

# Your **RETIREMENT** Planning Guide **2**



Budgeting, Lifestyle, Inflation, and Passive Income

# MILITARY FAMILY INVESTING

[Home of the Free PDF](http://www.militaryfamilyinvesting.com)

[www.militaryfamilyinvesting.com](http://www.militaryfamilyinvesting.com)

## Your Retirement Planning Guide 2

Budgeting, Lifestyle, Inflation, and Passive Income

### INTRODUCTION

00 Your Retirement Planning Guide 2

### BUDGETING & BECOMING DEBT-FREE

01 The Golden Handcuffs of Lifestyle Inflation

02 When NOT to Use Credits Cards

03 HOW to Use Credit Cards

04 Start Your Debt Payoff Journey

05 Merry Debt-Free Christmas

06 Debt-Free? So, What's Next?

07 Over-Budgeting: You Can Only Cut So Much Before...

08 Over-Budgeting 2: Low Expenses, High Income

09 How Much Do You Need for Retirement?

10 The Wealth Accumulation Phase: 2 is Better Than 1

### GOOD FINANCIAL LIFESTYLE

11 3 Steps to Live Entirely on Passive Income

12 5 Steps to (Financially) Running a Household

- 13 The Average Millionaire has 7 Streams of Income
- 14 Choose Your Passive Income Adventure 2
- 15 How Would You Spend \$5,000?
- 16 How Would You Invest \$300,000?
- 17 Cash Flow 106: Why You Need a Job
- 18 Can You Live the Laptop Life?
- 19 I Live Paycheck to Paycheck 2...
- 20 I Live Paycheck to Paycheck 3...

## **BEATING INFLATION**

- 21 Inflation vs. Rents
- 22 Inflation vs. Dividends
- 23 Inflation vs. Royalties
- 24 Inflation vs. Cryptocurrencies
- 24A Inflation vs. Passive Income
- 25 Inflation vs. Passive Income 2
- 26 Your Income Should Increase Every Year
- 27 4 Years of College vs. 4 Years of Content Creation

## **RETIREMENT PLANNING**

- 28 Retirement Planning for the Average Person
- 29 Retirement Planning for the Average Person 2
- 30 Retirement Planning for the Average Person 1+2
- 31 How to Retire in California

- 32 My 60-Day Pre-Retirement
- 33 Happy Cash Flow Retirement 2
- 34 The Magic of a Military Pension
- 35 The Magic of a Roth IRA
- 36 Annuities vs. Dividends
- 37 Dividends vs. Military Retirement
- 38 Retire Early as a Well-Rounded Millionaire

## **PASSIVE INCOME**

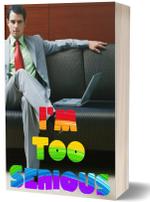
- 39 What is Passive Income?
- 40 We Make \$650/Month in Passive Income
- 41 From \$28/mo to \$700/mo in Passive Income in 2 Years
- 42 The Magic of Passive Income: Your Money Works for You
- 43 Active Service, Passive Income
- 44 Net Worth vs. Passive Income
- 45 How to Create Passive Income 101: For Beginners
- 46 How to Create Passive Income 102: For Intermediates
- 47 How to Create Passive Income 103: For Advanced
- 48 How to Create Passive Income 104: For The Average Person
- 49 The Passive Income Grind
- 50 The Passive Income Grind 2
- 51 To Be Truly Free: You'll Need \$20,000/month Passive Income
- 52 Cash Flow 105: Diversify Your Passive Income

## LIVING OVERSEAS PASSIVELY

- 53 Living Overseas Passively 101: Introduction to Passive Overseas
- 54 Living Overseas Passively 102: Financial Mindset
- 55 Living Overseas Passively 103: Retirement Income
- 56 Living Overseas Passively 104: Dividend Income
- 57 Living Overseas Passively 105: Rental Income
- 58 Living Overseas Passively 106: Royalty Income
- 59 Living Overseas Passively 107: Cryptocurrencies
- 60 Living Overseas Passively 108: Automated Business
- 61 Living Overseas Passively 109: Cash & Emergency Fund
- 62 Living Overseas Passively 110: Living Overseas on Passive Income

## BOOK TAKEAWAYS

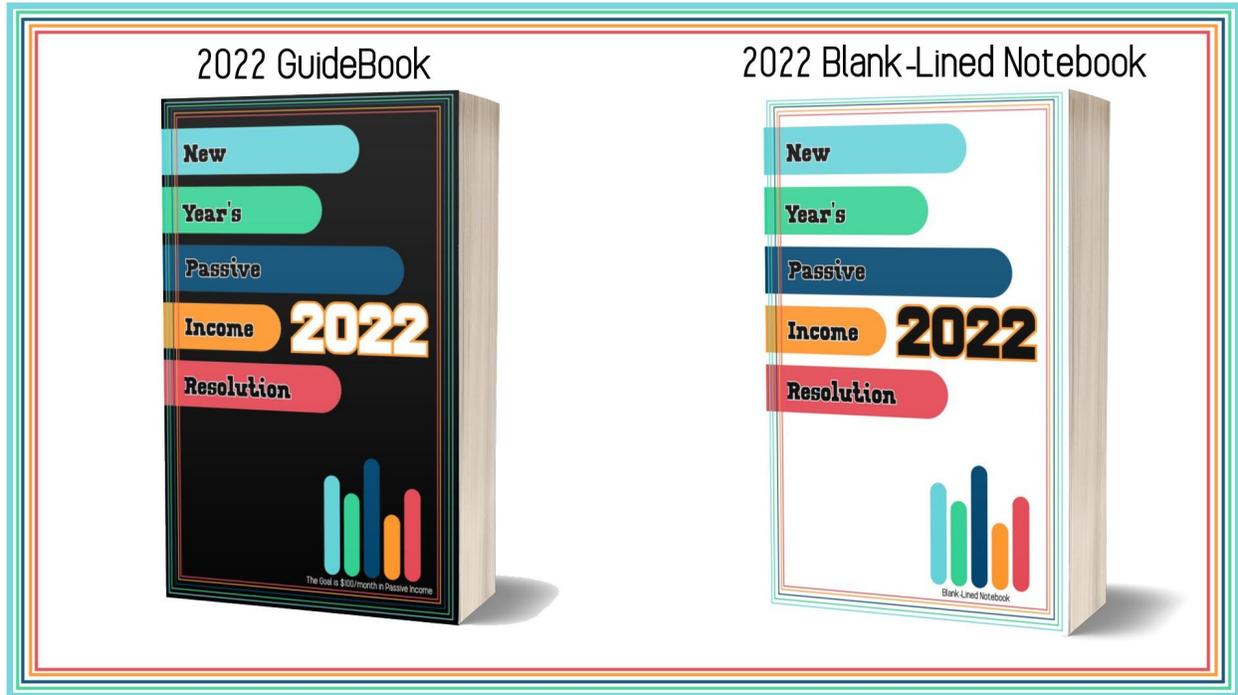
- 63 “Get Your Ducks in a Row”
- 64 “Passive Income, Aggressive Retirement”
- 65 “An Expat’s Experiences of Living in Turkey”



[I'm Too Serious -Free PDF Download](#)



- 1) **PDF of the Month:** [Become CEO of Yourself 2](#) (Free 196-Page PDF)
- 2) **Free PDF Downloads:** [Download FREE PDF books here](#)
- 3) **Financial Mindset:** [Become CEO of Yourself](#) (book)
- 4) **Retirement Planning:** [Don't Gamble with Retirement 5](#) (Free 431-Page PDF)
- 5) **Investing:** [How We Plan to Retire on Dividends 2](#) (165-Page Free PDF)
- 6) **Cryptocurrencies:** [The Magic of Cryptocurrencies](#) (Free PDF)
- 7) **Real Estate:** [Financial Independence through Real Estate 2](#) (Free 123-Page PDF)
- 8) **Business:** [Retire Rich, Retire Comfortable with a Business 2](#) (Free 185-Page PDF)
- 9) **Everything!:** [The Biggest Book on Passive Income Ever!](#) (book)(Web Edition)(Art Edition)
- 10) **I bought a Kindle Oasis:** [Check it out Amazon](#)
- 11) **Read My Books for Free:** [Free Kindle Books Schedule](#)
- 12) **Crypto Exchange:** [My Favorite Crypto Exchange VOYAGER](#) (Join Voyager)
- 13) **Kindle Unlimited:** [I Why Finally Subscribed Kindle Unlimited](#) (learn more)
- 14) **Book Reviews:** [54 Takeaways from 54 Books](#) (book)
- 15) **Want to Build Passive Income from Books and Affiliate Marketing?** ([Learn here](#))
- 16) **Writing:** [Can Grammarly Make You a Better Writer?](#) (direct)
- 17) **My Favorite Chromebook:** [The Ultimate Chromebook](#) (direct)
- 18) **Follow us:** On our [Facebook Page](#) and **Join** our [Facebook Group](#)
- 19) **Amazon Author Page:** [Check out my author page on Amazon](#)
- 20) **Monthly Dividend Planner:** [Check it out on Etsy](#)



**New Year's Passive Income Resolution 2022: [Article \(Amazon Book\)](#)**  
**New Year's Passive Income Resolution 2022: [Blank-Lined Notebook \(Amazon\)](#)**

**Disclosure: I am not a financial advisor or money manager, and any knowledge is given as guidance and not direct actionable investment advice. I am an Amazon Affiliate. Please research any investment vehicles that are being considered. I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it. I have no business relationship with any company whose stock is mentioned in this article.**

**All Right Reserved Military Family Investing**

## **INTRODUCTION**



## 00 Your Retirement Planning Guide 2

It's your retirement; make it how you want. With that, how do you envision yourself in retirement? Are you with a loved one or family? Where are you located? And, how much money do you have or need? These are all questions you should be asking yourself every day.

I have a few housekeeping notes before you get started. The first part of this series is called "[Retirement Planning at Any Age \(Amazon\)](#)." I changed the name and the scope of the series.

This series will be a collection of all the articles I've written in the Retirement Planning category on my blog. In this case, 60+ articles. My blog has six different categories: financial mindset, retirement planning, investing, cryptocurrencies, real estate, and business.

You can find the other massive collections on my website for free. I also have them up on Amazon if that is your preferred reading method. Here are the details on those.

- 1) **Financial Mindset**- "[Become CEO of Yourself 2](#)" ([free pdf](#))([Amazon](#))
- 2) **Retirement Planning**- you're here
- 3) **Investing**- "[How We Plan to Retire on Dividends 2](#)" ([free pdf](#))([Amazon](#))
- 4) **Cryptocurrencies**- "Counting on Crypto" (coming soon)
- 5) **Real Estate**- "[Financial Independence through Real Estate 2](#)" ([free pdf](#))([Amazon](#))
- 6) **Business**- "[Retire Rich, Retire Comfortable with a Business 2](#)" ([free pdf](#))([Amazon](#))

Wow, that's a lot of content. It's impressive how doing something like writing every day can produce such massive results. We can say the same about retirement planning. We need to work towards retirement every second we breathe.

## **Budgeting & Becoming Debt-Free**

Living on a budget can be one of the top ways to ensure we have money to invest. Investing is how we build our money system that we can eventually use to retire. Budgeting also helps us prevent the [golden handcuffs of lifestyle inflation](#). If our lifestyle balloons with our income, we force ourselves to indefinitely stay in the rat race.

Part of budgeting is knowing when [to USE](#) and [when NOT to use](#) credit cards. Avoiding credit card debt can save you a ton of heartache. Trust me; I speak from experience.

If you are in debt, relax, it'll be okay. Take a deep breath. The hardest part of being in debt is identifying the true extent of your financial troubles. After that, you can begin [your debt pay-off journey](#) while also learning to avoid toxic consumerism.

It may take a couple of years (it took us that long), but you will eventually get out of debt. Can you imagine rolling into [Christmas time](#) and being debt-free? You can have a tremendous stress-free shopping experience. You'll get there.

Once [you are debt-free](#), there is still much to accomplish. Now, we still need to reduce expenses and increase income. Don't rest on your laurels just yet. The minute you stand still, inflation will catch you.

I love reducing expenses because it prevents lifestyle inflation and gives us excess cash flow to invest. To reduce costs, you need to [over-budget](#) (and [over budget some more](#)) to get the results. You don't necessarily over budget for the rest of your life, just until you have a substantial amount of passive income.

Now that you are on track, you can look at the bigger picture. [How much do you need for retirement?](#) I like to ask how much cash flow you need, not a fixed amount.

Thus, this launches you into the [wealth accumulation phase](#)—no more debt and bad purchases. Now it's about building wealth through investing, business, and streams of passive income.

## **Good Financial Lifestyle**

Accumulating wealth is about living a lifestyle conducive to building wealth. If you want to live like a rapper or ballplayer, chances are you'll run out of cash pretty quickly. [These three steps](#) will allow you to transition from surviving on earned income to thriving on passive income.

Part of reducing your financial footprint is [managing your household](#) correctly. It is hard for a married couple to get ahead financially. I have a wife and two kids, so I know all about the struggle. However, when two people get on the same page, there is nothing that can stop you.

Trying to get ahead financially with only one income stream can be challenging. [The average millionaire has seven streams of income](#)—how many do you have? You'll have to grow your income streams to beat inflation and get ahead of the power curve. You can start by investing in dividends and renting a room—that is already two more streams.

The rich's mindset is vastly different from that of a poor person. 80% of becoming wealthy and acquiring assets is your mindset. I like to ask myself additional questions to ensure my mind stays sharp. Questions like "[How would I spend \\$5,000?](#)" and "[How Would I Invest \\$300,000?](#)" allow me to diversify my future passive income. If I don't have the answer, I have to do some reading.

Yes, I talk about living on passive income every day, but the [truth is you need a job](#). You need a job because you were not born with assets. As we build our base of assets, we need to pay expenses. We can use our earned income to fund our money system as well. We can also use our job to support us as we grow our business.

The goal of working and retiring is to [live the laptop life](#) eventually. The laptop life is the idea that you can make money from anywhere, as long as you have an internet connection. This means you want to start an online business while working and build a dividend portfolio. You may also like to learn how to trade options to make even more passive income.

Before we can live the laptop life, we need to learn how to [live paycheck to paycheck](#). No, I am not talking about earned income paychecks; I am talking about [dividends and royalties](#). We need to build up our passive income "paychecks" and use them to fund our lifestyles—no more bosses for us.

## Beating Inflation

As you become a sophisticated investor, we will learn to mitigate inflation. Some people like to hedge inflation with bonds. I want to make as much [passive income](#) as possible. I do this with [royalties](#), [rents](#), [dividends](#), and [cryptocurrencies](#). I follow [these five rules](#) to help me beat inflation.

If you are doing everything correctly, your [income should increase every year](#). In 2019, my wife and I made \$140 in dividends, 2020 was \$1,234, and 2021 was \$5,072. How remarkable is that growth? Think about how much we will make in dividends in 30 years.

Another way to beat inflation is to get a higher-paying job. However, you probably need a college degree for this new job. Would it be better to [become a content creator](#)? Would you

make more money working from home and building a brand? In my opinion, yes, if you are genuinely dedicated (about 3% of the population).

## Retirement Planning

Now, we are budgeting, living below our means, and tracking inflation; what's next? We need to start working towards retirement. The average person has no clue what retirement will look like for them. I created the retirement planning for the average person ([part one](#), [part two](#), [special edition pdf](#)) to help folks envision a life without working—a life of freedom of time, movement, and finances.

I was born and raised in San Diego, California (back in 1981). However, the idea of retiring there is not on my list of things to achieve. That doesn't mean that it is impossible to [retire in California](#). It just requires you to become a sophisticated investor and passive income expert. I like to use California as an example because if you can retire there, you can retire anywhere.

Speaking of retirement, I had a chance to take a [60-Day Pre-Retirement](#) experiment. I was home on leave (from Japan), living on my active duty paycheck (soon to [be a pension](#)), dividends, rents, and royalties. Spending the beautiful Florida days with my lovely wife is something I will always treasure. Today, we have even more passive income streams. This is how I envision my [Happy Cash Flow Retirement](#).

Dividends are a massive part of my retirement plan. I just love the feeling of building wealth through dividends. There is something so sexy and cool about getting dividends at all times of the month. But, I always like to compare dividends to other sources of income. I compare them [to annuities](#) and a [military pension](#) to see which could be better in the long run.

In the end, you want to [retire as a well-rounded millionaire](#). To me, that means having at least \$120,000/year in passive income. That is \$10,000/mo in passive income split between rents, royalties, automated business, cryptocurrencies, pension & ROTH, and dividends. We can all reach these numbers if we focus and eliminate the crap from our lives.

## Passive Income

So, let's dive into the meat of passive income? [What is passive income](#)? It is income where you do most of the work upfront and reaps the benefits over time. Writing a book is probably the most straightforward example to use. Last month, my wife and I hit \$1,100 (not including rents) in passive income. You can follow [our journey](#) in [a couple of articles](#) I wrote. Over time, I will keep sharing until the numbers seem **absolutely ridiculous**.

The [magic of passive income](#) is that it frees your time to build more passive income. Just like I will use my [military retirement](#) to free myself from working, dividends can serve the same function.

Many people try to build a giant nest egg or a large amount of equity in their home, but what does a [static number](#) do to pay expenses? The better measurement is how much passive income your portfolio pays you.

If passive income is still elusive to you, I wrote a series titled How to Create Passive Income ([beginners](#), [intermediates](#), [advanced](#), [average person](#)). Following this series (in order) should help you get some ideas and see what income streams interest you the most.

But don't get it twisted; building passive income is a grind. The [passive income grind](#) is something most people can't do because results come later. I am writing 1000+ words a day for at least five years, and I don't expect to see the results until that fifth year. However, at that time, [I can relax a little](#) and let the power of compounding work in my favor.

You would have more than \$10,000/mo passive income in the perfect world. I would go as far as to say you will need [\\$20,000/mo passive income](#) to be free truly. You don't want anything in life to limit you. If your son joins the Marine Corps and gets stationed in Italy, you want to afford to move there as well. Money gives you options. [Passive income gives](#) you freedom of movement, time, and location.

## Living Overseas Passively

Speaking of freedom of location, let's talk about moving overseas. I spent 11 of my 23 years in the Marine Corps overseas, and I loved it. Some people want to experience a slower life, where their dollar goes even further than in America.

I love the idea of living overseas on passive income. So much so that I wrote a ten-part series titled Living Overseas Passively ([Introduction](#), [Financial Mindset](#), [Retirement Income](#), [Dividends](#), [Rents](#), [Royalties](#), [Cryptocurrencies](#), [Automated Business](#), [Cash](#), and [Conclusion](#)).

If you don't think you can achieve a healthy retirement in America, maybe overseas is the answer you seek. You can live amazingly well on \$3,000-\$4,000/mo of passive income. Places like Thailand, the Philippines, and Brazil may offer you some hope.

## Book Takeaways

Reading is the best way to become wealthy if you take action afterward. "[Get Your Ducks in a Row](#)" gives a detailed look at estate planning. I knew nothing about the topic, so I highlighted almost the entire book. Look for more articles pertaining to estate planning in the future.

"[Passive Income, Aggressive Retirement](#)" offers us the chance to use passive income to build out our retirement plans. So, it is a book right after my heart.

"[An Expats Experiences of Living in Turkey](#)" is an excellent book on life in Turkey as an Ex-patriot. We plan on living in Turkey for a considerable bit of time, so this book gives me the

inside scoop on the landscape. I look forward to reading more books on Thailand and the Philippines.

## Conclusion

Wow, that was a ton of information. Again, this comes from the magic of compounding. I just wake up and write, and before I knew it, I have a 60+ chapter book sitting in front of me. Please go download the other collection of books, or grab the all-in-one book titled "[Don't Gamble with Retirement 5 \(free pdf\)\(Amazon\)](#)". Enjoy and Good Luck!

## BUDGETING & BECOMING DEBT-FREE



### 01 The Golden Handcuffs of Lifestyle Inflation

Being rich is a fantastic feeling and an underrated experience. I never thought I would go into a department store and buy almost anything I want—with cash. Here is my favorite quote on what being wealthy is.

**Wealth is having excess income vs. expenses.** Simple enough. So it is not necessarily the amount of money you make but how you control your life based on your income. Let's take a look at my life.

My wife and I bring in roughly \$17,000/month from our jobs and passive income sources. Our total expenses per month are about \$4,000. So that \$13,000/month buffer is what makes me rich.

But what if I wanted to look rich and act rich—would I still be financially rich? Let's see how fast I can spend this \$13,000/month in true American fashion.

Let's be creative and start with our cars. Both of our vehicles are currently paid off, but I am feeling froggy. I want a new 2021 Chevy Corvette because they look cool. Kristina (my wife) wants the Tesla Model X with all the trim. They each will run us \$1,000/month for a grand total of \$2,000.

Not bad; we still have \$11,000 to spend per month. Kris wants to upgrade the house to something more fitting for a wealthy family. We currently [pay zero out of pocket](#) for our home, and we can keep the house and rent it out for a profit. But, we can get a mansion in West Florida for \$1 million. With current mortgage rates, that's only \$5,000/month.

Now, having a 6,000 sqft house will require someone to clean and mow the lawn. Kids will need to go to private school to reflect on their situation better. All and all, we can add another \$2,000 worth of expenses to our budget. That leaves us \$4,000/month remaining. Not too shabby.

However, we haven't gone clothes shopping, bought the best of the best foods, went on vacation, bought jewelry, etc. We still have a lot more money to spend. At the end of the day, we can easily be in debt or in the negative per month.

Sounds ridiculous, right? This scenario happens every single day in American and other first-world countries. This behavior is called **Lifestyle Inflation, and it is the killer of wealth**. Nothing I can say or write can help you prevent lifestyle inflation.

Lifestyle Inflation is a mindset that permeates almost everyone in America. Actually, I walk around the office saying how rich I am just to see people's reactions. They look at my little Ford Focus and start laughing. To them, I need to prove how rich I am by showing off my cars, jewelry, and clothes.

Many of us did not have loads of money throughout high school. What if you had the chance to go back through high school, but as a rich kid? Where are all the kids who had fancy cars and clothes and didn't have to work during high school? Did they become successful entrepreneurs, business people, or politicians? Most likely not because they never formed the work ethic that us poor kids did.

But a funny thing happens when you turn 40—everyone wants to pretend like we are in high school again. When you go to Facebook, all you see is [people 40s years old](#) going on

vacations, buying new cars, showing their kids in private school uniforms, getting augmentation surgeries, etc.

The worst part is that lifestyle inflation only gets worse with time; it doesn't heal itself. So imagine making decent money in your 40s, only to start spending more of it throughout your 40s, 50s, and 60s. At some point, you will need a boat or vacation home. I'm telling you, this crap can get out of hand very quickly.

Don't expect your friends to help. In fact, I have noticed that people who inflate their lives surround themselves with people who appreciate the cost of their lifestyle. They are not interested in friends who aren't interested in their expensive tastes.

You can try this phenomenon out for yourself. When one of your self-important friends tries to talk about a new purchase, act utterly clueless about its existence. It goes like this. "Hey Josh, I just bought the new Tesla Model X fully loaded." I then say, "Oh, is that the new cheap model? I get them confused."

"Hey Kris, we just enrolled our kids in St. Mary's Catholic school." Kris responds, "Oh, is it supposed to be a good school? My kids are in the ghetto high school down the street."

I am telling you from personal experience; they cannot stand when people don't understand the cost of their lifestyles. They are literally living their lifestyles to brag about it. So when they can't brag to someone, they move on to circles who can appreciate their spendy lives.

That is precisely why Kris and I have very few friends. Have you ever listened to middle-class Americans talk to each other? It is brand-dropping, luxury-shopping madness. Rich people don't have to talk about these things because they inherently have them.

Rich people talk about investments, business, and real estate. These are the conversations I love to have. In the military, I am surrounded by people with college degrees. They sometimes start to talk about wealth creation, but a few comments from me and that stops.

If you continue down the path of building passive income streams, you will quickly become the smartest person in the room. Think about it. Anyone can work hard for money. Anybody can join someone else's business and have a boss dictate the terms of their work.

I made \$40 in book sales last month because I sold the equivalent of 20 books. How many people in America can clear \$40 profit in book sales? Do you know how hard it is to sell 20 books in one month?

Yes, people can pay a lot of money for advertising, someone to ghostwrite for them, for an excellent cover, to start a blog, etc. You could easily spend \$3,000 to get your book out the door

with a bit of fanfare. You would need to sell 750 books @\$4 profit each to break even. Selling 100 books in one month is considered exceptional for an independent writer.

So again, I sold 20 books in one month. I do my own advertising, write my own words, edit my own books, write my own blogs, and make my own covers. I do everything I do to be successful in the book-writing world. And halfway through this month, I have already sold 15 books.

It takes time, work, and knowledge to create an income stream from nothing. People would instead go to work because it doesn't require much mental effort. Get dressed, grab a Starbucks coffee, sit in traffic listening to self-improvement podcasts, and repeat every day until 70 years old.

Lifestyle inflation is the killer of wealth, and jobs are the killer of innovation. So if you can reverse both of these trends in your life, you can become rich rather quickly. Reversing lifestyle inflation is the same as lowering expenses. Reversing dependence on your job by making passive income streams is the same as increasing income.

So let's go back to our quote, "**Wealth is having excess income vs. expenses.**" We can re-write it as "**Wealth is building streams of passive income and preventing lifestyle inflation.**" Simple.

In part two, I will cover, step-by-step, how to prevent lifestyle inflation and get started on building streams of passive income. I'm telling you, for someone who has crossed over, life is good over here.

I cannot tell you the feeling of having little to no urge to buy anything. I walk around the store without any need or want to buy something. I am just browsing because I can actually afford to browse.

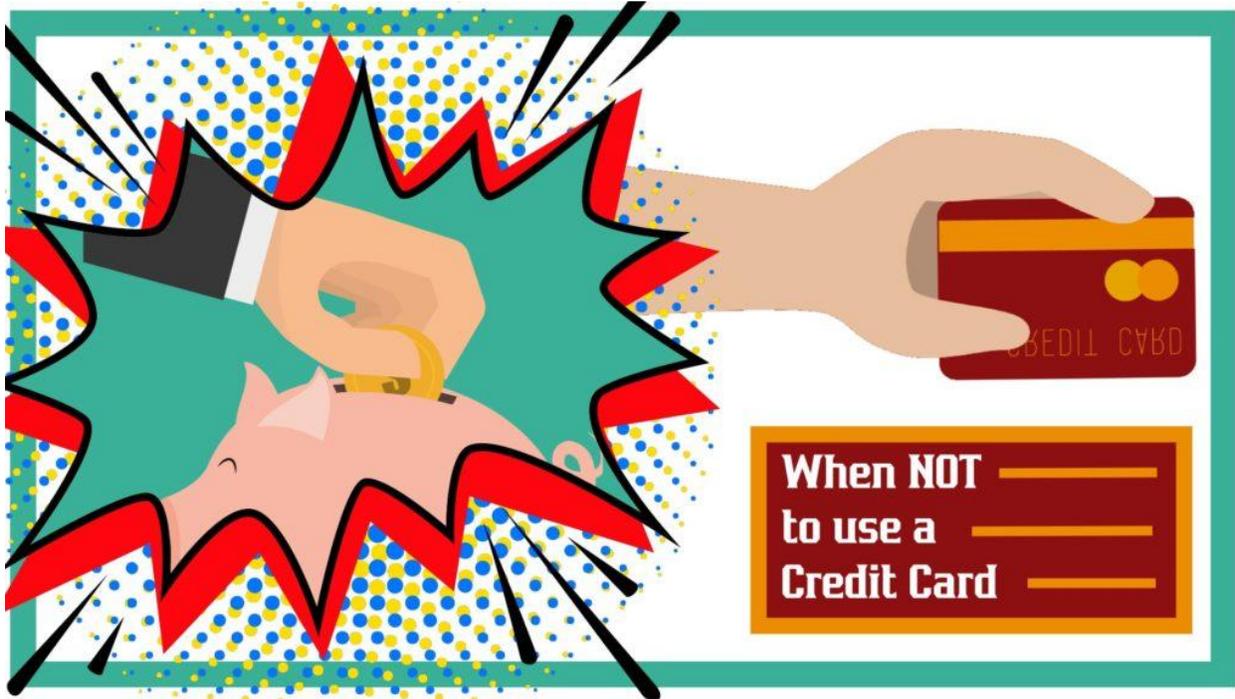
One day I was window-shopping, and a \$14 dividend popped into my Cash App account. It was one of the best moments in my life. It is what passive income is all about. I could have spent that \$14 without any guilt or shame. I know that my stock (AGNC, [REIT](#)) will pay me again next month and the month after that. I do not need to work for this money again. I no longer need to exchange time for money to receive the following dividend payments.

That \$14 is what makes me rich. My wife and I have decided that the money from my book royalties will be our restaurant money. Last month I made \$40, so that is a good afternoon at our favorite sushi joint. We like to go to happy hour where they have specials on nigiri.

How cool is it to be able to pay for our couples lunch courtesy of Amazon book sales? Even if my book sales stayed at \$40 for the rest of my life, it would still be cool to use that money to eat out every month. Not too many people have a free stream of \$40/month for their lifetimes.

That is what makes us rich, making money without exchanging time. Do not get caught up in working for money and spending that money to show how much you earn. It is a fool's errand and will add years to your time in the workforce.

Hopefully, this article hits home. It is a stark contrast to the teaching and doings of American life—**only you can prevent lifestyle inflation**. I will see you for part two. Good Luck!



## 02 When NOT to Use Credits Cards

Credit cards can actually be of great use in our wealth-building journey; if we use them correctly. However, before we can effectively use credit cards, we need to establish control of our finances and create passive income.



[Free 45-Page PDF Download \(\\$2.99 Value\)](#)

**Typical use of credit cards.** In America, the common use of credit cards is buying liabilities that we cannot afford. I like to call this [toxic consumerism](#). We need to understand and defeat harmful consumerism before getting maximum positive benefit from our credit cards.

**What creates toxic consumerism?** In a word, advertising. The media constantly bombards us with advertising. We may not even know that someone is trying to sell us something; yet, our brains remember the words or pictures.

### [How to Invest During a Downturn](#)

The best way to understand the effects of advertising is to read a book about the subject. I recommend “[Cashvertising](#)” because it is straightforward and accurate. The book talks about different topics such as [Maslow’s Hierarchy of Needs](#) and scarcity tactics.

Once you grasp who is advertising to you, you stand a better chance of controlling your spending habits. Indeed, [getting out of debt](#) can be even more challenging to navigate when you have access to credit cards.

**Getting out of debt.** I like my four-step approach to getting out of debt. I wrote about it in “[4 Steps to Become Rich \(book\)](#).”

- 1) Pay down debt
- 2) Lower expenses
- 3) Create multiple streams of income
- 4) Invest in assets

I love these steps because relying solely on your earned income job to pay debts can be troublesome. I will lay out the typical scenario that happens when you attempt to pay off debt without creating new income streams.

**Example.** Let’s say you have \$10,000 in consumer debt that you have a strict plan to repay in 10 months. You have timed the payoff by allocating \$1,000/mo for ten months. Everything is going fine until your car has some issues.

### [Basics of Design 106: Typefaces and Colors](#)

The car maintenance costs \$2,000, which sets you back by two months. You re-adjust your calendar and press forward. However, your parents want to come for Christmas, costing you \$1,000.

You keep playing this tug-of-war for two years, and you finally pay off your card. You begin to put in a savings account with the money you have been using to repay your debt. You reach +\$11,000 in your high yield savings account—something to be very proud of indeed.

After three years of paying debt and investing, you decide to buy some new furniture and take the family on vacation. Now, you are down to \$3,000 in your account but still debt-free.

Now, for the scary part. You'll have to work another year to get back to +\$11,000 in your savings account. Eventually, you'll be too old to work to replenish your reserves.

## [Happiness isn't Free](#)

**Learn how to create money.** The most crucial part of using credit, leverage, taxes, debt, etc., is understanding how to make money. Once you learn that you can create [money out of thin air](#) and even [print your own](#), you have completed the circle of finance.

The book "[Unfair Advantage](#)" is an excellent book on [creating passive income](#). There are too many ways to make income to list in this article, but I'll review a few.

I am currently writing this article on Google Docs. I will then publish this post [to my blog to](#) receive advertising revenue. I will also repurpose this article into a pdf book that could [also host advertisements](#). Finally, [I will publish this book](#) to the Amazon Kindle platform, where another set of eyes can pay \$3 to read it.

It cost me nothing to write and publish this book, yet I am creating [multiple income streams](#) from my writing. That means I am printing my own money. We also call this [an infinite return](#). You can achieve similar results by [renting a room](#) in your primary residence and using your car as a [rental car business](#).

## [Retire Early as a Well-Rounded Millionaire](#)

**Why create your own money?** [Do not use a credit card](#) if you do not have multiple streams of income. [Do not use a credit card](#) if your earned income job is your only source of income.

The chances of you getting behind in payments is too great. If your only solution is to work more hours to pay the debt, then you have already lost. [Exchanging time for money](#) to repay debts may be the worst situation imaginable.

I wrote an article titled "[Why You Need a Job](#)" that explains why we work jobs. Jobs are a great place to learn our profession and to allow us to pay expenses while we build our empire on the side.

Credit cards can be hazardous to our ability to create income streams. Being under the influence of debt can lead us to make huge mistakes in our personal lives and investing choices.

Suppose you are in debt currently; no worries. In his book "[I Will Teach You to be Rich](#)," Ramit Sethi says it's best to figure out your debt-payoff day. I agree. Figure out your debt-payoff day, even if it is five years away.

## [6 Types of Income Streams](#)

Next, learn about passive income. You need to create money to expedite your payoff date. I promise you can pay off debt quickly when you [change your mindset](#).

**Using credit cards.** Again, don't use credit cards until you understand building your own income streams. From there, we have multiple uses of credit cards to make our lives easier.

However, I will get to those in part two of this article series. I want to cover the positive uses of credit cards more in-depth. I have three positive benefits for credit cards; an emergency fund, cash flow, and rewards.

While you wait for the next article in the series, you have some homework. Round up all of your debts and write them down. Do a rough estimate of when you could potentially pay everything off ultimately.

Next, look over my article "[21 Passive Income Ideas](#)." Which of these interests you? You may have to tweak it to your personality, but you need to start thinking of increasing your income. That's the best way to [achieve stress freedom](#). Until next time—I'm signing off.



### 03 HOW to Use Credit Cards

I just finished an article where I asked you NOT to use credit cards unless you were debt-free and had multiple income streams. Today, I present the counterargument to using credit cards. Please read "[When NOT to Use Credit Cards](#)" first.



### [Free 46-Page PDF Download \(\\$2.99 Value\)](#)

Credit cards can be a boon to your financial success if used properly. They offer lots of perks, rewards, and security. However, ensure you have your spending habits under control before keeping a few credit cards in your wallet or purse.

I want to cover the three main topics: using credit cards as an emergency fund, cash flow, and rewards. There are even more reasons, such as purchase protection, but today I want to focus on these three. Let's get into it.

#### [Diversify Your Passive Income](#)

**An emergency fund.** The old adage is to have 3-6 months of expenses saved in your emergency fund. Having money outside the markets ([stocks, cryptos](#)) is mandatory for financial success.

However, keeping this much money tucked away in high yield savings accounts or certificates of deposit can hinder wealth creation. I just finished an article titled "[Investing for Interest 101: What is Fixed Income?](#)" where I discuss investing in low-yield, high safety instruments like bonds.

I believe it is best to keep a few thousand dollars in liquid high yield savings accounts, three times that in bonds, and then another good amount in USDC stable coin cryptocurrencies.

Here is how my emergency fund would look. If I had \$2,000 a month of expenses, I would need roughly \$20,000 in an emergency fund. I would keep \$3,000 in my high yield savings account, \$7,000 in treasury bonds, and finally \$10,000 in USDC stable coins.

The magic of credit cards is that I could use those for emergencies. As long as I still had my job, I could use credit cards for emergencies I knew I could repay over the next few months.

#### [Prepare for Inflation](#)

As a person who [owns three homes](#), I know my biggest emergency expenses would be if one of my air conditioners broke. Instead of keeping \$10,000 in my high yield savings account, I can use my credit cards as a buffer.

Remember, [inflation](#) is at a high point today. The year-on-year inflation rate is 6.8%. Keeping my money in a high yield savings account at a 0.4% interest rate would not be ideal. Cash is trash, so we need to do everything in our power to keep our money from sitting around.

My wife and I have a large amount of cash flow from [high-paying jobs](#), [renting rooms](#), [dividends](#), and [royalties](#). If we had a \$7,000 air conditioning expense ([which we have had](#)), we could fund it through credit cards. We can pay it off over 3-4 months while still investing in the markets. If we need to pay it off sooner, we can liquidate bonds or USDC.

Credit cards give you the flexibility to have \$20,000-\$100,000 on hand without having your cash getting destroyed by inflation. You only need to exercise self-restraint with having such a high credit limit.

### [The Magic of a Military Retirement](#)

**Cash flow.** You can also use credit cards for cash flow by maximizing cash rewards. You can find fantastic cash rewards if you are a savvy credit card shopper with a high credit score. You can keep the cash rewards with no interest penalties by paying off your card every month.



I like to use my cash rewards on my Discover debit card, but you can substitute a credit card if you will. I love the debit card because I cannot get myself into trouble.

I absolutely **LOVE LOVE LOVE** my Discover debit card. It offers 1% cashback rewards, and those rewards flow directly from my online checking account into my high yield savings account. Now, my high yield savings account is offering a trash 0.4% interest rate, but that's a story for another day.

I use my Discover debit card to pay my little recurring expenses such as Netflix, Hulu, Amazon Kindle, Amazon Prime, Google Drive, YouTube, etc. I have \$800 being directly deposited from my paycheck into my Discover checking account.

### [Become a Lifelong Learner. Become Rich.](#)

After paying bills, food shopping, and buying random crap (it's fun), I usually spend all of my \$800 allotment. I receive \$7-8 of cashback rewards at the end of the month. How amazing is that?

For reference, to receive \$8 on interest from my high yield savings account offering 0.04% interest, I would need to have \$24,000 invested. Wow. So these rewards are a fantastic deal. The limit on cashback spending is up to \$30,000 a month, meaning you could earn up to \$300/month in bonuses.

**Rewards.** On top of cashback, credit cards offer great rewards. If you get the right cards and pay off the balance every month, you can make a killing in points.

Get a credit card from your favorite airline if you fly a lot. You can purchase gas, go to restaurants, do food shopping, etc. while earning airline points. You can accumulate enough of these points to fly every year on vacation for free if you do it correctly.

### [The Woman's Guide to Investing](#)

There are also points for gas stations, shopping cards like Walmart and Amazon, retailers like Apple, Military Star cards, etc. The list is too large to expand upon today. Just know that with careful attention to detail, this can be a huge money earner for you.

**Putting it all together.** The main idea is to use these cards as investments. Credit cards can help you in times of need but always have [the cash somewhere](#) if you need it.

Cashback rewards and points are a massive bonus for those [responsible enough](#) to keep up with their cards. You need to take these cards seriously and have systems in place to check the balance at least weekly.

I have an [extensive budget](#) spreadsheet to keep up with my bills, expenses, and payments. For example, I pay \$60 for Amazon photos every August, and I pay \$120 for Amazon Prime in November.

### [How to Profit from Electric Vehicles](#)

I don't like surprises, so I write down everywhere my money goes. You don't want to have a random \$120 credit card that you don't know about for three months. Life is actually much more fun when you can anticipate and prepare for significant expenses. If you are not a budgeting guru, there has never been a better time to start.

**Conclusion.** Finally, I recommend two books that can help you get to where credit cards are a luxury. "[I Will Teach You to be Rich](#)" and "[Smart Couples Finish Rich](#)" are two books that give you detailed financial plans.

Credit cards can be just as valuable to wealth-building as dividends. If you can get to the point of earning \$300/month in cashback and paying for your annual vacations via rewards, that's a huge win.

Becoming [a well-rounded millionaire](#) is all about exercising all options available to you. Ensure you know how to manage your money, and credit cards can take your finances to the next level. Enjoy!



#### 04 Start Your Debt Payoff Journey

Whenever I need to go to one of my checking accounts, I happily double-click my bookmarks to bring it up. The keyword here is happily. But, I wasn't always in a good mood to jump through my bank accounts.



#### [Start Your Debt Payoff Journey](#)

You see, I was in debt for over ten years—to the [tune of -\\$77,000 \(book\)](#). When you add up all the cars, loans, emergencies, and credit cards, the total amount can shock you. Most of the

time, we like to look at debt by the monthly amount we pay. By doing this, everything looks more manageable, and we can still breathe throughout the day.

But debt is still going to drown you at some point, especially over the long run. I never knew how crushing debt's grip was until we got from underneath it. To say that it feels like a weight has been lifted in ourselves is an understatement.

### [15 Things We Learned About Love & Finances](#)

Looking back, we didn't do anything extreme to pay down debt; it was more a matter of focus. I guess the most daring thing we did was [take on roommates](#), and I attribute that to the speed at which we paid off our debt.

I also learned the ways of [passive income](#) in conjunction with paying off debt. To me, this was invaluable because I didn't wait for my job to pay off our loans; we took matters into our own hands—by creating income.

Today, I want to talk to you about starting your debt payoff journey. The journey is not difficult; however, forming the correct mindset can be challenging. America has profound influences on the way you spend money, value things, and display wealth. All of these habits can lead to getting and staying in debt.

So let's start with preparing our financial mindset then get into the technical part of paying down debt. By the end of this article, my goal is to get you thinking about a future where you are without obligation and living a nice, quiet life. That reality is not the American way, so be prepared to hear some different takes on first-world living. Exciting stuff! Let's get into it.

**Financial Mindset: What Do You Really Need?** In reality, all we need in life is shelter, food, clothes, and transportation. Everything we get in life is a form of these things. Refer to [Maslow's Hierarchy of Needs](#) to learn how human needs and wants travel up a pyramid over time.

### [Cash Flow 101: How Much Do You Need For Your Dream Retirement?](#)

American consumption is driven by consumerism—you are the product of a lifetime of advertising. Everyone is convinced that a new “something” will make them happier than they currently are. But I have news for you; [Happiness isn't Free](#).

