

35 Passive Income Ideas to Grow Your Wealth



What if there was a way for you to effectively make money while you sleep? Sounds like a dream come true, right? Even for the biggest workaholics, there are only so many hours in a day.

If only you could get paid multiple times for something you did once—that's exactly how passive income works! Thanks to technology, the potential to create multiple income streams is even easier than ever before. We're no longer held back by the limitations of a traditional 9-to-5 job, and financial freedom is at our fingertips.

Even if you already work a full-time job you can still improve your financial health with passive income.

Now, how do you do it? Building a passive income will require some work up front, but choosing a method that plays to your strengths will yield the most success, and it can even become a fun hobby!

Have an aptitude for photography? License your photos to stock photography websites. Or maybe you've always wanted to invest? Learn how with a robo-advisor. No matter what your strengths are, we've gathered 35 ideas for different ways you can generate passive income and build your wealth.

What is Passive Income?



We've already covered the basics, but let's break it down even further. In a technical sense, passive income is money earned from an enterprise in which a person is not actively involved in. Just like active income (money earned from performing a service), passive income is taxed by the IRS — just in a slightly different way.

Why You Should Establish a Passive Income Stream



If you're familiar with the phrase “don't put all your eggs in one basket,” you know that it applies to just about any area of your life including—and especially—your finances. In addition to

retirement becoming an ever-elusive goal, no one has guaranteed job security so by diversifying your income you can feel more secure about saving for your future. You'll be less likely to find yourself in credit card debt and happier as a result of being financially secure.

How To Make Passive Income

There are four main ways to earn a passive income: investing money, investing time, renting things out, and getting paid to do activities you already do.

Invest Your Money



1. **Invest with a robo-advisor.** An option that requires little to no effort, a robo-advisor is a digital platform that provides algorithm-driven financial planning services by collecting information about clients' financial situation and goals.
2. **Invest in dividend paying stocks.** Dividend-paying stocks are a great way to build long-term wealth because you get paid a portion of the company's earnings simply for owning the stock.

3. **Buy a rental property.** Have some space you're not using? Rent it out to a long-term tenant or capitalize on the growing demand for short-term lodging by listing it on an accommodation-sharing site.
4. **Participate in crowdfunded real estate.** Investing in real estate has a high financial barrier to entry. If you're not quite there yet, consider a crowdfunded real estate venture that allows you to invest in a small percentage of real estate.
5. **Invest in a Real Estate Investment Trust (REIT).** REITs are companies that manage income-producing properties in a variety of sectors. They trade on major stock exchanges so anyone can invest in a portfolio of real estate assets.
6. **Buy royalties.** Music royalties come from a percentage of the money earned from the sale or use of a song. Even if you're not a musician yourself, music royalties are often up for auction and will send a monthly check your way.
7. **Invest in index funds.** Index funds are similar to mutual funds, but instead of having a portfolio manager make selections it is up to an asset management company. This type of investment is a great option because it's relatively hands-off and has a low turnover which means lower transaction costs.
8. **Become a silent partner.** The sole responsibility of a silent partner is to provide a business with capital. Silent partners are rarely involved in an operational capacity, making it a great form of passive income.
9. **Invest in cryptocurrencies.** Cryptocurrencies are buzzing with opportunity at the moment, and it is possible to earn a passive income simply by holding certain cryptocurrencies.
10. **Start peer-to-peer lending.** Get matched up with a borrower online to start peer-to-peer lending—a simple way to lend money to businesses and individuals. You can earn higher returns than similar transactions through traditional financial institutions.
11. **Open a high-yield savings account.** If you're already putting money into a savings account on a consistent basis, consider opening a high-yield savings account. This special type of account offers a safe way to make a consistent income.

