

PASSIVE INCOME STRATEGIES



CREATE AN UNSTOPPABLE STREAM
OF PASSIVE INCOME AND ENJOY TRUE
FINANCIAL FREEDOM

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Introduction

If you've been looking for ways of generating passive income, this special report will provide you with many different options. Some of the opportunities will require start-up capital while other options will only require your time and effort.

Whether you want to be able to free yourself from the daily grind and still generate a full-time income, or you just want more time to spend with friends and family or perhaps traveling the world, passive income is the key!

Passive Income is any income that requires little or no ongoing work to maintain. Ideally, your passive income businesses will require absolutely no work to maintain, but occasionally you can increase your income by expanding on your passive income channels, or by combining more than one.

You can always outsource these tasks and eliminate them from your own schedule as well.

In this special report, we'll discuss the top tips and strategies for creating streams of passive income so you can enjoy true financial freedom.

Let's begin!

Sell Your Knowledge

One popular passive income stream that doesn't require a lot of start-up capital is selling your knowledge in the form of a book (digital or physical), or through an online course or training program.

Some of the best types of digital content are “how-to” books that teach people specific skills that improve their lives somehow.

In addition, it's very easy to self-publish a book with the Amazon KDP platform. No longer do you have to try to land a publishing contract! You can simply create a free Amazon Publishers account and upload your manuscript.

Visit <https://kdp.amazon.com> to get started.

Tips: Be sure you price your book at \$3.99 or higher so Amazon will give you a 70% return. You'll need a professionally designed cover, as well.

Check out <https://www.Upwork.com> for affordable cover designers. You can also outsource editing, proofreading or outsource the entire book!

Creating a course will take a bit more time. You'll want to invest in a professional microphone and you'll need a room where you won't be interrupted by outside noise while you're recording your lessons.

There are many different microphones on Amazon that will help you create clear, pitch-perfect audio files, but our favorite is the Blue Yeti. It runs for around \$100 and is one of the best microphones you'll find at this price point.

Tip: You should also consider grabbing a pop filter that will help block out background noise when you're recording.

Screen Recording Software:

When it comes to screen recorders, I highly recommend ScreenFlow if you're a Mac user. You'll be able to create high-quality videos in a matter of minutes using this one tool.

Link: <https://www.telestream.net/screenflow/>

If you're on a PC, check out Camtasia available here:

<https://camtasia-studio.en.softonic.com/>

In addition, you can either create a "talking head" video course or use a slideshow with a voiceover. We've seen both types of courses work well.

You'll need a good platform to host your course and process payments. There are many to choose from, but the most popular

ones are:

<https://www.Teachable.com>

<https://www.Udemy.com>

<https://www.thinkific.com>

<https://kajabi.com/pricing>

<https://www.podia.com/pricing>

When choosing the topic for your online course, consider:

- What are you most passionate about?
- What do you enjoy doing when you have free time?
- What skills have you learned over the past year?

Remember, everyone is an expert at something!

There's no risk with this stream of passive income. It will take time, but once your content is created you'll be able to generate passive income from new customers' day after day without having to update the course material very often.

Property Rentals

Rental properties are a proven method for generating passive income, but it comes with some definite risks. John H. Graves, a Los Angeles Fiduciary, recommends that you determine three things before getting started:

- How much return do you want from your investment?
- What total costs and expenses will you incur from this investment?
- What financial risks are you running with this investment?

In addition, this is one of the passive income streams that does require periodic injections of cash for upkeep of the property. You need to be realistic with your expected returns, as well.

For example, you can't reasonably expect to charge thousands of dollars in monthly rent in a less-desirable neighborhood.

If you want to start investing in rental properties, we recommend talking to the experts, doing a lot of research online, and checking out the properties yourself to be sure you're getting exactly what you're paying for.

You don't have to float the entire cost of the property yourself, though. There are plenty of opportunities to collaborate with other investors and become a part-owner of a larger property. Do some Google surfing.

A company called Roofstock will hook you up with single-family homes you can purchase and rent out.

Link: <https://www.roofstock.com/>

With Realtymogul, you can invest as little as \$1,000 and become a part-owner in a larger property. Just be sure the platform you're using is a reputable one.

Link: <https://www.realtymogul.com/>

Paid Ads & Affiliate Marketing

Paid ads and sponsorships is where you “rent” space on your website or social media account to a third-party seller and receive a commission either just for showcasing the offer or per action (such as when someone clicks on an ad and makes a purchase from your site, etc.)

Affiliate marketing and paid advertising is a great way to generate passive income, however it will require that you have an existing blog or website that can generate a good amount of high-quality, targeted traffic in order to convert that into commissions, or be able to attract sponsorships and paid advertisers.

