

Einstein Shopping: Habits and the power of compounding- By Roy Hendrickson, with help from geniuses.

Habits form the foundation of your life. Your shopping habits directly impact your health and wealth.

Einstein is celebrated and remembered for his incredible achievements in science and physics, helping the world understand how the known universe functions at its most basic energy level of protons, neutrons and electrons.

However, what has the potential to impact humanity even more, is his practical wisdoms and insights into daily life on this planet.

Take for instance, his theory of happiness, which could be more important to humanity than his theory of relativity. "A calm and modest life brings more happiness than the pursuit of success and the constant restlessness that accompanies it."

Let's jump right in and see how we can apply some of Einstein's wisdom to our daily life and make mundane shopping the catalyst for a calm and modest life.

First, let's agree on what would be a modest life, as that could be dramatically different, depending on our perspectives. Having a lot of wealth would not be modest, but I think we all can agree that to live the calm and modest life Einstein suggests, a certain amount of wealth, including health, is required.

Let's use some advice from another smart man, Robert Kyosaki. In Rich Dad Poor Dad, he defines true wealth, not as a luxury, an extravagance, nor being in the top tax bracket. He defines wealth as simply having more residual income than residual bills.

For instance, if your total recurring bills were \$5000 a month and your combined monthly residual incomes were \$7000; it should be reasonable to most, to call that modest wealth.

This introduces a primary component of non-linear income, **residual income**. What would your life look like if you had more residual income coming in every month than your expenses to live? This isn't a lot of money for many people and much closer to reality than most people think.

Recurring revenue from any source that you create or acquire is the foundation of wealth, and, as we will discover, is not that difficult to get started.

Another primary component of non-linear income is **compounding returns**. Why is it important to understand compounding when we're talking about shopping habits?

Because the power of compounding lies in repeating the process over and over again, getting more benefit each time. Saving just \$50 on a shopping budget of \$800 that a typical family of four spend every month, is worth more than \$25,000 over 20 years! That is compound at work.

"Compounding is the process which makes 10 plus 10 equal 21 rather than 20" -
Burton G. Malkiel

Although he wasn't recorded as saying it directly, Einstein suggested that compound interest is the eighth wonder of the world, and is man's most powerful invention. It gets its power both from time and consistency. While you can't directly influence time, you can control consistency. The more often you save money or get more value for the same money, the bigger your returns will be in the future.

The direct definition of compound interest is, the interest that is calculated on the outstanding principal and on the cumulated interest from prior time periods. It is distinguished from simple interest that is calculated on the outstanding principal alone.

When describing compound interest Einstein said, "Those who understand it, earn it, those who don't, pay it." The true value for those who earn it is in repeating the investment on a regular interval and receiving interest on the interest that was earned in previous periods.

This principle of compound interest is not just limited to financial instruments. Its power applies whenever you perform any beneficial action consistently over time. This is key to understand. It is literally your "slight edge" for achieving what you desire.

Are your shopping habits providing you the most value and return for your time and money?

Take the following *11 Steps To Get More Value From Your Shopping Budget Without Spending a Cent*, for instance. In the month you take action and implement them, you receive a return. In each month you continue to act on them going forward, your returns increase incrementally. Turning these steps into habits is the key to making your dreams a reality.

“Good habits are hard to form and easy to live with. Bad habits are easy to form and hard to live with. Pay attention. Be aware. If we don’t consciously form good ones, we will unconsciously form bad ones.” Mark Matteson

The biggest impact Einstein’s wisdom can have on yours and your family's life right now is to begin making small adjustments to your monthly shopping habits, and thereby derive more value, benefit the planet, reduce your costs, and create residual income.

How did your shopping habits form? They did not happen overnight. Gradually over time, your brain turned actions you repeated into efficient patterns that your body memorized. This collection of behaviors could be as simple as having coffee when you awake or as complex as running away from problems when faced with them. You adapted these habits little by little into your psyche, until they became second nature.

Habits are your brain’s way of being efficient. It turns daily repeating actions and behaviors into habits you can do automatically from your hippocampus and frees up your frontal lobe for the important challenge of being present and deciphering what is new. This innate human ability to habitualize repetitive tasks is great, but as we know, it’s also a double-edged sword.

When you think back, the first time you did a new task, it required a lot of your focused attention. Over time as you repeated the actions, it became easier. This process is called “chunking” – and it is the root of habits. Every day, we rely on these “chunks” of behavior unconsciously.

According to neuroscientist David Eagleman in *Incognito*: “Brains are in the business of gathering information and steering behavior appropriately. It doesn’t matter whether consciousness is involved in the decision making. And most of the time, it’s not.”

The following *11 Steps To Get More Value From Your Shopping Budget Without Spending a Cent*, is a good place to start. They won’t cost you anything and you get results in the form of more value from your ongoing shopping of essentials.

