

Are You Benefiting from the Miracle of Compounding in Your Life?

By E.J. Smith – Your Survival Guy

Once you venture down the path of self-reliance and survival, you quickly realize it can be an expensive endeavor. Stop. Take a deep breath. This is a marathon. Set your own pace.

I try to eliminate the financial stress on you and your family every single day by helping you avoid the costly investing mistakes that cause distress for many. For example, in my recent series I wrote to you about [long-term investment success](#) that is easy to understand but hard to do.

And I'm not talking about the guy you know who timed the market perfectly. The next time he tells you that ask to look at his statements. Because an investor who actually realizes and reaps the benefits of long-term success is about as rare as hens' teeth.

At the core of long-term geometric success is compounding—Albert Einstein's Eighth Wonder of the World—as Charlie Munger notes: "The elementary mathematics of compound interest is one of the most important models there is on earth."

When it comes to your survival prep, I want you to think about it in terms of compounding—a constant, daily effort, of checking off boxes to make you more secure.

My daily efforts of self-reliance make the daunting task more approachable for me and I hope for you too.

Shooting skills, for example, and gun proficiency were at the top of my list to be sure and as a concealed carry permit holder in the state of Rhode Island (talk about rare as hens' teeth) I take the added responsibility seriously.



As for my collection of firearms? They too grow with my proficiency. And the need to store them safely (I use a Liberty Fatboy safe you see above with props for your reference on size) is just another box to check and move forward.

Once you make the decision to be better prepared financially, and on the survival front, your peace of mind and comfort expands not by a little but by a lot. It expands geometrically, it compounds. Imagine how your efforts will expand to your circle of influence, and it isn't hard to see how compounding improves the lives of everyone you encounter.

Don't let expensive mistakes derail you. Keep on your path of self-reliance and survival day by day—and experience the miracle of compounding at your own pace.



Compound Interest Table

Future Value of \$1 at the end of n periods: $FVIF_{k,n} = (1+k)^n$
 where n = number of periods, k = rate of return

Period	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%
1	1.01	1.02	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10
2	1.02	1.04	1.06	1.08	1.10	1.12	1.14	1.17	1.19	1.21
3	1.03	1.06	1.09	1.12	1.16	1.19	1.23	1.26	1.30	1.33
4	1.04	1.08	1.13	1.17	1.22	1.26	1.31	1.36	1.41	1.46
5	1.05	1.10	1.16	1.22	1.28	1.34	1.40	1.47	1.54	1.61
6	1.06	1.13	1.19	1.27	1.34	1.42	1.50	1.59	1.68	1.77
7	1.07	1.15	1.23	1.32	1.41	1.50	1.61	1.71	1.83	1.95
8	1.08	1.17	1.27	1.37	1.48	1.59	1.72	1.85	1.99	2.14
9	1.09	1.20	1.30	1.42	1.55	1.69	1.84	2.00	2.17	2.36
10	1.10	1.22	1.34	1.48	1.63	1.79	1.97	2.16	2.37	2.59
11	1.12	1.24	1.38	1.54	1.71	1.90	2.10	2.33	2.58	2.85
12	1.13	1.27	1.43	1.60	1.80	2.01	2.25	2.52	2.81	3.14
13	1.14	1.29	1.47	1.67	1.89	2.13	2.41	2.72	3.07	3.45
14	1.15	1.32	1.51	1.73	1.98	2.26	2.58	2.94	3.34	3.80
15	1.16	1.35	1.56	1.80	2.08	2.40	2.76	3.17	3.64	4.18
20	1.22	1.49	1.81	2.19	2.65	3.21	3.87	4.66	5.60	6.73
25	1.28	1.64	2.09	2.67	3.39	4.29	5.43	6.85	8.62	10.83
30	1.35	1.81	2.43	3.24	4.32	5.74	7.61	10.06	13.27	17.45
35	1.42	2.00	2.81	3.95	5.52	7.69	10.68	14.79	20.41	28.10
40	1.49	2.21	3.26	4.80	7.04	10.29	14.97	21.72	31.41	45.26

To find the future value of an investment, first find the multiplier that corresponds to your selected time and rate of return. Next, multiply that figure by your initial investment. By example, the multiplier for 20 years at 7% is 3.87. If you invest \$10,000 and earn a 7% compounded annual return over that 20 year holding period you will have \$38,700.