Start a Side Business



12. **Develop a mobile app.** If you have the programming skills and a one-of-a-kind idea, turn it into an app! The app marketplace is rife with opportunity for apps of all kinds.
13. **Start (or buy) a blog.** With a little entrepreneurial spirit and a lot of creativity, you can create a successful blog—it just might take a little while. Prepare to work hard in the beginning, but through multiple revenue streams like running ads, sponsorships, and affiliate marketing your work will more than pay off.
14. **Affiliate marketing.** There are several ways to utilize affiliate marketing in addition to having a blog. Although a large audience helps, even some local businesses offer a word-of-mouth referral program for referring friends and family to their businesses.
15. **License a business idea.** If you have a great idea for a business or product, but don't have time to start it yourself, consider licensing that idea. Interested companies are willing to pay royalties in exchange for the right to use your idea.
16. **Buy a vending machine business.** You've probably never thought twice about who actually owns all those vending machines, but the vending machine business can be a lucrative passive income source! Once you find the right spot, hire someone to restock the machines for you and you've got your own business going.
17. **Start house or pet sitting.** This one is a sort of hybrid passive/active income source, but if you're going to be hanging out at home doing nothing, why not get paid to do it somewhere else? Watch someone's house and pets while they're on vacation for a little extra cash.

18. **Start a YouTube channel.** Although the YouTube space is competitive, there's little overhead cost to get started. If you're passionate about your chosen niche and provide value to your viewers, ad placements and sponsorship opportunities can help you earn a sizeable passive income.

Monetize Your Creative Skills



19. **License your photos.** If you have a natural eye for photography, consider selling your photos to stock photography websites. Once approved, you'll earn royalties each time a customer downloads one of your photos.
20. **Design t-shirts or other products.** Create fun and trendy graphics for e-commerce sites like Zazzle or CafePress to put on all sorts of products from t-shirts to mugs. Production is taken care of and you'll earn a commission on the products sold.
21. **Create website templates.** If you fancy yourself an HTML wiz, designing and offering website templates for bloggers or e-commerce websites could be a great source of passive income for you.
22. **Sell graphic design files.** Even amateur graphic designers can earn a passive income by designing and selling graphic design files like icons or templates of all kinds.
23. **Publish an ebook.** Do you have a story you're itching to tell? Writers no longer have to wait for the attention of a publisher to release their work. If you market your book well (think social media), self-publishing an ebook will earn you plenty of residual sales.

24. **License music.** For the musically inclined, licensing music, especially instrumental tracks, can generate a decent passive income and help companies or video creators looking for high-quality audio.
25. **Sell digital art files.** To lower overhead costs and minimize supply chain logistics, design a piece of art or photography and offer a digital download for a lesser price. Many people are looking to furnish their homes on a budget and would happily print the art themselves.

Teach



26. **Create an eCourse.** An eCourse can be about anything you're passionate about. Have a lot of knowledge about digital marketing? Create an eCourse! Are you an expert in the field of bird watching? Create an eCourse! Whatever you love, there's an audience out there.
27. **Record a video course.** Similar to e-courses, there are endless options for video course topics. Video as a medium offers a personal connection and a different way to learn, making it an equally viable option.
28. **Sell a lesson plan.** If you're a teacher you can make a passive income simply by selling your lesson plans online to other teachers. It's something you're doing already, so why not share the knowledge?
29. **Make an online guide.** If you're an expert in your field or have in-depth knowledge of how something works or how to fix something, you can write a guide for it.

Get Paid for Everyday Activities



30. **Sign up for cash back credit cards.** Many credit cards offer some sort of cash back benefits, but finding one that offers the most rewards for your lifestyle is the key to maximizing your return.
31. **Advertise on your car.** Some companies will pay money for ad space on your car. All you have to do is drive around—which you’re probably doing anyway!
32. **Participate in research studies.** Get paid to let researchers track anything from your shopping habits to you sleeping patterns. If you’re comfortable sharing this information, it can be a great source of passive income that requires little to no effort.
33. **Rent a room in your house.** If you already have an extra room in your house, rent it out. You can make extra money with just some basic hospitality.
34. **Shop with cash back sites.** Shopping through websites that offer cash back rewards can be as effective as couponing, if not more! Simply shop as you normally would and earn rebates on your purchases.
35. **Rent your stuff.** Do you have random equipment filling your garage that you seldom use? Rent it out! Specialized equipment for lawn maintenance or home improvement projects is often a one-time use for most people. You’ll make some money and other people will be able to use your tools for a fraction of the cost of buying them outright.

Launching a side business or figuring out how to invest your money when you’re strapped for time isn’t easy, but the payoff makes it all worthwhile. The money you earn from passive income

will undoubtedly have you well on your way to achieving your financial goals and that much closer to true financial freedom. If you're wondering how your finances currently stack up, find out where you stand financially. No matter the result, our personalized advice will help get you where you want to be.

"I have not failed. I've just found 10,000 ways that won't work." - Thomas Edison