Isn't shopping stressful?

The questions and unknowns are never-ending. Where to shop? What are the ingredients? What is the difference between these brands? Does that company promote social responsibility? Are there actually blueberries in this bagel?

Conscious shopping incorporates aspects of each of the following to create a lifestyle of wellness habits that form a firm foundation of support for your health and wealth goals. They may not eliminate your stress or answer all your questions, but they will help you start creating more value and begin improving your health and wealth.

Here are the 11 steps to get more value every month from your ongoing shopping budget without spending a cent. Perform them often enough over time and they will become keystone habits on which you can build the life of your dreams. I believe that spending a little extra time now, will help you save time and money in the long run, and dramatically improve the return and value you receive from your monthly shopping budget. Our home, the planet, will benefit as well.

1. Pre-planning. Spend time before you go shopping each week to meal plan each day and identify what you need to purchase. Shopping is much quicker in the long run, with a thoroughly thought-through list. Prior planning involves spending a little extra time up front, and saves much more in the long run removing indecisions at the store, where compulsive shopping is responsible for most over-budget months. A little pre-planning every week along with performing the next step before you go shopping, will add tremendous value to your home without spending any additional money.
2. Organize your cupboards and storage at home. Know what you have on hand and what you need. Clean your fridge regularly. How often have you come home with an item and go to put it away only to realize you have 2 already?
3. Incorporate new technology. The internet became a household word in the 90's. Over the last 25 years, countless technical tools that use the internet have been invented that make our day-to-day lives easier. In this age of Uber and Airbnb, it is hard to believe most people still shop every week and month, like their grandparents did 40 years ago. Finding the best value is easier when you can see what other people say about the products. Some new innovations perform better and make traditional products obsolete. Don't let skepticism prevent you from upgrading your standard of living.
4. Make more meals at home. Spend time once a week cleaning and cutting vegetables. This makes meal prep during the week easier and encourages healthy snacking as opposed to whatever is most convenient, which usually is not as health and more expensive. Both of which directly reduce the

value you receive from your shopping budget. Bring lunch with you to work and stop eating lunch out so often.

5. Pause for more awareness of your shopping habits. Ask yourself, why do you purchase a particular brand anyway? Is this habit serving my present best interest? Also, note those products you buy every month and your concern is only for the cheapest option. Reassess your shopping habits often as companies can change and new innovation will make current products obsolete.
6. Research into individual predispositions to particular diets within your family. Knowing that Joey needs more carbs than protein and Jill needs more Potassium and less Iron when they are young will add a lot of value and go a long way in giving them a healthier life.
7. Choose more fruits and vegetables. Everyone should consume 10 servings a day. There are very few of us who do. Eating more fruits and vegetables every day will add more value by reducing your sick days.
8. Know as many options as possible for selecting where to shop at. There are thousands of options for your everyday essentials, in addition to your local grocery store or drug mart. Check out the purchasing power of online shopping clubs. Some consumers save a lot of money shopping together. Where you shop now is a result of your habits built up over a long period of time. More than likely, these habits were not formed from conscious intention, but rather from impromptu responses to random incidents. What may have seemingly started from convenience has become a habit that robs you of time and money.
9. Consider as many factors as possible that contribute to the overall value you get from your shopping budget. Some commonly considered value factors are: timely discounts, ingredients quality, ingredients source, manufacturing processes, purchase price, freshness, shelf appeal, store incentives, convenience, shopping hours, time spent, and urgency of need. Some factors not often considered but still part of the overall value exchanged in shopping for our everyday essentials: the impact on the environment of the manufacturing process, repeat customer loyalty rewards, affiliate programs, the long-term impact of seemingly inconsequential ongoing actions, involvement of family in the shopping process, impact on family's health from toxic chemicals found in most household goods, and potential for accidents and other vehicle issues.

10. Re-evaluate your ongoing spending regularly. Look back, compare and tweak. Things are evolving quicker, which means recalibrating often is necessary to stay on top of your game.

11. Make a coffee at home and take it with you in a travel mug, stop buying so many expensive coffees through the drive through.

Just as compound interest becomes more powerful with time, so does the value you receive from performing these 11 steps over time. These are each relatively easy to do, but that also makes them easy not to do. The culmination of performing these steps every month over your lifetime will transform your health and wealth.

The foundation of your lifestyle is your habits. The key to transforming your life is awareness of your shopping habits. To live life by design, it is important to have habits grounded in all four pillars of wellness: nutrition, hydration, movement, and mindset.

Since the first study identified it in 1990, several studies have confirmed that there is a neurological process in our brains that is the circuit center of every habit. This insight will help you transform your current shopping habits to ones that create more health and wealth in your life. Habits are physically hardwired into our brain. The 3-step loop, the circuit, is very powerful as you unconsciously perform the routine.

