(auto-translated)

Matt Robison 00:00
I think today's show is about Admiral Ackbar. Admiral Ackbar, it's a drop. Hey, it's Matt Robison, and this is Five Minute Finance. That was Mike Morton, my co-pilot, Mike Chewbacca, as it were, on this voyage

Matt Robison 00:18
of discovery,

Matt Robison 00:19
where we are going to, you know what, Mike? You're such a good certified financial planner. You're not such a good Wookie. I'm not going to lie. But this is the show where we try not to optimize every last thing in your life. We try to give you simple, practical, straightforward, great solutions that get things off your to-do list, and that is so at the heart of the conversation we're going to have today, which is about the trap, the AI trap, when you think you're saving money, and really you're not. In fact, you're giving away something much more precious. Mike, just set this up for us. Like, what are we? What are we specifically talking about here?

Mike Morton 00:57
All right, today the AI trap. We're going to talk about why you know you think you're saving money, but you might be spending time instead. So the opportunity cost neglect, the AI trap, a rat in your garden. Tell you a little story. This all came from a New York Times article. So we'll of course reference that. It was a great story, and so we're just kind of kind of riff on that today. Professional blind spot and a few simple prompts: what you should be using AI for. So yeah, it's all about the AI trap. And Matt, you know, here's something about this. You know, doom scrolling, right?

Matt Robison 01:36
Yeah, yeah,

Mike Morton 01:37
doom scrolling. What about doom prompting? Ooh. Ooh,

Matt Robison 01:44
no, that's not bad. I mean, this is-I got to say, today's topic is surprisingly deep. I think the biggest challenge for us is going to be constraining ourselves because there's so much we could say about this. I really think it's going to resonate for people who are probably going through this exact experience that we're going to lay out here in just a moment, and as if that's not enough, we do have a highly related listener question on this exact topic that we will get to. We're going

to talk about the power of templates. That doesn't sound as compelling, but trust me, it is templates. We're going to bring in our one thing, which is about giant squid. Awesome, and we're going to talk about books we're reading, and in this case, we read a book kind of together. I mean, not like you know, snuggled up on the couch together, but like contemporaneously. And it's totally fascinating. It drove a lot of real thought for both of us. I think about how to be productive and creative and innovative, and looking forward to hashing it out with you.

Mike Morton 02:42
Let's do it.

Matt Robison 02:43
All right, Mike. Just quickly recap the setup. Give me like 15 seconds on what we're talking about, and then I want to get right into the topic.

Mike Morton 02:49
Okay, opportunity, cost, neglect. We're talking about AI. How are we all using AI for a variety of things? Okay, and we're opening up AI in your window or the app on your phone, and you're chatting with it, and you're getting back responses, and you're chatting with it, and it's able to do a lot for you, and it's maybe adding to your to-do list, which is right, Matt. Well, we're trying to like get things off the to-do list, and so you think like, oh, with the advent of of YouTube, you know, videos, and now AI. I'm able to just be. I could do every job. I could do all kinds of stuff because I can get all the information right here at my fingertips. And so, two two things that come to mind for me is that we're taking a lot more time interacting. You know, we've got the the doom scrolling with the YouTube. Oh, I'm gonna I'm gonna fix change the oil in my car, and you watch like 15 videos on how to do that. You don't actually change the oil; you just watch all the videos. And I'm feeling like AI is the same. Like you can doom prompt. You just like chatting with it, and like an hour later, you're like, oh, what have I what do I really do here? And or the other side of this coin, Matt, is you learn a bunch of stuff: how to change the oil how to how to do things with AIs like oh you could research this here's how to do it and then you go about and do those things and you spend a lot of time doing stuff that maybe in the past you wouldn't have actually spent that time yourself.

