1-Page Book Summary of The Compound Effect

The key to success in anything in life is harnessing the power of the Compound Effect, which means the effects of small, everyday choices will compound over time, leading you to success—or disaster, depending on your choices.

As a student of success and a leader in the personal development industry, author Darren Hardy has tested thousands of different philosophies and came to realize that whatever success strategy you employ doesn't matter—it all comes down to the Compound Effect.

The Premise of the Compound Effect

As you may know from finance, compound interest can lead to surprisingly large returns. A penny that doubles in value each day for 31 days ends up being worth over $10 million.
Similarly, in our personal life, small changes maintained consistently over time lead to unexpectedly dramatic results. Eating 100 fewer calories per day for an entire year would cause you to lose 10 pounds. Spending 30 minutes reading each day could, over a year, lead to dramatic self-improvement and new ideas.

Importantly, changes in one area of life can compound with other areas, what Hardy calls “the ripple effect.” For example, eating slightly more healthily might lead to feeling more energetic, which promotes a little more exercise, which improves your mood and personal relationships. One small change can lead to a host of other benefits, which together form a snowball of dramatic personal change.

The Compound Effect also works in reverse - one small bad habit leads to a large problem over time. And that small habit can ripple into other areas, leading to a giant snowball of bad problems. For example, eating a little too much each day could cause surprisingly large weight gain, which leads to loss of self-esteem, which leads to less energy and worsened relationships, and so on.

The idea of small changes compounding over time can be contrasted with big, sudden changes. When people try to start exercising, they often declare a big goal and start with extreme changes like going to the gym daily. But this is often unsustainable - once you miss a few appointments, you get discouraged and end the whole effort. In contrast, small changes build consistency and momentum - they form new habits that you can maintain for decades.

The concept is simple, but simple doesn’t mean easy. Each chapter in this book explores a fundamental tenet of the Compound Effect that will help you generate new behaviors and habits to propel you toward success.

Chapter One: Putting the Compound Effect Into Action

From an early age, Hardy learned the power and importance of positive habits applied consistently. He attributes his success to believing in and living the Compound Effect every day. But people face hurdles becoming a true believer in the Compound Effect because:

- They haven’t experienced it. The Compound Effect means reaping big rewards from a series of small, good choices, but the results don’t come immediately, which discourages many people from trying. To succeed, you have to be able to stick to your small, smart choices consistently over time.
- It’s a lot of work. The Compound Effect is a challenging system because it’s not about instant payoffs. Real success requires a lot of hard work with consistency, despite the shortcuts you may hear about in the media or from self-help gurus.
- They expect quick fixes. The Compound Effect dispels the idea of a quick fix. Success comes from continued effort—daily hard work and discipline compounded over time. You can create the life of your dreams, but it won’t happen overnight.

The Compound Effect is always working. Whether it’s working to bring you success or failure is up to you. Using the Compound Effect to create a better life is a matter of making simple, positive changes—and sticking with them.

Chapter 2: You Make Your Choices, and Your Choices Make You

When you’re aware of your choices, you can make a series of small good decisions that lead to the behaviors and habits that support a happy, successful life.

The real problem for most of us isn’t massive mistakes; it’s repeated small, poor choices that seem to be inconsequential. These continued small, poor choices, made mindlessly, help the Compound Effect work against you. Here are tips for making good choices:

- Gratitude. While focusing on the negative qualities of others is easy, it’s a bad habit that leads to a cycle of compounded negativity. In contrast, focusing on what you are thankful for, creates a Compound Effect of positivity.
- Take responsibility. When you take full responsibility for yourself, you hold unlimited power to control your destiny—you are completely responsible for what you do and don’t do, as well as your response to what happens to you.
- Take advantage of luck. The kind of luck we associate with success is a combination of preparation, a good attitude, finding an opportunity, and taking action.
- Tracking. When you track your behavior, you can take control of the choices you make throughout the day; your habits begin working for you, with positive results.