To become truly happy, you need to do the work. You have to create goals for yourself and begin to accomplish them. That is the fast way to a healthy, prosperous life. Nothing, or nobody, can make us internally happy. People and experiences can assist us in leading more content, more fulfilled lives, but the baseline happiness comes from us and how we interact with the world.

Once we know how to be happy, spending and wanting things will become secondary to forming relationships and sharing experiences at our core.

### [Happy Cash Flow Retirement](#)

If you are constantly thinking of getting the latest car, oversized rings, fancier weddings, shinier purses, etc., I challenge you to ask yourself, “why do I need these things?” Finding the meaning of life is not meant for you to achieve in a 1,500-word article—it will take time.

I recently wrote an article called “[Sustainable Riches \(book\)](#)” where I speak about us all returning to land. Once you can defeat consumerism, you will find that city life may not be for you. The people that were once your friends seem to value their stuff above your relationship with them. No worries, you are just getting started. You will lose tons of friends and family on your path to consumer freedom.

When you decide to unleash the “chains of spending,” you will stand apart from conventional wisdom. People will begin to feel as though you are judging them because you don’t “appreciate” their taste in cars, jewelry, weddings, homes, private schools, and vacations.

My wife and I have become so simple and humble that we don’t need much. We have never had this much money or time, but we’d rather spend time in our backyard than anywhere on Earth. Your friends will start to call you a cheapskate because you don’t spend money like them.

Indeed, I spent four dollars this weekend. I bought two ice cream candy bars (one Snickers, one Twix) and two Japanese coffees that cost one dollar each. The funny part is that I received over \$100 in dividends over the last week—this is [quilt-free money](#) that I don’t need to fret about.

### [20 Creative Ways to Make Money from Home](#)

However, buying my ice cream bars (less sugar than candy bars) was the highlight of a great weekend. Even though I am in Japan and my family is in Florida, I could still spend quality time with my wife. When I talk to her, I imagine being in our huge three-acre backyard, sitting in our barn house we bought. That’s all I need in this lifetime, my family and peace and quiet.

Before you continue your debt paydown journey, take a long hard look at what you value. Is it stuff like cars and vacations? Or do you love experiences with family? Answering this question will go much further than trying to figure out your budget or allowances. We make more than enough money in America; we just have [inflated our lifestyles](#) to the clouds.

We have convinced ourselves that we need to start a marriage with a \$40,000-\$70,000 wedding and a \$15,000 ring. That our first house has to be our forever house, so it needs 3,000 to 4,000 square feet and six bedrooms. Our time together has to be on a luxury vacation to the Bahamas.

But hey, “We deserve it” because we worked for 40-50 hours this week. No, we don’t need these things. I am not big on [minimalism](#) because there are so many rules and judgments that come with this word. However, I am big on living a simple life. My wife and I crossed over, making \$200,000/year with everything included, but you would never tell by interacting with us.

### [Do I Need Lots of Money to Start Investing?](#)

We want to ensure our children are as humble as kids these days can be. We don't buy them everything they want on a whim. Hard work is a value that is taught, and it doesn't grow over time. It is instilled from parents to children, and we need to set an example.

Don't get me wrong; I am all about getting rich. The world requires lots of money; you cannot deny this. I will not be a hippy, living in the middle of the desert in an airstream trailer. We will have a ton of passive income coming in at all times from [dividends, rents, and royalties](#)—it'll [be magical](#).

But we will get rich by adding value to the lives of others; that is how true entrepreneurs become wealthy. And we can get rich by returning to the Earth by [harvesting beneficial insects](#), [starting a community garden](#), [an herb garden](#), or [a dog park](#). There are many ways to create a well-balanced, simple, healthy lifestyle and still acquire large sums of money.

### [Hustle in Your 20s and 30s, Relax in Your 40s and 50s](#)

The greatest threat to your wealth is consumerism—so you must take steps to demolish it at all costs. Learn the ways of simplicity—form outstanding bonds with your spouse, kids, parents, relatives, and some friends. Those relationships are what life is all about, not a boat, ATV, or jetski. Acquire those things to build experiences with those chosen people in your life, not to show off.

I wrote an article on how to start your road to riches called “[4 Steps to Become Rich \(book\)](#).” Finding a start point is difficult, but let’s begin with obtaining some knowledge of the process—no need to start something without having some additional information.

In the next episode of the Start Your Debt Payoff Journey series, we will talk about budgeting. Yes, the worst word on Earth, but also one of the most important things you can do on your journey to financial freedom. Until next time, Enjoy and Happy investing.



## 05 Merry Debt-Free Christmas

How's your holiday season going? Hopefully well. How about your finances? Again, hopefully well. If you are [already debt-free](#), then I have some guidance for you on that front. If you are eager to reach that zero balance, this is the article for you.



### [Merry Debt-Free Christmas](#)

It's hard to fully appreciate the finer things in life when you are in debt. Debt creates a cloud of [stress and confusion](#) over our daily routine. We feel the effects of debt every time we want to change jobs but can't take the risk.

Also, we feel debt during the holiday seasons when we want to give our spouse or children something special. Buying Christmas gifts with our credit cards may not be our intention. However, each Christmas is a special time, and we have to make those tough judgment calls.

### [Wealth is a Mindset](#)

**Make the decision.** The first part of our debt-free journey is deciding to become debt-free. Do not take this decision lightly. If you think this is a joke, then you'll stay in debt forever.

Getting out of [debt is a lifestyle](#) and will change your views and opinions on many things. My wife and I decided to get out of debt ([-\\$77,000](#)) in January 2019. It took us roughly two years to become debt-free and have an excellent dividend portfolio (+\$150,000).

We didn't get into debt by buying or doing anything stupid. We just had two kids, a house, and suffered through the Great Financial Crisis of 2008. You may be in a similar boat, but now is not the time to concern yourself with how you got here. Let's get you out of debt.

**Why do you want to become debt-free?** Your reason will keep you on track throughout this process. There are many reasons that people wish to pay off debt, but yours will keep you on the path.

I like to ask, "[What is your rich life?](#)" What place do you dream of taking your family or loved ones on vacation? Do you plan on working or retiring with a nice [bit of cash flow](#)? Do you want to be able to spend \$5,000 on Christmas presents or travel to see adult children?

Being debt-free is like watching your life in virtual reality—things that used to stress you out no longer register any emotional response. You are debt-free and have a nice cash pile for emergencies. You are firmly in control of your life, not your debt. Work on your reason now before proceeding because I'm going to go deeper next.

### [Mailbox Money: The Power of Dividends, Rents, and Royalties](#)

**What are you willing to do to pay off your debt?** Now comes the challenging part—getting started. I am not going to bore you with the standard affair such [as lower expenses](#) and stop drinking Starbucks coffee.

You have probably heard and ignored all of those methods before. Nope, I am going to give you the secret to paying off debt—make a boatload of money.

Yep, you will need to increase your income. Sure, you can put in more hours, but that won't work for long. You'll burn out, destroy your family life, or hurt your body, mind, and spirit. No, we need a better way to make money.

We need a way to make money while we sleep. We need to build something that makes us money even when we are working, sleeping, or spending time with family. What on Earth can we create that can do all of this for us?

### [Good Debt vs. Bad Debt](#)

**Passive Income.** [Passive income](#) is the answer to our debt problem. Passive income is something that does not correlate directly to time. We do not exchange time for money.

For example, I can spend 40 hours creating an e-commerce website that sells pdf ebooks. Once the work is complete, this site is now available for the world to shop 24 hours a day. I can make a sale at 2 am or 5 pm. While my shop is running, I can work my day job and hang with family.

Now, what if I opened three more shops selling different types of books? Can you see the power of creating passive income? Your company's reach [starts to compound](#) as you expand your knowledge and business expertise.

Estimated Royalties

**\$96.16\***

All 299 books

Nov 1 - 30, 2021

This number is rounded and includes estimated KENP royalties

**It takes money to make money.** Sorry, no, it doesn't. It takes knowledge to make money. I started writing books in January 2021 and made \$3 in my first month. In November 2021, I made \$96. If I keep writing and releasing books, my income will continue to rise. It costs me very little to produce books.

### [Do I Need Lots of Money to Start Investing?](#)

Now, I am going to list some things you can do to create income with little money. When you pay little money to start, there are other sacrifices you should prepare to make. Nothing in life comes for free.

A) [House hacking](#). The best way to make an additional income [is to rent a room](#). It is almost free, and you will just need to deal with one tenant. If you have a friend or family member to rent to, this may be an even better solution. The average room rental is probably \$700-\$900 across middle America. That's \$8,400 - \$10,800 annually you can use to pay down debt.

B) [Write book reviews](#). Reading [books and reviewing](#) them on your blog will help you gain internet traffic. You can read 100 books in a year if you want. Reviewing obscure or new books on [Kindle Unlimited](#) will make you popular quickly.

### [No Freakin' Way I Am Working Another 25 Years](#)

C) Write an eBook series. Yes, your first books will suck, but that's okay. As long as you stick with it, your writing will improve. Writing ebooks in the mystery or romance fiction genres is a license to print money, as long as you keep writing and improving.

D) Run a property management business. There is a severe lack of great property managers, making this profession in high demand. You might need to work for someone to get started and learn the ropes, but you can make a handsome amount of money. You can also work from home and attract clients easily if you run a solid business. Not super passive, but also not overwhelming.

E) Start a passive e-commerce business. A passive e-commerce business is all about affiliate marketing, product reviews, and making great content. You can automate sales, email marketing, and advertising. The barrier to entry is high, but it's primarily because of knowledge. If you can learn, you can succeed.

### Should You Consolidate Debt?

F) Become a content creator. Creating content doesn't take much money upfront, but it takes dedication. You'll have to make a promise to yourself to deliver daily content to your audience. If you can do this long enough (2-3 years), then you will have enough cash to pay off your debt. Most people cannot enforce this commitment on themselves—can you?

**Conclusion.** I wrote an article called "The Core Values of Passive Income: Self-Education, Self-Motivation, Self-Dedication." You will need to be in complete control of yourself to build an income stream. No, most people do not have the self-discipline to create an income stream.

Reviewing the core values bring us back to the reason you want to become debt-free. That will be your driving force throughout the process of creating an income stream. I have been at it for a year, and there have been many highs and many lows. But in the end, I made \$96 in one month from just writing my thoughts.

I printed money from thin air. You can do the same by learning and growing. So, how bad do you want to become debt-free? What are you willing to do to obtain this goal? What kind of Christmas do you want to have next year? Do you want to be straddled in debt, or do you want to have a **Merry Debt-Free Christmas?**



## 06 Debt-Free? So, What's Next?

Becoming debt-free after years of struggling under the crushing weight of consumer debt was an amazing feeling. Many people will never understand the gravity of being debt-free. It is as if you are floating on a cloud of air.



[Free 37-Page PDF Download \(\\$2.99 Value\)](#)

However, being debt-free is just the beginning of a long journey towards the land of a happy retirement. We still have a lot of work to do to prepare ourselves for a [Happy Cash Flow Retirement](#).

First, I want to explain why being debt-free is just the beginning. Most people who become debt-free believe that they have financial security. I talked about this false feeling in "[Financial Security vs. Financial Freedom](#)."

[How Much Do You Need for Retirement?](#)

There is one huge problem with having no debt and believing you have security—your job is a huge question mark. Your job does not bring you security. If you are debt-free and still work a job, what [happens if you lose your paycheck?](#)

This is the point where people start saving money in a high-yield savings account. They get a nice lump sum of cash, say one year's worth of salary, and they feel even more secure. I recommended this course of action in "[Be Smarter Than the Average Bear \(Market\).](#)" to prevent people from panicking during a market correction.

But again, even saving a year's worth of salary is still not enough—no matter how amazing an accomplishment. **Nope, you will need to increase your income streams.** I am not trying to scare you or set crazy unachievable goals, but the truth speaks volumes.

The fact of the matter is that unless you control your income stream, you will always be beholden to someone else. We cannot go into retirement without having our own income stream.

Being debt-free allows us the freedom to pursue our income streams with full attention. Debt is the [full power of compounding working against us](#). Now, it is time to turn that compound interest calculator into a positive working for us.

**So Josh, what do we do after we achieve debt-freedom?** We invest in ourselves and our income streams. We get smart-as-hell in the [ways of passive income](#)—retirement planning, investing for dividends, cryptocurrencies, real estate, and business.

### [Happiness Isn't Free](#)

I'll point you in the direction of a few books that will explain the process of preparing for retirement through passive income. Once you have an overall view, you will naturally gravitate towards income streams that interest you.

For example, under the "investing" income stream, you have multiple different methods, such as [dividend growth investing](#), income investing, and index fund investing. But, first, let's look at some great retirement books that will give us insight into the mindset you need after we become debt-free.

"[How to Retire on Dividends](#)" is a book about the love of dividend income. You should read this if you have any interest in dividend income. Most people would like to understand how dividends work, so this is a great resource.

"[The Passive Income Myth](#)" talks about blogging, dividends, and real estate. If you want to build a diversified income portfolio, I highly recommend this book.

[“Passive Income, Aggressive Retirement”](#) is all about passive income streams that you can leverage throughout your life. The author explains coin-op machines, real estate, and writing.

[“Don’t Gamble with Retirement 3 + 4”](#) is my favorite of the bunch because I wrote this one. It is 700 pages of passive income goodness, and even better, it is entirely free. [Download it now!](#)

## [7 Great Work From Home Strategies](#)

**Conclusion.** I’ll keep this one short because the main idea is to progress your income after your debt-freedom. **If you have to work a job to receive income, you are not free!** We want income coming into our accounts all-day every day, even while we sleep.

I understand that it is a mindset shift, but that’s why I write these articles. I never knew the words passive income, dividends, and high-yield until I turned 38 years old. I don’t want you to be in the same boat that I was in two years ago.

My article [“4 Steps to Become Rich \(book\)”](#) explains the four steps to wealth in detail. They are

- Destroy Debt
- Reduce Expenses
- Increase Income
- Obtain Assets

Good Luck on your journey, and congratulations on achieving debt-freedom; few ever will. If you want to read more from me, I have 600+ articles (many with free PDFs) on my website [MilitaryFamilyInvesting.com](#) and over [220+ books on Amazon](#). Enjoy and Happy Investing!



## 07 Over-Budgeting: You Can Only Cut So Much Before...

Nobody I know “likes” to budget; however, we all enjoy the freedom it brings. How can budgeting bring freedom? When you have extra cash flow at the end of the month, it gives you a sense of freedom that most will never have.



### [Over-Budgeting](#)

As a heads up, I will have to make this a short article. I am heading back to the States to see my wife and kids for the first time in one year. Exciting times for all. I'll write a follow-up to this on the airline ride home.

As much freedom that budgeting brings, there can be a downside. There can be a tendency to over budget. **Over-budgeting is the act of relying solely on budgeting to obtain financial freedom.** When we over-budget, we do not learn how to create money.

[6 Types of Income of Streams](#)

The complete quote to the article's title is "You can only cut so much before you start to bleed." I always have loved this quote because of its simple nature. I love staying on budget as well. I have an \$800 budget for my food, some small bills, and my entertainment.

I had \$150 left this last month, and I put that money into the crypto market. It felt good to turn some money into an investment. Now, some questions for you. How do you feel about budgeting? Do you ever have money left over?

Again, the problem with over-budgeting is that it gives a false sense of control that we don't really have. You can build power by learning **how to create multiple streams of income**. When we know how to create streams of income, nothing in life can phase us. We become planners and long-term thinkers. We become entrepreneurs.

I got the idea for this article because I was reading about the **FIRE movement**. The FIRE movement stands for the Financial Independence Retire Early movement. It is a cohort of people who usually budget themselves for early retirement.

The problem I have is that many of them over-budget themselves to freedom. They reuse toilet paper or eat out of trash cans. Yes, these are extreme cases, but you get the idea. I also don't like the idea that they only use index funds as their investment pathway.

It is a lot faster to reach a certain financial number with capital gains from index funds than reaching a cash flow number with dividends. When people use index funds as their wealth generator (scary), they rely on the 4% rule for the rest of their lives.

### [I Live Paycheck to Paycheck](#)

The 4% rule says you can withdraw 4% of your principal investment per year, and the assets will continue to grow. Using this method, you **SHOULD** be able to live off your investments for your lifetime.

The problem with capital gains is that they can come and go. Depending on when you start investing, you can amass a nice nest egg rather quickly. You retire, and wham, a recession hits, and your account is cut by 40%. The problem is, you still need to make withdrawals from your principal because that is how you survive.

If you had \$1 million of index funds, you might only have invested \$650,000. The rest is capital gains. You are expecting to live off of \$40,000/year. However, you have factored in the capital gains in your nest egg. It can be very risky.

With dividends, you wouldn't retire until you had \$40,000 in dividend income. Like, when you actually have the money in your account. When a recession hits, you would probably lose 40% of your dividend income, but your principal is still safe. Hopefully, you have a 6-12 month

emergency fund to rely on. Or better yet, other sources of passive income like [rents](#), [royalties](#), or [an automated business](#).

### [Should You Consolidate Debt?](#)

This all plays back into the over-budgeting mindset. I am all about budgeting and tracking my spending, dividends, rents, and royalties; however, we **need to create money**. The more we over-budget, the more we lose focus on the bigger picture.

The world is full of so much money. If we become over-budgeters, we focus on coupons, discounts, and freebies. Don't be that person. Don't be the person that only goes to places that offer military discounts. Again, I like a good bargain or freebie in passing, but enough is enough.

I am learning how to create money. As an entrepreneur, we generate money by creating value. Every day, I [wake up and write](#) to add value to someone else and myself. This article may be the one that helps someone decide to start a passive income stream.

As dividend investors, we invest in companies that create value for customers. As landlords, we create value for tenants. When we invest in cryptocurrencies, we are looking for coins that will produce value for the future of decentralized finance.

When we over-budget, we focus on our little world instead of making the world more prominent by adding value. We also commit ourselves to a life of living in a box. One day you won't have your earned income job; you may only have a small pension, a small 401k, and social security. Let's say that is \$4,000/month.

### [The Truth About Discretionary Income](#)

Well, you are now on a fixed income for the rest of your life. What if the sink breaks or you have to visit your children? Your budget for the month is already cut in half. Trust me; I see this every day in the neighborhood we live in. Now, what if you had the same \$4,000/month plus a paid-off rental home bringing in \$1,800/month? Throw in \$1,000 in royalties and \$500/month from a vending machine you own.

Do you see how your quality of life improves as we branch out and add value? Who would you want to be [in your 60s](#), the person on a fixed income, or the person who can grow their revenue as they choose?

Okay, I am going to save the rest for Over-Budgeting 2. In the next part, we will focus on becoming rich by budgeting **AND** increasing our income. That's right; we can do both. And, why would we want to do both?

**Wealth is having excess income vs. expenses.** It stands to reason, if you keep your living expenses low but keep increasing your income, then you will become wealthy. That's our goal in Over-Budgeting 2. See you then!



## 08 Over-Budgeting 2: Low Expenses, High Income

Now, if we decide that we must be [over-budgeters](#), then there is a way to use this trait to our advantage. Wealth is having excess income versus expenses. In layman's terms, we live below our means while producing outrageous revenue.



## [Over-Budgeting](#)

You see, for most people, [lifestyle inflation](#) becomes the silent killer of their wealth. What is lifestyle inflation (sometimes called lifestyle creep)? It is when your income rises and your cost of living rises as well. With a long-term view, this is why most people cannot seem to get ahead, even if they earn \$200,000+ a year.

Adopting a [lifestyle of minimalism](#) is a great way to keep your expenses level throughout your lifetime. Minimalism is the exact opposite of materialism—which is a way of life in America. But deciding to avoid expensive items and toys is the first step to staying on mission.

### [Accumulate Your First \\$100,000](#)

Now, our over-budgeting trait comes into play. If you can keep the same \$700 food budget for 3-5 years, you can become rich with the other income. You see, the price of food increases with inflation. So to stay on budget, you will have to become more aware of shopping habits, eating out, and cooking at home.

No, I never said it was going to be easy. Human nature tells us that the more we make, the more we spend. But, we will get to that portion in a bit. Right now, we need to evaluate everything we spend money on.

I have my Marine Corps paychecks broken down into five distributions. That way, I never see what a \$140,000 salary looks like. When I get a pay raise, I immediately add the cash to an investment withdrawal. Money unseen, is money saved. However, money will be returning to us.

And here is the fun of over-budgeting, saving, and investing—the money will begin to come back to you in the [form of dividends](#). The money that comes back to you, your dividends, are now yours to spend as you wish. Yes, I give you permission.

Dividends are guilt-free spending, and they will allow you to increase your lifestyle a little. It will be tough to spend money freely, remember you are an over-budgeter, but there will come a time when you want to splurge a little.

### [The Magic of a Roth IRA](#)

My wife and I had to become over-budgeters for [two years to pay off debt](#) and [build our dividend](#) portfolio. Now we are debt-free and have \$180,000 in our dividend accounts. I am only 40 years old, and we have never been happier.

Our dividend portfolio started with earnings of less than a dollar a month. Now, it has reached \$500 of purely passive income. Becoming an over-budgeter helped us [achieve financial freedom](#). We still work day jobs, but we can stop and be reasonably comfortable. We would need to continue a few side hustles to keep the high-income to invest.

Also, remember that I will have a military pension, we own three homes, have a dividend portfolio, and have a small book publishing business. All these lead to us being financially free.

### [Lawsuit, Inheritance, Lottery...Is This How You Plan to Get Rich?](#)

I also always talk about small business ideas that are relatively passive and achievable to the average person (read: me). Things like [running a community garden](#), [starting an RV business](#), a [passive Airbnb business](#), [writing an eBook Series](#) or [running a property management business](#).

Becoming rich, to me, isn't the idea of being great at one aspect of life. It is the sum of being "okay" at many different venues and having a whole life approach to wealth. We usually have [one wealth generator](#); then, we can have a few branches of wealth that assist us in fleshing out our money. Let's take a look at my life (with my wife).

**Work.** We both work jobs. The military is my wealth generator, and it has taken care of us for 22 years. I will have a very nice pension when I retire; one most people could only dream of. But, I will not rest on my laurels.

I continue to grind because we cannot leave a military pension to our kids or grandkids. That is why we need to convert our pension money into other forms of passive income.

### [Standard Employee by Day, Passive Income Hero by Night](#)

**Budgeting.** We budget very well. We both have our income split into separate accounts for easy investing and spending. We are not too over the top, but we do have a lump sum budgeting method. For example, I know I have \$800/month for all my expenses here in Japan. It's easy and gives me a little freedom.

**Investing.** I am not the best investor, nor am I. I aim for an 8% return from the stock market. 4% from capital appreciation (price going up) and 4% from dividend income. Simple, straightforward, and achievable. I do not have to follow the highs and lows of the stock market.

**Cryptocurrencies.** I invest in crypto for passive income. The book "[How to DeFi](#)" showed me how many passive income opportunities there are in cryptocurrency. Capital appreciation is just a side-benefit for me. Again, I do not have to follow the ups and downs of the market.

**Real Estate.** I do not aim to be the best real estate investor, nor do I want several properties to manage. We have three houses, and I just want to maximize the cash flow from each. The book "How to Increase the Net Income of Your Rental Property" has some excellent ideas.

**Business.** As I listed earlier, there are so many small business opportunities that people should pursue. I don't want employees or phone calls. I want passive income. That's why I have been gravitating to [writing and publishing books](#). It's a very peaceful business model, and I plan to have a good income over three years.

All these things together will make you rich. However, if you cannot budget, then your money will fly away faster than you can count it. There will come a time when you can spend money much more freely.

## [If Life Gives You Lemons...Make Passive Income Lemonade](#)

My wife and I see this time coming up reasonably soon. In fact, we have already planned a [\\$1,000 dividend spending spree](#). Also, any money I make from book sales goes to dining out trips for the month.

Again, our cash flow goes money in, budget, maintain low expenses, invest, and spend whatever investment income comes back to your pocket. Your investment income is your discretionary income. If you do not need the cash, [reinvest it](#).

Conclusion. If some of these ideas are foreign to you, please grab some of my books or read the corresponding articles. I aim to keep all my thoughts free. You can read every book I publish in its entirety by just searching the book's name on my blog.

Some of my latest articles and books are

- a) "[The Woman's Guide to Investing \(book\)](#)"
- b) "[Become a Life-Long Learner \(book\)](#)"
- c) "[Can Grammarly Make You A Better Writer \(book\)](#)"
- d) "[The Magic of An Automated Business \(book\)](#)"

Good luck on your journey. Over-budgeting is a great trait; just don't let it limit your true earning potential. If you have the skills and talent to manage a household, you can run a business just as efficiently. The same talents apply!



## 09 How Much Do You Need for Retirement?

How much money do you need to retire comfortably? In typical American retirement language, they would give you some random lump sum amount of cash that you would need. Usually, they take 70% of your current income and multiply it by 25.

For example, if I make \$100,000/year, I would (by their standards) want to make \$70,000/year in retirement. If I multiply that by 25, it will give me \$1.75 million. Then, they would tell me I have until age 65 to keep working towards this goal.

**Hogwash.** If you haven't guessed, I am not a fan of this system at all. It assumes too much and gives you very little credit. It assumes that you will retire with less money than you will earn in your working years.

I do not know about you, but I want to be rich throughout my retirement years. I want to be making so much money that my wallet hurts. I also want to make this money passively so that I can spend every minute with my family.

Their method also assumes that you will want to work until age 65. Is that something that you will want to do? I, for one, do not even want to work past 50. I started late in my pursuit of financial independence, but I can achieve every goal I need to because of my self-education.

One last thing that sucks about their system is that it relies entirely on the stock market. Your \$1.75 million can turn into \$1 million rather quickly because it is all based on capital gains. Capital gains are all unrealized until you actually sell your stocks and take the proceeds.

Imagine hitting retirement early with your target amount because of a bull market (the stock market is doing well). You retire at age 60 and are living a good life. Then, the stock market crashes by 50%, and you now have less than \$1 million. Do you go back to work? How can you accelerate your wealth creation without a job?

And therein lies the biggest problem with the standard American retirement mantra, you have no control of your wealth creation. You are told to be a good employee for over 40 years, put all your money into the stock market via 401k plans, and pray that it all works out by the time you turn 65.

Even worse, the 401k and IRAs have limits, so if you are doing well, they limit you on how much you can tuck away for retirement. Let's do a quick recap.

To retire under the standard American system, you need to work a job until 65 years old. You are limited to how much you can invest, and your money is all tied up in the stock market. You have very little control over your speed of wealth creation. [You are an outsider](#) in your own retirement plan.

So Josh, is there a better way? Yes, there is; it's called **Cash Flow**. Cash flow is the two most important words to your dream retirement. We achieve cash flow via five separate asset classes, **employment income** (pensions), **investments** (dividends), **real estate** (rents), **business** (automation, royalties), and **cryptocurrencies** (interest).

Let's go back to the original question, how much money do you need for retirement? The answer was \$70,000/year. Forget that! We are going to extract \$70,000/year from each of our asset classes. That is (rounded) \$360,000/year or the equivalent of having \$8.75 million invested.

Can we reach this extreme number? Of course, we can. We will be rich as soon as we get \$1 million, so the rest is just because we want to see big numbers. We will reach these cash flow numbers by doing what I call **active investing**.

**Active investing** is the art of seeking wealth generators to fund your investment portfolio. A **wealth generator** is something that creates an excess amount of money. Let's look at my current wealth generators.

1) [The military is my first wealth generator](#). Not only are they paying me \$140,000 a year, but the longer I stay in, the higher my pension is. So, not only am I investing almost 90% of my current pay, they will continue to pay me for the rest of my life, well after I retire at age 48. Not a bad deal.

2) **Renting rooms** is another great wealth generator. My wife collects \$1,600/month from renting our two huge master suites. Renting rooms is the purest money on Earth because it is minimal work with maximum profits. I credit renting rooms for helping us achieve financial freedom by age 40.

3) **Royalties from books** are another huge wealth generator. Currently, I make roughly \$40/month from my readers. However, I figure in five years, I can be making approximately \$5,000/month. So not only is it cash flow, but since I don't need this money, it can help fund my dividend and crypto portfolios. Books are free to produce.

Now, the idea of active investing is to create even more wealth generators. As a matter of fact, you should never stop making wealth generators. I write about ways to keep the money flowing through things like a [dog park](#), [buying an 18 wheeler](#), and [starting a rental business](#).

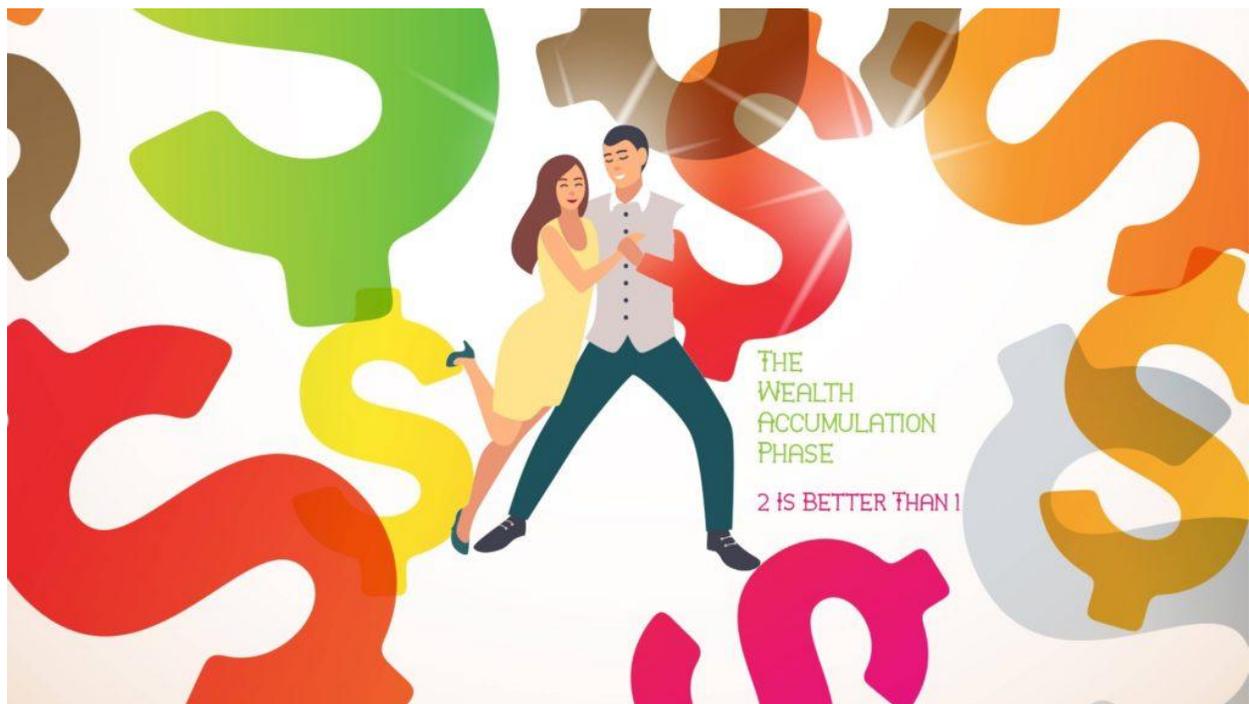
There are an unlimited amount of wealth generators out there. I do not focus on the actual dollar amount from each one. I look at the amount of work it requires and the amount of pure profit from the venture. For example, I may bring in \$700/month from renting out a Ford Mustang, but it requires little work. Therefore, I can leverage my time to start another wealth generator.

So, this series aims to make \$30,000/month combined from our five asset classes. Can it be done? You bet. We will systematically review how to get there from each category. I will start with the two biggest wealth generators, business, and real estate.

We will need to create an excessive income to fund our Roth IRAs, dividend, and crypto portfolios.

So put on your thinking caps, and let's proceed into the world of cash flow and wealth generators. If you can get the basic concept down, you will continually seek more sources of income.

As someone who is building my cash flow through royalties, I can tell you that it is gratifying to create something so powerful from nothing. Outside of being married (and family), there is no feeling like building an income stream. We can all learn together and build a \$30,000/month cash flow retirement portfolio. Let's go!



## **10 The Wealth Accumulation Phase: 2 is Better Than 1**

My wife is my lover, best friend, business partner, and wealth-accumulation teammate. We recently moved into the wealth accumulation phase of life, and I can now share some experiences on our fantastic journey.



## [Free 39-Page PDF Download](#)

**A quick backstory.** My wife and I met over 17 years ago and married 15 years ago. I was a young Sergeant (E-5) in the US Marine Corps when we married in 2006. We started with nothing, renting a house in San Diego, Ca.

Over the years, I worked my way to the top enlisted pay grade in the Marine Corps, Master Gunnery Sergeant (E-9). My wife worked her way up from cashier to a Human Resources Assistant making \$40,000+ a year.

### [How to Prosper During the Next Recession](#)

Those years were the [hustle-grinding](#) years of life. When you start with nothing, you have to build yourself up the hard way. However, building yourself up the hard way prepares you for the [passive income grind](#) that I will discuss later.

Along the way, we had two children and bought three houses. We started a dividend portfolio that will be at \$200,000 by the end of 2021. Now we are moving into the wealth accumulation phase of life. Let me explain.

**The Wealth Accumulation Phase.** The wealth accumulation phase of life is when your mindset, work ethic, and income potential are all at their maximum levels. Everything you do during this phase is sustainable for the long-term. Let's break down the three components of the wealth accumulation phase.

**Mindset.** Having the correct mindset is the most important part of anything we do in life. As a couple, we both have to be on the same page. Many people do not want to do the work to get and stay married, thinking single life is easier. I wrote an article titled "[What's So Great About Being Independent?](#)" where I question this mentality.

There are a few books I would recommend for couples who want to become powerful together. "[Mindset](#)" talks about the growth mindset vs. the fixed mindset. It is vital that both individuals progress towards a growth mindset if they want to become rich.

A more technical book on finances is "[Smart Couples Finish Rich.](#)" This book will guide you in the retirement planning and wealth creation phase of life. "[Make Your Family Rich](#)" will guide you through the wealth accumulation phase.

## [Our Kids Need Financial Education and Assets](#)

A good way to stay on the same page is to constantly [talk about your rich life](#) together. My wife and I have the same future planned together, so there are no questions when we have to make a move or decision. But, we had to work to get to this point.

**Work Ethic.** Hard work is the backbone of any great marriage. Sorry, both spouses need to be early risers and hard workers. You can't have one spouse busting their behind at 5 am, while the other sleeps until noon. That won't work.

In our wealth creation phase, early in the marriage, we worked hard at our jobs. We wanted to be the best at what we did. Now, we work hard at our businesses. I am working [hard creating an ebook series](#) while my wife is running our [real estate business](#) and selling here sewing wares.

## [When is Enough Money...Enough Money?](#)

We must convert from working hard for someone else to making ourselves and businesses a top priority. We can leave any business, home, portfolio, or collectible we accumulate to our family.

Many of us think that our jobs are critical to our long-term success and wealth. Nope. If the pandemic has taught us anything, it's that jobs are fleeting. Knowledge is power; it requires hard work.

**Income Potential.** Being able to create income is the final step of the wealth accumulation phase of life. We have to see money through our eyeballs at all times. Everywhere you look, someone is making passive income. We need to understand where it is and how to create it for ourselves.

When my wife and I look around, we see [billboards](#), [arcade machines](#), [ATMs](#), parking lots, trees for harvesting, rental cars, [RV hookups](#), casino slots, bench advertisements, car washes, etc. Passive Income is everywhere.

Part of my goal on Military Family Investing is to open your mind to various passive income sources. Eventually, you will want to build your stream of passive income—something new and different.

## [The Velocity of Money](#)

Without knowledge, you will limit your income potential and, therefore, your wealth accumulation. If you don't know where to start, I wrote "[The Biggest Book on Passive Income Ever!](#)" for your reading pleasure. Don't worry; I am working on Part 2 as we speak.

**Wealth Accumulation as a Team.** It is far easier to be rich as a team than as a single person. Single people assume they can make more money alone, but that's not the entire truth. Without someone to have your back, you will often be limiting yourself.

My wife and I work as a team on all parts of the mission. We are force multipliers, and together, nothing can stop us. Sometimes one person has to take charge of a situation; [don't fear delegation](#).

When both partners train themselves in the ways of passive income, now you have two sets of eyes that can envision wealth. Our goal is to reach \$1 million in our dividend portfolio before I retire from the military.

I have no worries that we can do this together, as a team. By myself, it would be much more challenging. It would also be a lot more boring. You see, accumulating wealth, whether [your first \\$100,000](#) or first \$1 million, is fun as a member of a team.

### [Good Debt vs. Bad Debt](#)

**The Wealth Accumulation Phase never ends.** Yep, you guessed it; the wealth accumulation phase never ends. Others will tell you to spend all of your hard-earned cash during the retirement phase. But why?

Building wealth will be part of your soul by the time you retire. The goal will be to make as much passive income while doing the least amount of work. So, instead of starting a business, you [create an automated business](#).

Instead of starting an Airbnb business, you [begin a passive Airbnb business](#). That is where the fun lies in our day-to-day lives. We can enjoy our time on the porch while building wealth. More importantly, while sharing our knowledge and letting our children accumulate their wealth.

**Conclusion.** Life is only as hard as you make it in your mind. If you see a world of scarcity, where there is a limited amount of money—that is what you will receive. But, if you see a world of abundance, where every conversation, article, or book is a clue to unlocking more wealth—that is what you will receive.

### [The Truth about Discretionary Income](#)

If you believe that being single is the way to wealth, keep grinding, my friend. Here is an article from [Insider on Millennial Millionaires](#)—most are married. Yes, it can be hard to find someone with the same core values as yourself. But, who said life was easy.

As you learn more about [passive income](#), [living a minimalist lifestyle](#), [stopping toxic consumerism](#), and [reducing debt](#), your "friends" will start to drop like flies. People love others that spend like them. Once you lose your friends, you will begin to accumulate new friends.



Unless you were born with assets that allowed you to make these enormous travel plans, you need to build your own financial destiny. Therein lies the rub. The general population tells us to work hard and have nice things from a young age.

In fact, this is the worst advice that we can receive in the twilight of our youth moving into adulthood. Exchanging time for money is a never-ending hamster wheel of pain and regret.

### [The Crypto Debit Card](#)

When we exchange our time for a paycheck, we lose our freedom. Someone else controls our daily schedule, income levels, fear, and desires. If you just bought an expensive house, how likely are you to transfer to a new job?

So, we all need a plan to wean ourselves off earned income and live from other passive income sources. If you are confused (about passive income), please read the "[What is Passive Income?](#)"

I have been writing about financial mindset, retirement planning, investing, cryptocurrencies, real estate, and business for over a year. I have published over 650,000+ words this past year, and I aim to do similar over the new year.

However, I just read the book "[Infinity Investing](#)" which spelled out the three steps to happiness in the most straightforward format I have seen. If you can follow these three steps, [even slowly](#), you can set yourself and your family free.

### [Don't Gamble with Retirement 3](#)

That's the most crucial takeaway from living on passive income—once you learn the secret, you pass it to your entire family. But what are these three steps to living on passive income? Let's take a look at each of them individually.

**3 Steps.** The three steps to go from working a job to chillin' on the beach are:

- 1) Use (earned) income to pay for assets.
- 2) Use assets to pay for expenses.
- 3) Use assets to pay for liabilities.

**1) Use (earned) income to pay for assets.** This step is the most difficult to understand and execute. The reason is that the media, parents, school, and work brainwashed us to use [earned income](#) to pay for expenses and liabilities.

Let me explain how this looks. Let's say your after-tax income is \$10,000/month from your job. You invest 5% towards your retirement, and the rest is fair game. You have a lovely home, luxury vehicles, children in private school, etc.

## [Diversify Your Passive Income](#)

If there is any money left after your expenses, you use that to save for vacations and jewelry. You believe that the 5% savings rate is enough to carry you through retirement.

**How your money should function.** If you do not have assets, your number one goal is to obtain them. Everything should fade away outside the relentless pursuit of building your portfolio of investments.

If your income is \$10,000/month, determine the actual amount of your expenses. We will say we can live comfortably on \$5,000/month for this scenario.

The remaining \$5,000/month goes towards building your stable of income-producing assets. There are many types of assets such as [dividend-paying stocks](#), [interest-paying bonds & crypto](#), [rental real estate](#), [royalties from creative pursuits](#), and [automated business](#).

Some of these assets cost money (dividends), and some you can create for very low cost (royalties). At this point, you should be using all of your investable income and [spare time](#) to create passive income streams.

## [Retirement Planning in Your 30s](#)

**2) Use assets to pay for expenses.** Now, the fun has begun. The total amount of our costs is \$5,000 per month. Our new goal is to have our assets produce enough income to cover this amount.

Once our assets produce \$5,000/month, we are financially free and work-optional. It may take a while if you are trying to accomplish this amount of income just from dividend stocks. Depending on your investment style (dividend growth, income, or index funds), it could be anywhere from \$1.5 to \$3 million.

However, that's why we are not aiming for a specific amount of cash; we are looking only at our cash flow. I covered this topic more in-depth in "[Net Worth vs. Passive Income.](#)"

Therefore if I [wrote books](#) (\$500/month), started a [YouTube channel](#) (\$1,000/month), [rented my car](#) (\$500/month), [had dividends](#) (\$1,000/month), and [harvested beneficial insects](#) (\$2,000/month), then I have my \$5,000/month.

This logic is what messes most people up when building assets. They believe dividends and real estate are the only forms of passive income. The more you understand the process of building businesses and royalties, the faster you can arrive at your destination.

## [Buy and Rent Out an 18-Wheeler Truck](#)

However, we decided to get there; we now have \$5,000/month in passive income. You are now financially independent and work-optional—enjoy your life. I would continue to work until I had more passive income because you never know what the future brings—but that’s just me.

**3) Use assets to pay for liabilities.** The final step is the most fun. This step is right up your alley if you love having nice things. Whether you buy furniture, a car, or an RV cash or not, it is always a liability.

The maintenance, insurance, gas, and registrations come directly from your pocket—making them liabilities. But, sometimes, these items bring joy to our lives. I personally don’t care for these high-end items, but I can somewhat see the appeal.

