

# The Real Cost of Work

by Annie Margarita Yang

How great would it be if we could all make money in our sleep? Assuming Bill Gates slept 7 hours last night, he made **\$9.66 million** in his sleep. Bill Gates makes so much money that if he were to drop a \$100.00 bill on the ground, it wouldn't be worth his time to pick it up.

Unfortunately, not all of us earns passive income. Most of us toil away at our jobs for a paycheck that's just enough to last until the next one. Have you ever calculated how much money your time is worth? It's not as simple as dividing your salary by the amount of hours you worked, since work comes with hidden costs. Individuals at the same company with the same job making the same salary could have different real hourly wages. That's because real hourly wage is affected by commute, child care, and other expenses.

Say you got a job offer from another company that pays \$10,000 more than your current one. It's salaried though, meaning you work more hours for a set pay. The commute is longer too. By calculating the real hourly wage, you learn that the real hourly wage of the new job is half of your current one. Of course, if you want the extra \$10,000, take the job, but understand that the value of your productive time is lower.

## A Personal Example

Here's a real-life example. My first job, I made \$8.00/hour as a part-time cashier at a nearby supermarket, around \$640.00/month. Later I worked full-time at my (ex) boyfriend's uncle's massage parlor. He paid me a monthly salary of \$480.00 and after tips, I actually made around \$1,000/month.

Yes, I made \$360.00/month more at this job. But I also worked & commuted 78 hours per week and paid \$112.00 for an unlimited monthly MetroCard. This made my real hourly wage \$2.84.

I was paid peanuts!

On top of that, I had no social life. And with little time to exercise, I gained weight. I bought sugary chocolate bars for \$3.50 every day for the fleeting moments of happiness. I ate so much sugar that my doctor told me I was almost pre-diabetic.

Needless to say, I quit soon after and got a job at the grocery store down the block, making \$8.25/hour. I was much happier, earned the same amount of money, worked fewer hours. With free time, I pursued hobbies and side projects, like pole dancing.

I have no regrets working at the massage parlor. I experienced the effects of real hourly wage first-hand. It was at this job I began saving 50 percent of my income, accumulating a whopping \$13,000 in two years. Everyone wonders how I did it. In *Your Money or Your Life*, by Vicki Robin and Joe

Dominguez, money is something we trade our time (our life) for. This is time we can never get back. Thus, every time I was about to spend money, I thought, *I make \$2.84/hour, so how many hours did I have to work to pay for this good or service?* This was the beginning of my frugality; today, this is my pride.

## **Real Hourly Wage Calculator**

To calculate your real hourly wage, you can use the calculator I created here. Use annual numbers because everyone has a different pay period. Annual numbers are also more accurate, as you might travel for work some months but not others.

If you take a look at my calculator, you will discover easy ways to increase your real hourly wage. Quit buying work lunches and new work clothes. Decrease commute time by asking your boss if you could do four 10-hour days instead. Bike to work to cut down gas costs. Take public transit when possible, so you can do other things during your commute. If you pay for childcare, it might even be cheaper for one parent to stay at home or work part-time instead.

If you really want to go the extra mile, work toward creating residual income. Could you rent out a spare room in your house? Could you invest in stocks that pay dividends? Could you invent or innovate a product that continues to sell in your sleep? It could be something as simple as intermittent windshield wipers for your car, something that's so standard today, but a man named Robert Kearns had to innovate that first!

I've got an idea for you... You know how manufacturers sell printers at cost and then charge an outrageous amount of money for ink cartridges? Invent a high quality printer that can be refilled with ink directly. It already exists on the market—the Epson EcoTank, but it's a shitty printer in terms of function. If you could create something like that, you'd be an overnight multi-millionaire. I'll write more about how to buy cheaper ink in the future. □

Wish you the best in increasing the value of your time.

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