09:51.2]

DP: Yeah, absolutely. I mean, it's such a great question and it's such a great point. You're referring to some research from Lisa Kahn at Yale, and she found – it's daunting, that the difference between graduating from college and recession, graduating from college in a boom time, that shows up in people's wages literally 20 years later.

Yeah, it's a huge deal. To some extent – to a large extent, you don't have control over it. If you graduate from college this year 2019, you're going to be going out into a probably a 4% unemployment rate. If you graduated 10 years early, you'd be going out into an 8% unemployment rate. Very different.

In terms of what to do about it, it's important to understand the mechanism at work here. Why this is the case? Why this initial conditions of your career have such an outsized effect on your earnings 20 years later? This gives us some clues about what to do about it. The reason essentially is this; that early in our career when we're taking jobs, we're looking for the right match between our skills, our capabilities, our personality and basically careers, professions, even employers. We very rarely get that match right away.

What happens is that you try to make the match, you find that it's imperfect, you go to a new job that's a better match. One of the things that labor economists have shown us is that switching jobs is a pretty good way to increase your salary. What happens is that early in our careers, we tend to have more jobs than usual, because we're finding that right match. “Hey, this is not quite the right match for me. This is not the quite right match for me.” We move from job to job, usually often getting higher and higher salaries.

When you're in a downturn, when you're in a recession, when the unemployment rate is high, you can't move, all right? “Hey, I'm in this job and it's not a great match for me. I like to move. Wait a second, there's no jobs out there. I'm stuck here.” I start making my moves later. I find my right match later and I'm behind the person who is – I'm behind the person who is actually able to be – who is in a more fluid labor market, is able to move from job to job more easily.

It's hard to do anything about it. I think if you graduate in a recession, it's very important to just be as vigilant as you can and trying to make the right match each time you switch. If the labor market is looser, you can be a little bit looser about making those matches. It's one of those things where there's some aspects of timing we can do a lot about, other times we can't do anything about. From my mind, I think this is a policy problem.

I think that if students graduate from college in high unemployment, that a certain level of unemployment rate should trigger, say student loan forgiveness, or trigger extra job search

capabilities, or something like that because it's akin to natural disaster. Not anybody's fault, but it has big human consequences.

[0:13:08.2]

FT: Here's another conundrum. You may know your own chronotype. You talked about owl, lark, third bird. To some extent though, when you want to time let's say asking for a raise, or asking for a promotion, you have to know the other party's chronotype to some extent too. When's a good time to hit up this other person for a favor, for an ask, for a negotiation? Is there any way to analyze this in others?

[0:13:33.2]

DP: It's tough. You can make intuitive judgments about that. You can also just play the odds. Let's talk about asking for a raise. What we know is that about 80% of us are not owls. A oversimplified way to think about this are owls and not owls. 80% of us are not owls. There's some interesting research in decision-making that shows the following; and you can see this in judicial decision-making, in other kinds of realms, when we confront somebody with a decision, ask them to make a decision, okay, we're selling something, do you want to buy this?

We're asking somebody out on a date. We're asking our boss for a raise. When people are confronted with those kinds of things, they have a default answer in their pocket and the default answer is almost always no, right? What does the research tell us about when people are more likely to overcome the default? What the research tells us is that in general, people are more likely to overcome the default early in the day and immediately after breaks.

For your boss again, the odds are – you play the odds a little bit better. Ask your boss for a raise early in the day, or immediately after she's had a break. Your odds are going to be up a little bit. The odds here are really important. I know that you and your audience understands math and probabilities here. Let's say you're selling something, all right? Your prospect is more likely to overcome the default early in the day and immediately after the break.

It doesn't mean that doing it then guarantees you're going to get the deal. What it probably means is that in ordinary circumstances, there's a 9% chance you're going to make the sale. If you get the timing right, maybe you boost that up to an 11% chance, all right? You still got a 90%, 89% chance of getting a no. If you're doing something over and over again, that 2% point advantage will pay off over the long run.

[0:15:35.8]

FT: It can't hurt. It can't hurt. You mentioned you were drawn to this topic due to your own personal frustrations. What is something that you've discovered that has directly impacted and benefited your life with regards to timing things?