Now, after you pay your expenses with passive income, you can use the remaining cash flow to purchase something nice for yourself.

For example, if I knew that I always wanted to have a brand new car with an \$800/month payment, I would obtain an asset to cover this expense. I could create an income portfolio on M1 finance whose sole job is to spit out \$1,000 of dividend income every month. That account would need to be roughly \$150,000 (at an 8% dividend yield).

### [Is Rental Income the Best Type of Passive Income?](#)

**Conclusion.** Once you get to this point, you can do pretty much whatever you want. The world is your oyster, and you have the time and resources to experience everything you imagine.

Hopefully, you have maintained [healthy relationships](#) with your spouse, kids, family, and friends. There is no point in being free if you are alone.

It may seem like a lot of work and a long time to achieve, but you could probably become work-optional in five years. That, of course, depends on your starting debt levels, but anything is possible.

In [roughly two years](#), my wife and I got out of debt and built a \$200,000+ dividend portfolio. We are already financially free with my military retirement, yet I still work. I want to build up my (book) business and website while having a nice, steady paycheck.

Just because you have a job doesn’t make you wrong. You only need to start to think about slowly ([or quickly](#)) making yourself independently wealthy. If you have little money to purchase dividend stocks, please look into my [Passive Income from Creativity](#) series, where I show you how to make great money with your talent.

America was wrong, right from the start. Buying a car (and other liabilities) with earned income is one of the worst things we can do to our finances. Our passive income (dividends, interest,

rents, royalties, and automated business) should purchase all of our nice toys. If you follow these three steps, you will be successful.



## 12 5 Steps to (Financially) Running a Household

Today I want to lay out everything I know about running a household. I will focus on the finance aspect of household operations, as my lovely wife Kristina runs the personnel side of the house.



[Free 38-Page PDF Download \(\\$2.99 Value\)](#)

So, what are my qualifications to speak about running a household? My wife and I have been [married for 15 years](#). We have two kids, ages 15 and 10. We are [debt-free](#), own [three homes](#), and have [a \\$200,000 dividend portfolio](#).

Things weren't always so rosy. I am in the military, so I have been gone for half of our marriage. We started with nothing, so we feel blessed to have everything we've built.

[Start a Passive E-Commerce Business](#)

Being married as a young person can be difficult. We haven't learned how to use our adult voice and communication as these skills come with time and understanding. Also, money can [cause unseen stress](#), especially if you don't grasp how money works.

**The three types of income.** The [three types of income](#) are earned income, portfolio income, and passive income. Earned income is money from your job, portfolio income is from stocks and bonds, and passive income is from rental property and a business.

The goal of life is to convert earned income into a portfolio and passive income. You are financially free once you make enough income from your portfolio and passive income to pay your expenses. The world tells you to wait until age 65 to achieve this goal, but we can get there much sooner.

**Becoming financially free with a family.** Many people online share how they are financially free, but these people are single most of the time. You are running a household that requires a lot of money to function correctly. You will have to use all of your skills to run your home and effectively prepare for a fantastic retirement.

### [Build Wealth Slowly](#)

The sooner you understand the steps to running a household, the faster you can achieve financial independence. I didn't have this blueprint during our life together, so hopefully, I am saving you a lot of grief and heartache; finances are at the heart of a successful marriage and household.

**The five steps to (financially) running a household.** The five steps to running a prosperous household are:

- 1) Control Expenses
- 2) Prepare for Maintenance
- 3) Multi-level Savings
- 4) Invest for Retirement
- 5) Create Passive Income

These steps don't necessarily have to flow in this order, but they may naturally play out this way. As you read along, figure out where you stand. It's also a great idea to create a separate banking account for each of these steps so you have a visual of your holdings. Let's begin.

**1. Control expenses.** The first step is getting into the mindset of limiting costs. We live in a [society of toxic consumerism](#), and we have to prevent it from seeping into our lives.

### [Life is Not a Game](#)

I keep a very detailed budget of my expenses and send a lump sum from my paycheck to cover them. This helps me visualize how I spend my money and not get complacent.

For example, if I had \$1,000 in expenses, I would send \$1,300 to my checking account for expenses. I have a little cash for the unknown costs, but I need to tighten my expenses to prevent [going over budget](#). Controlling expenses is the heart of everything we do moving forward.

Wealth is having excess income versus expenses, so keeping [costs to a minimum](#) will lead to massive success as you increase your revenue.

**2. Prepare for maintenance.** Maintenance sucks. You will have maintenance on your vehicles and homes. Also, you can consider this unforeseen medical costs and animal care. I like to separate my maintenance cost from my savings because maintenance is almost always a recurring monthly expense.

Every month, [something random will happen](#), such as an increase in property taxes, termites, or a broken air conditioner (all in 2021 for us). I always set aside \$1,000/month into a separate maintenance account.

### [The Wealth Creation Phase](#)

Again, this is not my emergency savings but almost a recurring expense. It is almost like money that I know will get burned away. Sad, but it keeps you mentally ready for the unknown. Maintaining a healthy mindset about “life” events helps you deal with them and move on.

**3. Multi-level savings.** Having a considerable amount of money in savings can be counterproductive. Currently, a high yield saving account pays 0.4% interest, which is ridiculous. We need to keep our savings safe but growing.

I like to use a multi-level approach to savings. Of course, use my methods as a guide because your risk tolerance will differ from mine. Here is how I conduct business:

- a) First level: \$50,000 of available credit card limit
- b) Second level: \$3,000 in a high-yield savings account
- c) Third level: \$10,000 government bonds
- d) Fourth level: \$2,000 (one day \$100,000) in USDC stable coin at 9% interest

Since I am debt-free, I use credit cards as my buffer in an emergency. Right now, inflation is a huge concern that the safety of a credit card can help alleviate.

### [J.O.M.O. The Joy of Missing Out](#)

I keep my high-yield savings account with \$3,000 if I need random cash to send to family or something else. I hold US Treasury bonds that earn roughly 2% interest.

Finally, I use USDC as my primary savings. I don't have much there yet, but I will make a concerted effort to build this account. The main reason is the 9% interest rate. I can now keep my emergency money safe, earning 9%, and quickly access it with my [crypto debit card](#).

**4) Invest for retirement.** Now that we have our expenses, maintenance, and savings under control, we need to invest for retirement. No, saving 10% in your 401K will not be enough to create a cash flow retirement.

Our investing rate needs to be closer to 40%. You have a few choices of ways to invest outside of your 401K. I consider [index funds](#), [dividend growth](#), and [income investing](#) different techniques to invest for the future.

You will have to read and understand each to build the right portfolio for your risk tolerance. I use all three because I love them equally. You can also keep your funds in a [Roth IRA](#) to achieve a tax-free status.

### [I Live Paycheck to Paycheck](#)

**5) Create Passive Income.** Once you are all set with the other four steps, it is time to increase our income. By increasing our income, we can significantly accelerate our timeline for retirement.

There are so many ways to build passive income that I will link to written articles. "[How to Create Passive Income for the Average Person](#)" and "[21 Passive Income ideas](#)" are good places to start.

Remember to pick passive income sources that keep your attention. Very few people can create an income stream, so ensure you do [something you love](#).

Once you start earning income, invest it back into your income stream or your retirement portfolio. We call this a [wealth generator](#), and it can make your dreams come true very quickly.

**Conclusion.** These steps may look simple on paper, but they are challenging to master. The world tells us the opposite in everything we do. The more we spend on consumer goods, the more the economy grows.

However, we have to take care of our finances first. If we do this correctly, we will have unlimited cash to spend at the mall. But chances are, by then, we won't want to purchase much.

Please join my [Facebook Group](#) if you want the latest articles and free books delivered to your news feed. Also, you can contact me inside the group and ask questions. I also have a [Facebook Page](#) where you can see my latest articles.



### **13 The Average Millionaire has 7 Streams of Income**

The average millionaire has seven streams of income—how many do you have? My wife and I will reach \$1 million in our dividend portfolio in roughly five more years. However, we are not obsessed with becoming millionaires.



[Free 44-Page PDF Download \(\\$2.99 Value\)](#)

You see, we are just following the steps that I laid out in my book "[4 Steps to Become Rich.](#)" The four steps are simple.

- a) Pay down debt
- b) Lower expenses
- c) Create multiple streams of income

d) Invest in assets

As you can see, item C is to **create multiple streams of income**. I used letters instead of numbers because you don't need to follow any particular order. By creating multiple income streams, the new revenue can assist you in accomplishing the other three steps.

### [You'll Need \\$20,000/month in Passive Income](#)

So, I need you to do a quick self-assessment. How many streams of income does your household have today? I want you to write it down in your brand new [New Year's Resolution notebook](#).

**Two Incomes.** If you are a couple, chances are you have two incomes—one for each adult. You then would be like most of the other Americans, working to survive. If you do what [the average person](#) does, expect to get what [the average person gets](#).

**Do you want to be average?** [Working a job](#) is necessary for most of us; that is a given. However, that doesn't mean that we can't strive to become financially independent. To become financially independent, we will need to achieve multiple streams of a passive income.

**Why passive income?** [Passive income](#) is revenue that we generate without exchanging our time. In the simplest terms, we put the work in once and receive multiple payments over time. I wrote an article about a year ago called "[Five Creative Ways to Make Money While You Sleep](#)" that gives ideas about the viability of passive income.

**Let's take the idea of publishing a book.** I want to expand on the concept of passive income and create multiple revenue streams. Let's take the idea of publishing a book. It may seem like one income stream, but you can multiply your streams if you learn how to think outside the box.

### [The Passive Income Grind](#)

I read the books "[How to Make a Living from Your Writing](#)," "[Creating Income Streams](#)," and "[How to Blog for Profit](#)," among others. Each book gave me more ideas on how to expand the income from my writing. Let's see if I can create seven income streams from this article.

- 1) **Blog revenue.** I will first publish this article via a blog post. Once I have good SEO working, people will click into the article and receive advertising revenue.
- 2) **eBook royalties.** I can collect a few books together and publish a book on Amazon.
- 3) **Blog affiliate marketing.** When people click the [affiliate links](#) on [my book reviews](#), I may receive a commission.
- 4) **eBook affiliate marketing.** Those same affiliate links are in my eBooks, so an entirely new audience will see them.

- 5) **Hardcover & paperbacks.** The market for hardcover books and paperbacks is entirely different from eBooks. So I can tap that market by making my books available in these formats.
- 6) **Audiobooks.** The same goes for audiobooks.
- 7) **Foreign languages.** I can have someone translate my books to sell in other countries—this becomes a new income stream.

As you can see, there are many ways to monetize my writings. Hell, this is just the start. You can add in YouTube, podcasts, speaking engagements, consulting, coaching, mentoring, etc.; the most crucial part is that I am producing content and creating an income stream.

### [The Woman's Guide to Investing](#)

**Your seven streams.** Of course, you can get started without becoming a content creator. Building a [dividend growth portfolio](#) is an excellent way to create an income stream. How about [interest from cryptocurrencies](#) or [renting a room](#)?

**Make money while you sleep.** You can never be truly financially independent if you aren't making money while you sleep. If you aren't making money in your sleep, [inflation](#) is eating your idle cash.

Every day you should be making some form of cash outside of your earned income job. A misconception is that you need to make tons of money on the side. **Nope.** You [can make \\$50/day](#) from an income stream—the amount isn't important. It [takes 10,000 hours](#) to build a future income stream. So get started today.

**Find something you love.** Another essential part of your journey is to find something that you [love to invest time](#) into daily. If you don't enjoy dividend investing, buy some [index funds](#) and [dividend ETFs](#) and invest passively.

### [How Would You Spend \\$5,000?](#)

If you love to create oil paintings, then that is your income stream. There are many ways to monetize your oil painting business—let's review some of them.

- 1) Start [an automated E-Commerce](#) business with your paintings.
- 2) Create a blog around your paintings.
- 3) Start a YouTube channel around your paintings.
- 4) Host courses on paintings in person.
- 5) Create an online course on how to paint.
- 6) Create an online course on how to create a painting business.
- 7) Become a consultant to others starving to create a painting business.

Becoming successful at your business opens the door to making even more income via consulting and courses. But first, you will have to figure out your business on your own. Everyone's income stream is slightly different from one another.

**Putting it all together.** I wrote this article to get you thinking about income streams. Millionaires aren't doing anything special or something you couldn't do yourself. They are [spending their free time](#) creating multiple streams of income.

When you start, you will probably suck at your income stream. You may buy the wrong dividend stocks or rent a room to an idiot. However, learning is part of the process. The book "[Mindset](#)" tells us the difference between a fixed mindset and a growth mindset.

### [What Gets Rewarded Gets Repeated](#)

The growth mindset understands the value of failing and learning from one's mistakes. That's how we become rich and build multiple streams of income. Nothing is perfect, so we need to look at what we want to accomplish humbly. In the end, the results will be worth the discomfort we had to endure.

**Conclusion.** What income streams do you want to create? [What is your rich life?](#) How can having freedom of time and money help you achieve the life of your dreams?

In the end, money is a way to express one thing—options. Having an excess amount of money ensures that speed bumps along the route don't slow my family or me down. I have opportunities to jump over these bumps and continue on my happy journey.

If having more options is important to you and your family, I suggest building income streams today. Oh, and by the way, creating money is very fun and fulfilling. You'll love the process!

Please join my [Facebook Group](#) if you want the latest articles and free books delivered to your news feed. Also, you can contact me inside the group and ask questions. I also have a [Facebook Page](#) where you can see my latest articles.



## 14 Choose Your Passive Income Adventure 2

Life offers us many choices—some are hard, some are easy. Finding the right person to marry is a difficult decision. Deciding what house to buy can be more manageable—trying to determine what passive income stream to build is tricky.



### [Choose Your Passive Income Adventure 2](#)

We should all know that we need passive income in our lives. There is no other way to build wealth. **We need to make money in our sleep.** But what passive income stream best suits our needs and goals?

I remember growing up in the 1980s and 1990s having a really cool book series. The series is "[Choose Your Own Adventure.](#)" In the book series, you would travel through making decisions that take you to various pages and outcomes.

Who would have known that's exactly how life plays out over time? We have to make choices that lead us to the outcome we want. Do you want to have unlimited freedom of time, money, movement, and resources? Then you better start building streams of passive income today.

Today I offer you three passive income paths to travel. Each is vastly different and eerily similar. They all start with a stream of income and grow to an ocean of revenue, but only if you stick to the path. The three paths are dividends, real estate, and business.

Luckily, I have been hard at work grinding out books under each adventure. These books combine the articles you need to get started in each asset class. Together, they form a powerful life solution that you can use to build an incredible amount of wealth. Let's take a look.

[“How We Plan to Retire on Dividends 2”](#) guides you through the fantastic world of dividend income. There is so much to learn that this book is just the beginning. I talk about the differences between dividend growth investing and income investing. Also, beating inflation is a hot topic as well.

[“Retire Rich, Retire Comfortable with a Business 2”](#) covers two aspects of business which are royalties and automated business. Both are similar in that you make money passively. They differ because royalties cost you creativity and time to create. An automated business takes skill and money to build, at least initially.

[“Financial Independence through Real Estate 2”](#) walks you along the path to build the most consistent income of them all. Building rental income is like creating a pension. Even better, your income keeps up with inflation through rent increases. Did I mention your homes will also appreciate?

The best part is that you do not have to choose between them, you can have them all. I earn monthly income through all of these methods. You can do it as well. So choose your own passive income adventure, with all roads leading to a happy, successful cash flow retirement!

Please join my [Facebook Group](#) if you want the latest articles and free books delivered to your news feed. Also, you can contact me inside the group and ask questions. I also have a [Facebook Page](#) where you can see my latest articles.



## 15 How Would You Spend \$5,000?

Today is your lucky day because you just won \$5,000 in a raffle at work. Wow! What a fantastic feeling to get this much money free of charge. Now comes the tricky question—what do you do with the cash?

I wrote an article a couple of months ago titled “[How Would You Invest \\$300,000?](#)” which assumed everyone would invest if they received a large sum of money. However, \$5,000 is a much smaller pot of cash, and people have many ways to use this money.



### [How Would You Invest \\$5,000](#)

The way I see it, there are four main ways to spend this type of money: **play, pay debt, save, or invest.** Each has its merits, but of course, I will always lean towards investing. Let’s review each of the ways and see what we learn.

[52 Weeks of the Dividend Challenge](#)

**Play.** Buying toys is the worst way to spend money. [Toxic consumerism](#) has taken hold of Americans, and spending money on things we don't need is a national pastime. I am not saying that you can't enjoy a small amount of the money—go ahead and take your family to Applebee's. Even if [you are debt-free](#), there are better places to allocate these new funds.

**Pay Debt.** I would assume most people would pay down debt with their newfound cash. Yes, it is the right thing to do in most cases. But, I would like to challenge this notion a little.

In "[Pay Down Debt or Start Investing](#)," I stated that starting to invest is just as powerful as paying down debt. Yes, conventional wisdom is to pay off high-interest debt as soon as possible—before investing. However, getting in the habit of investing is more powerful than paying off debt (at least to me).

Being in debt is like living in a glass prison. You can watch everyone playing outside, but you can't participate. On the opposite end of the spectrum, [living on your investments](#) is like floating on a cloud above Earth. Everyone is living in debt, and you can watch life like a movie on Netflix. Understanding both feelings is paramount to never getting yourself back into debt again.

**Save.** Many people will save \$5,000 for a rainy day. [Saving is not a bad](#) way to allocate these resources, just don't overdo your financial security. There is a big difference between [financial security and financial freedom](#). Knowing this difference is a great way to ensure you always put your money to work via assets.

### [Real Estate is a Mindset \(Beginner\)](#)

If you fear the stock market, I can understand. I wrote an article called "[The Woman's Guide to Investing](#)" that talks explicitly about slowly overcoming the mental hurdle of investing. It seems like you could be losing control of your money, but you are actually gaining powerful knowledge of making your money grow.

**Invest.** Of course, investing is my favorite way to leverage the \$5,000. But there are so many ways to invest; how would you possibly get started?

First and foremost, you have to have a life plan to ensure you allocate the money towards the right goals. [What is your rich life?](#) How do you plan to arrive at this destination?

### [Why Gold & Silver](#)

Once you have at least a vision of the future, you can start planning our investment strategy. Yes, even with \$5,000, you'll need to take the time to review your strategy. There is nothing different from investing \$5,000 or \$500,000, just a couple more zeroes.

There are [many types of assets](#) to invest in—financial mindset (invest in yourself), business, cryptocurrencies, stock market, and real estate are the main ones. You can also speculate with things such as gold, Pokemon cards, sports cards, and [NFTs](#).

I could write whole articles on each of these asset classes. Oops, that's what I do every day. An excellent place to start your research would be my free book "[Don't Gamble with Retirement 3 + 4](#)." It covers all the different asset classes and can give you some insight into building up each asset class before retirement.

Now, let's go on [a simple spending spree](#) and invest our \$5,000 across various asset classes.

- 1) **Dividend Growth Investing.** I would build a small \$1,000 [DGI portfolio](#) consisting of Microsoft, McDonald's, Prudential, and Altria—split evenly. I could slowly add to this portfolio as I earned more money.
- 2) **Income Investing.** I would also build a simple [income portfolio](#) consisting of the closed-end fund Pimco Dynamic Income Fund (PCI) and AGNC, a mortgage REIT.
- 3) **Real Estate.** There isn't much real estate you can buy with \$1,000; however, you can invest in a REIT named Fundrise. Fundrise doesn't trade on the stock market, so it reacts differently to market forces.
- 4) **Cryptocurrencies.** I hate to be super simple, but I would invest \$1,000 into my favorite [stable coin, USDC](#). It pays a whopping 9% interest and has no volatility.
- 5) **Business.** Finally, I would use my final \$1,000 to invest in my own business. I would [write book reviews for passive income](#) by [starting my blog](#). I would review science fiction books. My \$1,000 would pay for two years of web hosting and other assorted expenses. I could even invest in myself by taking an online course.

### [Art Edition: The Biggest Book on Passive Income Ever!](#)

As you can see, I was very busy with my \$5,000. Every single penny went towards something that would earn a return on my investment. My \$5,000 would grow into a small fortune over time, especially if I continued to invest in my portfolio and business.

**Conclusion.** It is essential always to have a plan for when random money arrives. It may not happen often, but when it does, be on top of your game. You don't want to go with "current trends."

This statement means that you get \$5,000 and ask someone else how (or what) to invest. You'll end up with a poor answer or a good answer that is out of context. Avoid this scenario by learning about the different asset classes. You are your own asset class, so invest in yourself.

Thanks for reading, and if you would like to read more from me, please follow me on [Twitter](#) and [my Facebook Page](#). Enjoy and Happy Investing.



## 16 How Would You Invest \$300,000?

Let's try something different today. Let's do an exercise on how to invest some theoretical money. I hope you have been reading all my articles and books because we will draw on the power of retirement planning, investing, real estate, cryptocurrencies, and business.

I am currently on the late-night flight from Tokyo to Dallas/Fort Worth—en route to see my wife for the first time in a year. It's crazy that I wrote "[The Biggest Book on Passive Income Ever!](#)" over the course of a year. Even crazier that I hadn't written anything before I left. Life is good. Blah, blah blah. Let's get into it.

Now, I say we received \$300,000 after taxes from a workplace asbestos settlement. Our goal is to invest this money and create a nice income stream for the rest of our lives. Let's see how much income we can derive from our investments.

### [J.O.M.O. - The Joy of Missing Out](#)

**Real Estate.** I always like to start with real estate because it is the most expensive. We also need to decide how to allocate our real estate assets: full cash or leverage.

Depending on your ability to manage properties, you will have to decide how many houses in a [small city](#) you want to purchase. For this example, I want to pay cash for a \$120,000 home in Meridian, Mississippi. I don't have access to the internet right now, but let's say I can cash flow \$1,000/month from this purchase.

If you wanted to use leverage, you could buy 3-4 houses for the same amount. It all depends on where you are at in life.

**Investing.** I am going to go all out on this one. Since this was free money, except for asbestos eating my lungs, I will go all in on [high-yield products](#). I will invest \$100,000 into high-yield with the intent to get an 8% dividend yield across the board. Some of my favorites are AGNC ([REITs](#)), PCI ([Closed-End Funds](#)), and GLOP.C ([Preferred shares](#)).

I will have to average in over a year to ensure I am not overpaying. After I complete my purchases, I should be receiving \$667/month in dividends.

**Retirement Planning.** I will max out my Roth IRA for the year with \$6,000 invested into VTI (Index Fund).

**Cryptocurrencies.** I'll also try something different here. Since I went all-in on some riskier dividend investments, I will stay ultra-safe here. I will put \$50,000 into [stable coins](#), mainly USDC.

### [Retirement Planning in Your 30s](#)

This will level out my risk and still pay me 9% interest. Amazing. The monthly total will be \$375. Not bad at all.

**Business.** This leaves me \$24,000 to invest in companies. I think I will buy an [18-Wheeler trailer](#) and rent it for \$400/month. This business plan should be very passive, which fits nicely into my lifestyle.

**Final tally.** Let's add everything together and see what our monthly income adds up to.

- A) Rents- \$1000/month
- B) Dividends- \$667/month
- C) Retirement Planning- \$0/month
- D) Cryptocurrencies- \$375/month
- E) Automated Business- \$400
- F) Total- \$2442/month**

Wow, that is an excellent wage, and the income is mostly passive. Most importantly, we are well diversified across multiple asset classes to withstand recessions, stock market manipulation, and pandemics.

I will run more of these experiments as time goes on. Maybe I will make it part of my airplane battle rhythm. Remember, if you can't invest \$3,000, you won't be able to invest \$300,000. Even when you receive smaller lump sums, diversify the cash and build an income.

Learning how to invest, build wealth, create income, and protect principles are all important to your journey. You never know when a lump sum of cash may fall into your lap. Will you know what to do with it when the time comes?



## 17 Cash Flow 106: Why You Need a Job

I am not one to praise the virtues of having a job. In fact, I just finished an article about how the [8-Hour mindset destroys](#) your ability to build wealth. However, we need jobs. Welcome back to the Cash Flow 101 series ([101](#), [102](#), [103](#), [104](#), [105](#)).



[Free 46-Page PDF Download \(\\$2.99 Value\)](#)

I know, if you have read any of my 600+ articles, you will think I went crazy last night. But, hear me out on this one. **Jobs allow us to plan our future and build our income streams.** As long as we have a purpose for our job, it is okay to hold one down. I want to explore how to find the meaning of employment.

**Pay expenses.** The first and most important purpose of having a job is to pay expenses. However, this is the scenario that gets us into the most trouble as well. Go back and read my prior sentence; it says “**expenses.**”

### [Can You Achieve Work-Life Balance?](#)

Not luxuries, not vacations, not fancy cars. When we overspend our earned income, we add years to our working lives. Luckily there are a few things we can do to prevent ourselves from falling into this spending trap.

Budgeting. Budgeting guides us and allows us to make good decisions with our money. Even if [we over-budget](#) and become hermits, it's better than the alternative.

Avoid toxic consumerism. They built America on the ability to spend all of our income. Even those who make tons of money ([HENRYs](#)) can still [live paycheck-to-paycheck](#). The best way to [avoid toxic consumerism](#) is to read a [book on advertising](#).

Once you understand that everyone has their hand out for you to purchase something, you can control your spending habits. Only buy something if someone provides value to you.

Minimalism. [Minimalism](#) is a great way to reduce waste around the house and in the wallet. If we can stop spending, collecting, and holding all these items and “stuff,” we will be much better off—mentally, physically, and financially.

**Fund our investments.** Now that we have control of our finances, it is time to fund our assets. There is a lot to learn about investing, and we will have time if we stop watching Netflix, sports, news, and politics. Sorry, getting rich takes time and energy.

### [Can You Achieve Work-Life Balance 2](#)

Investing basics. First, we need to [fall into investing](#) by learning the basics. I use three types of investing to produce income, invest for the future, and grow my wealth. The three paths are income investing, [dividend growth investing](#), and index fund investing.

Funding our portfolio. How much should you invest each month? At least 50% of your take-home salary. Yep, that is a minimum amount. My wife and I can invest over 90% of our take-home pay. That is what allowed us to go [from -\\$77,000 in debt to +\\$150,000](#) in savings in two years.

Increase income. If you struggle to save and invest over 50% of your salary, you need to expand your income. [House hacking](#) is my number one most recommended way to increase cash flow.

**Create an income stream.** While we are working, creating an income stream should be our top priority. What is an income stream?

## [Happy Financial Independence Day](#)

An income stream is something where we can 100% control the time and revenue of the endeavor. Be careful. I am not saying we need to create a job or job-like business. No, an income stream. Let's dive deeper into the meaning of an income stream.

First, I want to ensure everyone understands that entrepreneurs and business owners are two different people. We want to become entrepreneurs. Developing a brain for entrepreneurship will take time. [Here are some books](#) I recommend to get you started on the path.

For our income stream, we want to pick something we love doing so that we can do it for as long as we live. We don't need to make a ton of money from our income stream because we have dividends and rents to help us financially. I want to give you a few examples of an income stream versus a job-like business.

Proof-reading. If you are good at proofreading other people's writing, there are many paths you can take. The easy way is to go to [Fiverr.com](#) and post your resume online. You can then go through the process of gaining notoriety on Fiverr and building your reputation.

## [Retirement Planning for the Average Person](#)

The more challenging way is to open your own website and gain traction this way. You can write articles about how to proofread peoples' work quickly. Also, you can ask for free submissions to use as examples.

It will take years to build your platform, and it will be difficult. **But that's why you have a job!** Eventually, you will be able to create YouTube videos and online courses on proofreading. You will become the subject matter expert. You can leverage your brand for affiliate marketing, sponsorships, and speaking engagements.

Do you see the difference between going the Fiverr route and opening your own website? To do things the hard way, you need to support yourself financially. Thank goodness you have a job. Also, your dividends and rental income will be growing while you build your platform. Let's do another example.

Driving. You become wise to the ways to financial freedom and decide to drive Uber on your off-time. It's better than watching Netflix, but we can do better.

## [54 Takeaways from 54 Books](#)

I would much rather become the destination hub of a resort town. Using everything I learned about [Airbnbs](#), [bed and breakfasts](#), and [starting a renting car business](#), I can combine them all into a one-stop shop.

My idea is to buy a huge house, maybe six bedrooms and six bathrooms. One group would reserve the entire home for about a week or two. On top of saving a ton of money by booking a home that can hold 20-25 people, there will be more bonuses.

I would have my son on standby as a van driver, so they can travel to the beach, drink, and enjoy their time. Also, I would have Teslas, motorcycles, and [other electric vehicles](#) on deck for them to drive at their leisure.

Finally, I would have a gift shop, washing machines, [vending machines](#), a pool, and more ready for their use. As you can see, this would be a complex operation, but it wouldn't be as time-intensive as it seems.

**The plan.** To execute this plan, I would need to keep my job until I hit a certain milestone. First, I want to be [financially free](#) ([not financially secure](#)) before I ultimately leave my employment. In this case, we'll say I need \$10,000/month passive income before I retire.

### [Over-Budgeting: You Can Only Cut So Much Before...](#)

I would work hard, save, invest, and rent rooms until I reached my goal. In the meantime, while I am working, I can buy the home. I can rent rooms in that big home until I am ready to start my income stream.

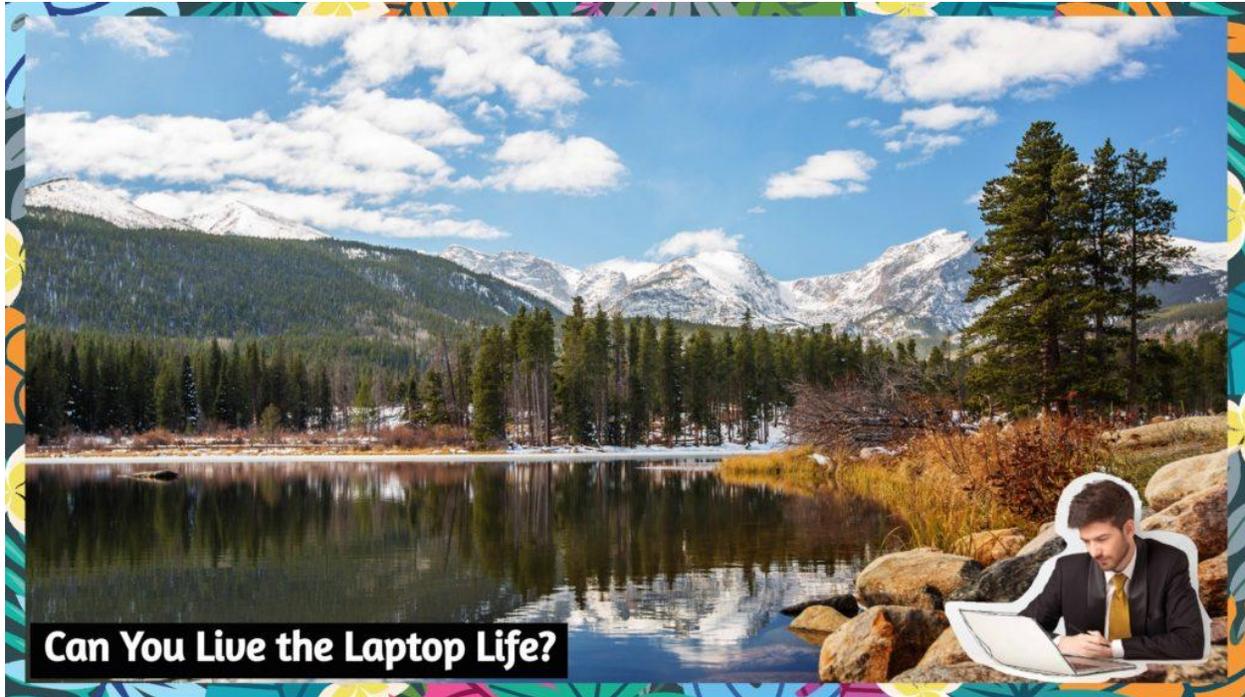
I will try to learn as many lessons and position myself for success while I am working. I may have to work extra years to ensure everything is in place. Then, finally, I can retire and finish building my income stream.

**Conclusion.** It sounds crazy, but your job is to pay expenses, build an investment portfolio, and give you time to create an income stream from scratch. Currently, I am building [my book publishing](#) income stream while I finish up my career in the military.

DO NOT fall into the trap of living to work. America trains us to spend every single dime we make on "stuff." Go against the grain and stack wealth, and build an empire. The book "[Before You Quit Your Job](#)" is an excellent reference to preparing yourself while working.

Life is too short to work all day. Retirement doesn't have to be boring either. We can have a fulfilling retirement by creating an income stream custom-tailored to our dreams and desires. Yes, we can have it all.

Find more of my articles and books by subscribing to my [Twitter account](#). I [write 1000+ words](#) every day because I love what I do, and hopefully, I can help you achieve your financial goals!



## 18 Can You Live the Laptop Life?

Another day, another article about passive income. Hey, that's what I do. I love reading books and articles about passive income—I call it “**reinforcing principles.**” I can read about people living on dividends and building rental empires all day.



### [Can You Live the Laptop Life?](#)

One of my favorite topics is living the laptop life? I take this to mean that you can conduct all of your business from your laptop. And this can be more than just a business; it can be for investments, real estate, and cryptocurrencies.

If you have read some of my articles before, you know that my dream is to live the laptop life from a white sand beach with my wife, kids, and grandkids. Simple right? Not so much. You see, you will have to create your laptop life before you live it.

[5 Habits to Envision a World of Money](#)

**The idea of laptop life.** Many people dream of working from their computers, on a beach somewhere. The idea isn't to work on anyone else's schedule, though. So, if you plan on being a freelancer for someone, yes, technically, it is the laptop life. But, you are not in control of your time.

I view laptop life as freedom of time and money. For example, blogging is a great example of laptop life. You create an article; it generates money over time. Nothing is pressing you to make content.

We definitely don't want to live the laptop life if it brings a high-stress environment every time we open it up. The goal is to produce enough content before you exit the beach. Or have your business mature enough to handle things from afar. The bottom line, you have to have a mature, seasoned income stream before you disappear to the beach. You will have completed the [passive income grind](#).

**My vision of laptop life.** I have written down my rich life at least 50 times over my 550+ articles on my blog. **Laptop. Beach. Family. Got it.** However, I will go into a little more detail on what I envision after a year on the grind.

First, I want the smallest Chromebook available. In 10 years, Chromebooks might not be a thing, but that is my dream for now. I love Chromebooks because I spent years fighting with Windows and Mac laptops. I particularly hate the slow updates. When I hop on a laptop, I have a business to conduct, and I don't have 10-15 minutes to wait for an update that will break something.

### [Living a Middle-Class Life is Stressful](#)

Currently, I am using the best Chromebook available (in my opinion). The [Samsung Galaxy Chromebook 1](#) ([affiliate link](#)) is under two pounds, has a 4K screen, goes into tablet mode, has a stylus, and the keys allow me to type normally. I am seriously considering buying another one, just to keep it in the box.

My dream was always to have a sexy computer and make money with it on a whim. Now, I am slowly living that dream life. Now that I have my dream laptop, I need a successful business model.

**My Business Model.** I have a sustainable business model that I foresee myself doing for the long term. It consists of [writing at least one article a day](#), [creating article artwork](#), publishing, and usually [making an ebook every day](#). I call my ebooks "article booklets" because they are small booklets with the main article plus associated articles bundled together.

### [How Much Money Do You Need for Retirement?](#)

Each article booklet is an asset. I was surprised that a 40-page book would sell for \$3, but lo' and behold, they sell. After reading 60 books in one year, I can understand why. Sometimes you just want a quick win. Sometimes you just want to buy, start, and finish a book in one day. My articles are straight to the point, with little fluff.



Even better, I can bundle my article booklets together at will. So I have 400+ articles I can bundle together. Then, I have 170 article booklets I can also bundle. You see where I am going with this. Once I retire, I will have at least 1000+ article booklets, each its own extraordinary asset. I created a unique bundle of booklets today in about an hour. [Look at it here.](#)

I think I have a good thing going. The main thing is that I love creating, writing, publishing, and bundling. It is exciting, and it is fun to see random booklets selling. A booklet might not sell for six months, then one day, it sells two copies. Very strange and fun. Now, let's turn our attention to you.

**What is your dream laptop life?** You are reading this article for a reason, so what is your dream laptop life? [What is your rich life?](#) My advice is to ensure that you love whatever you plan on doing. There are too many options even to list here.

### [Good Debt vs. Bad Debt](#)

I just finished an article on [21 Passive Income Ideas](#), which may be an excellent place to start. These all involve businesses, but there are other ways to live the laptop life. Let's look at a few.

[Dividend investing](#) is a great way to earn income while chilling on the beach. The main disadvantage is that you need a hefty sum of cash to live off of your dividend income full-time. Your days would consist of reading news, following headlines, and making predictions.

[Capital Gains investing](#). I am not a huge capital gains investor, but you would have the time to speculate when you retire. You could speculate with sports cards, gold, Pokemon cards, artwork, watches, etc. If you can allocate 5% of your wealth to speculative plays, you could make a handsome sum from your laptop.

[Options trading](#). I am ready to get into options trading. In fact, I just requested a Tier 0 (lowest tier) options account on my Charles Schwab brokerage account. I am going to try my hand at [writing covered calls](#). Options trading will be an excellent way to produce “synthetic dividends” on your static dividend stocks.

### [JOMO: The Joy of Missing Out](#)

[Real Estate Investing](#). If you jump hardcore into the real estate world, you will have a team by the time you retire. Your team may consist of real estate agents, property managers, handypersons, lawyers, accounts, and tax professionals. At that point, you will just be a decision-maker and front-money person. You could also lean on [real estate wholesalers](#) to find deals your team would vet and work for you—what a nice life.

[Private money / hard money lender](#). You have the cash; borrowers need it to invest in real estate. You can set up a website where you screen the prospective borrower. If the investment and borrower look good, you can have a person on the ground perform some more due diligence. If you can keep this to 5% of your wealth, you can make great returns on lending.

[Crypto yield-chasing / yield farming](#). Finding the best yield for your crypto-bucks is a full-time job. Sometimes, you can catch yield at 40%+ for 2-4 weeks as coins are building liquidity. Yield chasing is fun, but there is some risk. Not everyone is a good actor in crypto-space, so you must perform due diligence on your coins.

[Initial Coin Offerings](#). There is always a new coin coming down the pipe in the crypto-verse. You will have the time to follow coin teams as they progress to their initial coin offering. Getting into a team is hard because you will have to follow them on social media, promote the coins, and bring more people into the group. It may be 2-3 years before they perform an ICO. But if you buy 100,000 coins for \$0.05 each, and they ICO for \$200/each...Wow. I'll do the math—\$20 million from \$5,000. Is it worth the legwork?

### [The Golden Handcuffs of Lifestyle Inflation](#)

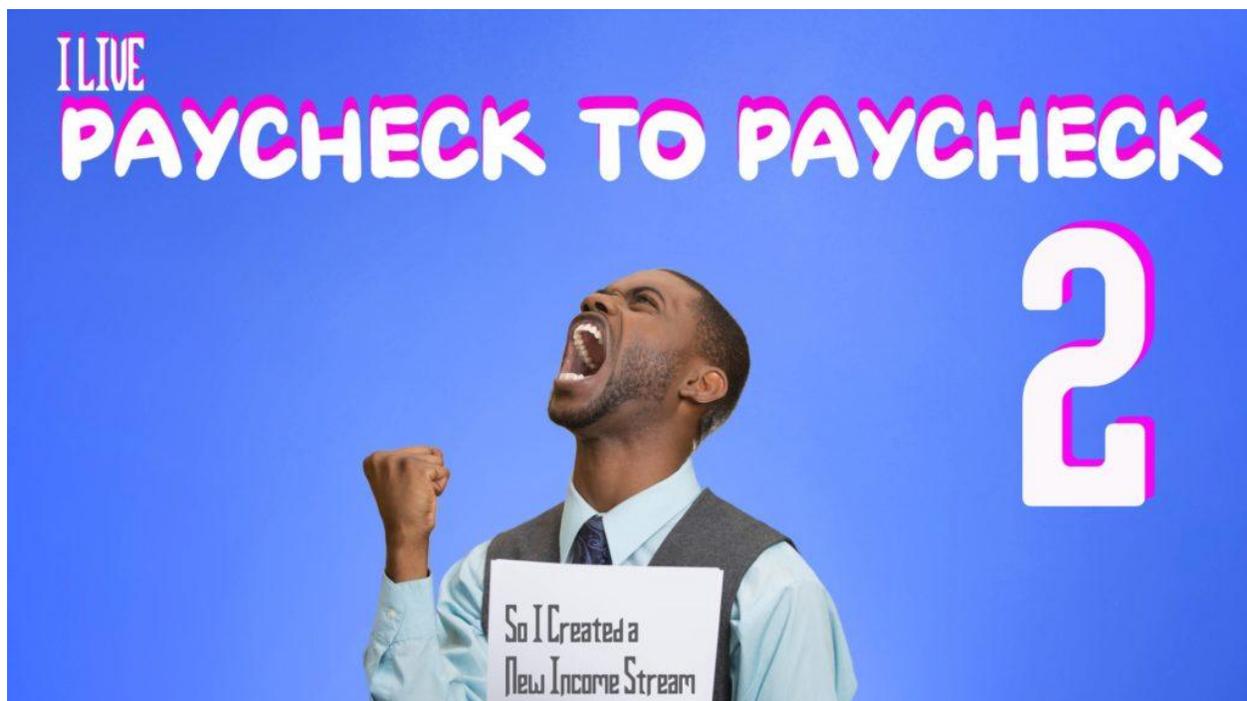
[Content Creation](#). Blogging, writing, photos, vlogging, etc., are best for laptop life. I do not like YouTube because of the need to sit behind a desk and edit with a mega-computer. However,

you could buy a Macbook Pro and get some significant work done on your laptop. I love the simplicity of writing, and I think writing stands the test of time in the long run.

[Social Media](#). Creating content for social media can probably be done from your laptop as well. I am not a huge social media personality and don't intend to be, but I can see the appeal for some personality types.

**Conclusion.** Whatever your flavor of passive income, get started today. Even small strides go a long way. It took me four months to figure out how to publish a paperback book because I kept messing up the dimensions on the pdf printout.

