

The Art of Compounding: Let Time Do the Heavy Lifting

Most people think building wealth means constantly working harder or earning more. But one of the most powerful ways to grow your money doesn't rely on effort — it relies on time.

That's the quiet magic of compounding.



What Is Compounding?

Compounding simply means earning returns on your returns.

It's like planting a tree: not only does it grow taller each year, but it also grows more branches and leaves — which, in turn, produce even more growth.

In money terms, when you invest or save, you earn interest on your balance. Over time, that interest itself earns more interest, creating a snowball effect.

A Simple Example

Now imagine adding even a small amount regularly, say **\$200 a month**.

Over **20 years** at 4%, that would grow to about **\$73,600** — showing how steady, disciplined saving and time can make your money work for you.

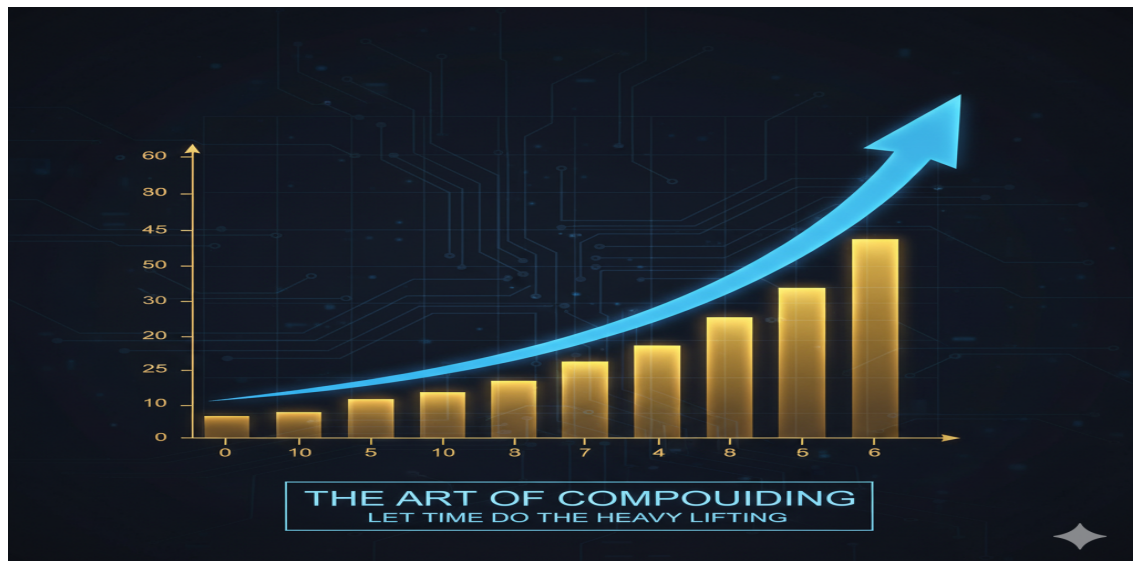
(For illustration, the 4% rate reflects a conservative estimate — roughly aligned with current high-interest savings or term deposit rates - October 2025)

Even at modest interest rates, compounding shows how patience and persistence can quietly build meaningful financial growth over time.

Phone 0404 762 344 **Email** thi.phan@edupathfs.com.au **Web** www.edupathfs.com.au

Disclaimer: This information is provided as a general guide only and does not constitute financial advice. Interest rates and returns used are illustrative. Please seek professional advice tailored to your individual financial situation before making any financial decisions.

Edupath Finance Solutions Pty Ltd CRN 568966, is an Authorised Credit Representative of Australian Credit License Number 384704



Try It for Yourself

Curious to see how your own savings could grow?

Use our Savings Calculator at www.edupathfs.com.au — a simple, free tool that helps you explore the power of compounding by adjusting your deposit, rate, and time.

(Tip: The calculator on our website uses monthly compounding, giving you a realistic view of how savings grow in the real world.)

Why Compounding Rewards Patience

The secret is starting early and staying consistent.

Compounding doesn't look exciting at first — the growth feels slow in the beginning.

But over time, the curve steepens, and your money begins to accelerate on its own.

It's a powerful reminder that wealth creation isn't about luck or timing — it's about time in the market, not timing the market. Just like financial growth, personal wellbeing also compounds quietly through small, consistent actions — a few minutes of mindfulness, reflection, or gratitude each day can build calm and clarity over time.

Final Thought

Albert Einstein called compounding “the eighth wonder of the world.”

Whether you're saving for your first home, investing for retirement, or nurturing long-term wellbeing, let time and consistency be your partners.

Start small. Stay steady. Let compounding do the rest

Phone 0404 762 344 **Email** thi.phan@edupathfs.com.au **Web** www.edupathfs.com.au

Disclaimer: This information is provided as a general guide only and does not constitute financial advice. Interest rates and returns used are illustrative. Please seek professional advice tailored to your individual financial situation before making any financial decisions.

EduPath Finance Solutions Pty Ltd CRN 568966, is an Authorised Credit Representative of Australian Credit License Number 384704