When it comes to the Compound Effect, the sooner you make small, positive changes, the better. But don’t use the excuse that it’s too late to start; it’s never too late to use the power of the Compound Effect. Starting now is the key, no matter how old you are.
Chapter 3: Habits and Goals

Habits are acquired behaviors that have become nearly involuntary. At their worst, habits can run you in the wrong direction without you even realizing what's happening. Good habits, however, take you in a positive direction. The goal is to gain awareness and change the habits that are holding us back. We can prepare ourselves to do this by:

- **Resisting the lure of instant gratification.** Often, instant gratification obliterates any concern in your conscious mind for long-term results. The first step is to wake up and realize the true ramifications of the bad habits we indulge in.
- **Finding your “why.”** You've got to figure out what you want and why you want it or you'll give up too easily.
- **Defining and calibrating your “core values.”** When you have clearly defined core values, making decisions is easier because you can simply ask yourself which choice aligns with those values. If something doesn't align, you can forget about it.
- **Finding out who and what you're fighting.** We all have the ability to take hurtful experiences from our past and use them to fuel constructive change.
- **Setting and achieving goals.** When you clearly define your goals, you experience the world differently, attracting the opportunities you need to achieve that goal.
- **Become the person you want to be.** Strive to gain the attributes you need to achieve your goal. Without these, you can do all the right things but still never succeed.

There are five strategies to help get rid of bad habits:

- **Know your triggers.** What situations trigger bad habits? (Do you drink too much with a certain group of friends? Do you crave chocolate at a certain time of day?)
- **Get rid of it.** Throw out the objects enabling your bad habits.
- **Find replacements.** Find something healthy that can replace the bad habit.
- **Take it easy.** You don't have to go cold turkey. Since they are so entrenched, you may need to take small steps toward unwinding your bad habits.
- **Or don't take it easy.** While it's probably the exception and not the rule, some people actually do better changing a lot of bad habits at once.

There are six strategies to help craft new, positive habits:

- **Help yourself succeed.** Make your new habit easier to instill by setting yourself up for success. (If you want to eat healthier, keep healthy snacks available.)
- **Focus on what you can have or do.** Instead of feeling deprived, focus on the new things you are bringing into your life.
- **Accountability is key.** Becoming accountable is a sure way to cement a new habit.
- **Find a partner.** A partner in your endeavor, whether it's losing weight, exercising, or improving your career, boosts your accountability and lends support.
- **Friendly competition.** Competition can help you immerse yourself in a new habit.
- **Enjoy.** Instilling new habits doesn't have to be drudgery. Find rewards along the way to keep you motivated and help you celebrate your success.

Chapter 4: Finding Momentum

Momentum (Hardy calls it “Big Mo”) is a powerful force for success. Momentum doesn't come easily, but once it kicks in, your ability to achieve success compounds quickly.

Momentum can work for good or bad. Momentum kicks in to help you when you:

- **Make good choices that help you reach your goals and that align with your values.**
- **Engage in positive behaviors based on those good choices.**
- **Make those positive behaviors into habits of behavior and routine.**
- **Remain consistent with your new positive habits and routines.**

**Why Routines and Rhythms Are Important to Momentum**
When you have set a goal and created good new habits to support that goal, you must have daily, weekly, and monthly routines in place to reinforce your positive new direction. The greater your challenge, the more stringent your routine should be. Mornings and evenings are great times to implement healthy, positive routines.

When you make your habits a routine, you can get into a rhythm—your routine feels easy and natural. Once you're in a rhythm, momentum gets a chance to work its...

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Here's a preview of the rest of Shortform's The Compound Effect summary:

**The Compound Effect Summary Introduction**
Marketing claims in the media dupe us into believing there are easy fixes for our lives, offering up the “secrets” to getting rich, looking younger, losing weight, and achieving our goals. But the truth is, there’s no quick fix to success—and there are no secrets.

Success means getting back to the profound, simple fundamentals of achievement; the key is harnessing the power of the Compound Effect, which author Darren Hardy calls the “operating system of your life.” Simply put, the Compound Effect is the principle that the effects of small, everyday choices will compound over time, leading you to great success—or disaster.

