THE POWER OF TIME

Money that makes money — then *that* money makes money.

The most powerful force in personal finance isn't picking winners or timing the market. It's **time**. It's called **compound interest**, and once you see how it works, "start early" stops being boring advice and starts looking like a cheat code.

COMPOUND VS. SIMPLE

Simple interest earns only on your original amount. **Compound** interest earns on your original amount **plus everything it has already earned** — so the pile grows on top of the pile. A snowball rolling downhill.

The magic is time, not money

Put in **$1,000 once** and leave it alone. At a long-run average of about 8% a year, here's roughly what happens as it doubles, and doubles, and doubles again:

start	~9 yrs	~18 yrs	~27 yrs	~36 yrs
$1,000	$2,000	$4,000	$8,000	$16,000

~$21,700

what that single **$1,000** can grow into over **40 years**. You added a thousand dollars once; time added the other twenty thousand.

(A hypothetical ~8% average to show the idea — real returns bounce around and aren't guaranteed.)

The Rule of 72 — a trick you'll actually use

Want to know how fast money doubles? **Divide 72 by the yearly return.** At 8%, that's 72 ÷ 8 = about **9 years** to double. The takeaway: because the early years set up all the later doubles, **waiting even a decade to start can cut your final result by more than half.** Being young is the one advantage you can't buy back later — so the best time to start is embarrassingly early.

The flip side: it can work against you

Compounding is a force, and forces don't care which direction they push. On **debt**, it runs in reverse — against you.

> ⚠ **THE CREDIT-CARD TRAP**
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> A credit card charging ~20% compounds too. By the Rule of 72, what you **owe** can double in under 4 years (72 ÷ 20 ≈ 3.6). Carrying a balance is compounding pointed at your wallet. Let compounding work **for** you by investing — never **against** you by carrying high-interest debt.

Put the whole set together

Buy things that are actually **worth the price** (value investing), hold them in the **right account** (keep more of the gain), and **start early** (let compounding do the heavy lifting). That's the whole game. Practice it with fake money at `travisvaluation.ca` — and give your real money decades, not days.