In order to change a habit, it's critical to understand its 3 components. Every habit consists of:

- *Cue – any trigger that tells your brain when and which habit to use.*
- *Routine – an activity, emotion or behavior.*
- *Reward – how your brain determines if a loop is beneficial or not.*

Cue, routine, reward. Repeat. Cue, routine, reward. Repeat. Belief is the glue that holds it together.

Charles Duhigg in *The Power of Habit: Why We Do What We Do in Life and Business*, says, “This process within our brains is a three-step loop. First, there is a cue, a trigger that tells your brain to go into automatic mode and which habit to use. Then there is the routine, which can be physical or mental or emotional. Finally, there is a reward, which helps your brain figure out if this particular loop is worth remembering for the future. Over time, this loop—cue, routine, reward; cue, routine, reward—becomes more and more automatic. The cue and reward

become intertwined until a powerful sense of anticipation and craving emerges...Researchers have learned that cues can be almost anything, from a visual trigger such as a candy bar or a television commercial to a certain place, a time of day, an emotion, a sequence of thoughts, or the company of particular people. Routines can be incredibly complex or fantastically simple (some habits, such as those related to emotions, are measured in milliseconds). Rewards can range from food or drugs that cause physical sensations, to emotional payoffs, such as the feelings of pride that accompany praise or self-congratulation.”

For example: Cue – You’re stressed and tired after work. Routine – You have a beer and watch TV before dinner. Reward – You feel relaxed and less stressed.

With this increased awareness of how your brain operates it becomes clear how you can now consciously choose to replace one unhealthy routine with a healthy one. Of course, knowing how isn’t enough to change, you have to consciously act on this knowledge consistently until your body learns the new routine better than the old.

“Everyone needs a coach.” Bill Gates

As a coach, I don’t provide you with the answers to your challenges, nor tell you what to do. Rather, as your coach, I act as a facilitator to help you ask better questions, and explore your own answers. They serve as a guide while you create a plan, define outcomes, and experiments to move your thinking forward. Think “facilitator” and “action-oriented.”

Book a discovery call with me and let’s get serious in building those keystone habits that will provide you with a lifetime of health and wealth.

Coach Roy

Interesting Einstein facts and quotes...

Some of Einstein’s theories and research form the foundation for several different, important tools still being used today.

- Paper towers, use the process of wicking, and were patented in 1907, soon after Einstein’s first published work that analyzed the process of wicking.
- In 1905, Einstein wrote the Brownian paper, a formula and description of the random motion of water molecules jostling small dust grains. It also forms the basis of what many stock market mathematicians call, random

walk and some sophisticated investment tools still used today are based on it.

- The work Einstein did in 1905 laid the ground work for his 1921 Nobel Peace Prize for explaining the photoelectric effect. This became the foundation for the semiconductors used in 1958 to turn light into electricity and power Vanguard 1 in orbit around earth. It is used in most solar power generated today.
- In 1917, while imagining how light might interact with matter, Einstein wrote an equation that is used to calculate radiation. This is also used to create laser pointers. Light Amplification by Stimulated Emission of Radiation.

“A human being is a part of the whole, called by us “Universe,” a part limited in time and space. He experiences himself, his thoughts and feelings as something separated from the rest – a kind of optical delusion of his consciousness. This delusion is a kind of prison for us, restricting us to our personal desires and to affection for a few persons nearest to us. Our task must be to free ourselves from this prison by widening our circle of compassion to embrace all living creatures and the whole of nature in its beauty.” Einstein

"My dear children: I rejoice to see you before me today, happy youth of a sunny and fortunate land. Bear in mind that the wonderful things that you learn in your schools are the work of many generations, produced by enthusiastic effort and infinite labour in every country of the world. All this is put into your hands as your inheritance in order that you may receive it, honour it, and add to it, and one day faithfully hand it on to your children. Thus do we mortals achieve immortality in the permanent things which we create in common. If you always keep that in mind you will find meaning in life and work and acquire the right attitude towards other nations and ages." Einstein to a group of grade school students.

"Not everything that counts can be counted, and not everything that can be counted counts." Einstein

Charles Duhigg: Hundreds of habits influence our days—they guide how we get dressed in the morning, talk to our kids, and fall asleep at night; they impact what we eat for lunch, how we do business, and whether we exercise or have a beer after work. Each of them has a different cue and offers a unique reward. Some are simple and others are complex, drawing upon emotional triggers and offering subtle neurochemical prizes. But every habit, no matter its complexity, is malleable. The most addicted alcoholics can become sober. The most dysfunctional companies can transform themselves. A high school dropout can become a successful manager. However, to modify a habit, you must decide to change it. You must consciously accept the hard work of identifying the cues and rewards that drive the habits' routines, and find alternatives. You must know you have control and be self-conscious enough to use it.