Hardy’s personal experience and research gave rise to the Compound Effect. He’s applied the principles in this book to his life and has seen great success. As a student of success and personal achievement and a leader in the personal development industry, he has seen, heard, and read uncountable self-improvement tips and gimmicks. He has tested thousands of different...

**The Compound Effect Summary Chapter 1: Putting the Compound Effect Into Action**
Consistency is the key to success, but doing what you need to do on a consistent basis remains a stumbling block for many people trying to achieve their goals.

From an early age, Hardy learned the power and importance of positive habits applied consistently. He likens himself to the tortoise from the tale of the tortoise and the hare—able to win any race because of positive, consistent progress.

Raised by a single father who stressed hard work, discipline and responsibility, Hardy grew up with a “no excuses” mentality that set him up for achievement. He attributes his success to believing in and living the Compound Effect every day—something his dad made sure of.

But most people face hurdles becoming a true believer in the Compound Effect. They haven't experienced the payoffs of the Compound Effect principle, don't understand how much hard work is involved, and expect quick fixes. Let's examine these hurdles and learn how to get around them to get on board with the Compound Effect.

**Hurdle #1: You Haven't Yet Reaped the Rewards of the Compound Effect**
If you haven't yet experienced the payoff of the Compound Effect, it's hard to buy into the idea. The Compound Effect means reaping big rewards from a series of small, good choices. The results are huge but don't come immediately. Change, at first, feels imperceptible.

Because change doesn't happen right away, many people give up on self-improvement. They quit exercising after a few days because they're still overweight, or they stop contributing to their retirement plan because they could use that cash. **What people don't grasp is that these small, smart choices, adhered to consistently over time, create huge changes.**

**Example 1: $3 Million or a Penny?**

What if you were offered a choice between a $3 million cash payout or a penny that doubles in value each day for 31 days? The $3 million is tempting, but surprisingly, the penny results in more money.

If you took the $3 million and your friend took the penny, by day five you'd have your $3 million and your friend would have 16 cents....

**Shortform Exercise: Start a Compound Effect**

Get started using this powerful principle.

Think about poor Brad in the example above. He made what seemed to be small, innocuous changes in his life that led to very negative outcomes. What are some small behaviors in your life that may be steering you down a negative path? What would the negative outcomes be?

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**What Our Readers Say**

This is the best summary of The Compound Effect I've ever read. I learned all the main points in just 20 minutes.

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**The Compound Effect Summary Chapter 2: You Make Your Choices, and Your Choices Make You**

Every decision you make impacts the Compound Effect. Your life is the sum total of your choices. Choices, no matter how tiny, alter the course of your life because they lead to behaviors; behaviors lead to habits. Your choices are your best friend or your worst enemy.

Most people don't make bad decisions on purpose. No one strives to be overweight, divorced or bankrupt. **The problem is that many of our choices are ingrained in our routines and habits; we aren't consciously making them.** When multiple small, poor choices proliferate, we end up in a bad place. We sabotage ourselves without even knowing it.

The goal is to become aware of the choices you're making rather than existing on autopilot. With awareness, you can make a series of small good choices that lead to the behaviors and habits that support a happy, successful life.

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**Small Choices, Big Repercussions**

Sometimes you can make a single big, catastrophic choice that damages your career or relationships. Think of celebrity mishaps, like the comedian who was caught on tape hurling racial slurs, or the anti-gay politician caught soliciting gay sex. These mistakes are doozies and they have swift, severe repercussions.
The real problem for most of us, however, isn't such massive mistakes; it's the repeated, small choices that seem to be inconsequential. Because you're not mindful of them, they can throw your life off course. For example, say you grab a snack and watch TV; suddenly it's two hours later and you've eaten an entire jumbo bag of potato chips and several cans of soda—and didn't finish an important project. You made these choices without thinking. When this kind of choice is made repeatedly, your life veers off course.

The Compound Effect is always working, but continued small, poor choices—made mindlessly—have it working against you.