Matt Robison 04:14
What you're laying out here is the neglect people don't think about that nearly enough and you laid out two distinct things. I just want to make sure I captured it right. One of them is people don't realize how much time prompt scrolling takes up. So you think you're being super productive because you're going to AI, but really, if you actually did a time audit, you're spending gobs and gobs of time going down an AI rabbit hole because the AIs are built to kind of like prompt you to keep going and going and let's develop this. How about I set this up for you next? That's one kind of rivulet of this here, and the other is what you kind of want to talk about. I'd say

the main point here, which is the trap that that you can get into. Why why don't why don't we go down that course for? A second, tell tell me about this rat in your garden example. Okay,

Mike Morton 05:03
so this is this is a story from from the author, which was great. Which is, well, I've got a I've got a problem of rats in my garden, and I need to solve this. And so, if you had that, Matt, you got a couple of choices, right? First, if this was five or 10 years ago, you probably have one choice. Like I'm calling up the exterminator. I'm calling up the landscape people. Like come get you know help me get rid of some rats by getting rid of them, putting some fencing in, whatever it is you do. Like you get pick up the phone, and it's about 10 minutes of your time, and then they come, and it's another 10 minutes to chat with them. Then you do the work, and you pay them 1000 bucks. So 1000 bucks and 20 minutes of time, for instance. Versus, wait, I'm going to do this myself now because I've got AI, and it can tell me where to go, and the traps to get, and what fencing to do. And so now I spend an hour or two like figuring that out, and then I go to the hardware store and buy all the stuff, and then I go out to the lawn and I'm like doing the thing, and it's another couple hours. So now I'm like eight hours in, you know, maybe no money, but eight hours in to solve my problem. So that's you know this opportunity cost neglect. That's the story of like, oh, I used to just hire this out or solve it. You know, I only had one option. We talked about paradox of options, you know, paradox of choice. So that was it. Versus now, it's like, well, I can do this myself. Why would I spend $1,000?

Matt Robison 06:29
So you think that this kind of falls into a blind spot for people that you know it it this dynamic of it's so alluring to try to solve things ourselves through AI, and it kind of feeds right into our psychology. Is that is that right?

Mike Morton 06:48
That's exactly not only feeds into your psychology. It's wait, do you know the AI bots? They probably know this. Like, do you know the the thumbs up button? It was like very well designed. You know, do you know how they end every prompt with like, "Ooh, would you like me to tell you more, like what the local stores are that carry the specific trap you're looking for? And so it's engineered for you to spend your time doing that. And the and the downside, Matt, is now all of a sudden your to do list has ballooned. It used to be, I have to go to work and make sure my kids are like fed and get to school, you know. And if there was a plumbing problem, a rat problem, a thing problem, like I'd have to call the person to come and like do that thing. But now, guess what? You can be the car mechanic. You could be the landscaper. You can be the DIY, you know, doctor. You know, you could do your own taxes, all right. So with AI, you can be everybody. So why not? Why spend money on anything? All of a sudden, you can do everything.

Matt Robison 07:52

You see, I think what you've put your finger on, you're probably right about the basic psychology. But on top of that, I'd also add that I think AI is just supercharging a process that we've seen play out in the economy for decades. It's certainly technology enabled, where companies have figured out more and more how to outsource their work that used to be built into their whole business model to us as customers. We are prosumers now. We are both producers and consumers. You call, you solve your own problems, you troubleshoot, you talk to a customer service bot that you've got to navigate around. You know, for two hours-that's your time. The company doesn't care because its marginal cost for providing you this chat bot is zero.

Mike Morton 08:40
Yeah, it's interesting. So there's one takeaway of this for me is I've heard this a long time ago. Like, kind of compute your hourly income, and then that use that as a mental model for like how to spend your time. Would I walk? Do I want to spend my time walk into the store, buy the thing, and walk home? How much does that cost me versus you know clicking the button to have it delivered, and how much does that cost me? That kind of thing. And I think one thing that we do is really separate our professional and and personal lives. And so it's like a Saturday. Well, of course I'm going to mow the lawn because like sort of what else am I doing today? You know, and the what else could be like spending some time with your family or going to the beach or doing something else. You know, but we kind of separate. Hey, I'm making money Monday to Friday. I'm sort of you know not making money on the weekend, so I need to like get some stuff done. And I think that's not always in today's environment not the best way of looking at it for a bunch of people, maybe for some people it's totally great, but really thinking about both of those together because it's all time and energy now. Like you know, a lot of people work in the evenings or on the weekends, and so I think being aware of that trade-off between you know and blending the personal and professional, and literally saying like you just said, hey, I. Could spend that hour working, and you know that drives a little bit more revenue. Or this is the amount that I want to work. I work 40 hours. I make this amount. That's all I want to work, and then still understanding that trade off when it comes to the weekend or other times.

