

# What is Your Spare Time Worth?



The average physician in the US works about 50 hours per week, 48 weeks a year, and makes about \$300,000. That's \$125 per hour. For practical purposes, by this time your overhead is covered, so for that last hour that you work, almost all of your production flows directly to the bottom line as profit. At this point, your time is worth \$200 to \$250 per hour. If you work in a high-paying specialty, it could easily be \$300 to 400 per hour. I submit that for a hard-working physician, that last marginal hour that you could either work or take off, makes your spare time worth \$200 to \$400 per hour.

If you put in 10 hours a day at work, sleep 8 hours, and meals and personal hygiene and grooming take 2 hours, the average physician has about 4 hours of leisure time per weekday. If your usual workday is 12 hours or longer, you have only half as much, or even less, spare time.

Let's talk first about how you can generate more spare time.

1. Few physicians realize they are an executive. You are constantly making decisions, and directly or indirectly, supervise many people. You make 5 times or more what your nurse makes, and double that or more as compared to your secretary. It is a terrible waste of your time, in fact, there is no reason to spend 1 second on anything your nurse can do, and a terrible waste of your nurse's time doing anything a secretary or nurse's aide can do. Presuming you have trained your help well, push decisions as far down the line as possible.<sup>1</sup> Allowing those who work for you to take responsibility and make decisions is an important factor contributing to job satisfaction; you are taking better care of your patients, and it makes you more efficient = more extra time.
2. Aside from the Electronic Medical Record and dealing with insurance companies, the biggest waste of time in your day is driving. It is totally unproductive, you can't write or read, and it's frustrating sitting in traffic thinking about all of the work waiting for you at the office and the hospital.

My recommendation: live as close to work as possible. It will be one of the best strategic decisions of your life. If your total daily commute is 30 minutes as compared to an hour and 30 minutes, you not only save on gasoline and depreciation of your vehicle, easily \$5,000 or more per year, but that hour you save every day is worth at least \$1,000 per week, \$50,000 per year.

The same applies to driving between hospitals during the day. Let your nurse drive. Or if your group sends physicians to outlying hospitals to see patients (which is a tremendous practice-builder), they could even hire a driver. You could use the time to call your patients discharged from the hospital over the last week to check on their progress.<sup>2</sup>

3. "Out-sourcing convenience". If your spare time is worth \$200 to \$400 per hour, should you hire someone, at a fraction of the cost, to do your errands—clean your home, walk your dog, mow your lawn? Or you call ahead to the Country Club or a restaurant and pick up a meal on the way home, or order an un-prepared or prepared meal to be delivered to your home. From a strictly financial point of view, yes. Even working just an extra 15 minutes per day (seeing one more patient in the office), will make enough money to hire someone to do an hour's worth of chores. But:

- A. Is this the example you wish to set for your children, that you can have someone else do everything for you? A sweaty, stinky, boring job, such as mowing your own lawn, is a great reality check, and helps remind a physician what the rest of humanity must do to make a living.
- B. It is very seductive. Such things can get very expensive very quickly. All of a sudden you are spending much more than you anticipated.
- C. Aside from possibly as a transition to retirement, I caution you not to use your spare time in a money-making enterprise. Ex: for reasons unknown to me, some physicians believe they can operate a restaurant, while I have yet to see a restaurateur say they can perform a mitral valve replacement. As a practical matter, I cannot imagine anything you can just step into that will generate the \$200 to \$400/hour you can make as a physician.

In the end, time and money are the same thing, completely interchangeable. Being efficient with your time is the same as saving money. If you want to be the highest producing physician, that's your choice. But remember that you will never be the richest person in town. Someone will have one, or two, or even three decimal points more money than you will ever have. I would also point out that if you can't live on \$400,000 per year, \$500,000 won't be enough either.

Work hard, be efficient, generate as many marginal hours as possible, and spend them as you wish.

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