Gratitude Creates Good Choices

One such small negative choice is focusing on the negative qualities of other people or situations. It's a bad habit that leads to a cycle of negativity—compounded negativity.

Focusing on what you are...

Shortform Exercise: Making Better Choices

Your life is the result of your moment-to-moment choices.

This chapter talked about weight loss, fitness, and improved finances as common areas of life where people want to make improvements. What is one area of your life where you'd like to make a change?

The Compound Effect Summary Chapter 3: Habits and Goals

Habits are acquired behaviors that have become nearly involuntary; they put us on "autopilot" in many aspects of our day-to-day lives. Think about how little thought you put into brushing your teeth, strapping on a seatbelt, or driving to work. Because habits require little conscious energy, they can free us to focus our mental energy on more creative endeavors.

Habits can be good or bad. At their worst, habits can run you in the wrong direction without you even realizing what's happening. It's like the story of a man on a horse rapidly galloping by. Someone asks him where he's going, and he says he doesn't know—ask the horse. Your habits are like the horse, steering the direction of your life.

Good habits, however, take you in a positive direction—and you control the ride. If you are a healthy eater, you probably have very healthy food-choice habits. If you're fit, you likely have good exercise habits. In fact, successful people all seem to share the common trait of good habits in many aspects of their lives. Successful people aren't any smarter or better than anyone else, but their habits drive them toward more knowledge, competence and skills.

Be Like Larry

Basketball great Larry Bird is an example of good habits launching an ordinary person into an extraordinary success. Bird wasn't the most gifted athlete, but still managed to lead the Boston Celtics to three world championships. His habits drove him to greatness. For example, growing up, he had the habit of shooting 500 free-throw shots every morning. This preparation led him to become one of the most successful and consistent free-throw shooters in the NBA. Through habit, he conditioned himself to have the automatic responses of a champion.

Changing Your Destructive Habits

The goal is to get off autopilot and change the unconscious habits that are holding us back. Though these habits were created unconsciously, we can consciously change them and craft new, positive habits that serve our lives well. We can prepare ourselves to do this by:
Shortform Exercise: Putting Habits to Work for You

Changing your habits will change your life.

Think about your most important current goal. What is the most significant bad habit that is holding you back from achieving this goal?

The Compound Effect Summary Chapter 4: Finding Momentum

Momentum (Hardy calls it “Big Mo”) is a powerful force for success. Momentum doesn't come easily, but once it kicks in, your ability to achieve success compounds quickly.

The hardest part of achieving momentum is getting started. Think about when you were a child playing on the playground merry-go-round. When it was full of kids and you tried to push it, it took a lot of effort and went very slowly. But as the speed picked up the merry-go-round would spin rapidly and you could hop back on and enjoy the ride. It's the same with making any changes in your life; progress can be slow at first, but when momentum kicks in it's easy to keep moving. You can put out less effort and receive greater results.

Putting Momentum to Work for You

Momentum can work for good or bad. The Compound Effect is always at work, so a string of bad habits can build up momentum and send you into a chasm of bad luck with compounding negative side effects. Think of Brad from Chapter 1; because of a few bad habits that gained negative momentum, he gained 33 pounds and ended up with a troubled career and marriage. This is an example of the Compound Effect working against you.

You gain positive momentum by building up your efforts until you hit what's commonly called “the zone” or “your groove.” Momentum kicks in when you:

- Make good choices that help you reach your goals and that align with your values.
- Engage in positive behaviors based on those good choices.
- Make those positive behaviors into habits of behavior and routine.
- Remain consistent with your new positive habits and routines.

**Momentum at Work Example 1: Michael Phelps**

Olympic champion swimmer Michael Phelps worked with his coach, Bob Bowman, over the course of 12 years. Their practice and preparation fell into routines, and Phelps' performance became consistently excellent. By the time the Olympics rolled around, Phelps had caught momentum at the perfect time, and his performance was both amazing and predictable.

