

Tiger's roar: lesson for investors about longevity and human capital

Blog

I don't think I've ever been more nervous watching golf than I was watching Tiger tee off on 18 in the final round of the Masters this past weekend. We're a Tiger family (although the 2-year old has recently been rooting for Ricky) and, I mean, he's Tiger. He doesn't choke, but it's been a long road back. After he was safely on the green and had two putts to win, I made an offhand comment to my wife that the win might be worth half a billion dollars. Perhaps that's a high estimate, but I doubt it. The greatest sports redemption story ever told (in my opinion) is now complete, and he's got upwards of 50 years to cash in. Certainly half a billion is a low estimate from the "Tiger Woods estate" standpoint.

It's hard to add much to the Tiger Woods commentary at this point, but I'd like to point out one thing. His relentless focus on maintaining and improving his human capital should be inspiration to us all. No matter how much success he experienced, he never stopped trying to improve. No matter how bad the injuries became, he never stopped trying to recover. We actually got to see someone go from shooting 85 to winning the Masters in just four years. I have friends that shoot 85 every weekend. They probably won't even be able to get tickets to the Masters in four years.

For us, and Tiger, human capital matters greatly. Our earnings potential is our largest asset well into our 40s and 50s, and the marginal gain from spending an hour improving our human capital is probably much larger than spending the same hour fine-tuning an investment portfolio or trying to guess what a politician will tweet next week.

Ask yourself: how many people around you are truly better at their job than they were a year ago? The reality is that experience doesn't count for much. After a few years of working, most of our "experience" is just same thing over and over again. It doesn't improve performance.

You can even see this lack of improvement show up in income data. Most people see their income flat-line or start to decline at some point around the age of 50. Their productivity doesn't justify further raises, and a resistance to new technology, broadly defined, makes them less valuable than they were earlier in their careers. You can also see the same effect on any driving range

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around the country. All the golfers are terrible, despite dutifully showing up to "practice" every weekend.

So how can we actually improve? Deliberate practice. In her book *Grit*, Angela Duckworth lays out four specific features of deliberate practice:

1. Intentional with clear goals
2. Aimed at improving specific performance
3. Designed to push you out of your current comfort zone
4. Provides immediate feedback, and negative feedback is more useful than positive feedback.

In golf, deliberate practice means breaking down specific parts of the game into smaller and smaller components, mastering those, and then building back up to a successful score. If Tiger has a secret, we believe it's that he knows how to practice better than everyone else out there.

For the rest of us, deliberate practice means zeroing in on one component of our job we've put off working on because it's uncomfortable: writing, managing others, public speaking, learning to code, learning about a new product, or working on our sales technique are some examples. There are thousands of possibilities. In isolation each might not seem consequential, but as Duckworth says, "most dazzling human achievements are, in fact, the aggregate of countless individual elements, each of which is, in a sense, ordinary."

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Appendix

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