Matt Robison 10:16
There's really ultimately only one limited resource in the universe, which is time. I think you're totally right. That a better question to ask yourself is: I could mow the lawn here, but if I were to pay $50 for someone else to do it, what would I do with that hour that I get back? Would I pay $50 to go spend an awesome hour doing something fun with my kids? Absolutely, and that's a better way out. I don't know. I mean, you must run into this with your clients all the time. Like, are you running into this? Is there is there like are people coming to you with this?

Mike Morton 10:50
Yeah, it's kind of taken up a level though, a little more abstract, where it's like, hey, I'm feeling kind of tied to this job because it pays me $600,000 a year, and it's great, you know. And I'm

able to save a whole ton, and it affords me flexibility in the future. But I'm working like a dog. Like, how long do I need to keep doing this? And so it's kind of you know that makes it even more complicated because like there you're kind of leaving, you know, leaving a whole job and getting a different job. But it's the same trade off of time. You are spending significant amount of time making a significant amount of dollars. How long are you going to be willing to or able to do that kind of thing?

Matt Robison 11:30
Well, I I don't know. I mean, I what do you think is the best way to break through, break out of the trap? Right. Like you know, it's so enticing. How do you? I mean, do you think about like the time value of money or the opportunity cost? Like, what do you? What do you do? What do you tell people to do?

Mike Morton 11:48
Here's what I think about. I think use tools to solve problems you have. So one of the things we talked about at the top of the show is how they're enticing. You can spend a lot of time, you know, using the AI and and doing the doom prompting, and and then you wake up a couple hours later, like, oh, what did I accomplish? So, they're very attractive tools, and that's been been the same with with social media or YouTube or like all kinds of things. Whatever your addiction is, I'm addicted to email. I love checking my email like all the time, so I'm always getting distracted. Use solve the problems that you have and use the right tools. So if you need to get your lawn mowed, if that's something you enjoy because it's nice quiet time outside and a little bit of exercise, fantastic. You know, go for it. If that's an annoyance, maybe there's another way of solving that problem, and it's probably not using AI. And so, use the right tool to solve a problem that you actually have.

Matt Robison 12:50
My only add-on to that is choose your platform intelligently. Like I'd rather Google something and even get like the Gemini answer than go on ChatGPT or Claude for certain questions like that because it doesn't have those prompts that keep you down the rabbit hole. It just gives you the answer.

Mike Morton 13:07
Yeah, that's. I mean, that's totally what I'm saying. Like, choose your tool wisely. Like, you know, find a problem and then use the appropriate tool to solve that problem. I think awareness is a great one. So, are you finding yourself getting you know caught up in the in the feedback loop, and then finally, I do think AI is fantastic. It's a fantastic tool, of course, right? It's a great tool. So, how's the best way to use it? Right now, I still feel it's a combination of using the tool for research and knowledge, and then double checking it with a professional. So, in some instances, it may not matter that much. You're like, hey, I'm trying to get rid of the rat. A good enough job

might be good enough. Like, eh, I got rid of it. I sort of got rid of it. It came back. All right, it's not the end of the world. Like, you know, with some other things, you like filing taxes, or can I retire, or should I change jobs? Maybe you know, or do I have a serious rash that really needs like checking out? Maybe hire a professional, do some you know a little bit of research, and hire a professional to to really come in. So I think the combination is still really useful, and don't just don't get trapped in the in the rabbit hole of like oh I can do it myself and spending hours and hours without preemptively knowing that's the job that the problem that you want to solve. Be aware of the opportunity cost, that awareness, and realize that the world is is actually adding more onto your to do list. It's a real thing, and so just being aware of that and making a stand. Say, here's how I want to spend my time. Like you said, Matt is the only limited resource.

Matt Robison 14:38
Well, and that's a perfect lead into this week's listener question, should we do it?

Mike Morton 14:42
Let's go.

Matt Robison 14:42
All right. This week's listener question is: I could spend a lot of money outsourcing all my home tasks, cleaners, landscapers, handyman repairs. How do I know which things are worth spending the money versus time on, and which should I conquer myself? All right. Well, I mean, we're just talking about this.

