

THE COMPOUND

EFFECT



Short term thinking at the expense of long term thinking can result in pleasurable results but also damaging consequences.

Temptations and distractions can eat away at your time, but small actions repeated consistently allow you to reach your goals. This is called the **compound effect**, reaping huge rewards from a series of small, smart choices. Your present reality is an outcome of the little, seemingly innocuous decisions that have added up to your current bank balance, waistline, business success, relationship status, etc.

For example, everyday you make small choices about what you eat. If your eating habits are good, like eating a variety of vegetables and nutrient rich foods, in the long run you have good health. If they're bad eating habits, like eating lots of sugar laden



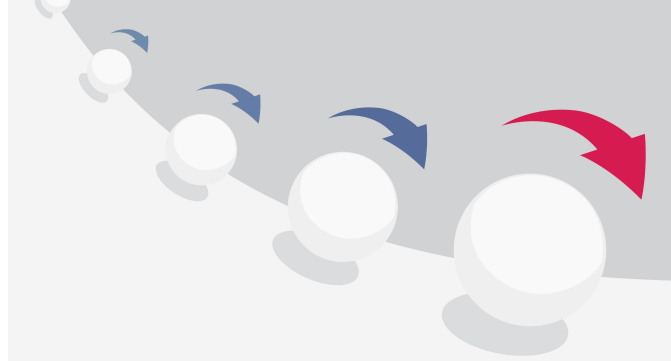
processed foods, you get immediate pleasure from eating them, but over time your health will suffer.

A bad habit I acquired over time was drinking 2 cups of coffee everyday. This may seem quite innocent, but when you consider that I have had gastritis since childhood, the compound effect of drinking coffee was severe pain and difficulty eating many types of food. When I switched from coffee to drinking black tea, my gastritis problems was solved. It wasn't easy, but it was worth it!

ESSENTIALLY, IT ISN'T THE BIG DECISIONS THAT MAKE A BIG DIFFERENCE; SUCCESS IS EARNED THROUGH THOSE PESKY LITTLE DECISIONS. Do I eat the cake, or the apple? Do I go to happy hour, or to the gym? Do I listen to the news, or to a personal development talk?

Consistent Effort Creates Success

There's no magic bullet, secret formula, or quick fix. Success is not a result of grand acts of bravery, quantum leaps or heroic feats. Success is earned in the moment-to-moment



decisions that in themselves make no visible difference whatsoever, but the accumulated compounding effect is profound. Just as compound interest increases wealth over time, so do the correct choices on your life.

THE POWER OF SMALL CONSISTENT STEPS IS THAT YOU MAKE SUSTAINABLE CHANGE, BUILT ON AN INCREASINGLY STRONG FOUNDATION.

SOME PRACTICAL EXAMPLES:

1. LEARNING 2 NEW SPANISH WORDS EVERYDAY WILL ENABLE YOU TO KNOW 731 WORDS IN 1 YEAR;
2. READING 10 PAGES EVERYDAY, WILL RESULT IN 3650 read pages in a year (roughly 10 books);
3. Writing 1 page everyday you results in a book written in 1 year;
4. Reducing or eliminate time on social media can free up your time for more important things and reduce anxiety. If you spend an hour a day on social media, that's 365 potential hours a year that could be spent meeting real people, learning a new language, musical instrument, or other skills;
5. Meditate everyday for 20 minutes. Meditation reduces stress and anxiety, clears your mind and positively affects the brain's grey matter, the effects of which increase over time with consistent practice.

Exercise: Defining Consistent Actions

Big goals can be intimidating, but breaking them down into daily actionable steps and taking things one day at a time allows you to reach those goals gradually but surely. Choose one of your long term goals, then write down some consistent actions you can take which will compound to your goal being achieved over time. For example:

Long Term Goal	Regular Steps
Learn how to play the guitar (flamenco, blues, etc)	Practice playing for 15 minutes everyday, challenge yourself to learn a more complicated piece each week
Increase public speaking confidence	Speak to a small group of people every week
Pay off my student loans	Set aside \$10 every week
Be healthy and energetic	Eat healthy food, sleep well and exercise everyday

Small choices made every day can make a huge difference in your life! Being bold is also being consistent with making regular steps towards your goals.

TO SUMMARIZE

SHORT TERM THINKING CAN BE DAMAGING

LONG TERM GOALS CAN SEEM HARD TO REACH UNTIL WE BREAK THEM DOWN INTO SMALLER STEPS THAT CAN BE TAKEN ON A REGULAR BASIS

THE LITTLE DECISIONS ADD UP TO ACHIEVING GREAT THINGS OVER TIME

PRACTICE BREAKING DOWN YOUR BIG GOALS INTO SMALL STEPS TO MAKE THEM MORE MANAGEABLE