

Title:

Passive income, residual income or multiple streams of income?

Word Count:

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Summary:

Which one of these three do you think that is the most important? All of them! They differ from each other slightly but all of them are important and necessary. I will explain on this article the difference and some examples for you to understand how valuable they are.

Keywords:

business, make money, become rich

Article Body:

Which one of these three do you think that is the most important? All of them! They differ from each other slightly but all of them are important and necessary. I will explain on this article the difference and some examples for you to understand how valuable they are.

I. Passive income is to receive money while you are not actively working on the business. There are many ways to do this. The following are just a few examples:

1. To own rental properties.
2. To own vendor machines.
3. To set up affiliate marketing websites.
4. To have different investments.
5. To receive royalties from art and other intellectual properties.

The good thing about receiving passive income is that it frees you up to work on other ventures while you earn the money or to have fun and relax. They all require some maintenance on your part. They are different from a traditional business or job though. You can become financially free and even rich if you get a few good sources of passive income.

The catch is that the big effort is on the beginning. You may have to work hard

to set up the initial business or venture. Once it starts making money for you and everything is set up, then you can most likely go relax or keep working on other venture to further boost your income.

II. Now, residual income, what is it?

Residual income is when you make an effort once and you profit several times, sometimes into the thousands and ten of thousands. For example, you write a book once and you sell 70,000 copies for \$19 each. It may take some years to sell that many copies but during that time you could write another book, which leads us to the third topic on this article.

So, remember, residual income is to make an effort once and profit several times. You can find examples of how to do this bellow.

1. You write a book or e-book and sell it many times.
2. You create a music/software/information CD and sell thousands of copies.
3. You take 5,000 photographs and sell them as stock photography to receive royalties for many years.
4. You make an investment once and receive gradual payments like with land and real estate.
5. You sell online memberships like those offered by dating and hosting websites and as long as the client stays subscribed you keep receiving monthly payments.

III. Finally, multiple streams of income.

Once you find your first stream of passive recurring income you should jump to the next opportunity. Your goal should be to have a handful of projects or businesses generating passive income for you. Diversification is the key to success. You never know what could happen tomorrow. Most wealthy people know this. They try to have different sources of revenues.

They invest, trade, start new businesses. They are always looking for new opportunities. You need to think like the rich if you want to become rich. When your first stream of passive income is making money for you, it is a good idea to look for a few other opportunities.

Once you have multiple streams of passive income, you can relax and work a few

hours per day to make sure that everything is running smoothly. The idea is not to jump from one business to the other without tying up anything well. Work to set up your first stream of passive residual income and once it is making substantial profits for you, then go find another and another and another, until you have several of them.

Don't overdo it either because you may find yourself working too much. The idea is to have diversification, so that if one of your ventures fail you will still have the others. Don't worry, once you start making money like this your life will change. The rest of the profits will come from your investments. So, you don't need a thousand streams of income just 5 or 6 could be great. Some people handle as much as 12 and they feel OK with it.

Depending on what you choose to do you may realize soon that this is one of the easiest ways to attain financial freedom and to become rich. The rich know this and they do it and you can do it too!