Amazon is probably the best-known affiliate partner, and one of the easiest to work with. Other well-known sources include ShareASale and Zeydoo.com.

Links:

<https://www.ShareaSale.com>

<https://zeydoo.com>

You can find additional affiliate networks here:

<https://bloggingwizard.com/affiliate-platforms-and-networks/>

And if you have a large social media following, you could get paid to become an influencer. Check out

<https://www.brandsnob.co/influencers> for details.

The effort involved in starting up this passive income stream involves building your platform. You need a relatively large following to make the most from this income opportunity.

In order to build that sort of platform, you'll need to put the effort into creating a website that gives followers something of value.

This means, you'll be required to do quite a bit upfront work, such

as: updating your website or blog regularly and giving your followers quality content they'll enjoy enough to keep coming back.

This is one of the streams that also requires upkeep, as you must maintain your website or social media account to keep the followers you have and continue to attract new ones.

Your website or social media account should be something you're passionate about, something you'll be motivated to post regularly about. You're not selling anything on your platform – your goal is to be original, be creative, be real, and attract followers.

There's really not much risk with this stream of passive income and it can be exceptionally lucrative; you just need to be willing to dedicate the time and effort upfront to get the ball rolling.

Here's some information to help you get started:

<https://guides.wsj.com/personal-finance/investing/how-to-invest->

[in-a-certificate-of-deposit-cd/](#)

And here's a calculator that will help you determine what you could potentially earn:

<https://www.nerdwallet.com/blog/banking/earn-with-best-cd-rates/>

High-Yield CDs

Investing in a high-yield certificate of deposit allows you to take advantage of some of the highest interest rates in the country in order to generate a nice passive income stream.

First, you'll want to do a Google search of your country's top CD rates and check out the interest rates.

You'll probably want to use an online bank to get that top rate. So long as that bank is backed by the FDIC, your principal investment is protected (up to \$250,000).

The only real risk with high-yield CDs is rising inflation, but at the moment, that doesn't look like much of a threat. Keep an eye on the market and you can easily avoid that risk in the future.

Peer-To-Peer Lender

This is a personal loan where you're fronting the money through a third-party intermediary like Prosper, Funding Circle, or LendingClub and making money through the interest paid by your borrowers.

P2P loans are conducted online, so you don't actually have to meet with your borrowers in person. It's a more streamlined process, too, but in order to make a P2P loan work out, you need to do a good bit of research and learn all about the market. This is a passive income stream that requires both time and money up front.

The best way to handle this stream is to diversify: invest smaller amounts over several different loans instead of loaning a large sum to one party.

At Prosper.com, you can loan as little as \$25. You'll want to investigate your potential borrowers, too. Make sure they'll be a good risk by checking their past loan history.

It does take time to master the techniques of peer-to-peer lending, so plan on a bit of effort at the beginning until you learn the ropes. You'll probably be dealing with Millennials, for example, who are five times more likely to fund their small businesses with a P2P loan than Generation X. You'll also probably want to reinvest the interest on those loans and build up your income.

Risks with this income stream include being disorganized and missing payments – you have to keep up with all of those small loans and stay on top of the payments. You might run the risk of a default if the economy takes a downturn, too.

Dividend-Yielding Stocks

If you'd like to invest your money in a company with dividend-yielding stocks, you'll receive a dividend check a few times a year without having to do anything other than put in your initial investment. These dividends depend on how many shares of stock you own, so it's a good way to invest a larger sum of money.

You'll also want to put in some research effort for this passive income stream. Choosing the right stocks is essential. You want something that's going to increase in value over time, not decrease.

Spend at least a couple of weeks investigating each company you're considering, so you're familiar with their financial statements and can tell whether or not they're likely to go up in value.

John H. Graves has another recommendation for dividend stocks, especially for novices: try ExchangeTraded-Funds (ETFs).

These are investment funds that hold assets such as stocks, commodities, and bonds, but they trade like stocks. They're easy to understand and inexpensive compared to regular dividend stocks. They cost less than mutual funds and are easy to liquidate when you need to.

Another big risk (besides picking the wrong stocks) is that stocks and ETFs can drop in value significantly if the market takes a downturn (as it did early in the global pandemic).

Save, Save, Save!

Talk about your passive income streams! How much more passive can you get than socking your money into a high-yield savings account and just watching the interest add up?

We've all enjoyed this benefit since childhood: going down to the bank and opening up an account with our lawn-mowing earnings, then watching eagerly as those pennies compound.

So long as the bank you choose is backed by the FDIC, your risk with this stream of income is pretty low. Just save up a few thousand dollars and aim for the highest interest rate possible.