[0:15:50.2]

DP: Oh, all kinds of things. I mean, on so many different – so many different dimensions, Farnoosh. One of the things that you reminded me of was this, this early morning thing, all right? I was wondering, when in the day should I exercise? I had always received the message that really good people always exercise in the morning, all right? What you do is you get up and you do you work out and you're ready to go for the day.

What the research tells us is this; the right time of day to exercise depends on what your goals are. Morning exercise is good for some things. It seems to be good for weight loss, seems to be good for habit formation, it's good to give you an enduring mood boost. Afternoon exercise is good for other things. Afternoon exercise is a way to avoid injury, people are less likely to be injured in the afternoon, probably because – I think it's because our – it's true, because our body temperature changes over the course of a day, and our body temperature reaches its apex in the late afternoon and early evening, so we're literally more warmed up than we would be in the morning.

What you also see is performance is greater. Our lung function is higher, our hand-eye coordination is better. Also, people enjoy it more in the afternoon and probably because of that. I'm an afternoon exerciser now, because when I exercise in the morning I hated it. I really did. When I exercise in the afternoon it's like, "Oh, I like exercising now. Wait a second, I'm not

enough of a badass because I'm not exercising in the morning." That's nonsense. I changed when I exercise.

I'm someone who is more of a lark than an owl. I hit my peak in the morning. As a writer, I actually have reconfigured my schedule, so that in the mornings I totally clear the decks. On writing days, I will go into my office, I will not bring my phone with me into my office, I will not open up my e-mail. I will give myself a word count and I will not do anything else until I hit that word count, because I know that the time when I am most vigilant is fleeting. It's just a few hours in the morning. If I don't seize that time, I'm going to make a mistake. I actually changed my writing schedule. No joke, this is the five or six books, this is the first one I delivered by the deadline.

[0:18:10.6]

FT: Congratulations.

[0:18:11.9]

DP: Yeah. What a great accomplishment. There are other kinds of things here too. There's so much good stuff in here that changed truly how I do things. Let's take good news and bad news. Someone says, "I've got some good news and some bad news." My practice always was to give the good news first and then the bad news. The reason was I didn't want to seem like a jerk. I wanted to lay down a cushion. I thought people would tune me out if I hit them with the bad news.

What the research tells us is that four to five people prefer to get the bad news first and then the good news. This is part of this larger body of research on endings, because given a choice human-beings prefer endings that elevate. We prefer rising sequences at the end, to the declining sequences at the end. I no longer do good news-bad news, I do bad news and then good news.

[0:19:06.2]

FT: I like that. That makes a lot of sense; you want to end on a high note. Well, looking back at your career and this is such a treat for me, Dan. I'm containing a lot of my fangirling right now. I'm super highly respect your work and it's –

[0:19:21.9]

DP: Thanks a lot.

[0:19:22.6]

FT: I've been trying to get you on the podcast for a long time. So glad you finally had another book. I'm like, "Great. Now, now is my moment." Now talk about good timing. Let's give listeners a little bit of background on how you arrived at being this multi-New York Times bestselling author and thought leader. You worked in politics for I understand about 10 years and then you had this moment where you were like, "Why am I still doing this?" To use your words, 'crap'. You were seeking more autonomy. It led you to exploring autonomy and then writing your first book. You quit your job in 1997. You left the White House to venture out on your own. Looking back at your timing of leaving politics and entering your field today, anything different you would have done?

[0:20:11.4]

DP: That's such an interesting question. I truly haven't – I haven't thought about that. I mean, what's weird is that – I was deeply interested in politics earlier in my life. I was fortunate enough to start working in that field and get some pretty cool and interesting jobs. At a certain point, I realized that I didn't really like it very much and I didn't want to spend the rest of my life in politics, because it was so corrosive.

Now what's amazing about that is that 20 years ago were the good old days, I can only – I shudder to think if I'd stayed working in politics for the next 20 years and was still working in it today. I think that there's an existential issue here too about how do we – and it goes back to what we were talking about before about finding that right match. A lot of us get counsel, "Oh,

find your – what's your passion? Do what you're passionate about.” I think that's a very, very stupid piece of advice, because I'm a writer, right?