We all make mistakes and have frustrating moments, don't let these keep you from creating an income stream. Very few people can say they created an income stream, and even fewer can say they made a passive income stream. It is a fantastic achievement that hopefully you get to experience for yourself. Think about being on a beach, a lake, or a mountain with your laptop, and get to work!



## 19 I Live Paycheck to Paycheck 2...

Living paycheck to paycheck is not fun. Nothing about running out of money during the middle of the month is gratifying. It also is not a time where you can think ahead for the long term. When you live paycheck to paycheck, you are usually trying your hardest to get your life under control.

People have three options to stop living paycheck to paycheck 1) do nothing and continue, 2) start making some extra money 3) build an income stream.

**Do nothing.** You laugh, but most people figure that living paycheck to paycheck is the Lord's design for their life. They feel that it is their destiny to struggle and always be in some form of financial hardship. Don't be that person. In "[I Live Paycheck to Paycheck part I](#)," I discuss the four steps to becoming rich; if this is you, please revisit that article.

**Start making extra money.** Now, this is where things get interesting. Many people feel that earning extra money will save them, but it is just a stop-gap or band-aid in the long run. I'll explain.

When someone decides that making extra money is the option they want to choose, it usually involves exchanging time for money. Jobs like delivering pizzas, gig work, driving Uber, etc., are examples of time sinks.

My article "[What Would Your Life Look Like Without a Paycheck?](#)" dives a little deeper into the concept of building passive income streams. If you are living paycheck to paycheck, there is usually an underlying issue.

It could be from [poor budgeting](#), out-of-control spending, or [a spouse or partner](#) with one of these two traits. It is essential to get to the root cause of the issue before you try to apply the bandaid.

You can get to the root cause by performing a root cause analysis. This technique requires you to ask "why" five times or more? It would go something like this:

**"Why do I have no money in my bank account?"** because payday was ten days ago.

**"Why did I run out of money in ten days?"** because I didn't expect to pay \$400 for a car repair.

**"Why didn't I have the \$400 in savings?"** because I have no savings.

**"Why don't I have an emergency fund?"** because I don't make enough money to save.

**"Why don't I make enough money to save?"** because I make \$20/hour.

**"Why do I only make \$20/hour?"** because I didn't get my college degree.

You can keep asking yourself "why" until you determine what the root cause is. In this case, the person would need to obtain some degree or qualification to increase their hourly wage.

I am not opposed to making some money on the side, but be very careful about exchanging time for money. In the article "[Should I Consolidate Debt](#)," I warned that if you consolidate debt and still have a spending habit, your destiny would be to have even more debt.

The same idea comes back here. If you live paycheck to paycheck and add some extra money by exchanging time for money, you may start to depend on this money. If your budget starts to

creep up based on your new job, you will be forced to continue working the extra job. Can you imagine working a second job and still living paycheck to paycheck? There is another way.

**Create an income stream.** Creating an income stream is the most difficult of the three methods. You generate income streams by adding value to someone else's life. The job of an entrepreneur is to solve other people's problems at a profit.

The concept of an income stream is to create something that can generate money even when you are not actively working for it. Think about a book or YouTube video. You can make it once, and then it sits there waiting for someone to view or read.

While you wait for someone to view or read it, you are free to continue to conduct other business. If you create enough media and people like your content, then you will have created [passive income from royalties](#).

Now, you can't create some garbage and expect people to gravitate to your work. In the article "[5 Creative Ways to Make Money While You Sleep](#)," I laid out some ways to build up a passive income from a small business.

The concept of creating value and great content is why most people do not want to go this route to build an income. It is far easier to get into your car and drive Uber than to create multiple blog articles.

But in the long run, the person who can master quality content will end up ahead. The person you become who can envision great content is someone who can always make money. I am in the process of learning more and more about writing and the income streams from it.

Currently, I have a tiny audience that reads my books and views my blog. But from there, I can keep adding in other ways to add value to my audience. I just started creating "[Passive Income Printables](#)" that I sell on Etsy. You can print these items to begin tracking their passive income journey, similar to what I do every month.

There are even more ideas that will continue to jump into my brain over time. The central concept is to add value. Let's reflect on the person who exchanges time for money by driving Uber. Once the hour is over, they get paid, and there are no more ways to monetize this income. They would have to drive for another hour to receive another paycheck.

When you live paycheck to paycheck, it is hard for you to look above the clouds and see the mountaintop. I get it. However, you have to take a step back and realize that exchanging time and money is a losing game.

Building streams of income is not easy. It will require you to learn many different topics, create quality content, and build an audience. And most of the time, you will be doing this while you are working your day job. Who said life was supposed to be easy?

However, I can tell you from experience that it can be magical when you create passive income. I was at work last week and went home for lunch. Between 8 am and 11 am, while I was working, I sold five books on Amazon. I was making passive income while I was at work. Multiple times I wake up to find that I had sold books while I was sleeping.

When you add in passive income from dividends, crypto, an automated business, royalties, and rents, you will have many paychecks coming in daily. It will start as a drip but turn into a stream.

How do you get started with building passive income streams? I would start by looking into becoming a writer or starting a YouTube channel. I say these because they are low-cost, and they will help you build the correct mindset.

You see, if you take writing, Youtube, art, or music creation seriously, you will become a different person. You will have to learn how to write better, create better videos with lighting and effects, build great beats, or focus on the depth of creating art. You will have to add value to your audience.

Trust me, over the last six months, I have learned so much that I cannot even describe it. I have written 450 articles; I have a backlog of over 500 more to write. I can look at a picture and create an article and a book from the design concept I envision.

I learned all of this by getting involved in the process of becoming a writer. Here is an article and book I wrote on the topic, "[3 Things I Love Being a Writer \(book\)](#)."

Another good place to start is by learning the concept of adding value. You will need to build the mindset of an entrepreneur first, so start here "[Read these 10 Books before You Start a Business \(book\)](#)."

Finally, read "[I Live Paycheck to Paycheck...so I created 300+ Paychecks a Month \(book\)](#)." It goes into some of my other streams of income.

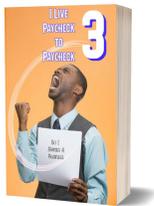
It is not lost on me that you may be having a hard time financially. I have been there. When I started in the Marine Corps in 1999, I was making \$900/month. I get it, and I genuinely appreciate your situation. But take it from me as someone who is getting paid for books every day; work on creating a passive income stream as early as you can. It will need time to grow and flourish.

"[Hustle in Your 20s and 30s, and Enjoy Your 40s and 50s](#)" is my new motto. I wish you the best in your quest. Please look over my books on [Pinterest](#) and find ones that appeal to you. They all lead to the same conclusion, build your mind and increase your passive income. Good Luck!



## 20 I Live Paycheck to Paycheck 3...

Yes, I am still living paycheck to paycheck. You would think I'd have learned after two articles ([part 1](#) and [part 2](#)), yet here I am. I don't make a lot of money, roughly about \$50,000/year, and I can't seem to get ahead. What are my options?



[I Live Paycheck to Paycheck 3-Free PDF Download](#)

Hey, my friend, we have all been there. I used to think that the only way to make more money for yourself and your family is to get promoted and climb the man's ladder. However, I was dead wrong, and hopefully, today, I can show you another way.

Before I get into all of that, you need to take an assessment of yourself, inside and out. To truly make money in this world, you need to add value to another person. That is the goal of an entrepreneur, to solve other people's problems at a profit.

[\\$1,000 Dividend Spending Spree](#)

However, if you are not doing the right things in your own life, how can you possibly add value to others? I am talking about your daily routines, like waking up with a purpose, setting goals, and maintaining a positive attitude. To become a CEO of your business, you will need to become a [CEO of yourself](#).

There has never been a better time to start a business than now. And you do not have to create a huge industry with tons of employees; you can be a "[Company of One](#)." The tricky part about a business is that these things take time to build up. No one wants to buy goods and services from a stranger.

You must open your mind to the possibility of working your business for a year without making a dime. I highly advise that you [become an entrepreneur before](#) you start your business. In layman's terms, read and understand a business before you start a business.

You will need to lay the groundwork for your business by [creating content](#) that is helpful for your prospective audience. For example, if you are starting a [honey-selling business](#), you can instruct the uses of honey and why bees are important to the ecosystem.

There is a fantastic book on how to start a business using the content-first approach. The book is called "[Content Inc.](#)" and I highly recommend it to anyone starting a home-based business.

I know what you are thinking, "Josh, I need cash now; I don't have time to build an audience by creating content." I can feel that, but you have to think for the long term. There are some other businesses that you can create that don't require content.

### [Defeat Toxic Consumerism](#)

Most of these businesses have a platform that already has an audience. These include [renting a car out on Turo](#), [lending your land as a dog park](#), and [hosting an Airbnb rental](#). Of course, you can also make your own version of these by selling your goods and services. There are other methods to make money, such as renting rooms and renting out storage space.

The central concept I want to impart to you is that your business is as valuable as you make it. If you take the time to build a strong audience, you can monetize just about anything over time. You can add products, services, and advertising to your portfolio as your audience grows.

But you will have to add enough value to justify your expansion. If you rush in thinking only about making money for yourself, you will never make it that far. It is hard to see past your current paycheck, but you have to think about the long term.

### [How to Start Dividend Investing 102](#)

Right now, I am in the process of slowly growing my blog and book business. It will probably take two to three years to get it where I want to be—I am currently six months in. I know and

appreciate that it will take this long to gain traction and build a following. I accept that because I have read the books and followed the people who have done it.

What do I gain by taking the long approach? I get to refine my product, build a massive catalog of articles and books, and slowly create multiple income streams. It seems like every day, I learn of another income stream I can attach to my blog or books.

However, I am waiting until the right time before I introduce more products or services. I can see a future where book sales, affiliate sales, books in different languages, online courses, pdf sales, merchandise, etc., are all part of my portfolio. It just takes time and effort to get everything laid flat.

**How do you do all of this with a job?** Remember when you had time to play video games, drink beer, and watch Netflix? I do, but not anymore. I am completely engrossed in my new business. You should do the same. It would be wise to take three to four months to study entrepreneurship.

Then, pick your passion and go full steam ahead. There is no easy landing in the free market economy. What are your interests, and what are you good at? They may not be the same things. Pick the one that you can be successful at and learn to love it. If I can learn how to write a book; you can also develop what you need to succeed.

### [Why I Am Bullish on Chainlink](#)

Living paycheck to paycheck is no excuse for not getting what you want from life. The only person who can let their situation define who they are is you. It is okay to live paycheck to paycheck for a time. We never learned how to budget and create money in school. However, if you live paycheck to paycheck for an extended period, then that is on you.

I made a list of [20 creative ways for making money from home](#)—an excellent place to start on your journey. No one knows how your income stream will look; everyone's different. I know that you will have to educate yourself on how to excel at your venture for it to be successful.

My wife and I perfected how to rent rooms, and now we make enough money from our two rooms to cover our entire mortgage. It took us one year to get everything right, and now that income stream has been a huge positive for us.

Because of renting rooms, we now have close to \$200,000 in our dividend portfolio. Currently, I am working on my blog and books as our next colossal income stream. If I can get this right, I can ride this stream until the end. It is exhilarating.

### [Retirement Planning for the Average Person](#)

Are you ready to commit to the long-term? True wealth happens over time, and you need to have an extraordinary passion for what you do. Not every day will be happy or exciting—some days will be a grind. But who said that it was going to be easy? If it were easy, everyone would have nice income streams on the side.

Envision what you want in the future and who you want to be with. Make these dreams stick in your mind. How much do you want to be working? How will you live, and where will you be? Formulating these dreams is key to staying afloat as you start your business journey.

I have some resources I would like to share. "[Read these ten books before you start a business \(book\)](#)" and "[Retire Rich, Retire Comfortable with a Business \(book\)](#)" are good articles to start your journey. Remember, living paycheck to paycheck isn't inherently bad; continuing to live paycheck to paycheck is the problem. Good Luck!

## BEATING INFLATION



### 21 Inflation vs. Rents

The pinch is real. Do you feel a little lighter in the wallet as you walk out of the store? If you are a budget hawk, you already know what is going on. Some people may think that their [invisible budget](#) has ballooned out of control, but that is not the case. Inflation is upon us.

We have to do everything in our power to fight back the claws of inflation. Inflation is too much money chasing after too few goods. We are covering how [mailbox money](#) can help us to fight

back inflation with cash flow. We have already covered [dividends](#) and [royalties](#); next up is rents or rental income.

Rents come from owning real estate, renting rooms or storage space, and other unique ways to earn income from real estate. To increase rents, you will have to be creative beyond the standard ways to make money. Let's look at the standard and non-standard ways to make a ton of cash from rental income.

Before we get into standard and non-standard ways to increase rents, let's first look at how real estate, in general, is a hedge against inflation. Right now, the prices of housing are shooting through the roof. The housing market across the United States is up over 10% in a year, easily.

If you own real estate (we own three homes), you are the winner. If you are on the outside, you are having a tough time getting into a home. Do whatever it takes to get into a home. It is expensive but using [creative financing](#), [maximum leverage](#), and [mortgage zero](#); you should be able to get into a home and find ways to reduce your monthly mortgage and expenses to zero dollars out-of-pocket.

**Standard ways to increase rents.** There are two traditional ways to improve your rent: increasing the rent payments from your tenants and reducing your rental property mortgage. My wife and I have conducted both methods over the last year, and this has allowed us to get our monthly rental income to \$2,500/month passively. This level of control is [the magic of rents](#).

Let's take a look at one of these scenarios. My wife and I bought our third house in Florida in March 2020 (I know, right?). The mortgage payment was \$1,750 at the time of purchase. We have two roommates because the house is so big it gave us this option. They pay \$800/each for a total of \$1,600/month passive income.

Now, that leaves us out-of-pocket \$150/month for our primary residence, which is impressive. However, we can do better. Because of historic low interest rates, we refinanced our home to a new low cost of \$1,540/month. With roommates, we are **MAKING** \$60/month on our primary residence. How cool is that? How can you **NOT** get rich by doing this?

Also, rents across the board have gone up. We are good landlords, so we haven't raised the rent on our roommates and have no intention of doing so. However, if they leave, the rents are probably going to go up to \$900/month. That is utterly insane and would put our profit margin up to \$260/month—from our primary residence. Insane!

**Non-Standard ways to increase rents.** Non-standard ways to increase rents come in all shapes and sizes. Each property has ways to increase income by using intelligent techniques that most people do not know about.

A good resource is the book "[40 Ways to Increase the Net Income of Your Rental Property](#)." It has some genuinely unique ideas like harvesting beneficial insects, parking, on-site storage, a fitness center, or a park bench (for advertising).

An example could be of renting your garage space to your roommate. Say you have a roommate paying you \$600/month for a room. Almost all of our roommates had some form of storage space they were renting from somewhere else. Rents at [storage units](#) go up every year like clockwork. You could offer them a locked-in space, on-site, in the garage for, say, \$100/month.

They would be overjoyed, and you just increased your net rental income by 16% by doing absolutely nothing. This is how you beat inflation by using tips and tricks to squeeze out more revenue and provide value to someone else.

There are other ways to squeeze value from real estate. One of my favorites and one I am looking into is [creating a dog park](#) on your premises. We have three acres of land, so why not open the rest of this land up for others to let their dogs run around? Oh, and get paid to do so.

We can also use real estate to hedge against the highest inflationary source outside of healthcare—college. Indeed, if we plan and get into real estate early, we can use real estate to fund our [kids' college expenses](#).

**How do you get started with real estate?** Real estate is the most difficult to get started with because of the sheer amount of money you need to buy a house. Not to fear, start by reading this article or book, "[Financial Independence through Real Estate \(book\)](#)."

Once you get a better grasp of real estate, you will understand that it is like a game. Each house you buy is like a Jenga game; you are just trying to get the blocks to fit together. There is no right way or perfect way to get into real estate. Just know that you need to get in.

Once you get in, this is where people lose all of their money. As Robert Kiyosaki wrote in "[Rich Dad, Poor Dad](#),"—"Your house is not an asset." This quote means that your house will drain all of your resources and become a liability if you let it. My house is an asset because it **MAKES** me \$60/month.

Some people buy large, expensive houses in expensive cities and don't do anything to mitigate the mortgage costs. They have four little people living in a six-bedroom, four-bathroom, 4,000 sq ft house and paying \$7,000/month in mortgage costs.

With the right mindset, they could quickly be bringing in \$3,000/month in income from roommates. How about you rent a second room to the same roommate for office space? Most people would love to have an office and a room that are separate.

Thinking outside the box are ways to not only increase rental income but beat inflation. Inflation is coming, no matter if we are prepared or not. If you want to sit in an expensive house and think it won't get you, that's cool.

I read somewhere that the price of HVAC filters has almost doubled since a year ago. I can believe that. I am sure HVAC services, plumbing, and electrical maintenance are slowly going up as well. Make no mistake about it; inflation will touch you.

**Key Takeaways.** Get into real estate as soon as possible, the best way that you know how. You may have to borrow money from your parents or sell your car or Pokemon cards. Do whatever it takes to get into a house.

Once you are in a house, maximize your space to create rental spaces or events like a dog park. Do not let your home go to waste—this is how you use rents to beat inflation. Good Luck!



## 22 Inflation vs. Dividends

I'm sure you already feel the pinch at the checkout counter. That's right, inflation is among us, slowly eating away at our wallets and savings. I have previously written a couple of articles on how to [check for inflation](#) and [prepare for inflation](#). Now we are going to use everything we know about our passive income streams to beat inflation.

In today's article, we are going to use our dividends to help us fight inflation. Let's recap how we build our dividend portfolio; as I wrote in the article "[How the Rich Buy Their Bling](#)," we will use our earned income to fund our dividend portfolio.

With the income from our jobs, we will pay our living expenses and retirement portfolios first; then, with the rest, we fund our dividend portfolio. We do not use remaining earned income as [discretionary income...you've been lied to](#). For example, if we make \$7,000/month in earned income, we have \$3,000/month in expenses and \$1,000 [in a Roth IRA](#), then we invest the last \$3,000 into our dividend portfolio.

### [Investing for Dividends 103: The Magic of Reinvesting](#)

What comes out of the portfolio each month via dividends is our real discretionary income. For the most part, we want to reinvest our dividends to [accelerate the compounding effect](#). However, we have a choice on [how to take our dividends](#).

With inflation on the rise, it may be prudent to take some of our dividends to assist during these times of inflation. I didn't truly realize how significant having dividends coming was until a few days ago when I talked to my wife over the phone (I'm stationed in Japan).

We talked about random stuff, and she mentioned how she noticed the price of meat has gone up considerably. She usually likes to make BBQ over some weekends, and she said that her favorite cut of meat had almost doubled in price.

### [Stock Market Investing 106: High Yield Alternative Investments](#)

As we talked, I checked into her dividend portfolio (I manage it from time to time because I find it infinitely more entertaining than she does). I realized that she has about \$120 sitting in her Wells Fargo dividend portfolio cash balance. Money from the cash balance can be transferred out just like a checking account.

## Cash, Cash Alternatives and Margin

Account ▲	Cash Balance
⊕ Kris Brokerage *1270	\$129.41
Cash Total	\$129.41

## Recent Activity <sup>?</sup>

Date	Activity	Description	Amount
07/01/2021	Dividend	<u>PCI</u> PIMCO DYNAMIC CREDIT AND MORTGAGE INCOME FUND 070121 141	\$24.53
06/30/2021	Dividend	<u>PGX</u> INVESCO TR II ETF PFD 063021 4	\$0.25
06/29/2021	Dividend	<u>VGR</u> VECTOR GROUP LTD 062921 15	\$3.00
06/29/2021	Dividend	<u>VNO</u> VANGUARD INDEX FDS ETF REAL ESTATE INDEX FD 062921 30	\$21.87
06/29/2021	Dividend	<u>VTI</u> VANGUARD TOTAL STOCK ETF MARKET ETF 062921 17	\$11.48

I asked her if she wanted to take some cash out, but she said she was fine, just leave it there for now. That \$120 had accumulated over the last 4-5 weeks of dividend payments. You can see below how the dividends keep rolling in.

The best part is we can choose how we use our dividends. We are fortunate enough to both have excellent jobs and multiple income streams coming from many different asset classes, so we have many options.

For this month, I accumulated \$350 in dividend payments across my five different brokerage accounts. I ended up reinvesting all of these, but I kept them in my cash balance to see how inflation would affect me through the month. As things remained normal, I invested the cashback in making more cash next time.

### [4 Steps to Become Rich](#)

**Which dividend-paying securities can beat inflation?** How you choose to beat inflation is entirely up to you.

**Pure Growth.** You can beat inflation by investing in a growth stock that will increase in price over time. Growth stocks are not known to grow exceptionally well during inflationary periods—be careful. A couple of senior growth stocks are Google (GOOG) and Facebook (FB). You will see your money (hopefully) growing faster than inflation via capital gains.

**Heavy Growth/Light Dividend.** You can beat inflation with an old-growth stock that also pays a very light (0.5%-1.5%) dividend. These little dividends grow over time as the company matures.

You should see capital gains and dividend growth over time. These are perfect stocks to reinvest dividends old-growth to maximize compounding. Stocks like this are Microsoft (MFST) and Visa (V).

**Medium Growth/Medium Dividend.** Most of these stocks are the “blue chip” companies increasing and paying dividends over many, many years. The dividend yield is usually about 2-3%, and the company still grows over time. These are other companies that reinvest dividends. These companies include Lowe’s (LOW), Home Depot (HD), McDonald’s (MCD), and Johnson & Johnson (JNJ).

### [Investing Insider vs. Outsider](#)

**Light or No Growth/Heavy Dividend.** These companies have been around for a while and usually have a lot of debt. They have to acquire companies or assets to remain competitive. You can reinvest dividends or take dividends to reinvest into faster-growing companies. Some companies that come to mind are AT&T (T) and Verizon (VZ).

**Bond Funds.** Bonds are an excellent way to stay consistent with inflation. My bond funds yield 3%, but I could get them at a discount during a sell-off—thus increasing my yield. I may break even with inflation; however, bonds are safer than other securities. You pay for safety. I also have high yield junk bonds as well, that yield 5%. These funds are Long-Term Bonds (BLV) and High-Yield Bonds (JNK). I would take cash from these first.

Date	Activity	Description	Amount
07/01/2021	Dividend	<a href="#">NVG</a> NUVEEN AMT FREE MUNI CREDIT INCOME FD 070121 171	\$11.54
07/01/2021	Dividend	<a href="#">PDO</a> PIMCO DYNAMIC INCOME OPPORTUNITIES FD 070121 2	\$0.24
07/01/2021	Dividend	<a href="#">PCI</a> PIMCO DYNAMIC CREDIT AND MORTGAGE INCOME FUND 070121 292	\$50.81

**High-Yield Securities.** Lastly, we have [high-yield securities](#). The main reason to buy high-yield products is for current cash, perfect for times like these. These products yield anywhere from 7-10% and give you consistent money for daily use. On the 1st of the month, I have \$60 coming in from a couple of [Closed-End funds](#). I look forward to these more than my big military paychecks. My favorite closed-end funds are Pimco Dynamic Fund (PCI) and Nuveen [Municipal Bond](#) Fund (NVG, and it is tax-free).

**Defeat inflation.** Now you have to defeat inflation. Hopefully, you have kept a tight budget of your spending habits. As you notice products increasing, decide if there are alternatives. We still have to exercise some judgment.

### [Cash Flow 105: Diversify Your Passive Income](#)

Dividends and stocks, in general, are a great way to hedge against inflation. If you are taking your time and buying stocks at suitable times, you should be getting good capital appreciation and large dividend yields. You make your profit when you buy, not when you sell.

However, having the extra assistance of dividends can help you through what will be a rough time. As inflation sets in, do not lower your investing habits to beat it. You must keep your investing consistent and try to reduce expenses elsewhere.

### [Capital Gains vs. Dividends](#)

It may be challenging, but getting an excellent portfolio of dividends is the goal. My wife and I are up to nearly \$500/month in dividends and other passive income sources that I will cover later. This money gives us a warm blanket and is like having a partner that is just giving us cash profits.

Take the time to reflect on where you are in your dividend journey. I will always sing the praises of the [magic of dividends](#) because they have changed my life. They have also changed my wife's as well. You can get started with dividends with this article and book "[How We Plan to Retire on Dividends \(book\)](#)."

Being without money stress had allowed us to rekindle the pure love we had when we met in 2006. Back then, we had no kids, houses, career stress, etc. We were kids playing adult. Now we adults play like kids. We have the money to enjoy ourselves and each other. But we aren't done yet. We continue on the grind to build up this income to the heavens.

Join us on our journey and as you continue yours. I just completed my most comprehensive book called "[The Biggest Book on Passive Income Ever! \(book\)](#)" The table of contents is 20 pages, and it is 1,250 pages long. It is everything I learned about a passive income on our journey to almost a \$200,000 dividend portfolio. Plus three houses, a budding book career, and a military pension. Passive Income is our calling, how about you? Good luck!



## 23 Inflation vs. Royalties

How much have your trips to Walmart increased in price? Remember all those stimulus checks that we received over the last year or so? Well, they come at a cost. We now have more money than ever chasing after the same amount of goods or services. This imbalance causes inflation.

The Federal Reserve says that inflation is transitory, meaning it shouldn't stick around for a long time. All signs point to otherwise, but we will need solutions for now and for the long term, even if it passes.

We just covered how [dividends can help you beat inflation](#), but there is one caveat to this fact—dividend-paying stocks cost money. No matter how hard you work at home, your dividend portfolio isn't growing (quickly) if you aren't making money.

[My Grandkids: Why I Never Will Work For Anyone Again](#)

**Enter royalties.** Royalties are monies you receive when people buy your books, watch your YouTube videos, and listen to your music. There are even more ways to make royalties, like T-Shirt designs on Redbubble and printables on Etsy.

The best part about royalties is that they are work-based and creativity-based. If you are willing to put in the time to learn a platform, design, advertising, and marketing, you will be rewarded with a growing customer base and a larger audience.

Also, since everyone is feeling the pinch of inflation, you can create content about making money and increasing passive income. When people start to see their bank account draining faster than expected, they will want to increase their income, and you can have assets already available to this end—just a thought.

So, if you can build up a nice income stream for little money and by working from home, you have successfully increased your chances of defeating inflation. Your money is in [an infinite return](#), which means you are getting the highest return on your cash. [Yes, you can create assets from thin air](#).

### [Are You Limiting Beliefs Keeping You From Greatness](#)

I know this to be true because I am doing this right now. I am starting month seven of my royalties challenge. I released my first book on Amazon in January 2021, today on July 2nd, 2021. This is the amount I have made by month:

Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
\$4	\$25	\$15	\$18	\$40	\$75

As my royalties have slowly been increasing, my costs have not. The only actual costs for releasing books are [Grammarly](#) (\$100/year) and [Pixlr Stock Photos](#) (for my artwork, \$120/year).

Pixlr is entirely optional, but you will want to create your book covers if you publish books. Pixlr is a great way to learn to post your own covers and article pictures. Grammarly does a great good of correcting your English and also helping you to form good habits.

At a similar point in my dividend investing career (6-7 months), I was also bringing in roughly \$65/month. However, I had \$13,000 invested in my portfolio. So, I had about \$220 invested for royalties, and for dividends, I had \$13,000 invested. Do you see the power of royalties?

If I am creating money from thin air by [writing articles](#), [designing covers](#), and [building a library of eBooks](#), each dollar I make is helping me fight inflation. [I am printing my own money](#).

### [How to Build Passive Income from Royalties](#)

If your earned-income job is your only source of cash flow, heaven helps you. The only way to beat inflation is to work more hours or get a pay raise. I guess you could get another job, but the last thing you want to do is exchange **MORE** time for money.

You want your money to come in passively. Even though I am working my butt off on writing and releasing books, I am doing it all on my schedule. I can easily take a month or two off and still

have cash coming in. I am in the accumulation phase of both my books and audience. At some point, my work will take off and continue to sell without my need to babysit.

Once this happens, people may want to buy my entire catalog of books from me. At that point, you have to look at the return on investment. Say I spend \$2,000 over five years building my book library. I am sure I will have made more money than that.

I may have 1,000 books published by then. Someone may want to come to buy my whole catalog for \$100,000 to \$200,000. You may laugh, but there is a lot you can do with a massive roster of diverse books. You can translate them into other languages, give them as daily email gifts, prizes, email sign-up bonuses, start a subscription service, turn them into audiobooks, give them away for free with heavy advertising and affiliate marketing, etc. The list goes on.

### [Establish Business Credit Now](#)

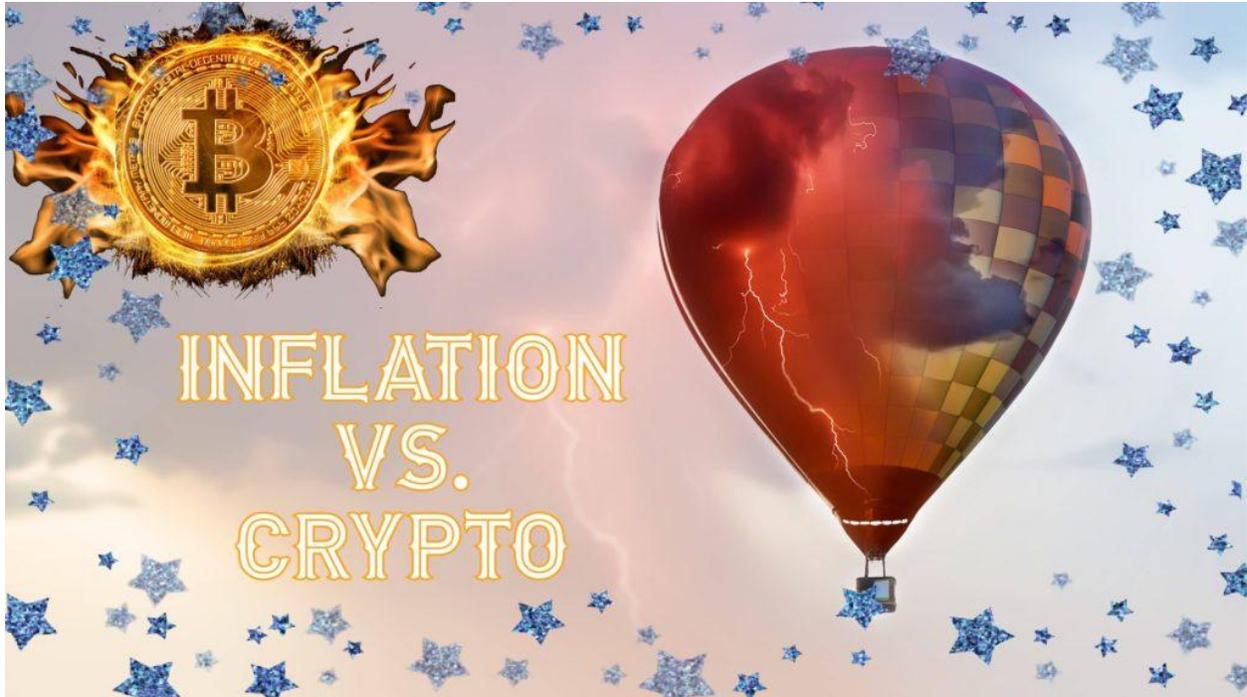
Whoever buys my collection, if I sell it, is looking to make passive income from books. Keep in mind; I can also do all of the above as well. That is the [magic of royalties](#); once you create an income stream, you can exploit the crap out of it.

So, not only are you beating inflation by creating money for free, but you are out-pacing inflation by creating more money from your income streams—not a bad way to start.

**How do you get started with royalties?** Royalties are a form of business income. I recommend you start with my book giving an overview of business income. The article and book are called “[Retire Rich, Retire Comfortable with a Business \(book\)](#).”

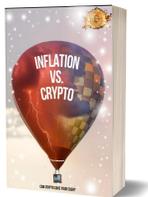
Inside you will learn how to add value for your audience, which will convert them into customers. If you can add value, the money will follow, not vice versa. You will need to [create](#) and build a [never-ending stream of content](#).

Indeed, there is a lot to learn to start building royalties but consider paying yourself through knowledge. The skills I have learned about writing, design, advertising, and marketing have been enormous! And they carry over to any endeavor I do, always—this will make me inflation-resistant for my entire life. You can do the same. Good Luck!



## 24 Inflation vs. Cryptocurrencies

Inflation is currently a hot topic, and it will probably be for the next 4-6 years. The Federal Reserve and Treasury Department printed a lot of cash that will slowly enter the money circulation.



[Free 38-Page PDF Download \(\\$2.99 Value\)](#)

I previously wrote a few articles about assets and inflation ([royalties](#), [dividends](#), [rents](#), [passive income](#)), but today I wanted to focus on cryptocurrencies. We don't know how crypto will handle itself against inflation because it is still in its infancy. But, as investors, it's in our nature to make educated guesses, so let's try to make some predictions.

Let's start our journey with [Bitcoin](#), the granddaddy of all cryptocurrencies. Many people equate Bitcoin [to gold](#) because of its scarcity. I understand this comparison and think it holds weight.

[Passive Income for Christmas](#)

Inflation happens when there's too much money chasing too few assets. So, when there are scarce assets, the same dollars chase them, causing the prices to rise. This phenomenon just occurred during 2020-2021 in the [US housing market](#).

Housing prices and rents went through the roof, and those who own real estate were the net winners. Luckily, I own three homes and caught this wave. [In 2008, I was on the opposite](#) end of the spectrum.

**So, how will Bitcoin, a scarce asset, react to inflation?** I believe that it will do exceptionally well against the backdrop of inflation. The [first Bitcoin ETF](#) was just approved, and [El Salvador](#) has officially started to use it as a national currency. Things are looking up for the young coin.

### [You'll Need \\$20,000 Month in Passive Income](#)

The things you will hear about Bitcoin are “if it is a store of wealth” or “if it has intrinsic value?” Those are questions you have to understand yourself. After reading the book “[Bitcoin: Hard Money You Can't F\\*ck With](#),” I appreciate my investing thesis. I believe Bitcoin will go to \$1 million eventually (20-25 years), but you have to read, digest, and create your thesis.



In the meantime, [Voyager](#) is paying me 5.75% interest ([plus rewards](#)) to hold my Bitcoin assets with them. That 5.75% will help beat inflation, which was around 5% during the summer of 2021. So with interest and capital gains, Bitcoin is earning its keep during this inflationary period.

**Altcoins vs. Inflation.** I spoke about Bitcoins first because where Bitcoin goes, Altcoins follow. I believe Altcoins will do just as well against inflation as Bitcoin. If you like to speculate, there is always a new coin that is about to pump.

If you don't know what Altcoins to invest in, look at the interest chart above. You can't go wrong with those coins because they are well-established. I am about to get into Polkadot because they will become a tremendous smart chain, plus the 12% interest.

### [Passive income in DeFi: Staking](#)

**Cryptocurrencies vs. Cash.** I think many people have lost faith in cash after all this money printing. We are due for a [stock market crash](#) in the next 2-4 years, so many people are starting to understand the concept of diversification. This will help cryptocurrencies rise with inflation.

In the article "[Stocks vs. Bonds: Is 60/40 Still Effective?](#)" I wrote that bond yields were too low to protect you against inflation. Crypto now presents livable interest rates, at least for now. However, I would not allocate 40% of my investment portfolio to crypto. I can understand [how younger folks](#) find this appealing, but that would be overkill.

I currently have 7% of my portfolio in cryptocurrencies, which will increase a little as I add Polkadot. With the [stable coin USDC](#) yielding 9%, there isn't a need to hold more than \$2,000-\$4,000 in cash on hand.

**Cryptocurrencies vs. Gold.** Bitcoin and Gold will always be in some form of comparison. Call it old money versus new money. They are both scarce resources, so they merit a comparison. Gold costs money to store or brings physical risk to your home. Bitcoin floats in a digital wallet that can be compromised. They both carry some form of risk. Pick one, or even better, invest in both.

## [Retirement Planning for the Average Person 2](#)

**Conclusion.** I believe Bitcoin and Altcoins will outperform inflation. Centralized exchanges like Voyager are paying large amounts of interest to hold your crypto assets. You can curb inflation with interest alone; the capital gains will just be a bonus.

As we saw with the housing market in 2021, inflation affects assets. Yes, food and other [commodities inflate](#), but assets such as real estate, stocks, and collectibles have reached extreme highs.

There has never been a better time to get into crypto. It is becoming a household name, and if you stay on centralized exchanges, your money is safe. I would be more concerned with holding cash versus holding cryptocurrencies when it comes to inflation.

Please follow me on [Twitter](#) and [my Facebook Page](#) for more investing knowledge. I love writing about cryptocurrencies, so we can all grow wealthy together. Enjoy and Happy Investing.



## 24A Inflation vs. Passive Income

How can we beat inflation? Well, I guess if we can keep making more and more money, then we have a chance to outpace inflation. How do we keep making more and more money? Therein lies the rub.

Our jobs are not going to keep increasing our pay to keep up with inflation. We may get a cost of living increase pay raise once a year, as we do in the military. However, this new inflation is going to hit at crazy times and whenever it wants. It is also going to strike whatever commodity that it wants.



### [Inflation vs. Passive Income](#)

One day it may be groceries, meats, fruits, cars, houses, or timber—we have to prepare for anything. We can't possibly work more hours at our earned income jobs. Americans are already the busiest individuals in the world. There has to be another way.

## [The Magic of a Roth IRA](#)

**You must separate yourself from the act of making money. Your money needs to work for you, not you work for money.** These quotes may seem confusing, but once you understand them, you will understand the concept of passive income.

**Separating yourself from the act of making money** involves creating a way for you to make money 24 hours a day/ 7 days a week. In today's world, the easiest way to do this is through the internet. If you establish a storefront or content portal on the internet, anyone anywhere can access your wares.

Each time I publish a book on Amazon, I am allowing millions of people the opportunity to buy my goods. I may get one or two sales, but that is okay. Books have an extremely long duration. I may get a sell once a year, but it is still passive income.

Now, as I am doing other physical work, either at my job or working on writing, my books are out in the world making money for me. I have an army of assets whose only job is to add value and make money, **FOR ME**. That is how you beat inflation.

**You also need to have your money work for you.** If you were to put five dollars into an old pair of jeans and leave it there for a year, the chances are that you have lost money. Oh, your five dollars would still be intact, but its buying power will have diminished over this year—this is called inflation.

## [Standard Employee by Day. Passive Income Hero by Night](#)

For example, let's say inflation hits us for 3% over that year. When you stuffed your pocket with five dollars, you could buy a pint of ice cream for precisely five dollars. After a year, your pint of ice cream would cost \$5.15.

If you would have invested that five dollars into AT&T (T) stock at a 7% dividend yield, you would have kept roughly that five dollars in value in the stock market. The price of AT&T has not appreciated much in that year; however, you would have received four payments of roughly \$0.09. This would have been a total of \$0.36 for the year, for a total amount of \$5.36. You could buy your ice cream.

You see, instead of you working another ten minutes to capture that \$0.36, the AT&T stock did the work for you. That is how your money works for you. Again, we call it passive income because you are not actively making it through earned income work.

## [Don't Gamble with Your Retirement 3](#)

**The total package.** Once you have your complete passive income train moving, there is no slowing you down. If done correctly, you will have money flowing in from all angles and during all times. It really is something to behold. Let's take a look at one of my months of passive income.

**Dividends.** I have five brokerage accounts, all filled to the brim with dividend stocks. Not only do I add money to my dividend portfolio each month, but the companies are also increasing their dividend payouts throughout the years. I wake up and see \$1, \$10, or even \$50 dividends being dropped into my account. It makes your day to have a nice, phat dividend drop into your wallet (via the Cash App).

**Royalties.** Royalties come in from my book sales. You do not know what each day brings; however, all the work is already done for your books. You have created something, and now its job is to make you money. And surprise, you feel great when you make a sale. Job well done, and money keeps coming in passively.

**Rents.** Rents come in consistently and are usually raised once a year. However, there are many things you can do to increase your income from property, such as refinancing your home or adding valuable storage space to your property. You are in complete control of rents, and they almost function as their own businesses. Real Estate is truly a wealth generator.

### [I Live Paycheck to Paycheck 2](#)

When you have all of these things firing on all cylinders, it would be hard for inflation to catch you. By reinvesting back into your passive income portfolio, you will be compounding the effect of cash flow and making the biggest income stream you can.

An example of reinvesting would be making money from book sales, which do not cost much to publish and investing that money into your dividend portfolio. The same with renting rooms and using the free cash flow to buy a Tesla rental car; you can do these to make even more passive income.

By having a passive income mindset, you can destroy inflation, get rich, add value to people's lives, and protect yourself and your family for generations. So why don't more people do this? Because it takes knowledge and hard work to set up your passive income.