Online banks can have interest rates that are 10 times more than your local brick and mortar bank (sometimes even more than

that). Just do a bit of homework and make sure they've got that official backing to protect your investment.

You can even transfer money from your primary bank to the online one (and vice versa). This is a simple method of earning that just requires that initial investment of cash. The more you have, of course, means the more you earn in the end. There's almost no risk at all if you've got that FDIC insurance up to around \$250,000.

The only problem that might arise if the economy weakens. In that case, the interest rates will tend to drop and you won't get as much of a payout as you would otherwise.

Invest in an REIT

This stands for Real Estate Investment Trust and it's just a fancy term for any company that owns and handles real estate. They usually own and/or manage commercial properties (either the physical property or the mortgage on that property). They tend to focus on a specific group of properties, like medical care or shopping centers or hotels.

An REIT is like a stock share. They're structured so that they pay little or no income tax so long as they pass most of their earnings along to their shareholders. You buy an REIT just like any other stock on the market and earn dividends several times a year as with other high-yield dividend stocks.

Retail REITS (shopping malls and freestanding retail businesses) account for about 24% of investments in America – that's the biggest investment by type in the country. When you're thinking

about investing in an REIT, you need to look at the whole retail industry. Is it healthy and likely to stay so – or are things looking rocky?

Remember the REIT firm is getting their income from the rent of its tenants, so if you've got a shopping center or business that's got a high turnover rate, it's probably not going to generate as much income as you'd like.

You might think about aiming at traditionally “safer” real estate investments like grocery or home improvement stores. Keep in mind, also, that a lot of shopping is shifting to online. That shopping mall may not even be in existence in ten or twenty years.

There are also residential REITs, which focus on apartment buildings and manufactured housing.

With this type of REIT, you'll want to look at location. For example, the best apartment markets are where there are less homes available, like in large urban centers. The largest residential REITS tend to focus on areas like this.

You should also look at population and job growth. As long as the apartment supply in your market stays low and demand is increasing, your residential REIT should perform well.

Healthcare REITS invest in the real estate of hospitals, medical centers, nursing facilities and retirement homes. This is probably going to be one of the investment areas to watch as our Baby Boomers grow older and require more skilled care.

However, remember that the success of the REIT is tied to the healthcare system. So long as the healthcare funding remains questionable, so do these REITs. Look for companies with a lot of healthcare experience.

There are also office REITs who handle office rentals. There are 4 basic questions you want to ask when investing in this area:

- How high is the unemployment rate?
- What are their vacancy rates like?
- What's the economy like in the area you'll be investing in?
- How much capital does the REIT have?

Think of investing in “economic strongholds.” In other words, it's better to have a bunch of average office buildings in DC than to have primo space in Detroit.

Dividends from a good REIT can even increase yearly, so you might just end up with a growing stream of dividends over time.

There's a bit of research involved with this stream, as with any stock purchase. You want to be sure to pick the best REITs that

will increase your earnings instead of dropping in value. You'll also need that initial outlay of cash to get the ball rolling.

One way to minimize your risk is to buy into an Exchange-Traded Fund (ETF) than diversifies by investing in lots of different REITs instead of sinking everything into just one individual trust. These often have lower risk ratios so you can gain exposure to real estate trading without as much risk as investing in an individual company.

You do need to do your homework with an REIT or ETF. Even though it's considered passive income, you can lose big if you choose the wrong ones. You'll want to start analyzing these companies like you did for the regular stocks. It takes a bit of time and effort before you can pick out the best choices.

A tough economy can take a big bite out of your income stream as well. If your REIT doesn't create enough income, it might reduce the dividend or cut it out entirely. That could be disastrous

because a tough economy is just when you'll need that passive income coming in.

Build a Bond Ladder

This is a portfolio of fixed-income bonds that mature over a period of years at different times. This lets you decrease your reinvestment risk by minimizing your exposure to fluctuating interest rates.

Let's say you buy a five-year bond at a fixed interest rate - but two years from now, interest rates go up. Your bond is still chugging away at that lower rate and there's no way to change it.

However, if you have different maturation rates, you might be able to roll over some of your bonds and take advantage of that better rate. You can take the same amount of initial investment and stagger your maturation times so you're more likely to be able to profit from the market.

Another example: you purchase a 2-year bond and get a 1% yield on that. You also purchase a 4-year bond for 2% yield, a 6-year bond for 2.5% yield, and an 8-year bond with 3% yield. In two years, when the first bond matures, you reinvest the proceeds in a new 8-year bond with 3% yield – and continue this practice as your bonds mature (assuming interest rates stay the same or increase, of course).