I've been writing for on my own for 20 years. If you were to say to me, “Is writing your passion?” I would say, “I don't know, because writing is really hard. It's really hard to write books.” I don't love it every day. To some extent it's what I do. I think that's a more important question, what do you actually do?

One of the things that allowed me to make this transition, or give me hints about the transition was throughout my young adulthood, from the time I was literally in high school to the time I was actually working in the White House, I was always writing articles “on the side,” all right? It was like a hobby. Some people, I don't know, what hobbies people have. They do archery, or they raise poodles, or whatever they do, all right? For me it was like, I just thought of as a hobby, something I did on the side. I realized that no matter how demanding the workplace was that I was in, I was always doing writing “on the side,” writing articles, writing magazine pieces and so forth.

It took me literally into my early 30s to say, “Wait a second, this thing that I'm doing on the side is probably what I should be doing for real.” I find that that story is typical to many people's stories. We have to frob around a little bit, find out who we are, make mistakes, make detours. As frustrating as it is, and I was very frustrated, it's a natural part of finding our way. What worries me a little bit is that I see some people say in college right now, who are so maniacally directed and planning everything out, I worry that they're actually going to find the wrong path. The fact that they have eliminated any ambiguity, any uncertainty is going to come back to haunt them.

[0:23:08.4]

FT: I think I agree with all of that. I think what also happens along the way as you are at the crossroads of do I maintain this relatively mundane path of doing the job, or do what I actually enjoy as a hobby, turn that into something I do full-time, is that I think the missing link sometimes is having a financial cushion.

[0:23:31.0]

DP: Totally.

[0:23:31.5]

FT: Right financial runway. Would love for you to share a little bit about how you navigated that financially.

[0:23:40.3]

DP: I'm so glad. I'm so glad you asked that question, because a lot of times when we talk about these things, we end up splashing around in the pond of self-actualization and not talking about these nitty-gritty things. I'm so glad you did that. Here's what I did in my case. I was very fortunate. I was married. I'm still am married to the same person, all right? At the time I was married. When I decided to leave my steady job to go out and try to make it on my own as a writer, my wife did not leave her job. She did not give up her health insurance, okay? It was this very calculated risk.

We also said, "Hey, let's give this maybe a couple of years and see if it works. If it doesn't work, we'll go back to the other thing." That's one thing. It's making a calculated risk. The other thing that I've noticed is – I mean, as self-evident as it sounds for people who go out on their own, low overhead. I find that people spend too much money on their enterprise, because they think that that's the way to be "professional," that that's the way to be "real." I am a devout believer in low overhead.

I also think that in general, you shouldn't leap from a job to going out on your own right away. That you should try to do it on the side, do a side hustle. I think successful entrepreneurs, successful people, and I don't mean people building big companies, but people who are just doing what they want to do, doing cool things, directing their own lives, they are very shrewd assessors of risk. They're not wild and really crazy people. They are very astute assessors of risk. You have to do everything you can to mitigate that risk, especially financially. I had been at the start was just maniacally conscious of that.

Again, I had the good fortune to be married and to have a wife who had a job and health insurance. Even now, I mean, 20 – I mean, Farnoosh 20 years, 20 plus years later, I literally have never had an office outside of my home, because the idea of paying rent to somebody else just made me nauseous, because of the cost. I'll spend money in my business on technology and I'll spend money on talent, but on this other stuff no freaking way.

[0:26:10.6]

FT: Well, thank you for sharing that, Dan. I love hearing the behind the scenes. You're right, I think it's not maybe a sexy headline, but it is what supports successful entrepreneurs in becoming successful entrepreneurs; it's planning, it's strategy, it's not throwing out the baby with the bathwater.

[0:26:29.1]

DP: Exactly.

[0:26:30.0]

FT: Those stories of living in your car for a year and eating tuna fish out of a can, until you start at Facebook, that could be a great headline, but it's an outlier story. I think it's more important to share what's really happening behind the scenes. That's super inspiring.

Two more questions for you on the topic of money, but first is our show is sponsored by Chase and what we're asking our guests this month is what is your financial resolution, or goal in the new year?

