

# 5 Passive Income Ideas

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So you want to make income passively but don't know where to start. We will be going over a few passive income ideas that can help you start **gaining** a little extra income! We must look at what exactly passive income is, there seems to be this miss conception about passive income.

Passive income isn't something you just start and within hours or days, you're already making money without effort. Although this **CAN** be true in some instances. In instances where you want your income rate to be much higher, it's going to take some initial work. The objective is to have an idea, start it, and work hard until its generating income with minimal effort!

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### 1: Savings Account

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The classic savings account, this will probably be the most passive income on this list right out of the gate, this is because it requires a minimal amount of preparation time and effort to start. In this situation, you will need to research which kind of savings account you'd like. After this, you will need to go to the bank or online to create it!



These account work by simply putting money in it and getting an interest payment depending on the funds, every month. This means if you have \$10,000.00 and the account pays 2% monthly, every month an interest payment of \$200.00 will be deposited into the account! This can be a good way to accumulate a bit of extra income on money that you already have. However, not all savings account work the same and they can have varying interest rates!

## 2: Surveys

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Have you ever come across one of those ANNOYING survey pop-ups on a website? This can be frustrating and is one reason why people do not look to surveys for some extra income! I do need to preface this by saying you shouldn't quit your job and become a full-time survey filler. Although, there are some websites that can provide surveys and pay you out for it. One website that is super popular for this is Surveyjunkie.



You essentially sign up (free) and accumulate points by completing surveys whenever you have a chance. Once you've completed enough surveys, you can trade those points in for money!. The point payout varies from survey to survey but it is definitely worth checking out! Who doesn't want some quick and easy month that they can get on the go? You Definitely need to check out this easy form of passive/semi-passive income!

## 3: Dropshipping

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A topic that has been talked about a few times on my blog. Drop shipping is essentially acting as the middle man for online store purchases. It sounds difficult because being an online store has a lot of overhead. However, having a Dropshipping website allows you to process orders without holding inventory! What you can do is create a [Shopify](#) (click for a free 14-day trial!) account, once this is done you customize the website to look how you want.



While creating the website, you'll want to list a wide assortment of items that people would find appealing. Once this is all good and done, you're going to market the website so you can get exposure. Remember, Dropshipping isn't a new idea and anyone can do it. This means you're going to need to advertise your website in a way that is effective and proven to work.

Once traffic is starting to flow through your website, you're going to need to fulfill orders. Lastly, visit a wholesale website that sells the items that you are advertising and process the order. After the order is processed, send it to the address that the customer has provided.

That's all there is to it! It can be a lot of work and because it's such a competitive field, profit margins are relatively low. Profits will not be astronomical unless you have a lot of orders. However, once it gets too busy for one person to you there is always the next step.

## 4: Hiring

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This is something that is the backbone of many organizations big or small. Referring to the Shopify business. Once the business starts to gain traction, you'll be getting a few hundred or maybe a few thousand orders every day. Manually completing these orders can take your whole day and when it becomes overwhelming, that's when you call in the help.



You can start with a few friends who want some side cash and they don't even have to help you every day, just a few hours when you need it! This will lead to being able to

complete orders in a timely manner. This can eventually lead to better site rating and show that you're reliable.

Say that you have 2,000 orders and are gaining a profit of \$2.00 for every order. If you split that workload up between two people, you'll keep the money on the 1,000 orders you complete.

You can then pay out your employee whatever you see fit for the 1-3 days of work. For example, if it takes 2, 8 hour days and minimum wage in Ontario is \$14.00. However, you actually like your friend and want to give him/her \$20.00/h. The employee is paid \$320.00 while you take home 1,680.00 from all the additional order that was done in half the total time!

## 5: Dividends Income

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Dividends can be a worthy investment, especially if you want to make your money work for you. What is a dividend you may ask? A dividend is a portion of a companies earnings that is paid out to its shareholders. These payouts are in cash or shares of stock (this can vary depending on the company and certain situations).



There are many companies that pay out dividends to their shareholders but some do payout more than others. One high-yielding option that should definitely be accounted for is Real Estate Investment Trusts or REITs for short. These are companies that either own or finance real estate that produces a large amount of income.

For example, Vornado realty trust paid out on average \$0.655 Per stock to their shareholders in dividends quarterly. This will add up to \$2.62 per stock annually. Therefore, if you have 100 shares of Vornado Realty Trust, you would make a total of \$262.00 for 1 year!

This may not seem like a lot but you must take into account that there are cheaper trusts that cost less. Also, if you have more capital you can buy more than 1000 shares. The wisest option is to reinvest those profits back into dividends. The money will become passive and with minimal effort!

## Summary

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These passive income strategies will help you make money. However, these ideas by no means will make you extraordinary rich but they will add to your income and aid in the growth towards a financially stable lifestyle. However, with effort, a few ideas will be eligible for a second income. These ideas are number 3 & 4 because one can be grown into a large scale business and the other step is what helps every business, large or small gain exponential growth!