Mike Morton 14:59
Yeah. When you get specifics, it can be a challenge because I don't know exactly where this person's coming from, and so I break it down kind of as follows. We and we talked about these points. So one is the model of how much money can I make for my time, and use that as a potential algorithm. Like, oh, I you know get paid this amount per hour, I could spend more hours working, so it's worth me to pay someone else to do these other jobs. You know, there's an affordability question: Can you even afford, right, to hire people, and do you have the money to be able to do that and still live the way that you want to? And if not, if you have weekends where you're not working, and you don't have the extra money. Then you just do the jobs yourself because it's worth the trade-off. Like you don't have the money, so you do the jobs yourself. Right. So there's affordability. There's the trade-off of like how much you personally make, and maybe using that as an algorithm. And then the last thing I I think about when I hear these kinds of questions is what's the energy drain for you in particular around these jobs? Some of them you might be like, ah, I haven't done that in like six weeks because I just hate doing. I keep putting it off every weekend. Well, that might be a good one to hire out. Other ones you're like, man, if I only could find an hour to go mow the lawn. It's beautiful, sunny out. I love the exercise,

walking around that'd be great. Well, then prioritize like finding that hour and doing that job yourself.

Matt Robison 16:26
Yeah, I mean, for me, I'll just say quickly, it's it's a combo of the two. It's like what's the enjoyment, like the emotional and personal side of it, versus what's sort of the budget rate.

Mike Morton 16:36
Pay attention to your energy and your feelings; they usually don't lead you wrong. All

Matt Robison 16:41
right. With that, let's get to our worth knowing. All right, this is a great one. This is uh, this is actually goes under the heading of one small hack you can use. It's great. It's great.

Mike Morton 16:51
One small hack. All right, just one small one. Creating templates. Template. You say templates. I say templates. I did templates. Yes. Templates. Template. All right. Using. I'm going

Matt Robison 17:03
to say it so many times, it's going to lose all meaning. All right. Temp. So

Mike Morton 17:08
use use your templates for better power. So you probably do this in your work. You got like certain templates, you know, email templates, or you create the same document each week, and you got like a template for creating that. You can do this in your personal life, and I use this for packing lists. That's a great one. We go camping during the summer, and so it's like, oh, what's the camping gear list we need to? And especially as my kids have grown up, it's like I hand them the list, I print it out. Here's what you need to pack for a four day camping trip or our one week beach trip. You know, the packing list is a great great template to reuse. You don't have to keep thinking about it every time and forget stuff. You know, each year, so grocery list, packing list, doctor visit preps, tax document list, anything that you can make a template for or a list, fantastic.

Matt Robison 17:55
I actually literally did this with our grocery list. I went to Microsoft Excel. This was an investment of I would say maybe two hours of time overall over the last six or seven years, and I went in and I literally set it up by aisle so that I go I follow the same pathway through the grocery store up and down the aisles every time, and I put things on the list in the order that I encounter them, and I have all of our frequently shopped items on there. And every week, our division of labor is my wife goes through and circles or crosses off the things we need, and then I go do the

shopping. And we have minimal disagreements; we don't forget things. It's just, but the efficiency of it of not having to create a new list, add things, forget things, go back to the store. Over the years, has saved me so much time, and my wife doesn't yell at me as much anymore because if it's not on the list, if she didn't circle it, I'm not responsible for getting it.

Mike Morton 18:52
You, you are such a nerd.

Matt Robison 18:55
You're calling me a nerd, but you've got a one thing that's all about oceanography,

Mike Morton 19:00
bro, giant squid size of a school bus. That's awesome. So the deep sea explorers have been trying to prove, you know, the ancient stories of giant squid that size of the school bus with eyes as big as a whole pizza, and they've just recently come across DNA that proves. I don't know how much it proves, but they say it proves that these things exist deep down in the ocean. So it's pretty exciting, and it was off the coast of Australia, Western Australia, where I lived for two years. So makes it even more exciting.

Matt Robison 19:33
Fun fact that I just happened to know: Did you know there's such a thing as the giant squid, and also such a thing as the colossal squid? Which one do you think is bigger?

Mike Morton 19:44
I'm going colossal.

Matt Robison 19:46
Unfortunately, no, my friend. No giant is in this case. Gently bigger than colossal. That's just the take it up with an ichthyologist.

Mike Morton 19:55
Oh my goodness. All right. All right. That was not one thing.