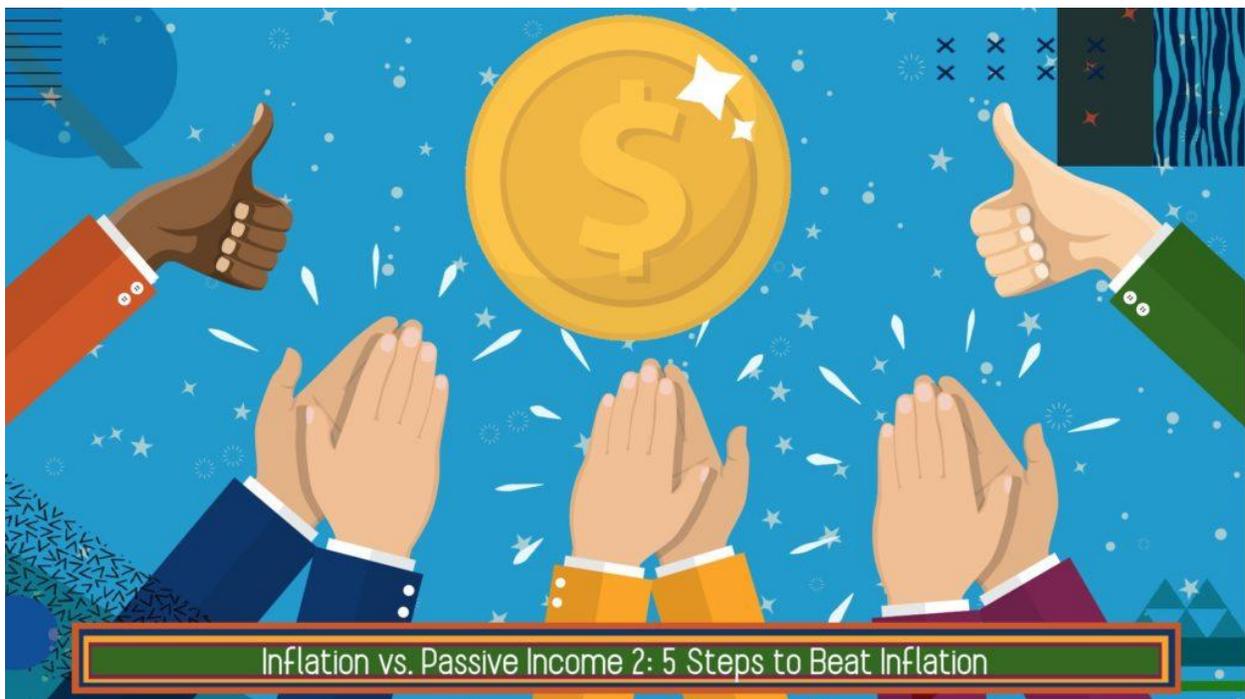
You cannot just set up a healthy dividend portfolio without knowledge of REITs, Closed-End funds, bond funds, and "blue chip" dividend stocks. Real estate and royalties also require a level of expertise that is not taught in school.

### [Cash Flow 105: Diversify Your Passive Income](#)

I am not saying that it is hard because it is not difficult. It is surprisingly easy to set most of these things up; however, knowledge and education are missing pieces for most people. Then you add in discipline and working during your off-hours, and people do not want to do this.

You can be different. You have the opportunity to start creating passive income now. Even if you go and buy \$5 of AT&T stock today on your Cash App, you have officially put your money into a 7% yielding vehicle. You just keep doing that until your dividend payouts are \$500-\$600 each, even higher. That's how simple it is to start.

So will you choose to beat inflation, or will inflation eat your cash? It is entirely up to you. Passive income is the way to defeat whatever is coming next over the following years. We have no idea what will happen, but we have to assume the worst and aim for the best. Good Luck!



## 25 Inflation vs. Passive Income 2

Inflation is upon us. We are entering an inflationary time that the US hasn't seen since the 1970s. We need to understand what inflation is and how we can combat it with sources of passive income.



[Free 45-Page PDF Download \(\\$2.99 Value\)](#)

Luckily, I have been writing about inflation for the last 6-8 months, so I have some prior works you can read to get started.

- 1) [Inflation vs. Dividends](#)
- 2) [Inflation vs. Royalties](#)
- 3) [Inflation vs. Rents](#)
- 4) [Inflation vs. Crypto](#)
- 5) [Inflation vs. Passive Income](#)
- 6) [Inflation is Coming](#)
- 7) [Prepare for Inflation](#)

Great! Now that you caught up, let's talk about today's inflation (Winter 2021). I just read a couple of sobering articles on inflation written by my favorite author on [Seeking Alpha](#), [Rida Morwa](#). I highly recommend you read this [article on the inflation](#) and this [one on stagflation](#).

### [Annuities vs. Dividends](#)

**How's inflation today?** In October 2021, the core price index inflation was 6.2%. That means you would need your investments to earn over 6.2% to beat inflation. That's a pretty good amount of income from the stock market.

Luckily, we invest outside of the stock market to get great returns, maybe even [infinite returns](#). The paychecks from our earned income jobs are slowly rising, but not fast enough to beat inflation. So, how do we defeat the inflation monster and live our best lives?

**Become comfortable with being uncomfortable.** You have to get out of your comfort zone. Working a job isn't going to make you rich, and it won't even allow you to beat inflation. Your [friends and family](#) may think you are crazy, but you'll need to take your life in a different direction.

[Creating streams of passive income](#) is not for everyone—in fact, most people won't even attempt to start. But, if you are serious about your future, becoming debt-free, providing for your children, and beating inflation, you'll have to [make money in your sleep \(passive income\)](#).

So let's talk about [passive income](#). In the article "[New Year's Passive Income Resolution 2022](#)," I discuss creating \$100/month in passive income. However, we will need much more than that to beat inflation.

### [Blue Chip Stocks: Tasty Growth and Yummy Dividends](#)

**Five Steps to beat inflation.** I have five steps you can do to beat inflation that is running over 6%. These steps will all make you uncomfortable, as they should. You don't earn a high return with traditional investments like certificates of deposit, high yield savings accounts, and treasury bonds.

But always remember, “**There is no such thing as risky investments, only risky investors.**” From Robert Kiyosaki. I recommend “[Rich Dad’s Guide to Investing](#)” if you want to understand his philosophy on investing. By the way, he is my favorite author and someone whose words have changed how I view life. Let’s dig into my five steps.

1) **Move your emergency fund into UDSC stable coin.** First, you’ll need to earn a good return on your emergency funds. I would keep about \$2,000-\$3,000 in a local high-yield savings account, and the rest I would move to Voyager and USDC. Why?

### [You’ll Need \\$20,000/month in Passive Income](#)

Voyager offers [9% interest on USDC](#). You’ll be beating inflation while your money sits in an (almost) trusted asset. I keep about \$1,000 in USDC, and I’m slowly growing my pile. I have \$10,000 total in crypto, most of which is earning [some kind of interest](#).

2) **Move a small percentage of net worth into alternative assets.** By small percentage, I would recommend no more than 5-10%. We don’t know how the markets will react to inflation or interest rate hikes by the Federal Reserve, so we have to hedge.

Alternative assets move separately from the stock market, so they should be immune to stock market volatility. That doesn’t mean they get a free pass during inflation; however, they won’t be on the same roller coaster as the stock market.

Here are some alternative assets I invest in; [cryptocurrencies](#) (interest + capital gains), gold and silver, [commodities](#) (oil stocks), and [Fundrise](#) (private REIT not on the stock market). Yes, oil is on the stock market, but the price will probably rise during inflation. You can add in collectibles, trading cards, cars, artwork, etc.

### [Selling Covered Calls for Passive Income](#)

3) **Start an income portfolio.** With [income investing](#), I strive for an 8% dividend yield, which beats inflation. You’ll need to understand investing for income before you hop into the game. It is much [different from dividend growth investing](#).

4) **Rent a room.** The number one thing you can do to beat inflation is [house hacking](#). Your home is the number one expense you have every month. Anything you can do to mitigate your housing costs will beat inflation.

I just wrote an article on other ways to make money from your home outside of renting a room. The article is “[Self-Storage vs. Mobile Home vs. RV Park](#),” and I discuss creating passive income on a one-acre lot of land.

5) **Start a blog.** Yes, sorry, you'll have to put yourself out there. A blog costs \$200/annually, and you can make much more—in time. Yes, it'll take a few years to get [SEO traffic to your blog](#), but that's okay. Beating inflation isn't instant (except for renting rooms) because all income streams [take time to mature](#).

I recommend that you start with [writing product reviews](#) and [book reviews](#) to start your blog and add in diverse content from [your experience and studies](#).

### **[HENRY: High Earner Not Rich Yet](#)**

**Conclusion.** I do all of these things, plus more, to beat inflation. Inflation still pisses me off; but, it is supposed to be a thorn in your side. It takes the [proper financial mindset](#) and financial intelligence to counteract inflation.

Once you understand the inflation numbers, you'll be in a better position to beat inflation. Always keep the number 6% in your mind. Not everything you do needs to exceed 6% but understand the number.

Renting rooms and starting a blog are so important because they can provide an infinite return. They are low-risk-high reward investments. Do everything in your power to exploit these opportunities.

Inflation is not leaving anytime soon and may even get worse. Beating inflation needs to be a top priority if you plan on surviving with your cash intact.

Please join my [Facebook Group](#) if you want the latest articles and free books delivered to your news feed. Also, you can contact me inside the group and ask questions. I also have a [Facebook Page](#) where you can see my latest articles.



## 26 Your Income Should Increase Every Year

Being an employee has many perks, like not worrying about anyone other than yourself. People become used to life as an employee, often choosing this over starting a business or creating content.



[Free 43-Page PDF Download \(\\$2.99 Value\)](#)

But three things being an employee strips you off: freedom of time, money, and location. Today, I will talk specifically about freedom of money because money is the talk of the town in today's [inflationary environment](#).

**Freedom of money.** Freedom of money doesn't mean you can't spend your income as you choose because obviously, you can. Freedom of money means that you cannot control how much money you earn.

[Become CEO of Yourself 2](#)

In the book "[Rich Dad's Guide to Investing](#)," Robert Kiyosaki talks about being "[an insider](#)." No, the term isn't nefarious or evil; it means you control income and pricing.

For example, I can control how much I charge my tenants if I rent rooms. The market dictates how much someone will pay, but I am free to test the market. If I am charging \$800, I can raise the rent to \$830, giving me a 3.75% increase.

If [I write books](#) and charge \$3 per book, I can test the market at \$3.25, giving me an 8% increase. Being an insider is the goal of life. You don't have to own everything, but you should have pricing power in many of your daily operations.

**Annual increase.** Becoming an insider is vital if you want your income to increase every year. You are responsible for keeping up with inflation. Your boss doesn't care if your cash flow keeps up with inflation.

Every year, inflation takes more of your current income. My [job in the military](#) gives me annual raises to rental income ([basic housing allowance](#)) and base pay (cost of living). The new 2022 military base pay gives us a 2.7% increase, compared to inflation of 6.8%.

Again, you are responsible for protecting [yourself from inflation](#), [investing for retirement](#), and [saving an emergency fund](#). To complete all of these tasks, you need to become an insider. But, first, we can handle some of this heavy lifting from the outside.

### [The Balanced Writer](#)

**From the outside.** You are an outsider when you invest in the stock market or crypto exchanges. You don't truly have the ability to raise dividends or approve mergers. However, you can build a portfolio of increasing dividend and interest payments.

My wife's job doesn't have an annual cost of living adjustment. She has been making \$20/hr for the last couple of years. However, her income has increased over the past couple of years. How? Because of [her dividend portfolio](#).

In 2020, Kristina (Kris) made roughly \$250 in dividend income. In 2021, she is on pace for \$1,300. I am optimistic in 2022; she will be close to \$2,000. That's how you increase your income annually, as an outsider.

For me, in 2020, I made roughly \$1,000. In 2021, I am on pace for \$3,500, and in 2022, I should be close to \$5,500. Again, I am increasing my annual income by being intentional with my investing and cash flow.

### [I Live Paycheck to Paycheck 2](#)

**From the inside.** You have more pricing power and control as an insider—this is where you want to establish yourself. [Business](#) is the best way to become an insider, but you also have [real estate](#).

With real estate, your immediate location controls your pricing structure for rents. That's okay; rents will rise every year. To have more control, you can establish more income streams from your homes, such as parking spaces and advertising. The book "[40 Ways to Increase the Net Income of Your Rental Property](#)" is an excellent place to start.

Starting a business is the best way to control pricing power and [multiple revenue streams](#). If one stream of income becomes price-locked, start another off-spring income stream. Let's look at writing as an example.

- 1) First and foremost, [I write a blog](#). I can use the blog to make advertising income from Google AdSense. The more people visit my blog, the more ad revenue I receive.
- 2) I have a Facebook group that brings more people to my blog, increasing my Ad revenue.
- 3) I produce free pdfs that I giveaway on my blog and Facebook group. This brings more people to my group and blog.
- 4) I have affiliate links in my books and on my blog that add additional [affiliate income](#) from Amazon.
- 5) I release all my books on Amazon, and some I release only under the [Kindle Unlimited](#) banner. These are limited to distribution only on the Kindle platform. However, this gives me access to additional KU revenue streams and page reads.
- 6) I also release my free pdfs on Direct2Digital that distribute them to six or seven more stores—[this also derives more income](#).

So, I have five or six income streams from writing and publishing books. I can create hardback books, paperbacks, and audiobooks if I need more income. [I can grind](#) these out to increase my income. Luckily, I am doing well for myself so that [I can relax](#) on the grind for now.

The idea is to create so many income streams that you can always increase your income. One income stream may go away, but another may become your star performer.

### [3 Things I Love About Being a Writer](#)

**Get in the game.** I am learning throughout my passive income grind and our journey to financial independence that you just need to get into the game. It's not about making the perfect investments; it is about giving yourself the best chances to profit from the market.

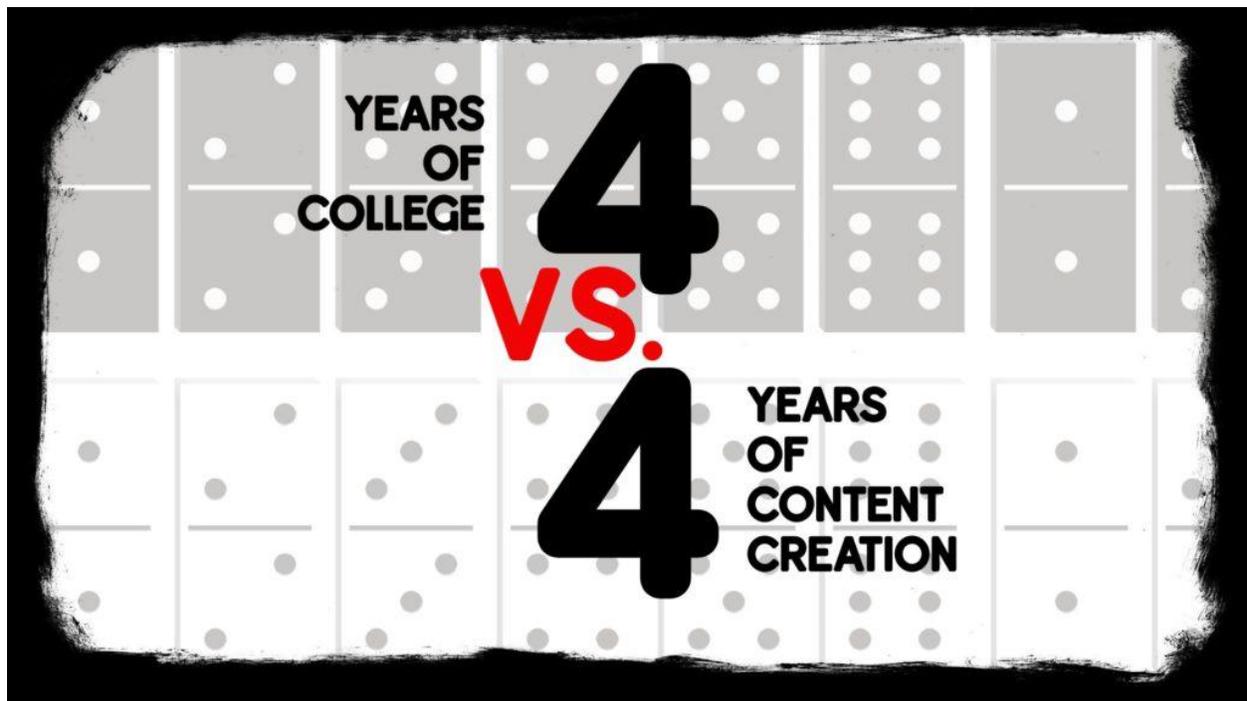
- 1) For stocks, it's all about time in the market (not timing the market). If you have your money in the right places, a random catalyst will come through and raise all boats.
- 2) For real estate, buy and hold is the best technique for the long run. How would you have guessed that the 2020 pandemic would raise housing prices 25% year over year (in many places even more)?

- 3) For business, it's all about getting your feet wet and learning the ropes. Most of the sales happen between October and December in the writing world. Having a stable of excellent books ready for this time is the best way to profit from holiday spending.

**Conclusion.** There are so many ways to start a business—one that fits into your schedule and favorite niche. There truly is no excuse to get started. Here is an article on [“21 Passive Income Ideas.”](#)

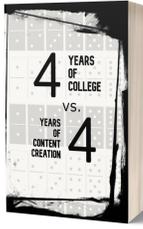
Don't forget you can also do things like [rent rooms](#) or [sell covered calls](#). If you are [the household's main provider](#), this is your primary mission. You should always be thinking of increasing the household income. The moment you stop, inflation or an emergency will eat away at your savings.

If you are [going at this alone](#), you have to work even harder than your married counterparts. Don't give up; just become more imaginative and automate more tasks. The book [“The 4-Hour Work Week”](#) is the perfect place to start. Good Luck to All.



## 27 4 Years of College vs. 4 Years of Content Creation

I'll admit that this article could be emotional for some people. Having a college degree is their greatest achievement for many people, and they couldn't imagine life not having one. They will proudly send their kids off to college all day, every day.



### [Free 44-Page PDF Download \(\\$2.99 Value\)](#)

I always had a different mindset. I graduated high school with a 4.3-grade point average—I was smart. However, I took a different path. I went directly into the Marine Corps ten days after high school.

Today, I make \$140,000/year with no college degree. Furthermore, I have written more words and released more written content than most college graduates. I have nothing against college; because an intelligent person is smart with or without a degree.

### [The Biggest Book on Passive Income Ever!](#)

**The challenge.** Today, I will put my son's future to the test in the comparison of a lifetime. Would it be more beneficial to attend a four-year college or spend that time becoming a content creator?

I want to make this as fair as possible so let's set the ground rules. My son will live at home for both adventures. For this article, there will be no college costs. We will pretend that we used [real estate to pay for college](#).

So, we will compare both of these paths on their merits alone. It will be challenging, but we will come to the best possible conclusion by being honest with ourselves. Let's begin.

**Education.** The most critical part of either journey is education. My son will have to take a prescribed course to obtain a degree in a specific career path in college.

For content creation, he can read what he wants. [Reading is the most critical](#) part of being a content creator. We always have to push our minds to the limit to have [a fresh slate](#) of content to publish.

My son will have professors who can help and mentor him in college. Luckily, for creating content, I can assist him with forming a solid path. Not every parent is a content creator, so I recommend reading and learning along with their kids.

### [7 Great Work From Home Strategies](#)

**Career Outlook.** According to stats on [Finder.com](#), 40% of college graduates are not working in the same field as their degrees. That's understandable because life sometimes takes an unpredictable turn. There are many reasons that people take jobs outside of their degree, including location, time, commute, and pay.

I wasn't in my career path in the Marines for all 23 years. They moved me (and used me) as they saw fit. That's a part of life, and no amount of preparation will prevent someone from needing to take a random job at some point.

Content creators are more in control of their time. I highly recommend starting and focusing on one of the six career tracks. There are probably more, but here are the ones I wrote articles about: [music](#), [photography](#), [art & design](#), [video](#), [audio & speech](#), and [writing](#).

My son would want to spend the first four years drilling down into one of these paths, eventually becoming a subject matter expert. Something is unique about devoting eight hours a day to learning one particular subject.

**Freedom & Money.** This is where things become emotional. Who has the higher earning potential throughout their lives—the college graduate or content creator?

### [Our Kids Need Financial Education and Assets](#)

Easy, the content creator—here's why. The content creator produces work that becomes assets. These assets are the same as dividend-paying stocks and income-producing real estate. Each asset the content creator produces can make money while they sleep.

Estimated Royalties

**\$559.64\***

All 337 books

Jan 1 - Dec 31, 2021

This number is rounded and includes estimated KENP royalties based

I made \$560 in my first year as a writer. I started with zero assets, and now I am starting 2022 with 337 books. I don't advertise or promote my books. I already have a full-time job, and I am doing this because I love writing.

However, I can increase my income by marketing and advertising. I can build my email list more aggressively, among other ways to monetize my work. I am saying that I can increase my income three or four-fold, all passively.

### [Don't Let School Interfere with Your Education](#)

Hopefully, a college graduate will have a great job waiting for him upon graduation. Let's say my son finds a job earning \$80,000/year in north Florida. That is a good chunk of change up there.

However, my son is then exchanging time for money. During his work, he is not producing assets. He is climbing the corporate ladder, precisely the path I took in the military.

I believe someone focused solely on content creation can make more than \$80,000/year after four years of hard work. There are just so many ways to monetize your assets. "[Creating Income Streams](#)" is one of my favorite books exploring multiple income streams.

**The power of assets.** The most powerful thing in the world of finance is owning assets. Once you create assets, you just need to find a way to promote and exploit them. Let's look at what my son could create in four years.

- 1) **Music**- 200 instrumental beat songs
- 2) **Photography**- 100,000 stock photos
- 3) **Art & Design**- 100 NFTs
- 4) **Video**- 400 YouTube videos
- 5) **Audio**- 1,000 podcast episodes
- 6) **Writing**- 40 book mystery series

These assets can follow my son for the rest of his life. He need only add more content at his leisure to continue the hype train.

### [Retirement Planning in Your 20s](#)

From here, my son can then go to college, get a job, or double down on content creation. He will have a steady stream of income coming in from his works as long as he positions his content for people to find.

The college graduate is starting just like everyone else—no assets, new job, and a tiny clue about what's happening. A college degree is the starting point to a new life.

**Personal growth.** Who do you think has had more personal growth over these four years? It depends, right? My son could have made some great friends and mentors at college, maybe even found a future wife.

Hopefully, as a content creator, he can attend some expos and conventions with like-minded creators. He will have become an entrepreneur, which is the best outcome anyone could achieve (my opinion, of course).

### [Become CEO of Yourself](#)

I have a different mindset after releasing 300+ books this year. I released my content to the market, and the market spoke. I had to listen to the market to become stronger and grow. I [became an entrepreneur](#), and it was amazing to develop from military dude to entrepreneur.

**Conclusion.** I am 100% biased because of this statement, “The mindset of an entrepreneur is always growing and involving. An employee always has someone to blame for inaction or lack of productivity.”

I just made up this quote, but it consolidates many passages from books like “[Unfair Advantage](#),” “[Company of One](#),” and “[The 4-Hour Workweek](#).”

I prefer the content creation route because it builds my son into an entrepreneur. An entrepreneur knows how to solve problems at a profit. If he can keep his greed under control, an entrepreneur will never go hungry.

I love my time in the Marines as an employee. I learned a lot of things I couldn't know working alone in my room. I learned about interpersonal relationships, conflict resolution, and leadership under fire.

However, becoming an entrepreneur is the most extensive growth I have ever achieved (outside of marriage). I am 100% in control of my time, and I have to do what's most efficient for my business at all times.

Learning to be an entrepreneur at a young age will set anyone up for success throughout life. For me, shedding [my employee mindset](#) was extremely difficult. Learning to think and move like a business person is how you guarantee your family's survival.

For this reason, the article comes down to [employee vs. entrepreneur](#), and I choose entrepreneur (content creator). Thanks for reading. If this article surprised you, please let me know by joining my [Facebook Group](#).

## RETIREMENT PLANNING



## 28 Retirement Planning for the Average Person

Being average gets a bad reputation from most people because it means that someone is better than you. However, being an average person can lead to some remarkable results, especially when it comes to retirement.

You see, once an average person realizes that they are in an average position, they should receive a light bulb notification that something is not adding up. They will need to exercise their freedom of choice to decide that becoming above-average is what they want—and an above-average retirement.



[Free PDF Download. Retirement Planning for the Average Person](#)

The high-flyers of society don't ever think that they will come crashing down to Earth. Even one of the richest men on the planet, Bill Gates, is seeking a divorce. We average folk can have it all because we never had any of it to start with. We don't have [a large inheritance](#) to wait for or a brother with a large business to give us a job.

Nope, we only have the hard work we can do ourselves to sustain ourselves—but that becomes our greatest strength. We have to divert all of this hard work towards building ourselves a healthy [cash flow retirement](#).

Notice that I didn't say, building ourselves a great business? Let's end something right now—everything outside of your family is an asset you can use to fund your retirement. We do not have the luxury of becoming attached to assets such as houses, businesses, stocks, or collectibles.

For example, I have been working my butt off creating a book universe that produces money. However, if someone came and offered me the right amount of money, I would sell it in a heartbeat. That is because I already know how to rebuild it.

This brings us to the **dos and don'ts** of retirement planning as an average person. We have to make decisions early in our lives that will have ramifications for years to come. We can't just slip into retirement and have a fully funded nest egg. We are in control, and what we do with this "privilege" is on us. Let's start with the don'ts.

**Don't (#1)** spend earned income on anything outside of expenses. After expenses are paid for, all monies shall go to fund assets such as stocks, bonds, cryptos, real estate, and business. Once your investments give you a return on your money, some of this money is your [discretionary income](#). This is how the [rich spend their money](#).

**Don't (#2)** overly rely on any particular source of retirement income, including social security, 401K, Roth IRA, pension, annuity, dividends, bonds, real estate, business, and cryptos. Use all of these to build a fantastic [cash flow retirement](#).

**Don't (3)** waste your [30s](#) and [40s](#) on being an American spender. I am 40 years old, and I feel as though I entered high school again. Our 40s are the time where our brains and our wallets are at their sharpest points. However, everyone wants to prove how much they can spend on kids, trips, houses, jewelry, etc. This is the time to buckle down and use the [velocity of money](#) to lift us to the next level.

**Average Person question.** I have a quick question for you, one that you will want to think seriously about. Would you rather work hard in your 40s to become financially free or spend your time, money, and effort creating a wonderful life in your 40s?

Now here's the rub about this question. In your 40s, if you are grinding towards financial freedom, you won't have as much time to spend with your kids and spouse. You will have much fewer trips, smaller houses, and slower cars. However, you do this with the knowledge that you will have the rest of your life to dedicate to kids, spouse, and husband once you become financially free.

If you make your 40s the time of your life, you will be working until you are 65 or 75. There is no other way around it. The [power of compounding](#) is best with time. The money that you waste in your 40s and [50s](#) will not be working for you.

Don't be fooled by your 401K; it won't be enough to continue your current lifestyle. Even if you reach \$1 million in your 401K, that is \$40,000/year in income. Chances are you spend that in three months.

Now, here is the choice that we ordinary people don't seem to realize. **Do you want to be there for your kids from ages 1-18 or from 18-Forever?** When we choose to spend, spend, spend, and not learn the ways of passive income, we are deciding to work our entire lives. Then, when [our children need us](#), we don't have the time or knowledge to assist them.

When we decide to sacrifice some time and effort early, we build a base of knowledge and wealth that rich people already have. We are average, but someone has to make the sacrifice to become above average.

Think about it. If your 20-year son wants to buy a house in today's market, would you know how? Do you have the income or investment account to assist him? Or did you spend all of it taking him to Disneyland every year?

Those are the choices that I see people making each and every day. I am over here religiously studying [creative financing in real estate](#) and how to use [real estate to pay for college](#) while everyone is off to Disneyland and buying their kids' cars.

In the end, your retirement planning as an average person is really a lifelong goal to spend more time with family and to be there to help them throughout their entire lives. When we choose to depend on social security and our 401K, we just take care of ourselves.

Sorry, I went on a tangent. But this is truly what I see nowadays. Many average people try to pretend they are above-average by spending their earned income on expensive stuff—for themselves and their children.

Then, when their kids are 18 and out of the house, those same parents are working to pay off debt and college. Their children are now in the grinder (I mean workforce) and destined to be average, just like their parents.

The parents have no inherent knowledge of cryptos, retirement planning, real estate, business, or investing—so they have nothing to offer their adult children except “work harder.”

I am now an above-average person. My parents didn't give me anything and couldn't spend any time with me after turning 18 because they were working. I could've done the same to my kids, but I decided to sacrifice my free time to learn the [magic of passive income](#). Now, at age 40, my wife and I don't worry about money.

We create money from thin air. When our kids encounter “friction” in life, we can offer them ideas and support about [starting a business](#), [building royalties](#), [investing for dividends](#), and [creating rental income](#). I no longer worry about our kids' future because I took the time to solve their problems before they became problems. We became a strong family unit for eternity because Kris and I spent time learning and building ourselves up.

Wow, I love to talk about what I am seeing today, among others 40 years old. I owe you the do's for retirement planning for the average person. Maybe I will do that next week since I am going to try something new.

I will start releasing an article with a [pdf book](#) attached every weekend. This will be an excellent way to build my audience and get the word out. Please download and share as much as you want. If you like this idea, please like this article and share it with as many people as possible. I genuinely want to start growing my audience so that this can be a substantial source of income when I retire from the Marine Corps. Enjoy and Good Investing.



## **29 Retirement Planning for the Average Person 2**

So you are still average? Great, so am I. There is no reason to whine or cry about our “basic” lifestyle. In fact, it is something to celebrate. When we lead normal, everyday lives, there is no outside influence for us to live above our means.



## [Free 68-Page PDF Download \(\\$2.99 Value\)](#)

This is part two in the Retirement Planning for the Average Person series. Find the [first article here](#) and download [the free pdf here](#). Now, back to our regularly scheduled program.

If we were movie stars or football players, we would expect to have massive homes and expensive sports cars. But we aren't those people, nor do we need what these people have. Or do we?

### [Create Content for Your Home-Based Business](#)

Herein lies the rub—us middle-class folks have started to want this nice stuff. Even worse, we want this nice stuff from earned income jobs. Trying to live these amazing lifestyles can have an adverse effect on our retirement and estate planning.

**Do you know the difference between an asset and a liability?** If not, let's do a quick refresher. First, the book you need to read is "[Rich Dad Poor Dad](#)" to get the best information on changing your mindset. Now, for the definitions.

**An asset** puts money into your pocket and **a liability** takes money away from your pocket. Under these simple definitions, is your house an asset or liability? My primary residence is an asset because our two roommates cover the full mortgage—we [achieved mortgage positive](#).

Since we are average, we should not be collecting liabilities. Yet, here we are buying new cars, boats, RVs, sandrails, etc. Each time we buy a liability we are doing double damage to our retirement plan. Here's how:

Car loan calculator		
Monthly cost		Maximum loan
Loan amount	Interest rate (%)	Loan period (months)
\$ 40,000	3	60
Total cost of car loan		\$43,125
Monthly payments		\$719

Let's take the example of buying a car for \$40,000. We take a loan at 3% for 60 months, leaving us with a payment of \$719/month. The total amount of the loan will be \$43,125. That doesn't seem too bad on the surface.

### [Start a Community Garden and U-Pick-It Farm](#)

**The Results Are In**

In **5** years, you will have **\$50,617.03**

---

The chart below shows an estimate of how much your initial savings will grow over time , according to the interest rate and compounding schedule you specified.

Please remember that slight adjustments in any of those variables can affect the outcome. Reset the calculator and provide different figures to show different scenarios.

Now, let's invest that \$719 into my [favorite index fund](#) over five years. We will then let it sit in our account for another 30 years. After five years, we will have \$50,617. Now, let's just sit it in our brokerage account for another 30 years at an 8% interest rate.

**The Results Are In**

In **30** years, you will have **\$509,341.50**

---

The chart below shows an estimate of how much your initial savings will grow over time , according to the interest rate and compounding schedule you specified.

Please remember that slight adjustments in any of those variables can affect the outcome. Reset the calculator and provide different figures to show different scenarios.

Without adding a single penny, just leaving our \$50,000 in our account will yield \$500,000+. So what is the actual cost of buying these liabilities? As average people, we can still do what the rich do and invest like the rich invest. We have to see the long-term benefits of this approach to life.

Now, how do we start building our mindset to that of an investor and [lifelong learner](#)? There are two mindsets, and we need to understand them before we jump into creating passive income. The book "[Mindset](#)" tells us that the two mindsets are **Fixed and Growth**.

### [Why I'm Bullish on Chainlink](#)

A fixed mindset tells us we are born the way we are, and nothing can change us. No amount of work ethic or education can make us more intelligent or more successful. A fixed mindset convinces us that we will never be rich or [achieve financial freedom as an average person](#).

A growth mindset knows that learning is part of life. More importantly, a growth mindset understands that failure and mistakes are part of the learning process. This understanding is vital because as we build income streams, everything will not always be perfect.

For example, throughout my [52-Week Dividend challenge](#), I made some mistakes. I bought some companies based on emotion and lousy information. But in the end, I was up 8% and earned \$400+ in dividends. Year two will be even better for my portfolio.

### [Happiness isn't Free](#)

Adopting a growth mindset is essential to being an average person with an above-average retirement. I wrote two articles about "[The Succeeding in Reading](#)." Reading connects multiple thoughts and information from other people to form wholly original creations in our brain. The book "[Limitless](#)" tells us that reading is probably the best thing we can do for our brains.

Indeed, I would love to give you the keys to becoming an extraordinary dividend or real estate investor, but those are secondary to having a solid brain. If you want to have an above-average retirement, start reading today.

What should you be reading? Romance, mysteries, and thrillers are great, fun reads, but save those for your free time. Once you dedicate 3-4 hours a day to passive income streams, then enjoy your free time. Yes, I said 3-4 hours a day. If you don't have time, find time [during the magic hours](#).

**Do #1.** Start with [dividend investing](#) as a source of passive income and specifically investing in [blue chips stocks](#). Once you have a nice-sized portfolio, you can even learn how to [sell covered calls](#) to earn more passive income on top of your dividends.

### [Diversify Your Passive Income](#)

**Do #2.** Understand that [real estate is a mindset](#). If you can understand how real estate works, you will not need many properties to change your life. Renting out a shed for \$300 is enough to fund your dividend portfolio. It is the little things that give us the biggest return on our investment.

**Do #3.** Read and build passive income from decentralized finance. DeFi is growing every day, and having an above-average retirement, we need to jump into cryptocurrencies as soon as possible. Reading ensures we do [our due diligence](#) and move in the right direction—primarily since crypto is known to be directionless.

**Do #4.** Begin [building royalties](#) from our creations. Everyone is good at something or knows a rare niche. Starting a blog, YouTube channel, or writing ebooks is essential for earning royalties and building a passive income.

### [Is Rental Income the Best Passive Income?](#)

**Do #5.** Take something we love and [create an automated business](#). If you love sewing or knitting, you can turn that into an automated business. You create an online course about your sewing habits, tie it to your blog, create a landing page, and let the automation do the rest.

An email goes out with the code for your course, they go through the class, and you get paid. Once you set the systems in motion, you just keep creating more content. If people can make millions of dollars playing video games online, surely we can make \$1,000/month doing what we love.

**[What limiting beliefs do you have about money?](#)** Everything I listed above is not difficult. If I can teach myself to write and design, you can too. However, if you feel you will always be average or poor, nothing can assist you.

You are what you believe. My wife and I will have a million dollars in our dividend portfolio before I turn 50. I am 40 years old now, and we have \$190,000. I do not doubt our ability to achieve this goal. We just keep working towards it with routine checks, dividends, royalties, and rent payments.

### [Dividends vs. Royalties part II](#)

**What is your goal?** More importantly, why do you NEED to achieve this goal? [What is your rich life?](#) Start there if you cannot envision your future with lots of time, family, and money.

The average person doesn't see a future of being wealthy, and guess what? They are right. If you can see that bright future, you will not buy liabilities, [stop toxic consumerism](#), and start working towards a [happy cash flow retirement](#).

**Conclusion.** Mindset is everything for your retirement. If you are average and want to stay average, keep doing what you are doing. If you want to be above average, do something different. Try renting a room, buying dividend stocks, investing in USDC, funding a Roth IRA, writing an ebook, starting a hot dog stand, etc.

Doing any of these things is progress. Working a job is average. Buying liabilities is below average. Becoming debt-free and building passive income is above-average. You can do the math from there.



### 30 Retirement Planning for the Average Person 1+2

In a strange twist of fate, it's okay to be average. Funny right? Being average gives us the advantage of using our brains to get ahead. Luckily, we can increase the productivity of our brains by reading and taking action.



[Free 107-Page PDF Download \(\\$4.99 Value\)](#)

In "[Retirement Planning for the Average Person](#)," we talked about the "don'ts" for the average person. We average people don't have the luxury of buying nice vehicles and going on expensive vacations. Eventually, when we become rich, these things will come to us in spades.

In "[Retirement Planning for the Average Person 2](#)," we talked about the "do's" for the average person. "Do" learn about crypto, investing, real estate, business, and retirement planning. Becoming smarter is the only path towards building an above-average retirement.

Today, I bundle these excellent books together for your reading pleasure. If you are not a big reader, let this start towards a bigger and brighter future. Reading books, forming plans, and acting on these strategies is the only way to become rich.

Do not let retirement sneak up on you. We should already be looking past retirement—towards estate planning and succession planning. But I digress. Let's start with building cash flow retirements. Enjoy and Happy Investing.



### 31 How to Retire in California

Sometimes we ask to achieve difficult things in life—it's human nature. We could be living somewhere perfectly affordable, but then we ask for the near-impossible. Don't worry; I'm not mad at you.

I wrote an exquisite collection of articles called the [Living Overseas Passively 101](#) series, where I give suggestions on how to move somewhere affordable. When talking about moving overseas, I envision \$3,000-\$4,000/month—on the high end.



[Free 38-Page PDF Download \(\\$2.99 Value\)](#)

Those numbers are very achievable, but I understand that you want to aim higher. So here we are, considering retiring in California. California is one of the most expensive places to live globally, and that's when you are working there.

### [How Would You Invest \\$300,000?](#)

To retire in California, you will need to be rich—extremely rich. That means you will need a very high amount of passive income flowing from various sources. For this article, we will aim for \$200,000/year in passive income. Yes, that is two hundred thousand dollars a year in passive income.

That is a ridiculous amount of passive income; however, it is realistic for what we are trying to achieve. There is so much going on in California that you have to prepare yourself for everything.

If you didn't know, I am from San Diego, California. I was born and raised there from 1981 to 1999 when I left for the Marine Corps. After I finished my job training, they stationed me in Miramar, California, in the middle of San Diego. Once I left there in 2002, the opportunity never arose for me to return.

I get the appeal of living in California; it's just not my thing. I love living somewhere cheap, where my dollar goes as far as it can every day. My wife and I will retire in Pensacola, Florida, where our lives make sense. But to each his (her) own.

Now, let's come up with a strategy for you to retire in California. Let's make it San Diego, California, which is a little less expensive than San Francisco and Los Angeles. Like everything in Cali, our story will start with real estate.

### [How to Start Dividend Investing 103](#)

**Real Estate.** There is no other way to get ahead in Cali without purchasing real estate very early in life. Ideally, you would buy a home in Cali in [your early 30s](#) and move away until you are [in your 60s](#).

If you are a Cali outsider, the best way to get into the real estate game is [through the military](#). The military pays you a salary, but they also give you a housing allowance according to your zip code. You can look up your [Basic Housing Allowance by zip code here](#).

As an E-9, I would receive \$3,366 in San Diego per month. Los Angeles is \$3,609 and San Francisco is \$5,202. These are some of the highest housing allowances in the United States. If you are younger and dead set on retiring in California, joining the military and using [your VA Loan](#) is probably the best way to succeed. To be honest, doing your entire 20 years in the military makes sense as well.

**Military retirement.** A [full military retirement](#) can be all you need if you retire overseas or a lower cost of living area. However, in Cali, this is just the start of what you require. A military pension also covers rising medical expenses, which will save you a ton of money in the long run.

So far, we have bought a small home early on in our Cali career and maybe stayed in the military. However, the next thing we talk about is every bit as vital as real estate—a Roth IRA.

### [\\$1,000 Dividend Shopping Spree](#)

**Roth IRA.** Nowhere has a [Roth IRA](#) been as necessary as in California. When you are talking about making a high income in a high state tax region, tax considerations must always be top of mind. Some people in California reach a 50% effective tax rate between Federal, State, and Local taxes.

A Roth IRA shields your income from taxes upon withdrawal, and we at least need the option to use our Roth distributions to lower taxes. Ideally, we want our Roth to grow tax-free forever, but this may not be a viable option in Cali.

We need to start building a Roth IRA very early because we can only tuck away \$6,000/year until age 50 and then \$7,000/year after age 50. That's not a lot of money. Luckily, some 401Ks give us the Roth option. I am personally switching to the Roth option soon.

	NVG	177.000	\$17.16	\$3,038.20	+\$25.92	+\$25.92	\$143.40
⊕	NUVEEN AMT FREE MUNI CR	@ \$17.02	+\$0.01	+\$0.89 (+0.03%)	+0.86%	+0.86%	

**Municipal Bonds.** [Municipal bonds](#) (munis) also gave us tax-free distributions. So, finding some good tax-free muni closed-end funds early is a must. I have Nuveen Municipal Bond Fund (NVG) in my portfolio. I currently have \$3,000 in my muni bond fund, giving me \$12/month tax-free. I will want to get that amount to \$500/month over the next 20 years if I retire in California.

### [How Would You Spend \\$5,000?](#)

**Real Estate elsewhere.** Yes, we own a small property in California, gaining equity and generating rental income while we grind elsewhere. Hopefully, we can [harvest our equity](#) in Cali to use to buy more homes elsewhere.

We need to be real estate moguls in a cheaper part of the country to achieve the high passive income for California. At least \$100,000/year of the \$200,000 goal needs to come from real estate. That equates to roughly \$8,300/month from rental income.

We can either do that via a ton of [single-family](#) or [multi-family properties](#). Owning a couple of apartment buildings may sound intimidating, but you can work your way up to becoming a real estate mogul.

### [The Passive Income Grind 2: Relax](#)

To retire comfortably, especially in California, you will need to think very big. There is no way to make \$200,000/year in passive income quietly. It will take a lot of hard work and dedication to achieve these high numbers.

**Conclusion.** We still have much more passive income to cover, but I don't want a super article. I will cover the following sources of passive income in part two. Some other sources are dividends (primarily [income investing](#)), cryptocurrencies, automated business, and royalties.

As you can see, it requires a lot of thoughtful planning and intentional living to retire in California. The tax rate is ridiculous, real estate expensive, and the overall cost of living is high, so we need to prepare for our income not to travel very far.

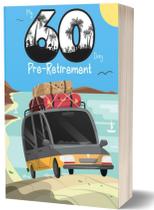
If you are older, it will be hard to make inroads in California, but not impossible. You need to use things like [house-hacking](#), [RV living](#), etc., to reduce overall costs. I'll go more into alternative living in part two or three.

Thanks for reading, and hopefully, I am giving you the full scope of what it takes to survive in California. Not just survive, but thrive. Please follow me on [Twitter](#) and [my Facebook Page](#). Enjoy and Happy Investing.



