



1 Simple Trick to Increase Your Odds of Becoming a Millionaire

Description

Want to become a millionaire? Well, so does everyone else, but the vast majority will never reach this level of wealth. A lot of this has to do with luck. That's because becoming a millionaire usually doesn't require simply making \$1 million in earnings over your lifetime. Instead, it relies on investment gains, which are never guaranteed.

Fortunately, there's a trick you can use to dramatically increase your odds of becoming a millionaire. This is simply the most proven and effective way to increase your chances of financial freedom. To be sure, it's not a [magic pill](#), and it needs to be complemented by other saving and investing strategies. But if you want to make sure you're doing everything you can to retire rich, this is your best bet.

Learn from robots

Today, most robots are boring. Instead of being full-fledged automatons, capable of human interaction, most do simple, rote tasks over and over again. This doesn't seem impressive, but it is. Today, 95% of **Tesla's** Model 3 production is automated. According to Musk, the company is able to get a throughput rate and quality guarantee that is simply unmatched by human labour.

But it's not just fancy Tesla cars. Nearly everything you buy today was manufactured, at least in part, by robots. Robots really do rule the world, even if it's just in the background.

Turning yourself into a robot doesn't sound appealing, but it can come with huge benefits. Don't worry, you can still keep your emotions and human spirit. I'm simply talking about turning your *financial* life into a robot. What does that mean?

Nearly every investment account allows you to make automatic contributions. That is, your investment account will periodically pull a certain amount of money from your banking or chequing account, investing the proceeds into securities like stocks or mutual funds. Once established, you don't need to do anything to keep investing more money. Whether it's each week or month, investing like this automates your financial future.

Why this works

Robots in a factory eliminate the need for human labour. Automating your portfolio contributions similarly eliminates the need for your participation. No longer must you manually decide how much to invest and when. According to behavioural psychology, that's a huge advantage. That's due to a phenomenon called the *default option*.

A default option is the result you'll achieve if you do nothing. Reams of research demonstrate how humans are primed to choose the default option simply because it requires the least amount of effort. What is your default option for investing? If you do nothing, you'll contribute nothing. You may trust yourself to continue making contributions, but study after study shows that you're not likely to stick to it regularly.

By automating your contributions, your default option becomes investing *more*. If your account automatically invests \$500 per month, you can take no action, yet the contribution will still occur. This might seem like a simple trick, but it's the most proven way to boost the value of your portfolio.

Consider **Fairfax Financial Holdings**. Since 1985, this stock has compounded shareholder value at 17% per year. If you set up automated contributions in 1985, opting to save \$500 per month, you would have more than \$10 million today! That's an incredible return, especially considering you never had to manually do anything for nearly 35 years. Sometimes, it's easy being lazy.

While not all stocks have the long-term performance record of Fairfax, the trick isn't necessarily beating the market, but to regularly invest every month without relying on yourself to make the moves. Automated contributions is simply the best way to get on the path to \$1 million.

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