Charles Schwab of <https://www.schwab.com> suggests buying a minimum of ten securities for diversification. The idea is to take the total amount you're planning to invest, with the goal being to extend your ladder as long as possible. He suggests a minimum of \$100,000 to be invested with ten rungs of \$10,000 each.

One benefit to having at least six rungs is that you can easily build a ladder that will generate monthly income, since each bond will pay out twice a year. You'll also want to consider the spacing between rungs. The longer the ladder, the higher your income is likely to be, since those are the bonds that will give you higher

yields. Of course, going long tends to increase your risk, as we discussed above. You may reduce your income a bit by buying shorter-maturing bonds, but it'll be safer in the long run.

Just like a physical ladder, you build this one with different material. In this case, different types of bonds or CDs. As each one matures, you just reinvest the principal in new bonds with the longest term you originally chose for your ladder. If interest rates go up, you can reinvest at higher rates; if they go down, you'll still have some bonds locked in at a higher rate to fall back on.

Bond ladders do come with risks, of course, such as the interest rate may fall. And since bonds are not backed by the federal government (like corporate bonds), you might lose your principal.

And just like stocks and REITs, you'll want to own many different bonds to diversify your risk. You can find a bond ETF just like an REIT ETF, that will give you a portfolio of bonds you can build a

ladder from. This will greatly decrease your risk of a single bond hurting your returns.

Rent Your Free Space

You're probably not actually using that spare bedroom for anything other than storage, right? Why not fix the room up a bit and rent it out?

It just takes a bit of time and effort to clean and de-clutter the space. You can advertise on lots of different websites like Airbnb or Zillow and set the rental terms yourself.

If you rent to a longer-term tenant, you'll be collecting a check with minimal extra effort on your part. Short term tenants bring risks we'll talk about in a minute, that you might want to stay away from.

In fact, nowadays your rental space doesn't even have to be a room. You can put up a tent in your backyard and rent a camping

experience if you live in a scenic area. You can rent the whole backyard for a party space if you've got it decorated and have a barbecue pit and/or a pool. People will stay almost anywhere if it's interesting enough.

The first step is to check out the local laws. Call your housing authority or check out the local government website to find information about renting a room in your area. Your home owner's association may have additional laws regarding rental as well, so check with them before you advertise.

Many city ordinances require renters to have access to clean running water and working plumbing. Some cities require a room to have windows large enough to be used as a fire escape – or even to have outdoor access. You'll need to check the laws before you rent.

Check out the fair housing laws at the US Department of Housing and Urban Development (HUD), too. You'll need to create a

tenant screening criteria form which will protect you if someone decides to file a discrimination claim against you. This lists everything to keep in mind when considering a prospective tenant. It's a little more work, but it may help you avoid a hefty legal fee. You can find free examples of this form online.

Once you make sure you're legally allowed to rent a room in your home, check your homeowner's insurance to make sure it's approved. Some companies don't have a problem, but others won't allow it – and some will raise your rates if you rent.

Tenants increase your liability and risk of property damage, so you might even have to get landlord insurance (which costs 15-20% more than homeowner's insurance).

Check comparable rental rates in your area to find out how much rent you can reasonably charge. You can use <https://www.rentometer.com/> to check this out.

Using a service like <https://www.spareroom.com> or <https://www.roomster.com> can help find a compatible tenant for your space.

Conclusion

When it comes to building passive income channels that will help you experience true financial freedom, Greg McBride, chief financial analyst at Bankrate says, *“You’ll catch more fish with multiple lines in the water.”*

So, don’t be afraid to venture into other passive income avenues or launch multiple businesses in different industries or niches! Just be sure to research each market thoroughly or hire an expert to both prepare and mentor you throughout the process.

With a little time, effort, and a lot of determination, you can generate a nice, solid passive stream of income for years to come.

To your success,

Resources

Here are links to a few resources that I believe will help you:

Publish Books with Amazon KDP:

>> <https://kdp.amazon.com>

Create Online Courses:

>> <https://www.Teachable.com>

>> <https://www.Udemy.com>

>> <https://www.thinkific.com>

>> <https://kajabi.com/pricing>

>> <https://www.podia.com/pricing>

Real Estate Crowdfunding:

>> <https://www.realtymogul.com/>

Build Wealth Through Real Estate:

>> <https://www.roofstock.com/>

Become a Paid Influencer:

>> <https://www.brandsnob.co/influencers>

Affiliate Networks:

>> <https://www.ShareaSale.com>

>> <https://zeydoo.com>

Earn with CD Investments:

>> <https://guides.wsj.com/personal-finance/investing/how-to-invest-in-a-certificate-of-deposit-cd/>