**Momentum at Work Example 2: Apple**

Apple Computer...
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Shortform Exercise: Build Momentum with Small Changes
When we gain momentum, there’s no stopping us.

This chapter discussed how inconsistency is the momentum-killer. What is a change you wanted to make in the past, but applied it inconsistently and eventually lost all momentum?

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The Compound Effect Summary Chapter 5: Understand What’s Influencing You
We are all responsible for the choices we make, but it's important to realize that those choices are influenced by powerful outside factors. We're often unaware of the subtle influence of these external forces, but understanding and governing them can help us maintain our trajectory toward success.

There are three main types of influences:

- What's going in (input)
- Who we associate with
- Our surroundings

Controlling Your Mind's Input
Controlling what our brains consume directly impacts our productivity and results. For example, reading a tabloid won't help your brain function at its peak, but reading something educational and inspirational will nourish your brain.
What our brains consume is difficult to police, however, because we absorb so much unconsciously. Even if eating junk food is easy and mindless, at least you have to put it in your mouth yourself. In contrast, we can hear, feel and absorb irrelevant and destructive input without even knowing it—for example, switching on the radio on our way to work can flood our brains with terrible news, leaving us with fear and negativity to start our day.

You are the gatekeeper of your mind, and you must be vigilant about protecting it from worrisome and destructive input—and being very particular about what you allow in.

Your thoughts have an impact on what you create in your life, so whatever is influencing your thoughts is important. Whatever you allow into your brain is influencing your thoughts.

Hardy likens your mind to an empty glass. Fear, negativity, worry and stress—delivered care of news filled with politics, murder, economic collapse and more doom and gloom—fill that glass with muddy water. It’s hard to be creative with a mind full of negativity and sludge. But if you flush that muddy water with clean, clear water; soon you will have a glass of fresh, clean water. Positive and inspirational input is the clean, clear water for your mind. Seek out stories of success, people who overcome challenges, and ideas that foster love and abundance.

Guard Against Negative...

**Shortform Exercise: Controlling Your Influences**

The choices we make are subtly influenced by outside factors.

This chapter discusses the negative influence of the media and how it can hamper creativity. What are three types of media you absorb daily that might be affecting you negatively?

**The Compound Effect Summary Chapter 6: Breaking Through to Greater Success**

The Compound Effect can spur you to greater heights of success faster than you ever thought possible, but on your journey you will face moments of truth—times when you’re up against the wall. What you do next defines both who you are and who you will be. In such a moment of truth, growth and true improvement can occur.

**Hitting the Wall**

Hitting a wall is inevitable. Whether you’re riding a bike up a steep hill or facing a long day of work, there will be times when quitting is a very attractive option. These moments of truth, however, are defining moments—the turning points for your success and progress.

For example, famed football coach Lou Holtz inspired his team to come back from a halftime deficit of 42-0 by showing them a highlight reel of second efforts—the extra effort after you’ve already done your best. That extra effort is the difference-maker in a football game and in life.

Hitting the wall is an opportunity for greatness, not an obstacle. When things are easy and going well, everyone can do great. But when an obstacle appears, it’s a chance for you to rise above the pack and give the extra effort others are unable to give. Your response to obstacles is what sets you apart and spurs you to great achievement.

**Doing a Little Bit More Yields Big Results**

We’ve learned that because of the Compound Effect, your small actions, habits, decisions, and behaviors, compounded over time,
can lead to powerful improvements in your life. But adding just a smidge more effort can speed up and greatly improve your results.

Since true growth occurs because of what you do after you’ve hit a wall, pushing through that wall can multiply your results. For example, if you’re weight training and your exercise program says to do 12 repetitions, doing 12 will satisfy the requirement. This is great and will yield good results if you stick to the program consistently. But if you push through and do a few more reps, you can multiply the effect of your workout.

Another example is running. If you set a goal for your run, but go a little longer after...

**Shortform Exercise: Extra Is Worth It**

More effort pays dividends.

This chapter talked about the multiplying effect of just doing a little extra. What are three areas in your life where you could give just a little bit more?