## 32 My 60-Day Pre-Retirement

Ahh, the retired life is the life for me. I am currently heading back to Japan after two glorious months back in Florida with my family. I am actually in the air flying from Dallas to Seattle. That's one of the reasons that [I love writing](#); you can do it anywhere.



[Free 45-Page PDF Download \(\\$2.99 Value\)](#)

Back to retirement, wow, I never knew how great life could be as a retired person with resources. Of course, I still had the [income from my job](#) constantly refreshing my accounts. However, I did have income from dividends, rents, and royalties, also supplementing my lifestyle.

I learned a lot during my pre-retirement days, so I want to review some of the lessons I can take away for my future full-time retirement in 5-8 years.

[The Woman's Guide to Investing](#)

1) **Family is important.** If you didn't know, family is the most crucial aspect of retirement. Your job will no longer be there to occupy your time. [Your friends may or may not](#) be there as well, but I wouldn't count on them being present. After all, they will still be working.

2) **Income is important.** If you are new to my writing, you may not have heard me say this before—income is vital to your life, both before and during retirement. If you are not preparing your income now, do not expect to have it later.

3) **Debt-Freedom.** [So you are debt-free?](#) Well, stay that way. Having no debt during retirement can lift your income by compounding the effect in the markets. Debt is the power of compounding working against us.

4) **Stay busy.** If you are going to do anything, you may as well [create an income stream](#). I was able to stay busy writing articles, creating and publishing books, reviewing my dividends, and looking at properties.

5) **Start your income stream early.** You don't want to retire with a fresh income stream. I have an income stream that is about one year old, and I put a significant amount of time into it during my pre-retirement days. It takes about [10,000 hours for](#) your income stream to mature, so start building now.

### [Over-Budgeting: You Can Only Cut So Much Before...](#)

6) **Relationships are more than talking.** Many people think that relationships are just phone calls and the occasional visit. Nope. Relationships require work, time, and sacrifice. Understand what is essential to the other person and make an effort to meet them halfway. You will have the time; you just need to expend the energy.

**How am I preparing for my actual retirement?** Coming off of my pre-retirement, I am even more laser-focused on my final retirement from the Marine Corps and the workforce. I am currently over 22 years in the Corps and will push towards 25-30 years.

[My military pension](#) will be a great addition to my passive income portfolio, but I will continue growing other revenue streams. Here are some things I plan to focus on during my working years.

1) [Start a family business](#). I am past the days of needing more tenants and homes. I may get a few more, but I really want my sons to continue down this path. They can better position themselves to collect passive income from rents. My wife and I like the option to move [overseas and live on dividends](#) (and other passive income).

### [Welcome to Stress Freedom](#)

2) **Build a \$1 million dividend portfolio.** This could prove difficult because I believe the market will trade sideways for years to come. However, we can still reach the goal of [\\$40,000/year on dividend income](#). We may just need to continue to invest in [high-yielding products](#).

3) **Start an automated business.** Right now, I am dedicating most of my time to writing and publishing. After I reach 1,000 books (currently at 220), I may slow down a bit and build out an automated business. This could be something like an [ATM business](#) or a [business-related to nature](#). The key is that it is automated so that someone else can run it while we are overseas.

4) **Make major purchases.** Even though we will have the cash to buy most things, bank loans allow us to keep our capital available [for market turmoil](#). Therefore, it is a great idea to buy some (newer) used cars, maybe another rental property, take out a renovation loan, etc., while we still have “employment.” Sometimes you have to play the game that works.

Reflecting on my pre-retirement will also be a great way to prepare for my next chapter. My wife and I had such a great time together. I am so glad we built [a fantastic relationship](#) over the last 15.5 years.

I don't think many people understand the void not going to work every day COULD leave. For me, there is no void. I no longer need someone to tell me what to do all day. I've grown out of this mentality.

### [Write a Book in One Week](#)

Working for yourself produces the best results—for the time you spend. Being completely in control of the way I structure my day was eye-opening. My goal each day was to [write a 1000+ word article](#), [create article artwork](#), and [create a book or pdf](#).

From start to finish, it took me roughly five hours a day. However, since I performed most of my work [during the magic hours](#), it was invisible time. My only other requirement was to do an hour of physical exercise.

That left me with almost an unlimited amount of time to spend with family. I even was able to play video games for about an hour a day. With this schedule, I was also able to get ahead in my articles and books. At one point, I was six days ahead of schedule, which gave me the flexibility to take a day off to travel or relax.

### [I Have Everything I want in Life...And Then Some](#)

**Conclusion.** Retirement comes for all of us. Hopefully, you are setting things in motion now that will pay off in the future. I feel many people think that life is a joke or retirement is a game—it's not. The last thing you want to worry about in retirement is money and time.

To prevent a lackluster retirement, we need to focus on [creating passive income](#), planning for the unknown (and worst-case scenarios), and performing stress tests on our income streams.

Just because you focus on retirement doesn't mean you have to sacrifice living today. In fact, it is the opposite. Once my wife and I started to travel down this path, our life became more adventurous.

### [Passive Income for Christmas](#)

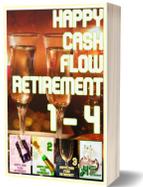
We have a lot more money in the bank, we only do things that add value (which is a great feeling), and everything is intentional. We balance all moves with the long-term effects, and we understand that sometimes we just need to blow some cash ([that's what dividends are for](#)).

I wish you the best in this long journey to a successful retirement. Don't forget that a robust cash flow retirement will also lead to meaningful estate and succession planning. Everything you build can be left to your heirs if they are deserving. Just another reason to take the road less traveled.

Follow me on [Twitter](#) for more free pdfs, or find me on Amazon for a [ton of reading on Kindle Unlimited](#). You can also catch me on my [Facebook Group](#) and [Facebook Page](#). I am a one-man army, but I enjoy being able to create accessible content!



I love my Happy Cash Flow Retirement series dearly. One of the reasons is because I always feature some kind of alcoholic beverage on the cover. In the series, this will be article number two ([read the first one here](#)) and book number five ([see the first four books here](#)). It always reminds me of how far we've come in regards to our retirement mindset.



### [Happy Cash Flow Retirement 1 - 4](#)

I used to believe that my military pension and working another job after retirement was how to structure my life. I would just work until I was 65 years old and have two pensions and social security.

Then I woke up and said, wait, why the heck would I do that? I actually wrote an article the first day that I figured it out for myself. I titled the article "[No Freakin' Way I am Working Another 25 Years.](#)"

### [20 Creative Ways to Make Money From Home](#)

I had just turned 40, and the prospect of working for other people for another 25 years repulsed me. Don't worry; it makes me even sicker now. It's not that I mind working that much. I do, however, mind wasting my time.



### [Happy Cash Flow Retirement 5](#)

Every minute I work on my books and blog is a minute that builds towards something more significant than my wife and me. Every minute creates more passive income for our future selves. We are laying the foundation for our eventual freedom from the workforce.

When I go to work, I am building towards someone else's dream. We waste time doing things that produce no tangible results or products. Once you have the mindset of an entrepreneur, it is tough to shut it down during work hours.

However, while I grow my passive income streams, I will continue to work. It's all good; it is a fair trade-off for now. I did not grow up with the words "**passive income**," so I have to create my version of the dream.

### [Don't Gamble Your Retirement Away 2](#)

**What is my version of passive income?** My passive income comes in five different varieties; retirement income, investments, cryptocurrencies, real estate, and business income. We must branch out and understand all five of these income streams because it lessens the urgency of each.

If you only understand real estate, the better real estate investor you have to become. If you only understand investing in the stock market, you need to get better returns from equities. This goes for the rest of the asset classes as well.

Now, if you understand each one, you can leverage what you need from each. I don't have to be a super-strong real estate investor because I have a military pension. I don't have to 10X my cryptocurrencies because I have a dividend portfolio.

### [Hustle in Your 20s and 30s, Enjoy Your 40s and 50s](#)

Indeed, building a healthy cash flow retirement system is all about leveraging all asset classes together. That way, you can ride the waves in each direction and minimize the downturns when they occur.

**How do we get smart in each of the asset classes?** I am a massive fan of reading books. Now that you know the different asset classes, you can slowly target your reading to build your knowledge base.

I write about each of the asset classes—at least an article every day. I am slowly building my knowledge in each. As I develop my knowledge, I create my Happy Cash Flow Retirement system as well. Let's see what I have in my passive income portfolio as a 40-year-old today.

- 1) **Retirement Income.** I am still on active duty in the military, with 22 years of service. I am building a nice-sized military pension. I am also building up my Roth IRA.
- 2) **Investments.** We have a \$190,000 dividend portfolio. We plan on having \$1 Million before I retire from the military.
- 3) **Cryptocurrencies.** Capital gains from crypto can be impressive, but I invest for the great interest rates on staking your coins.
- 4) **Real Estate.** We own three houses, and someone else pays all of our mortgages. We will probably buy a couple more places along the way.
- 5) **Business.** I build my royalties by writing books and my automated business income with a blog and affiliate marketing. We have more business plans for when I retire.

You see, nothing too complex here—just understanding how all these systems work together. When planning your HCFR, know that you do not have to go all-in at once. Start renting a room and investing that cash in dividends or begin writing a blog about your crypto portfolio. It is only as complicated as you make it.

I know that conventional wisdom is to work for 45 years, build a 401K account, and pray for your investments (and social security) to last your lifetime. But does that make you sleep well at night?

Passive income and cash flow are the answer. Your knowledge compounds and your money compounds. Every single thing you do towards your retirement compounds. So take it seriously, stop buying materialistic crap, and jump into the cash flow game. When you hit your stride, it'll be the only game you need to play.



### 34 The Magic of a Military Pension

It's funny. I have been in the US Marine Corps for over 22 years, yet I rarely write about my experiences. Maybe after so many years, it is easier to focus on new shiny objects, like passive income from [rents, royalties, and dividends](#).

However, that means that I forget to talk about the mother of all passive income, the US military pension. You see, in the US military, if you do 20 years of service, you can retire after those years with a retirement that begins immediately upon completion.

So, if you begin at 18 years old (like I did), you can do 20 years and walk away with a 40% retirement pension (50% for us old-timers) at age 38. This money may not be enough to sustain you for a full day-to-day living, but it is life-changing money.

Even though the new military pension pays 40% of your salary upon 20 years, there is still a 401K element to sweeten the pot. The military will now match your 401K (called Thrift Savings Plan) up to 5%. So, if the servicemember begins saving at age 18, they can amass a nice chunk of change for those 20 years. But, of course, the hard part would be getting 18-years-olds to save and invest.

**Life-changing money.** Okay, let's make some assumptions so we can continue the planning process. My oldest son is currently 14, turning 15 years old, and is thinking of joining one of the service branches. These would be some of the numbers I would have him consider.

If he left at age 18 and retired at age 38, let's say his pension would be \$3,000/month. Let's also assume that he walked away with \$300,000 in TSP savings. This is life-changing money because of the options that this opened up for the rest of his life.

**Work another job.** At age 38, he could work another job and stack the new money on top of his pension. His pension would allow him to choose a career that interests him, no matter how much it paid him.

**Start a business.** Many veterans decide to start a full-time business because they have the security of knowing that they can survive while the business grows.

**Pursue passive income sources.** This is where you use your pension as a base of income and pursue other avenues of income like dividends, crypto, business, rents, etc., to fund your lifestyle.

**Move to a low-cost area Stateside.** There are many low-cost areas in the US States where you can have an extraordinary life for \$3,000/month—especially if you [house-hack](#).

**Move overseas.** There are many countries where you can live like a King and Queen for \$3,000/month. You just want to ensure they are somewhat safe.

Using the military pension as your financial base is the true magic of this passive source of income. With it, you can pursue many other ventures with the safety and security that many people will never have.

**Combination of all of the above.** I am taking a combination of all of the above as I head into retirement. I am already over 22 years, and the longer I stay in, the larger my military pension grows. In the meantime, I can begin developing my passive income sources to ensure they are large enough to fund a friendly lifestyle for my wife, me, and our kids. But, first, let's take a look at my overall game plan.

**Military Retirement.** If I continue until I reach 30 years, My retirement may hit \$8,000-\$9,000/month. Remember, we older guys have a higher defined pension without any TSP matching from the government. At 30 years, my pension would be 75% of my salary plus any disability I may have acquired from sustained injuries.

**New Job.** I don't plan on working a new job; however, it isn't a bad idea to have earned income. You see, you can't contribute to a Roth IRA unless you have earned income. I plan to continue to work as an online adjunct faculty teacher for a military science class. The work is not time-intensive, and it allows me freedom of time and movement.

**Low-Cost Area.** My wife and I have already moved to a low-cost area and secured homes for a cheap monthly mortgage. This allows us to protect ourselves against inflation and market fluctuations. Our homes cost \$1,100 and \$1,500/monthly, and they are some very nice properties. With a large military pension, we are already guaranteed a nice life. **Oh, did I mention someone else pays both of our mortgages entirely?** Just saying.

**Move Overseas.** Yes, this is in the plan as well. We want to spend a considerable amount of time in the country of Turkey. There, they allow you to buy property as well. Once I retire, we will be able to buy a small apartment, or two, to build an empire over there. The cost of living is a shadow of what it is in America.

**Start a business.** I do not have a plan to start a full-time, job replacement-style business. I can reach the same amount of income, but passively.

**Passive Income!** Whew, as you can see. My wife and I are already set from our military pension alone. So why keep going and building more passive income sources. The only negative about a military pension is that it cannot be passed down to your children.

This fact means that I need to convert all of my military pension into passive income sources, thus leaving my kids and grandkids well off. I also want to teach them about these income sources to ensure that they can recreate the magic. That is why I write articles like [The Magic of Passive Income](#), [The Magic of Dividends](#), [The Magic of Rents](#), and [The Magic of Royalties](#). I am leaving breadcrumbs for my kids and everyone else to follow in my footsteps.

**Dividends.** Our dividend portfolio is nearing \$200,000, and we should reach that amount by the end of the year. The idea is to keep growing our dividends until the end. Dividends have been a complete joy to grow, and each month they bring a smile to my face.

**Rents.** Ah rents don't have the same joy as dividends because they are so steady. However, when it is time to spend them, they are life-changing. I still cannot forget the time our family was sitting in our backyard, and one of our roommates walked up and gave me \$800 cold-hard cash. Right then, I knew the power of passive income.

**Royalties.** Whew, royalties are outstanding because of the knowledge and education you need to earn them. When you start building up this income stream, you know nothing about anything. Then you start learning and improving. I am on pace to reach over \$60 in passive income from books. I earned \$3 in my first month (five months ago). As your knowledge compounds, your pay compounds. I love it, and it can be very addicting to get your royalties off the ground.

**Business Automation.** I haven't had a chance to start these yet because I am serving in Japan. However, that is a good thing because I can flesh out my book business. I have many business ideas, including a [passive Airbnb business](#), [an herb garden](#), [a rental car business](#), or [a property management business](#).

In the end, all of these other income streams will stack quite nicely on top of my military pension. So this begs the question, "[Is Doing 20 Years in the Military Right For You?](#)"

As I mentioned in my quest for royalties, the person you become in the military is a far cry from the person you entered. However, the situations that the military puts you in are life-changing, and you will return to a far braver person than before.

If you are a parent, the military may be suitable for your child. I know giving up your child to a life of service is scary, but it is even more dangerous watching your child drift directionless through the world. As I wrote in "[Mentorship is Dead](#)," we are the best mentors for our children. At least in the military, they have an opportunity to find someone to assist them throughout their career.

Please read the [Military Success 101 Series](#) for more information on my time in the Marines. It may help your child make some decisions they may be struggling with. You can always reach me through my blog if you have any other questions! Good Luck.



## 35 The Magic of a Roth IRA

I will be the first to admit that I was never a fan of Roth IRAs or traditional IRAs, for that matter. I never understood why you would spend all these years building something up, only to dismantle it during retirement. I do have a Roth IRA, but I have been investing into it sparingly.

But everything changed while I was reading the book "[Smart Couples Finish Rich.](#)" With a couple of sentences, my whole investing outlook towards Roth IRAs changed. But before I get into that, let's do a quick review of what Roth IRAs are.



### [The Magic of a Roth IRA](#)

A Roth IRA is an after-tax savings account. This statement means you will get paid from an earned income job, pay taxes, and fund your Roth IRA after that. There are some limitations on Roth IRAs that you will need to be aware of.

[Is Saving Money Bad?](#)

**Information on Roth IRAs.** First, there is an annual cap to how much you can invest per year—each year is different. For 2021, the cap is \$6,000/ year if you are under 50 years old. \$7,000 if you are older than 50 years old.

Second, you can only invest if you have earned income for the year. And you have to make more earned income than you invest. For example, if I work a job that pays me \$3,000 for the year, I have a \$3,000 limit for the Roth IRA. This is important for people like me who plan [to retire on dividends](#).

Lastly, your money needs to stay in your account until age 59.5 before you begin withdrawing. The money you invested can be withdrawn at any time; however, your earnings face severe taxes and penalties if drawn before 59.5 and under five years of owning the account. So if I invested \$1,000 and earned \$500 over a timespan, the \$1,000 is a free game. I need to wait until age 59.5 to withdraw the \$500 in earnings and face a 10% penalty, plus capital gains taxes. Read more about [Roth IRAs here](#). Please get to understand the rules before you jump in.

**Where does the magic come in?** “Josh, this sounds boring and not magical at all! I want to see the magic!” Okay, okay, here comes the magic. With traditional IRAs (pre-tax investment vehicles), there is something called required minimum distributions or RMDs.

RMDs basically tell you that you have to start withdrawing money at some point, roughly age 72. So after years of building up your pre-tax traditional IRA or 401K, you will have to sell off your investments and pay taxes on the whole piece of the pie. Each year in retirement, my RMDs would become larger and larger until I would be withdrawing vast sums of money until my death. Whatever is remaining is left to my children, who also have to continue to dismantle the account.

### [Dividends vs. Royalties Part I](#)

This rule never made sense because I will have a [sizeable military pension](#) that my wife and I will use to fund our retirement. Why would I build up a \$1 million account, only to watch it get withdrawn, taxed, and the balance forced to zero?

For the last couple of years, I believed that the Roth IRA also had RMDs. I was under the impression that you also had to dismantle your Roth IRA starting at roughly age 72. **However, Roth IRAs have no RMDs! I repeat, Roth IRAs have no RMDs!**

**How is this magical?** That means that you can build up a considerable post-tax Roth IRA and retrieve all of your dividends tax-free after age 59.5. Let's take a quick dive into my new Roth IRA strategy.

### [Cash Flow 102: Creating Passive Income for Retirement](#)

**My new Roth IRA strategy.** My goal is to build an extensive portfolio of growth stocks in a Roth IRA by maxing out each year's contributions. I will mainly use the Total Stock Market ETF (VTI) for my growth vehicles, which is my favorite "growth" stock. Then I will add in some S&P 500 (SPY), Dow Jones Industrial Index (DIA), and Nasdaq (QQQ).

There is no reason to invest in dividend-paying stocks at this point. Remember, I will need to have earned income. I plan to never work for a full-time job after my military service, so what's my plan? I have a part-time job as a military science instructor. It is an online teaching gig. I can just keep this job for another 30 years, investing all my earnings into my Roth IRA.

So, running the numbers through my compound interest calculator, I will have roughly \$700,000 by age 70 in my Roth IRA. This is if I start investing \$6,000/year for this year and the next 30 years at an 8% return.

**The magic of dividends.** So I have \$700,000 invested in VTI (Total Stock Market) at age 70. I can sell all of these off without any tax penalties at all. I now have \$700,000 cash in my Roth IRA. I can then buy the [highest-yielding investment products](#) that I want. I can aim for a 10% return on my investments.

For example, I can put the entire \$700,000 into a [high-yield closed-end](#) fund such as Pimco Dynamic Income Fund (PCI), which yields about 10%. This would net me \$70,000/year or almost \$6,000/month—all tax-free.

I won't need the money, so I can literally just give it to my kids. My sons will be 45 and 41 at this point, and they will be able to access this tax-free money through me. I can keep investing in my Roth IRA as long as I have earned income from a job or my business.

### [\\$30,000/month Cash Flow Retirement](#)

Upon my death, the Roth IRA can be left to my sons. They will have to dismantle the Roth IRA in ten years, but they still have all the money coming out tax-free. So they can live off the dividends for nine years and buy some property in year 10.

The most important part is teaching my sons how to leverage this tax-free money. Rolling everything into [real estate](#) may be able to keep everything tax-free for their lifetimes.

### [Happy Cash Flow Retirement](#)

**The magical conclusion.** Using the Roth IRA is one of the only ways to get tax-free dividends! You all know I am about my dividends. I wouldn't need the dividends now; I would want to invest in safe stock market index funds to grow the portfolio "worry-free."

Once I get to a certain age, say 70, I would sell off all my safe index funds and invest in high yield dividends to get as much current income as possible. I can then use these dividends to support my family tax-free. How freakin' amazing is that.

<b>Retirement portfolio</b>	<b>\$2,517.83</b>
	+\$579.83 >

Now, I need to decide how I want to fund my Roth IRA. It may be best to invest \$500/month. I'll figure it out and write another article on my progress. Here is a picture of my little Roth IRA today. As I said, I never made it a priority. Now that I have an investment plan, I can start to fund it. I will also need to fund Kristina's as well, while she is in the workforce.

What do you think of Roth IRAs? Have you been diligently investing in them, not being stubborn like me? I look forward to growing our Roth accounts over the years. Luckily, VTI pays a tiny dividend; at least, it is something to look forward to every quarter. I love my dividends! Good Luck!



### 36 Annuities vs. Dividends

As we steam towards retirement, we will start to hear new words that gain more traction as we age. **Annuities** are definitely an older person thing, but it is valuable to explore their importance to an overall [cash flow retirement](#) system. We also want to compare them to what a dividend portfolio can provide for us.



## [Annuities vs. Dividends](#)

An annuity is an insurance contract issued to create a consistent monthly payment to the holder for the rest of their life. You can read a more detailed analysis of annuities here [at Investopedia](#).

### What Is an Annuity?

Annuities are contracts issued and distributed (or sold) by financial institutions where the funds are invested with the goal of paying out a fixed income stream later on. They are mainly used for retirement purposes and help individuals address the risk of outliving their savings. Upon annuitization, the holding institution will issue a stream of payments at a later point in time.

How would an annuity function in a real scenario? Say at age 60; you had \$500,000 in your 401K savings account. You haven't been tracking the stock market, and you wanted to ensure this money lasts you until the end.

#### [How We Built 13 Streams of Income](#)

You would go to an insurance company and give them a lump sum of your cash, say \$200,000, and they would guarantee you a payment for the rest of your life. The payment has many factors that go into it, and I highly recommend you read the article above for more details.

One of the things annuities are infamous for is being extremely confusing and complex. The value of the annuity can be tied by the stock market, how long you live, if you want your spouse to continue receiving benefits, etc. Purchasing an annuity is a big deal, and the devil is in the details. I usually read as much as I can about annuities on the [Kiplinger Retirement website](#).

But we need to make an assumption to continue the planning process, so let's say our \$200,000 annuity will give us \$8,000/year or \$667/month. I simply based this amount off of the 4% rule. You would receive \$667/month for the rest of your life and perhaps a small cost of living adjustment from time to time. Actually, that's not too bad—but can dividends do better?

#### [Build the Mindset of an Investor](#)

**I interrupt this article to have a deep, lifetime discussion.** We need to talk about the type of person who invests in annuities versus that who invests in dividends. The annuity person has been working hard their entire life, [saving their money](#) in [a Roth IRA](#), more likely, an 401K.

In a 401K, their employer and they have been saving a percentage of their earned income directly into the savings account. They pick [the target date fund](#) closest to their retirement year and keep investing.

In a Roth IRA, there is a high probability that they invest in index funds. Index funds are great, and even [I have my favorite ones](#), but they don't pay a lot of income via dividends.

The reason I bring this interruption up is to convey that the average annuity investor doesn't know much about the [stock market](#), [dividends](#), [inflation hedges](#), [bonds](#), or [high-income products](#). More than likely, they will want to turn their money over to a manager to handle their income.

### [Start Investing or Pay Off Debt](#)

*Ladies and Gentlemen, there is nothing wrong with remaining oblivious to the world of finance and the stock market. However, in the long run, you will pay the price. If you still have some time left before retirement, I highly recommend you start learning to handle your money yourself. It may take some time, but you will build more confidence, save more money, and leave more cash to your family. The article "[How We Plan to Retire on Dividends \(book\)](#)" is an excellent place to start.*

*One more caveat before I continue the comparison, I believe in a total [cash flow retirement system](#) that encompasses real estate, business, cryptocurrencies, dividends, and retirement planning. So if I had \$500,000, I would diversify this into multiple assets classes and create income-generating investments that would easily last me a lifetime.*

*For example, I would:*

- a) buy a [home in a small town](#) (\$140,000),*
- b) put a portion into high-yield stock market products to get a yield of 9% (\$100,000),*
- c) put some in growth products like index funds (\$60,000),*
- d) put some into business ideas [like a dog park](#), [an insect business](#), or [rental car business](#) (\$100,000),*
- e) Save into bond products (\$50,000),*
- f) and the remaining in cash (\$50,000)*
- g) I would also ensure I could [rent rooms](#) in my new home—if you are new to Military Family Investing, these are things I talk about every day.*

Now, back to our comparison between what an annuity can provide versus what you can earn via dividends. We concluded that our \$200,000 annuity would give us \$8,000/year or \$667/month in income. This income is almost guaranteed, barring the insurance company doesn't go out of business. There are no guarantees on the stock market.

## [Dividends vs. Royalties](#)

Variety is the name of the game when it comes to dividends. You have as many choices as there are stars in the sky. Let's start with the high-income approach. Our total portfolio was \$500,000. We are using \$200,000 to produce a liveable income. If we remain relatively safe with our remaining \$300,000, say cash or government treasuries, we can take some risk with the additional \$200,000.

Let's put our \$200,000 across [four closed-end funds](#) and generate a 10% dividend yield across the board. We will want to average into these positions over a year or maybe even two years. You want to buy high-yield products when they are at their lowest prices—offering their highest yields.

At a 10% dividend yield, our \$200,000 investment would produce us \$20,000/year or \$1,667/month—almost three times as much as our annuity. But, it is riskier—or is it? If you have your \$300,000 in safe investments, you would not have to cash out of your closed-end funds during a downturn. You could buy more closed-end funds during the downturn. It is a mindset that you will have to build.

## [Boring Investing vs. Good Investing](#)

Okay, now what if you created a dividend growth investment with your \$200,000. The goal of the portfolio would be to generate 5% growth and a 5% dividend yield. Remember, your annuity is not growing anymore; you are just receiving a payment.

If we build a solid portfolio of index funds, blue-chips stocks, [REITs](#), [preferreds](#), and closed-end funds, we could achieve the goals of five and five. There would be two forms of growth in this portfolio, your overall capital gains and the dividend growth for each company and security.

Let's look at our capital gains over twenty years (so from age 60 to 80). Using our [compound interest calculator](#), our 5% in capital gains would leave us with \$530,000. Excellent, we have actually more than doubled our investments.

If we start with a 5% dividend yield, our portfolio will generate \$10,000/year or \$833/month. So, a little more than our annuity. However, with our companies and funds growing their dividends, we would be receiving higher payments every year. Using our [simple dividend growth calculator](#), you can see how impressive the numbers are. By age 80, [without reinvesting your dividends](#), you would be receiving \$18,000/year or \$1,500/month. That is, with a dividend growth rate of 3%, which is highly realistic. I will leave the chart at the end of the article because it is simply amazing.

## [Good Debt vs. Bad Debt](#)

**Conclusion.** You can see that dividends will simply destroy an annuity over time. However, **(with dramatic pause)**, you would have to jump in and start learning. You would need to take 1-2 hours a day to get familiar with stocks, blue chips, REITs, preferred shares, closed-end funds, business development companies, and electronic traded funds.

But, you would be retired; what better things do you have to do than grow your wealth? I am a hardcore dividend investor, and I have seen the [magic of dividends](#). My wife and I have raised our dividend growth portfolio to almost \$200,000 in two years and a monthly payout of \$500/month.

And we are 40 years old. With our dividend growth calculator, the numbers are insane, even if we stopped today and just let everything compound. As I said earlier, we are total investors and believe in a cash flow retirement system. We have [rents, royalties, and dividends](#) keeping us warm at night and a [military pension](#) for backup. It's a great life.

If all this sounds good, jump into Military Family Investing, where I publish an article every day and release some form of a book each week. Follow our [Facebook page](#) to see the daily release and find our magazine "[Financial Independence Magazine](#)" on [Kindle](#). Look at our [free book schedule](#) to know when the magazine will be up for free.

Life is better when you take control of your finances. The best time to take control was ten years ago, and the second-best time is today. Good Luck and Happy Investing.

Age	Dividends Paid Without Dividend Reinvestment	Dividends Paid With Dividend Reinvestment
60	\$10,000	\$10,000
61	\$10,300	\$10,800
62	\$10,609	\$11,664
63	\$10,927	\$12,597
64	\$11,255	\$13,605
65	\$11,593	\$14,693
66	\$11,941	\$15,869
67	\$12,299	\$17,138
68	\$12,668	\$18,509
69	\$13,048	\$19,990
70	\$13,439	\$21,589
71	\$13,842	\$23,316
72	\$14,258	\$25,182
73	\$14,685	\$27,196
74	\$15,126	\$29,372
75	\$15,580	\$31,722
76	\$16,047	\$34,259
77	\$16,528	\$37,000
78	\$17,024	\$39,960
79	\$17,535	\$43,157
80	\$18,061	\$46,610



### 37 Dividends vs. Military Retirement

I am not going to lie—this will be a pretty lop-sided competition. However, I will have additional articles on how the losing party can catch up or beat the victor. Welcome to part one of Dividends vs. Military Retirement.



[Free 45-Page PDF Download \(\\$2.99 Value\)](#)

Off the top of your head, which of the two sides do you think will win? The civilian investing in dividends will likely have a higher wage; however, the military personnel will have more consistent raises.

**Assumptions.** I will attempt to make this as fair as possible. Our competitors today will be Sally and John. Sally graduated from the University of San Diego (USD) at age 22 and got a job making \$100,000/year.

[Become CEO of Yourself](#)

John also graduated from USD but joined the Marines. Now he is a 2nd Lieutenant stationed in Miramar, California (San Diego area), making roughly the same with basic pay, housing allowance, and medical expenses factored together.

**The mission.** The plan is to keep this as simple as possible. Let's assume that John the Marine will make \$3,333/mo in his military pension after 20 years of honorable service.

Thus, Sally's goal is to achieve this level of dividend income after 20 years in the civilian workforce. Both start at age 22, with high-paying jobs, so who will be better off in 20 years?

If you are good at math, you know that \$3,333/mo equals \$40,000/year of passive income. To achieve \$40,000/year in passive dividend income (at a 4% dividend yield), Sally would need \$1 million in her dividend portfolio.

**The question.** Can Sally save and invest \$1 million in 20 years to achieve her \$40,000 in passive dividend income? Let's begin.

**The unfair advantage.** The [magic of a military pension](#) is that someone (Uncle Sam) is doing all the saving and investing for you. No matter how much income John saves in his personal brokerage account, he will retire with his military pension.

## [6 Types of Income Streams](#)

John, however, has to give up certain "rights" to gain access to this pension. He has to move locations on demand and can't express himself as freely as civilians. Some people find these restrictions very limiting, but I find the [financial freedom](#) of being in the military as the equalizing factor.

So if John never saved or invested over 20 years, we would still end up with his \$1 million retirement plan. We are not even going to get into the medical, disability, and other military retirement benefits.

**How can Sally compete?** Today, we will look at what Sally can do to achieve her \$40,000/mo in passive income and compete with John.

The next article will look at Sally's advantages by remaining a civilian. If she leverages those, she may be in a better position in time.

## [Inflation vs. Dividends](#)

**Saving rate.** The most crucial part of becoming wealthy is having the correct [financial mindset](#). The second most important part is [your savings rate](#). In America, we think that saving 5% of our income will earn us a decent retirement.

I like to say that “a 5% savings rate will get you 5% of a retirement.” Sally’s savings rate needs to be at least 50% to stand a chance. But let’s run the numbers through our compound interest calculator.

Sally’s monthly income is roughly \$8,300 before taxes and \$7,000 after taxes. She needs to invest \$2,000/mo into her dividend portfolio to reach \$1 million in 20 years.

### [My 24 Favorite Blue-Chip Stocks](#)

However, she will still be paying into her 401K, [buying real estate](#), and [building an emergency](#). She would need to have at least \$3,500/mo set aside for total investments.

**Is a 50% savings rate viable?** That’s hard to say. She will have to take drastic steps to achieve this amount of savings, [especially in San Diego](#).

However, she does have options on how to invest her cash. I based the \$1 million amount on a [dividend growth portfolio](#). You would achieve \$1 million in assets at a 4% dividend yield, thus giving you \$40,000/year.

But what if her dividend yield was 8%? That’s right, what if she built an [income investing portfolio](#) instead of a DGI one?

### [Selling Covered Calls for Passive Income](#)

At an 8% dividend yield, her \$1 million would net \$80,000/year of passive dividend income. To be honest, if I were building a pension-like portfolio, I would build an [income portfolio over a DGI one](#).

A dividend growth portfolio is a [multi-generational wealth](#) tool, while an income portfolio is more of an employment substitute. With DGI, you invest with strong companies and brands that grow over time.

You don’t care too much about individual securities with income investing. You may be investing in a [high yield bond fund](#), but change to another one because it has better stats. There is no real loyalty with income investing, just dollar signs.

**In a perfect world.** Sally would have both a DGI and an income investing portfolio in an ideal world. She could live off the income while the DGI compounds into the infinity-sphere. Don’t forget she still has a 401K and other assets for diversification. So, it’s not very risky to depend on an income portfolio.

### [Preferred Shares vs. Closed-End Funds](#)

**John vs. Sally.** If John copies Sally's account management, he always comes out ahead. He receives his \$40,000 no matter what happens as he invests over 20 years. However, if he starts his income investing portfolio at \$80,000/year, he now has \$120,000/ year in passive income.

I am currently working on getting my \$1 million in a dividend portfolio. Once I retire, I will collect this military pension as well. It's not a bad life.

**The winner.** The winner thus far is John. Not many people are in the military, so you are more likely in Sally's position. My advice is to save, save, and save some more. Things don't get easier with time.

As we grow and achieve success, it comes at the price of responsibility. Each new soul we bring into our family requires time and resources. If you can save now versus tomorrow, do it NOW.

In Part Two, I will cover how Sally can dramatically shift the tide in her favor. Remember, she can stay in one place for 20+ years—John can't.

In Part Three, I will help you do the math to decide if you should stay in the military or try your hand in the civilian world. If you are a good saver, you have a much better chance of surviving in the 1st Civilian Division (1stCivDiv, inside joke).



## 38 Retire Early as a Well-Rounded Millionaire

On my path to becoming a millionaire, I have been learning a lot about what the concept of being a millionaire means. Honestly, anyone can become a millionaire—there is nothing inherently special about achieving this milestone.



## [The Well-Rounded Millionaire](#)

But, yet there is something extraordinary about reaching a million dollars. I define a millionaire as someone having \$1 million in an investment portfolio. To be specific, not \$1 million in a 401K or TSP, but in a brokerage account.

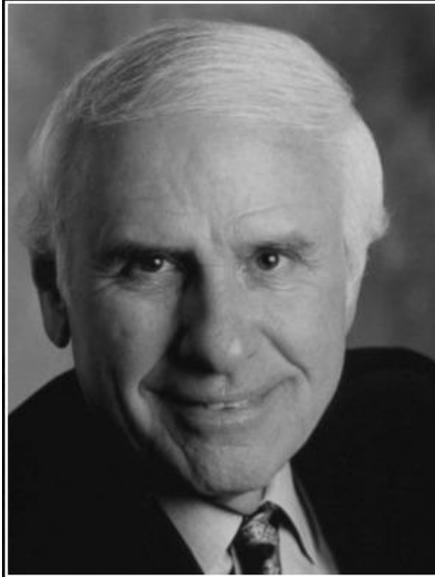
No, I am not talking about \$1 million net worth either. Just because someone bought a home in California twenty years ago doesn't mean they have achieved this particular milestone. There is a reason I am so hard on retirement accounts and real estate.

Both of these methods can game the system by using time and the [power of compounding](#). Working hard at a job and foregoing spending money for 40 years will make you a 401K millionaire. But what have you learned along the way? What value have you created that you can pass to other generations?



My wife and I are well on our way to becoming millionaires. We have achieved the most challenging part: investing our first \$100,000 in our dividend portfolio. We went from standard Americans, [living a middle-class](#) life of debt and stress, and turned things around. I wrote about our experiences in "[From -\\$77,000 to +\\$150,000 in 22 Months. \(book\)](#)"

As we steamroll our way to \$200,000, one quote stands out above the rest. "**To have more, you have to become more.**" I read that quote somewhere, and doing a google search leads to Jim Rohm as the author.



If you want to have more, you have to become more. For things to change, you have to change. For things to get better, you have to become better. If you improve, everything will improve for you. If you grow, your money will grow; your relationships, your health, your business and every external effect will mirror that growth in equal correlation.

— *Jim Rohn* —

AZ QUOTES

This quote truly has helped me put things into perspective. I can never return to the person that I once was—the person who was happy to play video games and drink all weekend. It was fun while it lasted, but now my family and mind need me to be more.

When I read "[Rich Dad. Poor Dad](#)," Robert Kiyosaki said that only 1% or less of humans would achieve a million dollars. Everybody wants a million dollars, but somehow the average person does not want to do what it takes to reach this milestone.

Right now, it is 2 pm on a Saturday in Japan. I am away from my family, and I am typing this article out because it is what I want. I may not make any money from this, but it is part of "[The Practice](#)" that I have directed myself to do. Why would I be drunk and playing video games when I can add value to the world?

But what is it that separates the 1% from the rest of society? Is it discipline, drive, motivation, childhood, or the lust for money that creates this division? Sure, it is all of those things, but overall it comes back to the above quote. **Once someone discovers that they have to be more, they decide that it is easier to be less.**

This is the typical reaction I get when I tell family and friends that I became a writer. In my first month of writing, I made \$3, and in the fifth month, I made \$40. To me, \$40 is a considerable sum of money because it didn't come from a boss or job; it came from creativity. Most people will say that they can make the same \$40 working for two hours. This is true, but I can make \$40 without ever having to work for it ever again. That is the difference between the Well-Rounded Millionaire and the average person, the understanding of passive income.

I am a US Marine, and I like to organize everything into specific groups. The Well-Rounded Millionaire has three mindsets that separate them from every other person. The three mindsets are **functional mindset**, **financial mindset**, and **family mindset**. You will have to conquer

these, in this order, to be able to become a Well-Rounded Millionaire. Now let's break these down and learn why I put them in this particular order.

**Functional mindset** is your day-to-day operations center consisting of beliefs, routines, morals, goals, and success. You must mold the functional mindset as early as possible by reading books and seeking mentorship through YouTube, programs, and mentors.

What are you trying to achieve with your functional mindset? Think of your functional mindset as an operating system on a computer, i.e., Windows. Windows has everything you need to be successful; you just have to input the proper commands. The same for functional mindset.

Before you can seek wealth and a strong family, you need to have self-discipline routines that you form well before you start building businesses and buying real estate.

Some of these routines are waking up early, making your bed, exercise, reading, critical thinking, leadership, work ethic, etc. The average person does not get past this stage of the Well-Rounded Millionaire journey. They want to live like slobs, be late to work, not stay in shape, and generally not strive to be the best. Are you one of the ordinary people who act this way? If so, stop!

I am going to link to a strange choice of articles, my [Military Success 101](#) series. This series focuses on five different areas of fitness that I used to become an E9 (highest enlisted rank) in the US Marine Corps. I was twenty years in the Corps when we decided to strive for financial freedom and become Well-Rounded Millionaires. The five types of fitness are physical, mental, educational, family, and financial. I believe my success in the military parallels the traits needed in the civilian world.

So, your goal is to turn your brain, routines, and actions into a well-run machine ready to run any program, in this case, becoming rich. So, where do you start? Let's start with three books about success. Read these because they are not geared towards a specific outcome but overall success. "[It's Rising Time.](#)" "[Be Obsessed or Be Average.](#)" and "[Limitless.](#)"



If you can read these books, you may be one of the 1%. It may sound like a low bar, but we live in an unhappy society. Your society wants you to remain soft and live a subpar life. If for some odd reason you want to read more from me, try these articles "[Become CEO of Yourself \(book\)](#)" and "[JOMO- The Joy Of Missing Out \(book\)](#)."



Remember, the goal of the first stage is to become a well-run computer. You should have a morning routine, read books daily, exercise, eat a healthy diet, talk to family, look to [achieve work-life balance \(book\)](#), and read positive news articles that will help you build up your life.

This stage may take you 3-6 months to achieve. As you progress, you will start to lose friends—that is part of the game of life. You are a composite of the five people you spend the most time with. Do you want to be like them?

Now that you have done all of these, you are ready to download the app you need to become wealthy, the financial mindset app.

**Financial Mindset.** I can already hear it, “Josh, Josh, Josh. Why did you put money ahead of the family?” My dad told me a long time ago that love is discipline; discipline is love. This lack of discipline is what I see in today’s American society.

The men are quote, un-quote “being great fathers” by driving their kids to soccer practice, playing games with kids, doing everything their wives want them to do, forming hobbies, and generally just staying in the house all day. I guess that counts as a “good father.”

We don’t understand that this is the lowest bar we can set for a man. This life does nothing for the long-term wealth and health of a relationship (with wife and kids) and family.

The reason that financial mindset is higher than family is that love is discipline. Focusing your attention on obtaining assets is the difficult road in life, the one less traveled. However, in the long run, the family with the most assets is more likely to stay united over the low-income family that played soccer together.

The parents need to learn finance, obtain assets, and share this information with their children. Playing soccer and other such activities is a waste of time. Sorry, but it is true. I was 38 years old when I learned about passive income, dividends, real estate, and royalties. If I had known about those earlier, my life would have taken a different trajectory. So, yes, a financial mindset needs to be higher on the list than a family mindset.