Matt Robison 19:58
Let's get to the books we're reading. All right. In this case, the books we're reading is one book that we both read. This was one of my favorite authors, David Epstein, the Sports Gene Range. Some great books have been really influential on my thinking. I think I don't remember if I mentioned to you that this was coming out or you found it contemporaneously, but we agreed. Let's both read this book. Let's talk about it. It's your show, man. You go first. Okay.

Mike Morton 20:25
So we have inside. It's inside the box. How constraints make us better. And you put me onto this book. I also read range. Totally loved it. I listened to the audio version of this book, Matt. Did you listen to the audio or did you read the book?

Matt Robison 20:38
I listened to the audio, and what I tried to do is here on my phone. I took notes on the notes app, and now they don't make any sense to me.

Mike Morton 20:45
All right, so oh, this will this will be a great discussion. Then it'll be perfect. So I'll just tease like the book Inside the Box: How Constraints Make Us Better. The concept here is that having constraints actually makes you more productive, more creative. It just leads to better outcomes when you have constraints versus having more open-ended sort of I can do anything with this problem, and so that's what he goes through in this book. So I'd love to hear your thoughts on did that resonate with you, and or are you using it anyway in your life?

Matt Robison 21:24
It's it resonated a lot with me. His previous book Range was about how people with kind of a polymath sensibility, with some proclivity to understand seemingly disparate fields, who can connect the dots, have major advantages. We tend to think of specialists making the most advances in science and culture, society, but really, it's the people who can connect point A to far distant point B who bring the most value, and that really resonated with me because, like you, I got a classic liberal arts education, and I think of myself as someone with a lot of range, and that's what I do in my writing. I I write a lot about politics and government, which is the field I came out of. But I'm so interested in so many disparate things, and I'm a dot connector. I love it, so I've leaned into that. This book is sort of like a corrective for that, saying you know what, little too much unconstrained range is kind of the enemy of creativity. I found it very influential. What about you? Yeah, I did. I did as well. Some of his stories were pretty fascinating, especially around creativity. That was interesting, where you're kind of like an open-ended problem. People were not as objectively creative as if they were given a bunch of constraints about you know something creative, so it was a magic trick, and so they were just at first you were just shown a magic trick, and then you're like, why don't you figure out a magic trick? And then, but some people were told how the magic trick happened, and then were shown the magic

Mike Morton 23:00
trick, and by knowing the information, those people are like more creative, which is fascinating. You would think, oh, by knowing how it worked, you know. So I love some of the stories.

Matt Robison 23:09

Right, he did tell kind of a serendipitous fate story about himself and about how breaking an arm, collarbone, younger led him to discover that he was a great runner, and that you know defined the rest of his life and career in important ways. I do think if you use it as a jumping off point to think about how could I hem in what I do to force myself to do things a little differently. I take the lesson. I think it's very valuable. I have some nits to pick.

Mike Morton 23:40
Yeah, I I totally agree with you. And so there's probably two things that I'm doing myself. So I'll leave the listener with one. I thought time constraints is a really great one. Hey, I have one hour to get as much as I possibly can done on this project, and I'm moving on. That it's fascinating when you set a timer. Like I have 30 minutes to do this task. I better get on it. I better really get on this thing and like get it done. So I love that using time constraints and being like, all right, whatever, I'm done in 30 minutes. Boom, I'm shipping it like that. You know, it's hit and send. And then the other one is like you just said, constraining your product output. You know, we run a small business or we have a podcast, so constraining who it's for. Hey, I'm only delivering content for these people. That's a great constraint. So riches in niches is a phrase in my industry. There, riches in niches. So having the constraints of who it's for, making a product only for certain people. So there's a couple of ideas that. But I thought the book was cool. Just you get a lot from the first chapters.

Matt Robison 24:42
Well, speaking of time constraints for the people we serve, we are out of time for all of you. But we will be back with another awesome edition of Five Minute Finance for Mike on that. See you next time.

Mike Morton 24:53
Thanks, Matt. Thanks for joining us on Five Minute Finance. If you like what you heard, please subscribe to and rate. The podcast. It makes a huge difference for my show. You want more? Find Morton FA on Substack. If you have a comment or question, please email pod at morton fa.com. Until next time, thanks for tuning in. This recording is for informational purposes only and should not be considered for investment advice. Opinions expressed are as of the date of recording. Such opinions are subject to change. I cannot guarantee the accuracy or completeness of the data presented here.