[0:27:04.9]

DP: I actually do have one here. One of my financial goals is to keep a better a month-to-month track on how I'm doing financially. I tend to basically check in periodically over the course of a year, rather than keep a keener eye on it month-to-month. I don't think that we should be looking at our finances necessarily every single day. I'll check in once a quarter, "Hey, how am I doing?"

Oh, wow. This is not as good as I thought. Uh-oh.” One of my resolutions is to pay attention more to the week-to-week – my week-to-week finances.

[0:27:42.6]

FT: Yeah, which begs the question as you were researching time, did frequency come up at all? Are there better frequencies for doing things; once a month, twice a week?

[0:27:51.6]

DP: That's a great question. I don't know the research. I don't know the research on that. There's a lot of research though on habituation and ritualizing things. One thing that would make this easier – I have not done this and you're making me think that I should, is essentially schedule a 15-minutes every Friday, put it on my calendar as a recurring thing in the afternoon, to look what was the income that came in, what were the expenses that went out? Even things on like my family's personal savings and investments, how did that do this week? That's a way to habituate. I don't think it matters so much the exact cadence, but that there is a predictable cadence and that it's adhered to.

[0:28:42.4]

FT: Last but not least, I had a whole bunch of fill in the blanks to go through, but I know your time is limited.

[0:28:47.8]

DP: No, let's do them. Let's do them.

[0:28:49.0]

FT: We'll do them? Okay, let's do them.

[0:28:50.0]

DP: I like fill in the blanks.

[0:28:51.3]

FT: Okay. These will go quick. If I won the lottery, the first thing I would do is?

[0:29:00.0]

DP: Wow. If I won the lottery, the first thing I would do is – I actually don't know the answer to that question. I think that what I would do would be – honestly, I'd tell you what came to my head. It's not noble. Not tell anyone.

[0:29:20.4]

FT: Right.

[0:29:21.9]

DP: Honestly, that's what came to my head. Not like –

[0:29:23.9]

FT: Dan Pink plays the lottery.

[0:29:26.8]

DP: Yeah, yeah. My God, I thought that guy knew something about math. No, I wouldn't tell anybody.

[0:29:34.2]

FT: Yeah, that's doing something.

[0:29:35.3]

DP: I'd be a little bit wiggled out if I won the lottery. Some people would want to shout it from the rooftops, I would sequester myself in a quiet room with my wife and whisper to her so no one could hear.

[0:29:50.1]

FT: I understand. All right, one thing that I spend on that makes my life easier or better is?

[0:29:58.0]

DP: Okay, I'm going to give you my honest answers here, rather than like – not that I haven't been giving you honest answers before. I'm just going to give you the first answer that comes –

[0:30:04.1]

FT: Well, I don't want dishonest answers.

[0:30:05.7]

DP: No, no, no, no, no. What I want to do is actually, I'm going to treat this almost in a therapeutic way. I'm just going to give you whatever first answer goes to my head.

[0:30:12.7]

FT: Yes, that's the only rule.

[0:30:14.1]

DP: Whether it reflects well on me or not. Give me the question again, I'll tell you the answer that pops in my head.

[0:30:18.8]

FT: Sure. The one thing that I spend on that makes my life easier or better is _____.

[0:30:24.8]

DP: Wine.

[0:30:27.0]

FT: Good answer. One thing I wish I had learned about money growing up is _____.

[0:30:34.5]

DP: The power of compounding interest and starting early.

[0:30:38.7]

FT: When I donate, I like to give to _____.

[0:30:44.1]

DP: Institutions in my own community that make a material difference in people's lives. Our charitable giving is focused very much around – we live in Washington DC, very much around charities like Martha's Table, which provides meals for the homeless, Food & Fringe which delivers meals to homebound people, Bread for the City, so things that really matter to individual people in my community.

[0:31:08.9]

FT: Awesome. Last but not least, I'm Daniel Pink. I'm So Money because _____.

[0:31:15.5]

DP: I'm so money, because I have a 22-step commute to work each day, rather than being stuck in my car.

[0:31:26.0]

FT: That saves a lot of time for sure. Thank you so much, Daniel Pink. Your new book is called *When: The Scientific Secrets of Perfect Timing*. Thank you so much.

[0:31:36.4]

DP: Thanks for having me, Farnoosh. It was a lot of fun.

[END]