Have you ever heard the saying on the airplane, “**In the event of an emergency, put on your gas mask first, then assist others?**” How can you assist your kids and family when you are still working 9-5, struggling financially, and stressed out. Becoming rich helps everyone on their journey.

Whew, if you are still here, let's dig into the financial mindset. Luckily, I have already written extensively on this topic. We need to take a holistic approach to build wealth. No, we can't just invest in the stock market, crypto, or real estate. We can't just start one business and leave it at that.

We need to look at our retirement goals, our passive income goals and combine that with our family's needs. \$1 million in our investment portfolio is just the tip of the iceberg. We need to state and write down our total passive income monthly goal. For simplicity's sake, I will throw out a number like \$20,000/month passively.



\$20,000/month may sound like a lot, but we will break this down into our different sources of passive income: retirement, investments, crypto, real estate, and business. Initially, you will be stronger in some of these areas than others, but that is okay. You have to learn the others because [diversifying your passive income \(book\)](#) is a must moving forward.

Let's take me, for example. Let's say I wanted to split my \$20,000/month goal into \$4,000/month from each of my asset classes; how would that look?

**Retirement.** I am lucky that I will have a nice retirement check coming, courtesy of the US military. If I continue to do 30 years (22 down so far), it will be roughly \$10,000/month. So I am good on this front.

**Investments.** My wife and I are working on our dividend portfolio, which is currently at \$160,000. This amount pays us roughly \$500/month. We will need to achieve \$1.5 million to get us to \$4,000/month. This goal will probably take us another 6-7 years.

**Cryptocurrencies.** We just started our crypto portfolio, and it pays us \$6/month in interest. So we have a ton of work to do. There are cryptos out there that pay 7-9% interest, so that we will need roughly \$600,000 at an 8% yield. Since we don't want to overload on crypto, it will probably take us 20 years to reach this, maybe 15.

**Real Estate.** We currently are making \$2,500/month in rental income. We would need to buy another couple of homes, add a tiny house, or create a storage unit area to maximize this asset class. We can achieve this in the next few years.



**Business.** I started my Kindle book business five months ago, and it currently brings in \$40/month. My goal is to get this up to \$1,000/month, probably over two years. When I return from Japan, Kris and I will build some automated businesses like renting out cars or [18 wheeler trucks](#) (book). We can get to \$4,000/month over the next five years.

So, there you have it. Once you take a holistic approach, it isn't that hard to achieve your goals. Remember, to have more; you need to become more. You will need to understand all of these asset classes, plus taxes and leverage. Lucky for you, I have been writing like a madman and leaving breadcrumbs from my experiences and books I have read. Here are some places to start.



**Retirement.** I wrote an extensive series of articles on retirement. You can read the [series here](#), and the book "[Retirement Planning at Any Age](#)" covers everything as well. If you want to take a look at a specific timeframe here you go: [20s](#), [30s](#), [40s](#), [50s](#), [60s](#), [70s](#).



**Investing.** The article "[How We Plan to Retire on Dividends](#)" should be enough to get you started; the book "[How We Plan to Retire on Dividends](#)" adds in some books to read as well.



**CryptoCurrencies.** I am still young in the world of crypto, so I don't have too much content right now. I have the [CryptoCurrency 101 series](#) and also the book "[Stocks vs. Cryptos.](#)"



**Real Estate.** I love real estate as we own three properties. The article "[Financial Independence through Real Estate](#)" is a great place to start. The book "[Financial Independence through Real Estate](#)" adds some books to get you started.



**Business.** Learning about design, advertising, writing, and creative work has been the highlight of a year away from family. Business is a fantastic asset class. The article "[Retire Rich, Retire Comfortable with a Business](#)" is a great place to start. The book "[Retire Rich, Retire Comfortable with a Business](#)" adds some books to get you started.

The world is full of opportunity; you will just need to learn how to see it. Some people see a world of limitations or scarcity; others see a [world of abundance](#). These thoughts are called [limiting beliefs](#). To overcome these limiting beliefs, start by building your functional mindset and adding in your financial mindset.

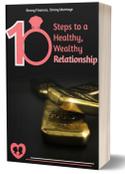
Together, with the proper habits and routines and the right education, you will find yourself moving forward in life, relationships, and wealth. Take it slow. Set goals that will not cause stress. Maybe you start with a \$200/month plan in passive income in the five assets classes. The person you become to reach those goals will be different from the person reading this article today.

Trust me; I transformed and continue to improve my routines daily. I love the person I am today.

**Family mindset.** There isn't too much cover in the family. Your family will always come first. However, they are not a reason to make excuses or hide from self-education.

You can accomplish a lot during [the magic hours](#), so get to work on building a passive income stream. If your spouse doesn't understand your newfound passion for passive income, I recommend reading "[Be Obsessed or Be Average](#)" together.

I swore I was going crazy when I started my journey. But this obsession has led us to be rich already. Now we are just continuing the journey at our own pace. We can reach \$1 million in two years or twenty years; it is all the same. We have no financial stress, **AT ALL**, because of the steps we have taken. It feels good to be in [control of our finances](#).



I leave you with one more recommendation for you and your spouse, "[Strong Finances. Strong Marriage](#)" ([book](#)) is an article I wrote to capture life when you are financially free. You do not know the stress that debt puts on your family until you are out from under it. Another reason is that I put finances ahead of my family.

The things you used to fight about are no longer an issue. You will be able to take your spouse out on the town, hotels, and trips, all with passive income. It is truly amazing to have lots of money after 15 years of marriage. And we plan to pass this education and assets to our children as well.

**Conclusion.** This article covers a lot, and it may take a couple of months to unpack everything. The main takeaway is that "To have more, you will need to become more." Who you are today will not get you to the point of becoming a Well-Rounded Millionaire.

You will need to work on your habits and routines, your financial education and action, and [envision your rich life](#) with your family. If you can do these things, you will have it all. Your life will make sense, and you will no longer worry about money and relationships. You will have the ability to assist family and strengthen your journey with your spouse.

If you are serious about your journey, consider adding my website to your favorites and visiting often. I post an article every day about financial mindset, investing, crypto, retirement, real estate, and business.

I also release books that gather up my thoughts in one place for those that want to have easy access to information. Consider adding my page, "[Free Kindle Ebook Schedule](#)," to see what I am offering for free. I provide a different free book every day.

If you found value in this article, please consider hitting the like button, which will help push it out to others. Thank you for your time. Good Luck, Millionaire!

## PASSIVE INCOME



### 39 What is Passive Income?

I have been writing religiously about passive income (600+ articles) for a little over a year now. However, I don't think I have written an article addressing passive income from the top down. Today is that day. I will attempt to cover all aspects of passive income the best way I can.



[Free 46-Page PDF Download \(\\$2.99 Value\)](#)

**What is passive income?** In my own words, passive income is money that you do not exchange time for to obtain. Passive income also does not come from an employer—that is, “earned income.”

**The truth about passive income.** Passive income is tricky because it usually takes a huge amount of work and knowledge to build a passive income stream. No one pays you for time spent building a passive income stream. You base your estimates on future revenue.

Many people get confused with passive income because they believe they can simply build an income stream and get paid for the rest of their lives without much effort. All passive income streams require some kind of upkeep. I'll get into that later.

**Education.** Besides income from working a job (pension, social security, 401K), all passive income requires self-education to build and maintain your income successfully. You can't just walk into a realtor's office, buy a house, and start renting it and think you will be successful.

I have been writing articles in all aspects of passive income for the last year. I will not stop writing because what is a better topic to cover besides money? I do cover relationships because that is the number one reason to lose money—bad relationships.

**Types of passive income.** Now to the fun part. I like to break passive income into five categories; you can separate yours however you deem necessary. My five pillars of passive income are retirement income, investing, real estate, business, and cryptocurrencies.

I believe everyone should dabble in all five pillars of passive income for the sake of diversity. It is also important to remember; I include a "financial mindset" pillar of passive income. You can't go far without the proper mindset.

I will now refer you to multiple books and articles I have written over the last year, covering each of the six pillars. I will only include free PDFs that I released recently. My other 180 books are locked behind Amazon exclusivity. I believe all my books should be free for everyone. However, I do want to grow my audience of readers from Amazon. Let's go!

**Financial Mindset.** A mind is a terrible thing to waste, especially when it could be making you a ton of money! We all have some form of limiting beliefs to overcome. Limiting beliefs about money can come from childhood, and we need to break them if we want to be rich.



**What Limiting Beliefs Do You Have About Money? ([Article](#))([Free PDF](#)).**

**Retirement Income.** Most of us know the significant forms of retirement income: social security, pensions, annuities, 401Ks, and Roth IRAs. However, putting everything together into a cohesive retirement plan can be an issue. Even if we are born average, we can retire above average.



Retirement Planning for the Average Person ([Article](#))([PDF](#))



Retirement Planning for the Average Person 2 ([Article](#))([Free PDF](#))

**Investing.** Out of all the sources of passive income, dividends get the most coverage and love. Why? Because dividends (or portfolio income) are the most passive of all passive incomes. However, you will need to know where to place your money if you want to fire and forget. Dividend ETFs may be a safe place to invest your money while earning dividends.

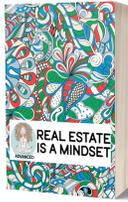


The Pros and Cons of Dividend ETFs ([Article](#))([PDF](#))

**Real Estate.** Real Estate is the best wealth generator for the average person. Using leverage, a standard person can get extraordinary returns. However, you have to know how to invest in real estate. Real Estate is a mindset first, then a business.



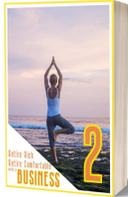
Real Estate is a Mindset (Intermediate)- ([Article](#))([PDF](#))



### Real Estate is a Mindset (Advanced)- ([Article](#))([PDF](#))

**Business.** Don't be afraid to start a business; it can be life-changing. When we think of business, we think of management, supply, and meetings. However, we can make our companies as small as we want.

There are two types of business income; royalties and automated business. Luckily, I have a massive book that covers both types of business in-depth. The book is 182 pages, so have fun!



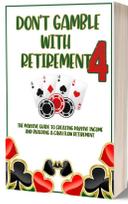
### Retire Rich, Retire Comfortable with a Business 2 ([Article](#))([PDF](#))

**Cryptocurrencies.** Most people are new to the world of cryptocurrencies, as am I. So let's learn together. There are many sources of passive income coming from crypto; you just need to know where to look. When you find what you are looking for, crypto can be magical.



### The Magic of Cryptocurrencies ([Article](#))([PDF](#))

**Don't Gamble with Retirement.** A giant book that I can giveaway is "Don't Gamble with Retirement 4." My DGWR series usually releases every 2-3 months. This book, in particular, has 100 chapters of passive income goodness.



### Don't Gamble Your Retirement Away 4 ([Article](#))([PDF](#))

**The Big Book on Passive Income.** I wrote a massive book on Passive Income titled “The Biggest Book on Passive Income Ever!” It is 312 chapters and 1,200 pages long. However, it is locked away behind Amazon. You can take a look at the web edition for free, however.



### The Biggest Book on Passive Income Ever- Web Edition

([Article](#))

**Conclusion.** Outside of loving someone and being loved, creating passive income is the best feeling out there. Waking up to fresh money is the sort of life that rich people live. You can live that life as well.

Whether you build a \$50/month income stream or a \$5,000/month stream, cash is cash. Not many people can say they created an income stream from nothing. You can be one of the few, the proud, the rich—time to get started.



## 40 We Make \$650/Month in Passive Income

Things are starting to heat up, and the money is beginning to become real. Last month, which was September 2021, my wife and I crossed a new milestone. We made \$650 in passive income this month.



[Free 57-Page PDF Download \(\\$2.99 Value\)](#)

**Why is that number so impressive to us?** First, it doesn't include money from rental income. As I wrote in "[The Magic of House Hacking](#)," rental income from renting rooms is the fastest (legal) way to build wealth.

So, I do not include income from our rental rooms (\$1,600/month) or two rental homes (\$400/month). This number only includes our dividends, cryptos, REITs, and royalties.

[Welcome to Stress Freedom](#)

**But Josh, what does this amount of money signify?** Think about it; if we do nothing, we would have \$650/month to reinvest back into our portfolio. How cool is that? We are at the point where our assets are a silent partner in our investing life.

I tried to express this process in [“The Children’s First Book on Passive Income.”](#) Our passive income becomes our friend: the more revenue, the more friends. Eventually, with enough friends, you no longer [have to work a day job.](#)

L	M	N	O	P	Q	R
Dec 2019	Nov 2019	Oct 2019	Sept 2019	Aug 2019	Jul 2019	Jun 2019
Dec 2019	Nov 2019	Oct 2019	Sept 2019	Aug 2019	Jul 2019	Jun 2019
\$1,625.00	\$1,425.00	\$1,225.00	\$1,225.00	\$1,025.00	\$850.00	\$850.00
\$2,900.00	\$2,420.51	\$1,547.74	\$1,179.09	\$760.38	\$570.42	\$250.00
\$2,627.06	\$1,578.66	\$1,004.16	\$104.40	\$0.00	\$0.00	\$0.00
\$1,706.88	\$1,550.44	\$1,143.45	\$369.83	\$0.00	\$0.00	\$0.00
\$1,831.73	\$1,379.55	\$1,003.55	\$682.21	\$451.27	\$350.62	\$100.06
\$1,843.20	\$1,420.81	\$1,211.11	\$1,003.53	\$0.00	\$0.00	\$0.00
\$420.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$163.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$38.09	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$13,156.00	\$9,774.64	\$7,135.01	\$4,564.04	\$2,236.65	\$1,771.04	\$1,200.06

**How did we get started?** We started our journey in June 2019. We were visiting our family in Turkey and pondered the idea of [living overseas passively on passive income.](#) That was two years and four months ago. We had zero passive income coming in that month.

Dec 2019	Nov 2019	Oct 2019	Sept 2019	Aug 2019	Jul 2019	Jun 2019
\$0.00	\$1.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$10.03	\$4.43	\$6.24	\$1.44	\$0.23	\$0.00	\$0.00
\$18.36	\$11.23	\$7.35	\$0.75	\$0.00	\$0.00	\$0.00
\$2.20	\$1.48	\$1.34	\$0.94	\$0.65	\$0.56	\$0.06
\$22.39	\$9.70	\$7.58	\$3.53	\$0.00	\$0.00	\$0.00
\$8.75	\$8.10	\$5.97	\$1.92	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$2.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$64.58	\$36.38	\$28.48	\$8.58	\$0.88	\$0.56	\$0.06
	\$129.44			\$10.02		\$0.06

We put our first \$1,200 into multiple accounts. I opened my first brokerage account (Wells Fargo) and high yield savings account (Discover). Towards the end of the month, we had a total passive income of \$0.06 from the interest in our Discover high yield savings account.

**We keep grinding.** The [passive income grind](#) is a lifestyle. Every single thing I write about, we follow. These lifestyle changes reflect our ability to repeal the [toxic consumerism trap](#), [pay off all of our debt](#), [building our dividend portfolios](#), and [start a business](#).

### [Become CEO of Yourself](#)

As busy as all of this sounds, we actually have more free time than ever. We know exactly where we are heading, and we are already far ahead of the game. You see, I am 40 years old, and my wife is 37. We plan to keep investing in ourselves, [our kids, our grandkids, and our assets](#).

Let's say we keep this up for the next 40 years; how much passive income do you think we will be earning by then? It's inspiring, and I wanted to share our progress to help motivate you to get started.

D	E	F	G	H	I
Sep 2021	Aug 2021	Jul 2021	Jun 2021	May 2021	Apr 2021
Sep 2021	Aug 2021	Jul 2021	Jun 2021	May 2021	Apr 2021
\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,200.00	\$1,200.00
\$2,553.00	\$4,344.00	\$4,130.00	\$4,730.00	\$4,600.00	\$5,585.00
\$16,303.00	\$16,303.00	\$15,772.00	\$15,161.00	\$14,363.00	\$14,030.00
\$7,808.00	\$7,808.00	\$5,001.00	\$4,555.00	\$5,090.00	\$121.00
\$6,823.00	\$6,695.00	\$6,568.00	\$6,349.00	\$6,130.00	\$6,030.00
\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$1,085.00
\$43,206.00	\$43,306.00	\$41,720.00	\$41,028.00	\$37,800.00	\$37,600.00
\$19,026.00	\$19,486.00	\$18,622.00	\$17,704.00	\$16,962.00	\$15,808.00
\$32,962.00	\$33,116.00	\$31,901.00	\$31,713.00	\$30,849.00	\$30,100.00
\$13,236.00	\$13,474.00	\$12,904.00	\$12,526.00	\$12,300.00	\$11,318.00
\$15,723.00	\$15,757.00	\$14,739.00	\$13,943.00	\$12,435.00	\$11,335.00
\$23,612.00	\$23,488.00	\$22,129.00	\$20,694.00	\$18,232.00	\$16,415.00
\$2,100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$185,202.00	\$185,627.00	\$175,336.00	\$170,253.00	\$160,811.00	\$150,627.00

**Our numbers today.** We just looked at our numbers from two years ago, so let's look at our numbers today. September 2021 was a brutal month for crypto and stocks, so our numbers stayed flat. No big deal because we are in it for the long term.

	Sep 2021	Aug 2021	Jul 2021	Jun 2021	May 2021	Apr 2021
	\$10.00	\$10.00	\$6.00	\$6.00	\$6.00	\$6.00
	\$5.00	\$15.00	\$5.00	\$5.00	\$15.00	\$11.00
	\$30.00	\$30.00	\$18.00	\$6.00	\$5.00	\$0.00
	\$0.00	\$0.00	\$54.00	\$0.00	\$0.00	\$49.84
	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$7.00
	\$35.00	\$42.00	\$57.00	\$71.00	\$41.00	\$0.00
	\$3.00	\$3.00	\$7.00	\$10.00	\$5.00	\$0.00
	\$0.00	\$0.00	\$0.08	\$0.00	\$0.00	\$0.00
	\$158.00	\$90.00	\$90.00	\$80.00	\$70.00	\$65.00
	\$70.00	\$60.00	\$75.00	\$59.00	\$45.00	\$25.00
	\$138.00	\$122.00	\$122.00	\$130.00	\$110.00	\$110.00
	\$42.00	\$38.00	\$33.00	\$38.00	\$30.00	\$30.00
	\$41.00	\$30.00	\$35.00	\$34.00	\$20.00	\$20.00
	\$105.00	\$94.00	\$81.00	\$67.00	\$70.00	\$40.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$643.00	\$540.00	\$589.00	\$512.00	\$423.00	\$363.00
		\$1,772.00			\$1,298.00	

On the passive income front, you can see how the numbers turned out—cryptocurrencies \$30, royalties from books \$35, my wife’s dividends \$135, and my total \$396. That is a crazy amount of income for still working our day jobs and having an additional rental income.

### [Young Brilliant Entrepreneurs](#)

**What can we do with this money?** Anything the HELL we want! That’s the magic of passive income; it’s ours to spend—without guilt. We will reinvest most, but we did go to sushi a few more times than average.

It is so exciting to see your well-laid-out plans coming to fruition. We still have a lot of work to do—we have to temper our excitement. I remember when we first hit \$100 in passive income. Things start to move fast as the power of compounding takes effect.

How can you get started? If you are interested in building passive income, I recommend the article and free book [“What is Passive Income? \(free pdf\)”](#) That will be your guide to how the concept of passive income works.

In short, you perform a lot of work upfront, with the intent of building, buying, or creating an asset. That asset then performs the work of making you money. That’s [how the rich buy their things](#)—with money from investments.

### [My 60-Day Pre-Retirement](#)

Once you understand the concept, you will need to focus on one source first. It is tough to multitask, so start with whatever you’re passionate about in the mornings. Most people love the idea of living on dividends.

You can also [start a business](#), [create royalties](#), or [invest in cryptocurrencies](#). Don't forget about [rental income](#)—the most accessible stream to begin via renting rooms.

**Conclusion.** I want to take the journey with you. My wife and I are laser-focused on achieving our passive income goals. It is a slow process, but it is not dull by any means. Hitting your first \$10, \$100, and \$1,000 will be monumental moments.

If you are on the cusp of getting into passive income, look into buying some [blue-chip dividend-paying stocks](#). Once you get a few dividends, that feeling will hook you on the process. From there, the world is your oyster.

Follow me on [my Twitter](#) and [Facebook Page](#) for more free books and content. I not only like to give guidance, experience but also ideas. If we can keep our brains fresh with ideas and content, we can maintain new income coming our way! Enjoy and Happy Investing.



### **41 From \$28/mo to \$700/mo in Passive Income in 2 Years**

What a difference a year makes. How about two years? We started our journey on the path to financial independence in June 2019, roughly 27 months ago. In October 2021, my wife and I reached \$700 from various passive income sources. This is an incredible number, especially since it doesn't include the rental income from our three properties (\$2,000/mo).



## [Income For All Seasons](#)

Today, I wanted to share our journey and show how I use the words I write. [Wealth is a mindset](#) and one that requires daily concentration. With enough focus, it becomes fun to add more and more passive income to your collection.

Investment Portfolio	Oct 2019	Passive Income	Oct 2019
Bonds	\$1,225.00	Bond Interest	\$0.00
Stocks/Cash	\$1,547.74	Stock Dividends	\$6.24
ETFs	\$1,004.16	ETF Dividends	\$7.35
Mutual Funds	\$1,143.45	Savings Interest/cash	\$1.34
Savings	\$1,003.55	Real Estate Dividends	\$7.58
Real Estate	\$1,211.11	Mutual Fund Dividends	\$5.97
Kristina Investments	\$0.00	Lending Club Interests	\$0.00
Lending Club	\$0.00	Schwab Dividends (Avg)	\$0.00
M1 Finance	\$0.00	Stash Dividends (Avg)	\$0.00
Schwab	\$0.00	Cash App Dividends (Avg)	\$0.00
Stash	\$0.00	M1 Finance Dividends (Avg)	\$0.00
Cash App	\$0.00	Kristina Passive	\$0.00
<b>Total</b>	<b>\$7,135.01</b>	<b>Total</b>	<b>\$28.48</b>
		<b>Quarterly Total</b>	

Let's first take a look at where we were in October 2019. During this timeframe, we were still working our way out of debt. In the article "[From -\\$77,000 to +\\$150,000 in 22 months.](#)" I wrote about that journey.

At this point, the only brokerage account I had was my WellFargo account, which I stuffed with \$5,000. Our total passive income was \$28, all from stocks, bonds, and a few dollars from [Fundrise REIT](#).

Don't get me wrong; we were ecstatic to be sitting with \$7,100 in the bank and \$28 in passive income. We were totally new to words like passive income, dividends, and interest. I hadn't even considered royalties, automated business, and cryptocurrencies. [Learning is part of the fun](#) of starting your passive income journey.

Investment Portfolio	Oct 2021	Passive Income	Oct 2021
Checkings	\$1,000.00	Savings Interest/cash	\$10.00
Savings	\$2,753.00	Bond Interest	\$5.00
Bonds	\$16,403.00	Cryptocurrency	\$30.00
CryptoCurrency	\$7,808.00	Real Estate Dividends	\$71.36
Real Estate	\$7,251.00	Lending Club Interest	\$6.00
Lending Club	\$850.00	Kindle Royalties	\$63.00
Kristina Investments	\$45,022.00	MFI Website	\$1.00
M1 Finance	\$19,854.00	Affiliate Marketing	\$0.00
Wells	\$33,740.00	Kristina Passive	\$120.00
Schwab	\$13,864.00	M1 Finance Dividends	\$83.12
Stash	\$16,763.00	Wells Dividends	\$129.00
Cash App	\$25,061.00	Schwab Dividends	\$37.00
High Yielders 8	\$4,391.00	Stash Dividends	\$35.00
Total	\$194,760.00	Cash App Dividends	\$82.00
		High Yielders Dividends	\$8.00
		Total	\$680.00

Fast forward two years and things are looking better than ever. We are sitting on \$194,000 in our various accounts and \$680 in passive income. I want to do a quick rundown of our passive income sources and attach articles that I have written about each.

- 1) **High Yield Savings account:** I use this account to keep a few dollars for market fluctuations. I have another savings account that I keep on the side for emergencies.
- 2) **Bonds:** Bonds are a great way to keep money on the sidelines while also getting a 3-5% return [using high yield junk bonds](#). I also have US treasuries.
- 3) **Cryptocurrencies:** I invest in my cryptocurrencies via the Voyager app. [I invest for the interest](#), as I currently have six coins collecting interest every month. Those coins include Bitcoin, Chainlink, Voyager token, Polkadot, USDC, and Cardano.
- 4) **Real Estate Dividends:** These dividends come quarterly from Fundrise REIT. Fundrise is a [real estate investment trust](#) that does not trade on the stock market. I specifically enrolled in the income portfolio, where I receive more dividends and fewer capital gains.
- 5) **Kindle Royalties:** My Kindle Royalties don't have a dollar amount because they are free to create. That is the [magic of royalties](#); you can make passive income from thin air. I have been releasing books for ten months.
- 6) **Kris Investments:** I am proud of my wife. She has amassed \$45,000 in investments and \$120/month in dividends. Very impressive!
- 7) **Cash App Dividends:** I started the [Cash App challenge](#) 62 weeks ago and continue documenting my journey via [Pinterest \(here\)](#).
- 8) **Stash Dividends:** I consider Stash my [proper dividend growth investing portfolio](#). I have all DGI stocks, an index fund, and a couple of [dividend ETFs](#). I invest into each stock every week, an actual dollar-cost-averaging scenario. If you want to read more about my DGI accounts, let me know.

- 9) **High Yielders 8:** I just created this account on M1 Finance. This is [my income investing portfolio](#), and it consists of 10 high-yield products with a goal of an 8% dividend yield. If you want to read more about my income portfolio, let me know.

**Living with passive income.** Seeing passive income is great, but what is it like to live with passive income? I'll tell you; life is fantastic. It's like you have another person working alongside you, contributing to your bottom line.

Yes, I reinvest most dividends and royalties, but it is still great to have the option to use this income if required. There is nothing like waking up to see crypto interest, dividends, and royalties in your account. People, this is life-changing stuff, but it will take a significant commitment on your part.

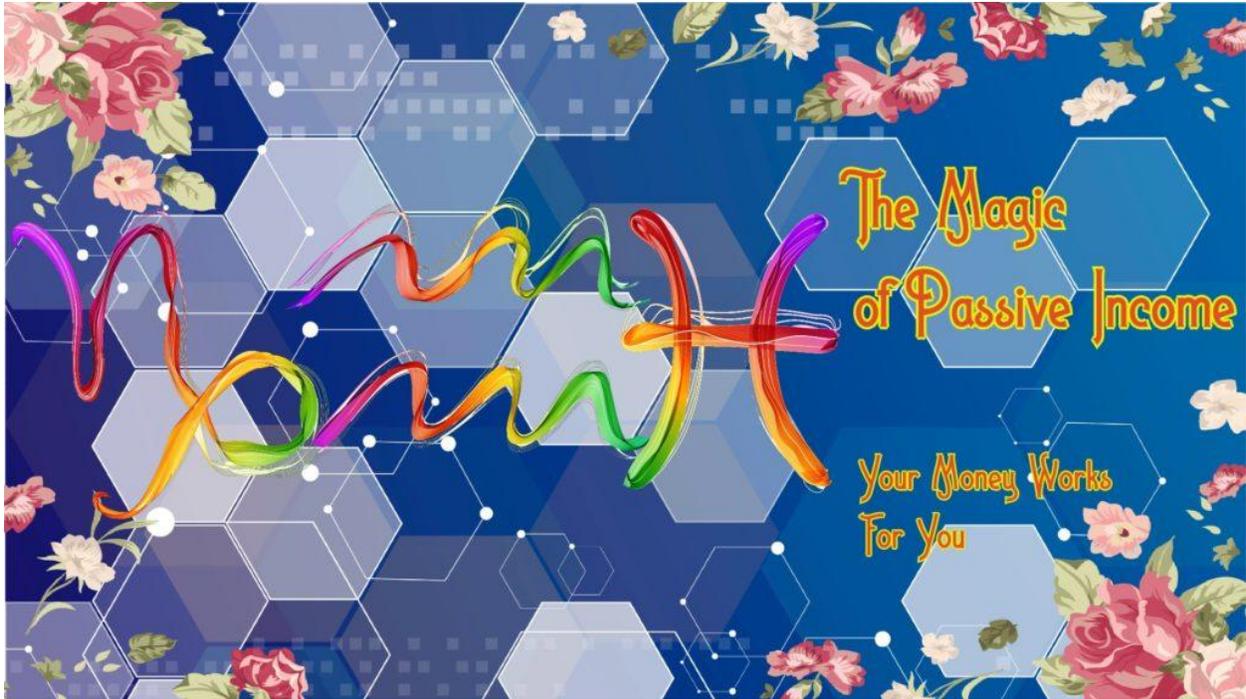
**Getting started with passive income.** You have to start by educating yourself in the ways of passive income. Luckily, I have written a book so large that I have to call it by its size. If you are indeed serious about building passive income, I recommend reading my book "[The Biggest Book on Passive Income Ever! \(Amazon\)](#)."

Suppose you don't have the cash to fork out for this massive book, no worries. I have [the Web Edition \(Amazon\)](#) that links every chapter in my book to the corresponding webpage on my site. I also have [the Art Edition \(Amazon\)](#) that relates to every web page and includes the artwork I create every day.

Finally, I have a **massive 696-Page free book** called "[Don't Gamble with Retirement 3 + 4](#)." If you don't know anything about passive income, this book may be somewhat more advanced than you are ready to handle. But, if you are feeling bold, go ahead and grab [the free download here](#).

**Conclusion.** Where does your passive income stand today? In a year, when I write about my passive income in October 2022, where do you want your income to sit? There is no better time than now to learn and build passive income.

Building passive income has been life-changing for my wife and me. We have grown closer together as we unify our vision of the future—that's [the magic of marriage](#). In the end, only you can start your passive income journey? Are you ready? Please follow me on [Twitter](#) and [my Facebook Page](#) for more investing knowledge. Enjoy and Happy Investing.



## 42 The Magic of Passive Income: Your Money Works for You

We all should dream of someday being financially free from the confines of the workplace. We may dream of a beach, island, or lake—no matter, it's definitely not an office cubicle. But how do we get there?

Is saving our money in a 401k going to get us to a lifetime of financial freedom? How about a savings account and social security—will they work out for us? The answer to these questions is **MAYBE**.



### [The Magic of Passive Income](#)

However, we want to build a definitive answer. We want to ensure our futures are brighter than the morning sun. And the only way I know how is through building streams of passive income.

Passive income is your money working for you when you are not working. The best part of passive income is that we can build as much as we need. Through the process of learning, we can decide how much passive income we need to create. And then we begin.

If we need more income from our dividend portfolio, we can add [high-yield products](#) like [closed-end funds](#) to the mix. If we want more growth stocks for our children, we can add in young blue-chip companies.

If we need more income from rent, we can purchase more property. We can use [creative financing](#) to acquire more projects or storage units. Or we can add [tiny homes](#) or mobile homes to our existing properties.

If we need more business income, either royalties or automation, we can create more streams by maximizing advertising or marketing. We can also use our land to start a small business to increase our bottom line.

What is the main difference between passive income and 401Ks? Options. Passive Income will give you a massive variety of options and customizability to ensure you not only reach your goals but also can aim for even more.

Why settle for a fixed income when you can have as much income as you want or need? There is only one caveat, though? You will need to learn, and you will need to act.

These are the two hardest verbs for most people to do—to learn and to act. We are told once we have our college degrees, the money will flow to us. We will be the hotshot that all businesses want. You will be guaranteed to be a high-earner.

But this is not the truth. Yes, you will most likely make more money than a high school graduate, but you will need to sacrifice something to make huge money. Most high-earners (let's say over \$200,000/year) have some sort of sacrifice they have to deal with.

Mainly it involves time. However, it can also affect stress at work or lifestyle stress. Making a high income is impressive, but how long can you deal with this type of stress. Would you want to do it for 40+ years?

How do we transition from a high-income (or low-income) job to white sand beaches? Passive income is the answer because your money will be working for you.

While on the beach, [your dividends](#) will be compounding and paying you a return on your investments. You can get paid in cold-hard cash or decide to reinest. Or you can take what you need and reinvest the difference. You have options.

While on the beach, [your rental income](#) will be getting paid and increasing in value. Also, your home prices will be increasing as well. Even though we will not sell our homes, we can tap into our home equity to buy even more houses or make other investments.

While on the beach, [your royalties](#) will continue to find people who love your work. Since you took the time to ship creative work, all you have to do is enjoy the passive cash flow. When you are ready, you can create more work for an even more significant return.

The only decision you will need to make is if you are ready to embrace passive income. We are not taught to think in this manner. We are taught to work for money. That is how we earn our actual income by exchanging time for money.

To break this cycle, we will need to learn about the stock market, real estate, and business. Nothing is complicated about learning, but we will need to make a leap of faith at some point. We will have to put all that we learned into action.

Whether that is by doing a cash-out refinance and investing the payout or by renting out your master suite, we will have to act. Analysis Paralysis usually sets in around this time. Don't let yourself talk you out of doing something great.

Nothing is quite like going through the month and receiving [300+ tiny paychecks](#). This is how the rich get rich and stay wealthy. You have to decide who you want to be. Passive income is the art of challenging yourself and winning. Only you can prevent yourself from creating multiple income streams.

Good Luck on your journey, and when you are ready, go ahead and find a way to get started. I have plenty of books to help you build the correct mindset to envision a world of money. Read first, act second, and you can have everything you want.



## 43 Active Service, Passive Income

I think most of us joined the military for action and adventure. We heard that we could travel to all sorts of remote countries and exciting locales. And, after 22 years, I can say that I have traveled to my hearts' content. But, how many of us joined for the chance to be a [Passive Income Hero](#)?

Yes, the military is a great place to build out unique passive income streams, not just from the retirement pension. I say this not because the military is easy and you have tons of free time. No, I say this because the military is straightforward.



[Free PDF Download- Active Service, Passive Income](#)

**Josh, what do you mean by the word straight-forward?** I mean, in 22 years, I was never guessing what to do next in the military. I mean, I knew what to do to get promoted to the next rank. I mean that everything I ever needed was on the base that I was stationed at.

Comparing the military world to that of a civilian identifies unique benefits in each. Of course, as a civilian, you have freedom of movement and choice. But as a service member, you have many guarantees that civilians would love to have.

Servicemembers have things like a steady paycheck, accessible healthcare for themselves, cheap healthcare for their families, dental, free gym, free pool, meal allowance or chow hall access, tuition assistance, tax-free housing allowance, tax-free shopping on base, etc.

There is actually too much to list. Needless to say, we have a great life at the cost of time away from our family and putting our lives in danger. We, as servicemembers, need to start appreciating these advantages more often.

One of the main things that civilians lack over servicemembers is a clear line of career progression. This is probably the main advantage of being in the military. Every service member has at least an opportunity to start as a Private (E-1) and make it to the rank of General (O-10). It is improbable, but I have met multiple one and two-star Generals (O-7, O-8) that were prior enlisted.

Civilians rarely have the option to move up into upper management or become CEO of a company. If my son started working at Apple, there would be no path for him to become CEO.

Civilians, especially in today's society, have to move from job to job to access promotions and pay raises. Loyalty is no longer appreciated in the civilian world. If you stay in the same position, you will receive the same pay. That's how it works.

This means that civilians are never really settled into their lives. They are constantly looking for the next big break. They are always seeking new qualifications, education, and certifications to leg up on the next position.

For us military types, this means that we have a chance to build great income streams outside of the military because we have **time to focus**. When we move locations, we keep the same job attributes that we made over the years.

I have watched my wife's civilian career alongside my military career. Every time we move, she has to start again. I move, but my rank and status carry over, same job, different day. This ability to move in a straight line can be what we need to build multiple income streams.

You see, there has never been a better time to earn income streams over the internet. Using our time to focus, we need to start creating content at the earliest possible age. Daily military life alone gives us a ton of content just ripe for creation.

We can create things like YouTube videos, FaceBook groups, Instagram, books, blogs, music, design, physical exercise, healthy lifestyle, dieting, running, etc. On top of our interesting careers in aviation, combat jobs, and information technology, we do so much on a routine basis.

Most young people in the civilian world do not have the "freedom" of those in the military. Yes, the servicemember has more "restrictions," but those allow them to have access to food, meals, room and board, and a steady paycheck. The servicemember is always taken care of, without question. The civilian has to fight to keep his apartment, food, and compensation—this can be stressful.

So as young servicemembers, start thinking long term. Begin to read books and learn the ways of passive income. This income can supplement your lifestyle throughout your military career and afterward as well.

If you decide to [finish 20 years in the military](#), with additional streams of passive income, you should easily be able to stop working a job at the ripe age of 38. Yep, that's right; you can use the [military as your wealth generator](#) and the [military pension](#) as your income base.

From there, over your 20 years, you just need to stack on some real estate ventures, dividends, cryptocurrencies, and royalties, and you can have a fantastic life. I started late, at age 38, after 20 years in the military.

Now, at 22 years and going strong, I have three houses, a large-ish dividend portfolio (\$170,000), and a growing base of book royalties. If I had started five years ago, when I was at 17 years, my income streams would have been a lot more mature. But there is no use in crying over spilled milk. All I can do now is share my experiences with others.

Servicemembers, use the advantages you have of consistent and telegraphed promotions and lifestyle to build your income streams out. You will be traveling from duty station to duty station; you may as well be buying houses at each location. You can create a travel blog or YouTube channel on military life.

Whatever the case is, figure out something that you enjoy doing and keep doing it consistently. That is how you grow an audience over time; you give them content daily. We are the most disciplined people that I know, so use that to your advantage.

If you are looking for a place to start, read the articles below. Do your research, form your self-education, and you will become a Passive Income Hero. Good Luck!

**Financial Mindset:** [Become CEO of Yourself](#) (book)

**Retirement Planning:** [Retirement Planning at Any Age](#) (book)

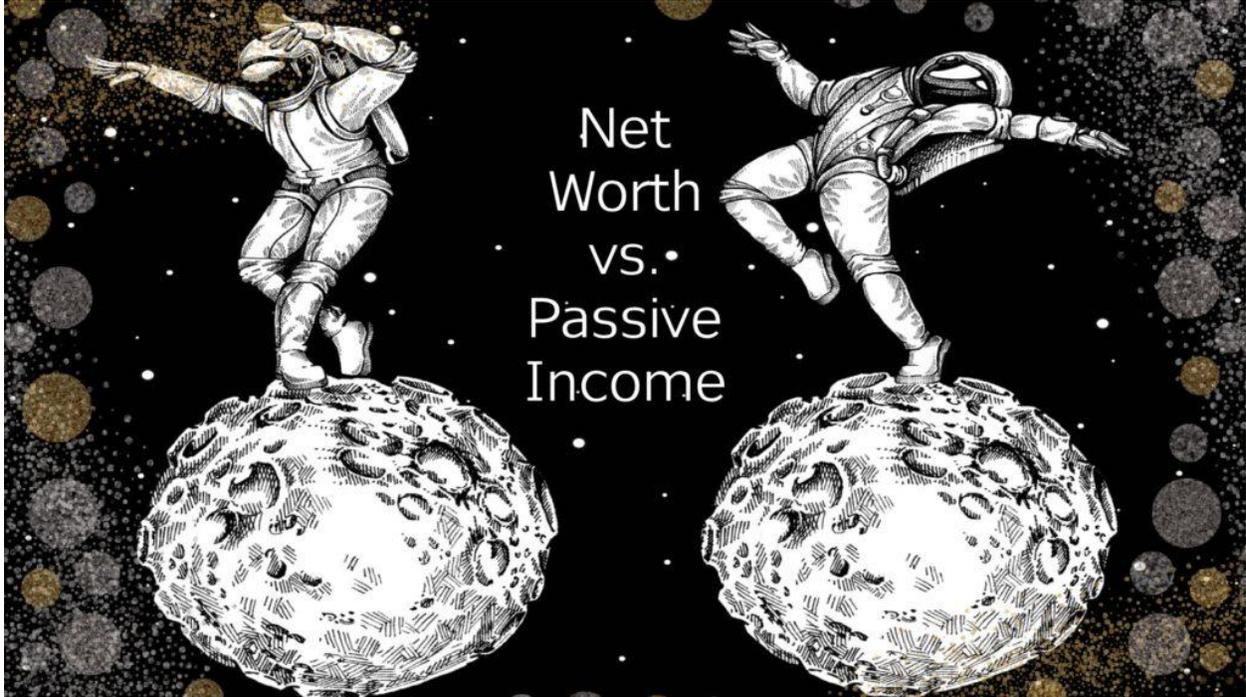
**Investing:** [How We Plan to Retire on Dividends](#) (book)

**Cryptocurrencies:** [My First Book on Cryptocurrencies](#) (book)

**Real Estate:** [Financial Independence through Real Estate](#) (book)

**Business:** [Retire Rich, Retire Comfortable with a Business](#) (book)

**Everything plus way more:** [The Biggest Book on Passive Income Ever!](#) (book)



#### 44 Net Worth vs. Passive Income

Everyone is fascinated by someone's net worth because most people use it to define wealth. Net worth is simple to determine, but it's hard to figure out its value. Saying you are worth a certain amount of money doesn't mean you are necessarily rich.



[Free 49-Page PDF Download \(\\$2.99 Value\)](#)

Net worth is a by-product of **static wealth**. Passive income is a by-product of **functional wealth**. Understanding the differences between these two numbers is vital to becoming a [bonafide investor](#). Let's dig deeper.

**Net worth.** You can determine net worth by finding the difference between your assets and liabilities. For example, say your house is valued at \$500,000 and you owe \$200,000, which means \$300,000 goes towards your net worth.

[Become CEO of Your Life](#)

You also add in all your properties, investments, and perhaps businesses. Businesses are harder to determine value, but I give a simple way later in the article. Once you have the total, we call this your net worth.

Now, does one's net worth tell them how much income their investments produce? That's where passive income and functional wealth become valuable.

**Passive income.** Passive income only concerns itself with the revenue that an investment generates. Whether your rental home is worth \$500,000 or \$200,000, all I care about is how much revenue it generates after expenses.

It is the same for a stock market investment portfolio. Someone might have \$1 million in Google (Goog) stock that doesn't pay dividends. Someone else may have \$1 million in McDonald's stock that pays them \$25,000/year. Which would we call functional wealth?

[Passive income](#) comes from many sources, and most people don't consider it wealth. That's why this article is so important; you need to start envisioning the world through the lens of passive income.

### [Mailbox Money: The Power of Dividends, Royalties, and Rents](#)

**Passive income lens.** A [military pension](#) is an excellent example of using your passive income lens. I have been in the Marines for 22 years, and many Marines have asked me to assist them with a decision to leave the Corps.

I always let the numbers do the talking. If you retire at age 38 with [twenty years of service](#), you will probably bring home \$2,500/month for the rest of your life (plus the cost of living increases). How much money would a dividend portfolio need (4% yield) to receive \$2,500/month?

You would need \$750,000 in a dividend portfolio by age 38 to match your military pension. (However, medical with a military retirement is superior to most work options.) When you see the world through the passive income lens, it becomes easier to make solid comparisons.

**Business lens.** I also like to run my business through the passive income lens. I am currently earning roughly \$110/month from [books and blogs](#). I would need \$33,000 in a dividend portfolio to achieve an equal passive income from stocks.

Remember, my [business royalties](#) cost me very little money to build, unlike trying to save and invest \$33,000. It is good to know there are ways to make money without first having money. I use passive income exclusively to determine the value of my investments.

### [Pick a Content Niche: Wealth, Health, and Relationships](#)

**The danger of net worth.** The threat of net worth is that it doesn't require much skill to acquire a high net worth. Sometimes it [is just luck](#) and fate to [buy a home](#), Pokemon card, [wine bottle](#), etc., that grows in value.

Let's say you found a Pokemon card at a garage sale for \$5, and it is worth \$500,000. You now added to your \$500,000 net worth. You can hold this card for years and never receive a penny from it—this is similar to the difference between [capital gains and dividends](#).

If the market crashes, a pandemic happens, or a Pokemon card dips in value, your net worth crashes along with the changes. When you sell the card for cash, what will you do with the profits? How will you invest in another asset to give you a return on your investment?

The biggest problem with net worth is it doesn't encourage the owner to become an investor. It is far easier to say I have \$300,000 equity in my home than learn [how to diversify](#) and [invest \\$300,000](#).

**Main street vs. Wall Street.** I hear people all the time saying, "I have \$300,000 in home equity." or I have a net worth over \$1 million. Most of the time, they tie their net worth with the value of their home.

### [Passive Income: Royalties vs. Automation](#)

Now people on main street do not know how to [invest for dividends, interest, real estate, or business](#). In "[Rich Dad, Poor Dad](#)," Robert Kiyosaki says your home is not an asset. I agree wholeheartedly.

Most investors on wall street understand that passive income is the metric that keeps life operating. I could receive \$80,000/year by investing \$1 million with an [Income Investing](#) portfolio. That's incredible.

Or, I could keep growing my book business to \$4,200/month of revenue. That would equal \$1.25 million in a [dividend growth](#) portfolio. Learning the [ways of passive income](#) is the superior metric for building a [cash flow retirement](#).

**Conclusion.** Do not let big numbers fool you; income is all that matters. You need to know how to invest a windfall of money. We have all seen people who hit the jackpot with [real estate in California](#) because the military stationed them there.

They have a cash pile and don't know how to invest further. As we can see with crypto and real estate, it is hard to get "lucky" twice in the same market and timeframe. You will need to understand investing.

If I had to say it bluntly, net worth is a metric used by beginners, and advanced investors use passive income. Determine which you are and adjust accordingly. I only look for my net worth to

see how much [equity I can extract](#) from my homes and reinvest in other assets. They call this transfer between assets the [velocity of money](#).



## 45 How to Create Passive Income 101: For Beginners

Are you new to the world of passive income? I'm sure you have heard all the talk about how cool it is to have passive income flowing while you sleep. You probably haven't heard how difficult it is to start building streams of passive income, right?



[Free 42-Page PDF Download \(\\$2.99 Value\)](#)

When I say difficult, I don't mean complex. I mean to say that you need to understand the art of passive income before building steady streams of revenue. Nothing in this world comes for free, let alone money. So you need to become wise before you can expect to see those pennies flowing into your accounts.

Luckily, I have already written an article and book about the topic called "[What is Passive Income \(pdf\)](#)." So, you can take the time to download that book for free and get some background information on becoming rich.

## [Retirement Planning in Your 40s](#)

**Let's get to work.** That leaves the rest of this article to focus on actually getting started with passive income streams for beginners. As a beginner, I assume you haven't read many books on the topic of passive income. So, I will refer to some books that I have read and that I have written.

Then we can start getting some of that sweet money flowing into our accounts. As a beginner, you don't want to over-expose your investments with risk. We will focus on creating safe income streams. Once you feel more comfortable in the following chapters, you can take more risks for greater rewards. Let's begin.

**Investing basics.** The best way to get started with passive income is by investing in dividends. Building a dividend portfolio is a great way to learn how passive income works. You see, all passive income uses the [power of compounding](#) to create massive gains over time.

I highly recommend you read the book "[The Compound Effect](#)" before you start your journey. Not only does your money compound, but so does your knowledge and intelligence. The more you read and learn, the more your life grows in abundance.

Anyways, back to dividend investing. Before you drop a penny into a dividend account, read the book "[The Intelligent Investor](#)" by Benjamin Graham. It is the best investing book of all time, and it will teach you how to be patient in the stock market.

## [Can You Achieve Work-Life Balance 2](#)

Now, there are many ways to invest in the stock market. Most people [invest for capital gains](#), and most people are not successful at that game. You want to do the opposite; you want to invest for income.

Beginners should start with [dividend growth investing](#) portfolio. A DGI portfolio consists of blue-chip dividend-paying stocks like McDonald's, Starbucks, Procter & Gamble, Wal-mart, and Target. Investing in these stocks over time unlocks the power of income and growth. It is tough to lose money when you consistently dollar-cost-average into these proven blue-chip stocks over time.

You will want to [choose the platform](#) that is right for you. I highly recommend STASH as the DGI platform of choice. You can invest as little as \$1/week into each of the DGI stocks of your choosing. Every week I invest \$2/week into each of 20 DGI stocks, including the ones listed above. My STASH account now sits at \$17,000 in just shy of two years. The monthly income from my STASH dividend growth portfolio is roughly \$40/month.

## [Retire Early as a Well-Rounded Millionaire](#)

**Real Estate.** It may be hard to obtain the income to buy a rental property or personal residence as a beginner. Hopefully, you are saving up for these in the background. The best way to get started in the real estate game early on is [through Fundrise](#).

Fundrise is a [real estate investment trust](#) that does not trade on the stock market. The REITs that trade on the stock market all have their quirks, and those are for intermediate investors.

Setting up Fundrise is like starting a bank account—it's effortless. I have \$7,300 in my Fundrise account, and they just paid me a quarterly dividend of \$71. Not too shabby for taking a little risk. The money in your Fundrise account isn't as liquid as on the stock market, so it may take 2-4 months to get your money back from the company. Don't put in anything that you will need in the next 2-3 years (yes, years).

**Cryptocurrencies.** As a young investor, it is easy to get caught up in the [hype of cryptocurrencies](#). However, do not fall for these shenanigans. The first thing you want to do is get the book "[How to DeFi -Beginners](#)." This book will teach you all the buzzwords you need to understand before you go deeper into the world of crypto.

### [Over-Budgeting 2: Low Expenses, High Income](#)

Now, you only want to invest in centralized exchanges, including Coinbase and Voyager. I use [Voyager](#) (affiliate link) as it has been very good to me. Next, you have to pick your coins, and Voyager makes it easy.



Just pick the coins that Voyager pays interest on monthly. You can't go wrong with Bitcoin, Ethereum, Voyager Token (VGX), and USDC. Don't overthink it and start hunting for unproven coins. [Invest for the interest](#) and enjoy the capital gains as they come.

**Retirement Planning.** Finally, you want to start your [Roth IRA](#) and start investing in index funds. Yes, index funds, such as my [favorite Vanguard Total Stock Market \(VTI\)](#), are very boring.

However, once you turn 60, you will have an extensive portfolio of tax-free money you can convert to whatever you want.

### [How to Start Dividend Investing 104: Choosing Your Stocks](#)

So, in the meantime, you can invest a set amount into your Roth IRA. You can set up a Roth IRA on STASH and put it to invest weekly or monthly. Yes, you will lock your money away for years, but in the end, you'll be a tax-free millionaire.

**Putting it all together.** Okay, so how does your passive income pile look so far. Well, if you were [starting with \\$5,000](#), this is how I would arrange everything.

- 1) \$2,000 to DGI portfolio with these stocks (\$400 each to McDonald's, Altira, Verizon, AGNC, and Prudential).
- 2) \$1,000 to Fundrise into the income portfolio that focuses on dividend income.
- 3) \$1,000 to Cryptocurrencies into these coins (\$250 each to USDC, Polkadot, Bitcoin, VGX)
- 4) \$1,000 to Roth IRA with all money going in VTI

It is a great starting point, but you won't see much passive income in the beginning. To earn interest on your crypto, you'll need to reach a certain monthly held amount on each coin. So, create a plan to achieve that with each currency.

**Continue your plan.** Now, since you have started, you have to continue to dollar-cost-average into each of your positions. If you can allocate \$500/month total across all of your accounts, that would lead to excellent results.

### [Happy Cash Flow Retirement 2](#)

The overall goal should be to create more income that you can invest into more assets. But I'll save that for another day. This income is as passive as income can get; however, you won't get the highest returns.

To receive the highest returns, you'll need to [become an insider](#) on the income stream. That means owning real estate or a business where you control the outcome of the income. That is just something more profound for you to store in your brain for later.

**Conclusion.** Passive income does require a lot of work upfront to learn its intricacies. You can't just start an investing account and pray everything works out for you. You need to understand the companies and the investing cycle before you make a purchase. It's the same with cryptocurrencies and Fundrise.

### [The 8-Hour Mindset Destroys Wealth](#)

Hopefully, this article gets your mind thinking about the various ways to build passive income. There are almost limitless ways to earn income; you'll just need to learn how to envision them. Be on the lookout for part two in the series.

Please join my [Facebook Group](#) if you want the latest articles and free books delivered to your news feed. Also, you can contact me inside the group and ask questions. I also have a [Facebook Page](#) where you can see my latest articles.



## 46 How to Create Passive Income 102: For Intermediates

Today, we are going to get into some more advanced topics concerning passive income. If you haven't read "[How to Create Passive Income 101: For Beginners.](#)" please do so before reading further. I am jumping right into the fire.



[Free 48-Page PDF Download \(\\$2.99 Value\)](#)

**Intermediate Investing.** Last time we talked about building a dividend growth portfolio. I love DGI portfolios, but today we want immediate income. We want to buy high-yield products that pay most of their profits in the form of dividends. We want to build [an income portfolio](#).

There are many differences between a DGI and an income portfolio. Luckily, I have already written an article pitting these two against one another. "[Dividend Growth Investing vs. Income Investing](#)" should help you dive deeper into these two methods of investing.

### [Passive Income 102: Creating Passive Income for Retirement](#)

To become an income investing, you have to understand the broader investing marketplace. You'll have to understand inflation, interest rates, the Federal Funds Rate, the housing market, gold & silver, politics, and cryptocurrencies.

All of these external forces can weigh on the prices of your high-income products. For example, one of my favorite blue-chip stocks is Altria (MO). Altria produces cigarettes and other tobacco and nicotine products. Almost every week, some kind of political news comes out presuming the death of tobacco makers and the price of Altria tanks.

So, you need to read the articles and form a new investing thesis. If you still like the product, then you can buy more at a lower price. Each high-yield security has its own ups and downs and investment scenarios.

[Mortgage REITs \(mREITs\)](#), such as AGNC and Annaly Capital (NLY), trade based on the difference between short-term and long-term interest rates in the bond markets. As the yield curve flattens, their prices tend to drop. When short-term interest rates are low, and long-term rates are higher, then these mREITs perform great.

As an income investor who reads 1-2 hours of news every day, I learn these intricate details. I know if my mREITs drop in price, I am buying more to get an even higher yield. You can find some fantastic deals on the stock market, but you'll have to know what you are doing.

### [Print Your Own Money](#)

If you don't understand the difference, there is more risk with buying a [closed-end fund](#) than a blue-chip stock. I love income investing because it is more hands-on. I also love having immediate income. Luckily, I have both types of portfolios so that I can enjoy both.

Speaking of enjoyment, I just finished an article titled "[Passive Income: What Gets Rewarded Gets Remembered.](#)" As you build your income portfolio, take the time to spend some of those sweet dividends on yourself. This helps you form positive habits around the act of investing.

**Intermediate Real Estate.** A great way to get into passive income from real estate is by investing in REITs on the stocks market. Everything I wrote about income investing applies here as well.

There are many types of REITs on the stock market, and each has its various investing purposes. You have Apartment, Single Family, Mobile Home, Data Center, Casino, Prison, Cannabis, Mortgage, Equity, Office, Farmland, etc. Know what you are getting into so you can profit.

### [What is a Sales Funnel?](#)

It is also time to get into the physical world of real estate investing. The most important part of this stage is understanding that Real Estate is a Mindset ([beginner](#), [intermediate](#), [advanced](#)).

This statement means that you need to do everything in your power to reduce your housing costs. For example, if you are single, where do you live? If you are living in a single-family detached house, why?

If so, can you [add in roommates](#) so that you can become [Mortgage Positive](#)? You see, you don't need to own real estate to make passive income from this asset class. You just have to sacrifice some of your space and comfort to receive payment. **You'll have to share.**

My wife and I have three homes. We rent out both master suites for our primary residence and pay the majority of our mortgage with this income. As an intermediate investor, you'll need to understand the [concept of an infinite return](#). This may be the most powerful concept in the world of investing.

**Intermediate Cryptocurrencies.** I know you are becoming a great investor and building passive income, but I would still stay on the centralized exchanges at this point in your career.

### [Why Do I Need to Invest in the Stock Market?](#)

You already have your coins producing interest for you so that you can venture out into the world of capital gains. I would allocate 10% (or less) of my crypto budget to smaller coins on centralized exchanges like Coinbase and [Voyager](#).

I have an entire series on getting started in more advanced crypto topics called The CryptoCurrency 101 series ([101](#), [102](#), [103](#), [104](#), [105](#), [106](#), [107](#), [108](#), [109](#), [110](#)). It is still too early to dive into the world of decentralized finance (DeFi).

**Intermediate Business (Royalties).** Now, we are opening an entirely new form of passive income called royalties. [Royalties are income](#) from your creative works. We want to keep our income from royalties as simple as possible for now.

There are many ways to earn royalties, but the best are [writing books and blogs](#), [creating videos and other content](#), music, and finally [selling your creativity](#) via T-shirts, photos, and printables.

The best thing about royalties is that they are free or low-cost to create. The worst thing about royalties is that it takes time for you to build traction in any community. [Royalties are the long road](#), so you may as well get started now. Trust me; I am building my royalties as we speak.

## [Basics of Design 106: Typefaces and Colors](#)

**Intermediate Business (Automated Business).** The other form of business income comes [from automated businesses](#). An automated business means that you have removed yourself from the act of making money from the company.

You can remove yourself by automation, out-sourcing, or management. For example, if you have a lemonade stand, you can hire (out-source) someone to sit in the stand for you. Or, you can hire someone to run the entire stand for you (management) and share in the profits.

Management will cost you more; however, you will have more freedom of time to build more businesses. At this point, we don't want to create an automated business that is too big or complex.

I would recommend starting small with an [ATM or vending machine business](#), a [small rental car business](#), or a [beneficial insect harvesting business](#). These are small, and you can run them from your house. My free book "[Retire Rich, Retire Comfortable with a Business 2](#)" covers royalties and automated businesses.

## [The Magic of Passive Income](#)

Remember, it's not how much money you make from your business that is important. You can always ramp up your business to increase revenue. The important part is learning the ins and out of your business. You can keep it as passive as possible, but you can ramp up as required. Building [many income streams](#) is a great way to build financial security on your [way to financial freedom](#).

**Conclusion.** Don't get into anything you don't understand. It's a warzone out there, and many people will take your money for bad investing, crypto, real estate, and business advice. Read, read, and read some more.

You should be reading and studying for at least two hours a day. Also, you should be working on your passive income sources for another 2-3 hours a day. Yes, that's 4-5 hours of the day. It's called the [Passive Income Grind](#) for a reason.

If you want an all-in-one guide to passive income, you can read my massive book, "[The Biggest Book on Passive Income Ever! \(Amazon\)](#)" It has 312 chapters and 1,200 pages of financial mindset, retirement planning, investing, cryptocurrencies, real estate, and business. It's a great place to start. I also have read 69 books and wrote [my five takeaways](#) from each. So you can follow my path if you'd like.

Please join my [Facebook Group](#) if you want the latest articles and free books delivered to your news feed. Also, you can contact me inside the group and ask questions. I also have a [Facebook Page](#) where you can see my latest articles.



### 47 How to Create Passive Income 103: For Advanced

There is a vast world of passive income, and now we are traveling deeper into the abyss. If you haven't already, please read the first articles in the How to Create Passive Income series here ([101](#), [102](#)). Let's jump right into the mix.



[Free 41-Page PDF Download \(\\$2.99 Value\)](#)

**Advanced Investing.** Building wealth over time in the stock market doesn't take a lot of action on your part. By now, you should have a Roth IRA, a dividend growth, and an income portfolio. There is no need to tinker with your assets continuously.

However, if we want to make additional income from our stocks, we can [start selling covered calls](#) on top of our stocks. Covered calls are a [form of stock options](#) that provide insurance for the buyer.

### [How Do You Want Your Dividends Served?](#)

We will sell the insurance in the form of a covered call. The term “covered” means that we own all the underlying stocks. In a nutshell, say we own 100 shares of AT&T (T), and the price is currently \$25.

We will sell a covered call for the strike price of \$27. We collect a premium for the contract, say \$0.15 a share for a total of \$15. The option is for 30 days. If AT&T's price never reaches \$27, the contract expires worthless—but we keep the \$15. Amazing.

Covered calls are a way to receive “synthetic dividends” and make additional income over our dividend growth portfolio. In the worst case, the price of AT&T rises to \$27, and the buyer exercises our contract. We take profits and keep the premium. Not a bad worst-case scenario.

Options can be hazardous because you can buy and sell “calls and puts” without owning the underlying securities. There are ways in the options market to have unlimited risk, and you need to avoid those scenarios at all costs. A great introduction to options is the book “[The Options Playbook](#).” To dive deeper into covered calls, I recommend “[Covered Calls for Beginners](#).”

**Advanced Real Estate.** As an advanced investor, it's time to own physical real estate. One of the first things we need to do for real estate [is buying land](#). Raw land has many uses, and holding a piece of land (2-5 acres) will future-proof our investing habits. The book “[Dirt Rich](#)” goes into ways to find land where the owner owes back taxes. You can then make low offers and grab the land for cheap—once you are competent at the process.

### [How to Write 1000+ Words Every Day](#)

I believe the next great frontier in the housing market will be in affordable houses. These houses include [tiny homes](#), [mobile homes](#), and [RVs](#). Luckily, owning land will allow you to place all of these types of affordable houses on your property.

Owning land will also allow you to build multi-family homes on your property. You may not want to build [an apartment complex](#), but maybe a three-unit townhouse is more accessible. You can leverage more wealth by building small multi-family residences that you [can manage yourself](#).

Other advanced techniques include using the “[Buy. Renovate. Rent. Refinance. Repeat](#)” model, but doing it by [house hacking](#). You can live in the property for 2-3 years as you renovate it, and once complete, you can rent the home.

### [Happiness Isn't Free](#)

I would also consider other bigger-picture real estate ideas like becoming [a real estate agent](#), [a lender](#), or [a property manager](#). Going into these fields will put you closer to the action of real estate deals. The closer “inside” you are, the better the deals. The better the deals, the more profit.

**Advanced cryptocurrencies.** After learning and studying the crypto space, we can now dive into the world of Decentralized Finance or DeFi. Luckily, I have a short series called Passive Income in DeFi ([101](#), [102](#), [103](#), [104](#), [105](#)) that can get you started in this universe.

However, once you start a decentralized wallet and move into this space, all bets are off. The playing field is not level if you do not know what they are doing. Scams are prevalent in the DeFi space, so ensure you read everything. Join groups of people, but also keep your guard up.

### [Retirement Planning At Any Age](#)

You can make a lot of money in the DeFi space, but you must not get greedy. Take profits when investing in new coins, and move that cash back into your centralized account for safe-keeping. Ensure you have an excellent long-term strategy in the crypto-verse.

Creating [Non-Fungible Tokens](#) is also a great way to build a passive income if you have an audience or group who will buy your NFTs. NFTs are unique items where their individual characteristics are written to the blockchain.

The blockchain gives NFT creators the ability to prevent the reproduction of their unique items. For example, I can create a book where there is only one copy. I can write the properties of the book to the blockchain and sell the book as an NFT.

### [The Woman’s Guide to Investing](#)

Each time someone sells the book, I can receive a royalty payment. I can potentially have a long-term passive income stream just from that one NFT. Read more about NFTs in the book [“The NFT Revolution.”](#)

**Advanced Business.** Probably the most significant way to build a substantial passive income stream is by creating an automated business. There are so many businesses that you can create; it is truly amazing.

However, we do not want to create ourselves a job. We want to build a passive business. Here are [21 Passive Income Ideas](#) that can help you get started on your journey. Before starting your business journey, read my articles [“Become an Entrepreneur BEFORE You Start a Business”](#) and [“Read These 10 Books BEFORE You Buy a Home.”](#)

### [What is Affiliate Marketing?](#)

Once you understand that an entrepreneur only makes money by adding value, you are well on your way to building a passive business. Don't get me wrong; your business won't be passive from the start. It'll take time to learn the ropes.

Once everything is running smoothly, like [having advertising](#), [a sales funnel](#), and customers, you can automate the process. You can automate things like [running Facebook Ads](#), a Facebook group or sending emails.

Have your passive income goal set before you start your business. I set the goal of \$1,000/month in passive income from my books. That way, I know where I am heading from the start and when I can [slow my roll](#).

For example, if you start a food truck, you will learn about the business. Once you are profitable, you can hire a manager to run your first truck. You may only take home 10% of the profits, but now you are free to pursue other sources of passive income.

### [Create a Never-Ending Stream of Content 2](#)

You can buy and start three to four more food trucks; you can also franchise your food truck and sell the licenses. You can create a YouTube channel or blog about the food truck or franchising business. There are limitless ways to build passive income from a business, but you need to become savvy in the ways of entrepreneurship.

**Conclusion.** I expect all advanced passive income seekers to spend 4-5 hours a day reading and building income streams. That is actually on the low side of the expected hours. It takes [10,000 hours to build an income stream](#), which equals five hours a day for five years. So, yes, it takes time.

Are you ready to have multiple different passive income streams? One person can have

1. DGI portfolio
2. income portfolio
3. sell covered calls
4. interest from cryptocurrencies
5. passive income from DeFi
6. book royalties
7. YouTube Royalties
8. sell T-Shirts online
9. passive Airbnb business
10. two rental properties.

That is the [magic of passive income](#); you will have the time to pursue as much income as you want and need. Take the time to learn as much as possible about passive income, and you will never worry about money again. Good Luck!

Please join my [Facebook Group](#) if you want the latest articles and free books delivered to your news feed. Also, you can contact me inside the group and ask questions. I also have a [Facebook Page](#) where you can see my latest articles.



## **48 How to Create Passive Income 104: For The Average Person**

Passive Income is a word that most average people are not familiar with in America and other countries. It's not our fault because our parents taught us to "work for money." Indeed, our parents, education system, and society taught us how to become great employees.



### **[Passive Income for the Average Person](#)**

The problem with being a good employee is we start to believe the only money we can earn is through our employment. We strive to obtain promotions at any cost, sometimes at the expense of family.

Yes, most of us will need to work a job throughout our lives—there is nothing wrong with working. However, it's the [mindset of an employee](#) that will ultimately drag down our lives and our income.

Passive income is the answer to our financial woes. We can build additional income streams that supplement or overtake our everyday jobs. Here are some of the uses for passive income.

- 1) **Purchase goodies.** You can build a small dividend portfolio to pay for your monthly coffee and energy drinks.
- 2) **Supplement income.** Your cryptocurrency interest can pay for your dinners when you eat out with family.
- 3) **Pay expenses.** A small passive business can cover the monthly costs to run your household.
- 4) **Beat inflation.** Building an income portfolio can help you beat the 5% inflation we expect over the next few years.
- 5) **Invest for your children.** Once you build your dividend growth portfolio, you can leave the entire income stream to your children.
- 6) **Fund your lifestyle.** Ultimately your various passive income streams can pay for your entire lifestyle.
- 7) **Retire early.** If you understand passive income early, you can build a diverse retirement income portfolio, dividends, crypto, real estate, royalties, and automated businesses that can set you free.

I spent the last week taking a deep dive into the world of passive income. The result is the How to Create Passive Income Series ([Beginners](#), [Intermediates](#), [Advanced](#)). Each article will teach you how to start “thinking” about your income streams.

That's right; there is no one size fits all passive income stream for everyone. Everyone has different risk tolerances, available time, family requirements, talents, etc. Your income streams will be vastly different from your twin brother or sister (example).

Once you understand the words passive income, it is time to start reading about the income sources you are interested in building. [Reading is the key](#) to success in passive income and life in general.

**Getting started as an average person.** The average person doesn't view their free time as the time to make money. Instead of [falling into investing](#), they are watching Netflix and playing video games.

The first step is understanding that your free time is valuable in building wealth. There is a quote that goes something like this, “You want to see the difference between the rich and the poor, look at how they spend their free time.”

The [eight-hour mindset destroys wealth creation](#). We believe that working our little 9-5 jobs will set us free, but it makes our financial situation worse. We feel secure that we will always have a job, and then we begin to spend money that we haven't earned yet. That toxic spending [is called debt](#).

For some reason, we do not live below our means. We want to have [nice cars and homes](#), all funded by our 9-5 jobs. [The more we spend, the more we work](#). It is a vicious cycle that consumes 95% of Americans.

**Becoming different.** The shift in mindset from [earned income to passive income](#) is akin to the change from [employee to entrepreneur](#). It is tough to shift the perspective to that of an entrepreneur, where you are entirely responsible for your income and lifestyle.

Most people can't make the shift, and as a 22-year veteran of the military, it was hard for me as well. They don't teach us free-thinking in the military, so it was exciting to move into a world where I was entirely responsible for building an income.

Here are a few books that helped me form the correct mindset for passive income. Keep in mind that each income stream (dividends, real estate, royalties, business) has its own books to read as well. However, forming an overarching view of passive income is more critical than individual streams.

- 1) ["Passive Income Aggressive Retirement"](#)
- 2) ["The Passive Income Myth"](#)
- 3) ["How to Make a Living with Your Writing"](#)
- 4) ["The Millionaire Fastlane"](#)
- 5) ["Unfair Advantage"](#)
- 6) ["Creating Income Streams"](#)
- 7) ["The Compound Effect"](#)
- 8) ["Limitless"](#)
- 9) ["Smart Couples Finish Rich"](#)
- 10) ["Effortless Money"](#)
- 11) ["I Will Teach You to be Rich"](#)
- 12) ["Rich Dad's Guide to Investing"](#)

**Forming good money habits.** You can't become wealthy if you don't value your money. Notice I didn't say "love your money." **The love of money is the root of all evil.** When I say value your money, I mean appreciate every dollar that comes to you.

You don't have to hold every dollar tightly, but each dollar needs to serve a purpose. Each dollar [should pay expenses](#) (that you should be keeping low), [spend time with family](#) (family time), or [invest into assets](#) (business, crypto, real estate, dividends).

The more you read, appreciate money, love your family, and learn about passive income, the more your income will grow. I have read 70 books in the last 14 months. At the same time, we paid all debt, and our investment account went from \$44,000 to \$200,000. Coincidence?



I have tons of resources available to assist you on your journey. Remember, [I write 1,000 words](#) every day, so I have written 660+ articles over the last year.

If you are on [Kindle Unlimited](#), I have many books to get you started with dividends, real estate, business, cryptocurrencies, and mindset. Here are some of my resources available on Kindle Unlimited:

- 1) **Financial Mindset:** [Become CEO of Yourself \(Amazon\)](#)
- 2) **Retirement Planning:** [Retirement Planning at Any Age \(Amazon\)](#)
- 3) **Investing:** [How We Plan to Retire on Dividends \(Amazon\)](#)
- 4) **Cryptocurrencies:** [My First Book on Cryptocurrencies \(Amazon\)](#)
- 5) **Real Estate:** [Financial Independence through Real Estate \(Amazon\)](#)
- 6) **Business:** [Retire Rich, Retire Comfortable with a Business \(Amazon\)](#)

If you are not on Kindle Unlimited, don't worry, I have been building my supply of free books that I host on a website. It is essential to say that I also upload these books to Kindle under the series "[Free Investing](#)." So any book you see there, you can download on my website. Here are some free books on my website [Military Family Investing](#):

- 1) **Financial Mindset:** [What Limiting Beliefs Do You Have About Money? \(pdf\)](#)
- 2) **Retirement Planning:** [Retirement Planning for the Average Person 2 \(pdf\)](#)
- 3) **Investing:** [How We Plan to Retire on Dividends 2 \(pdf\)](#)
- 4) **Cryptocurrencies:** [The Magic of Cryptocurrencies \(pdf\)](#)
- 5) **Real Estate:** [Should You Manage Your Own Rental Properties? \(pdf\)](#)
- 6) **Business:** [Retire Rich, Retire Comfortable with a Business 2 \(pdf\)](#)

**Conclusion.** There is only one way to build passive income, sacrifice some time early on for long-term benefit. **We call this delayed gratification.** I recommend starting with books about financial mindset and building your habits.

Then proceed to individual income streams like royalties or dividends. It is time to settle in for the long haul, as building an income stream takes time and patience. But once you [hit some big numbers](#), the process will hook you.

Please join my [Facebook Group](#) if you want the latest articles and free books delivered to your news feed. Also, you can contact me inside the group and ask questions. I also have a [Facebook Page](#) where you can see my latest articles.



## 49 The Passive Income Grind

The more I write about passive income, the more I realize society does not build people to receive it. Why is that? Before the payments become passive, you need to do a lot of work to get everything set up—I call this **The Passive Income Grind**.



## [The Passive Income Grind](#)

I never thought about the grind until I got back to America a few days ago. I spent the last year in Japan, in my barracks room, grinding out books and articles. Now, as a free man, it was hard for me to stop my grind mentality.

I convinced myself that [writing articles](#), [designing covers](#), [reviewing books](#), and [building books](#) from sunrise to sunset is fun. Now, if I don't write 2-3 articles a day, I call myself lazy. My wife just laughs at me.

### [Sustainable Riches: Return to Earth. Make Green.](#)

But that dedication is what it takes to make passive income. There is no shortcut or easy road to have success building an empire. Every person's income stream is different because we [are all unique](#). Until you put the work in, you will not know your true income stream.

I just wrote an article titled "[Write Book Reviews for Passive Income](#)," where I said people should plan to read and review 100 books in the first year. That sounds crazy, but it is far from it. I have read and reviewed [59 books in 11 months](#), but I also have written 320 articles outside of those reviews. So reading and reviewing 100 books without extra pieces is more than feasible.

As soon as I wrote that, I knew that it would turn people off. But that's okay. Only 3% of the world will ever know what it feels like to be wealthy. The 3% understand what it takes to get ahead in life, the grind.

Behind every rich person, there is a grind. Now, their parents or grandparents may have performed the grind, but someone did. Someone built a business from the ground up, made investments when they barely had money or bought and kept a house through a depression. Someone did something "scary" or "risky" and reaped the benefits of that decision.

There is no cut and dry answer, perfect business, or guaranteed investment that will magically fall into your lap. I'll do a quick rundown of the obstacles my wife and I faced throughout our passive income grind.

### [Create Content for Your Home-Based Business](#)

**Real Estate.** My wife and I bought our first home in 2008, right before the Great Recession. Our house value tanked—along with our cash down payment. We kept the house through the pain, even when we received orders to South Carolina. I had to go unaccompanied because we couldn't rent or sell the house. After all, it was still underwater (we owe more than it's worth).

Today, we are making \$600/month passive income from this house. It has been a cash cow for us recently, and it has three acres of land (dirt land) that we can do whatever we want with. I have written a few articles on the topic of land uses, including "[Harvest Beneficial Insects for Passive Income](#)" and "[Start a Community Garden and U pick-It Farm](#)."

The Grind for rental income was the 13 years it took for us to get our first house in line with our rental income expectations. Today, we own three homes, and someone else pays the mortgage on all three—including [our primary residence](#). Life is good.

**Dividend portfolio.** No one ever taught me about [investing for dividends](#) and income. I stumbled upon the idea while searching the words “[Passive Income](#).” It was magical. However, when we first began our financial independence journey, [we were in debt](#). Debt is something that people with families accept.

### [Lawsuit, Inheritance, Lottery: Is This How You Plan to Get Rich?](#)

We do not know any better, and we say, “one day, we will pay everything off.” When I started investing, our first months consisted of receiving bank interest from our high-yield savings accounts. In month three, we earned one dividend from Papa John’s, and it was \$0.23.

Now, it is a little over two years into our dividend journey, and in July 2021, I received \$350 in dividends. My wife earned \$150 in dividends. And we are just getting started. We choose to use some of our dividends to do fun stuff like going to Buffalo Wild Wings or Sushi. The grind for dividends was to learn and also pay off debt.

**The Grind is Real.** The grind is real, but it is nothing to fear. Think about your first job. Did you know anything about what you were doing? I worked at McDonald’s at age 16-18, and I learned so much while working there—some examples include: customer service, making food, and closing the store.

### [Happy Cash Flow Retirement](#)

Creating an income stream is the same as starting your first job or having your first baby. You have an idea of what you will be doing, but you’ll never know until you put your head down and jump in. Your income stream will change, morph, and shift as time passes in the grind. You’ll start to get results from different things you try—it’s part of “[The Practice](#).”

When I started my blog, I thought I was just going to write “when I felt like it” and post 2-3 times a week. But after reading a few books on writing, “[On Writing Well](#)” and “The Practice,” I decided to turn it up a notch.

Then I started “[Financial Independence Magazine](#)” to bundle up all my articles into an eBook. Then I started making **article bundles** full-time. Now, 158 books into the grind, I see precisely what I need to do to achieve long-term success. There is no doubt in my mind what I need to do on a daily, weekly, monthly, or annual basis. It feels great to know what to do exactly. But it took the grind for me to discover my passive income streams; I did not start with this knowledge.

Your **Passive Income Stream** is a business, plain and simple. Whether it is room rental, home rental, dividend portfolio, bond portfolio, options trading, cryptocurrency portfolio, blog, YouTube channel, herb garden, etc., they are all businesses. View them as such.

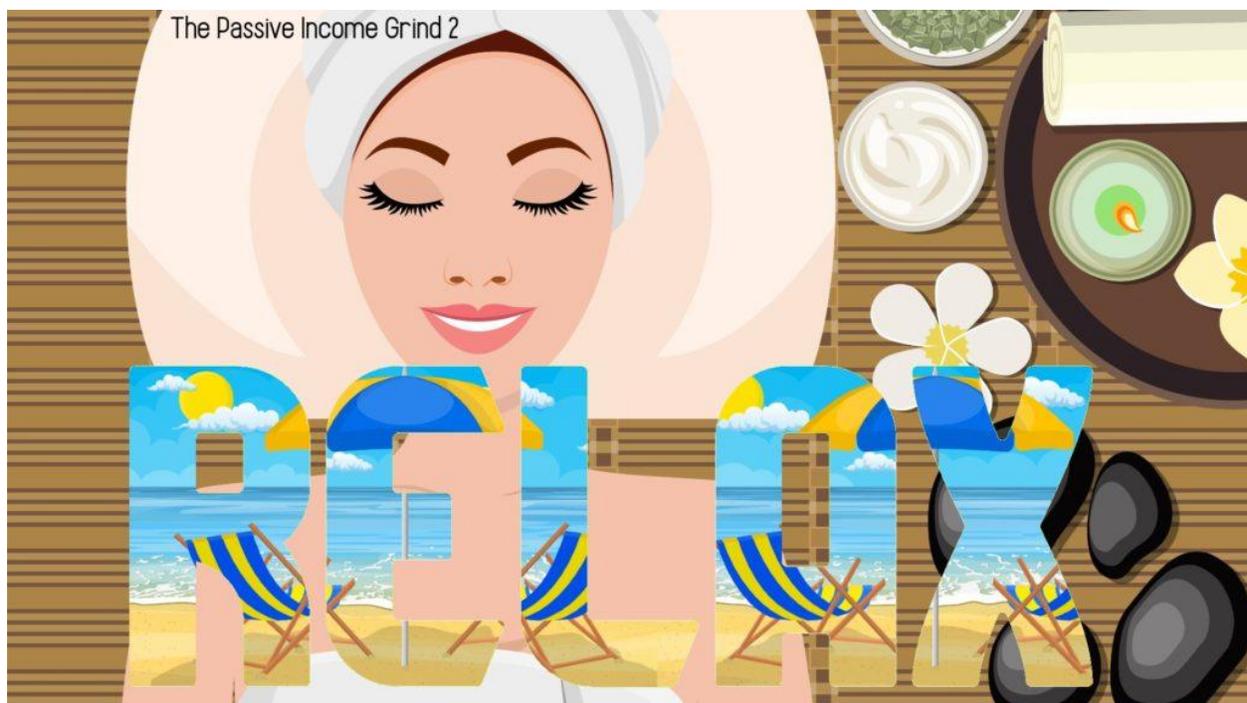
### [Scarcity vs. Abundance](#)

You need to know the ins and outs of every business and then figure out ways to monetize them more by adding value to your tenants, clients, and customers. It all comes from the passive income grind. There is no other way to build a business other than to learn from the ground up.

The good news is that your hard work carries over to everything else you do throughout life. For example, I know how to operate a blog and design artwork and covers. So if I decided to start a [dog park](#), I know how to design business cards, flyers and maintain a blog. Everything flows together into our overall base of knowledge—this can make you quite powerful.

**Conclusion.** I would love to say there is an easy way to make passive income, but there isn't. I wish we could read books and YouTube videos to figure everything out before getting started, but we can't.

The best I can say is to prepare for the grind. Envision [your rich life](#), ensure you have [enough motivation](#) and put your head down. Don't come up until you know your passive income stream and how to make it successful, exactly. Good Luck!



The world teaches from an early age that the only way to make money is via a job and an employer. We need to fill out an application, submit a resume, attend an interview, and be chosen by a human resources representative.

When your job goes away, then it's on to the next one. This process can be stressful, especially if you have mouths to feed at home. We gear everything we do in life to finding, keeping, and succeeding at a job or career.



## [The Passive Income Grind 2: Relax](#)

Heck, sometimes we may feel building our career is more important than family. As ridiculous as this may sound, it can happen because we are hard-wired to focus on these careers above all else.

### [The Business of Being Busy](#)

Hey, I played the corporate game for over 22 years (and still counting). I climbed the US Marine Corps ladder from recruit (E-1) in 1999 to Master Gunnery Sergeant (E-9) in 2019. I am not bad-mouthing anyone—yes, and I lost my sense of priorities at some point. That's life, and hopefully, you can keep your family long enough to see the truth of the matter.

**So why did I go on the rant?** I want to give you an alternative to this employee-minded future. Yes, you will most likely [need to work a job](#)—there is nothing more efficient than getting a paycheck to pay expenses.

However, instead of depending ALL of your life on your job, you can travel a different path. The alternative is called [Passive Income](#). Passive income is money that you can make while doing anything else you want. The HUGE caveat is that it usually takes a large amount of work upfront to achieve that steady cash flow.

Last month, my wife and I made [\\$650 in passive income](#) from royalties, dividends, and crypto interest. Oh yeah, and \$2,000 in rent from our three rental properties. Yes, life is good; and we are re-investing this cash into more dividends to bring us more money.

We have been building our passive income streams for roughly 2.5 years now and have no plans of stopping anytime soon. This is a lifelong journey that we will pass on to our children. How did we get to this point? Grinding.

## [Blogging to Financial Independence](#)

I wrote an article about three months ago titled "[The Passive Income Grind](#)." The article talked about the backbreaking work and dedication it will take to build an income stream. Most people in the world (95%) will never achieve their own income stream. Yes, some people will save money into a 401K and use that through retirement, but is that truly an income stream?

Make no mistake about it; when you learn to build an income stream, you learn to create [money from thin air](#). That's the difficulty of building an income stream; it goes against everything they teach us from childhood. You don't need a boss, a W-2, or a job to make money—you can do it all from your brain.

But you must configure your brain to create wealth—that's the grind. The process can be long and frustrating. I started my passive income journey in June 2019 by learning about [dividend growth investing](#).

## [Web Edition: The Biggest Book on Passive Income Ever!](#)

Dividend growth investing is the perfect way to start your journey because it is very slow. Only the patient person can stock with this method of building wealth. In my first month of dividends, I earned \$0.25 from Papa John's. **Yes, I said 25 cents for the month.** Two years later, we made \$550 in one month. Crazy.

That is the power of time, compounding, positivity, and discipline. You will need all of these things moving into any income stream, including [buying and renting properties](#). Dealing with tenants and [housing issues is beyond annoying](#), but you want to be rich, right?

When I wrote "The Passive Income Grind," I was mainly focused on building a business or royalties because that is the true grind. Learning how to create a product that an audience wants, and doing it consistently, is difficult.

We all can create whatever we want, just don't expect anyone to buy your product. The market demands what the market demands, and the market is a cruel mistress. I want to review my grind and then tell you how to relax moving forward.

## [21 Passive Income Ideas](#)

My Passive Income Grind is all about [writing and releasing books](#). I started releasing books about ten months ago, and it has been rewarding—to say the least. I first had to learn how to write, so I read "[On Writing Well](#)."

Then I needed to learn how to design, so I read "[The Non-Designer's Design Book](#)." Next, I learned about advertising from the book "[Ca\\$hvertising](#)." I read books about being an author,

including [“How to Make A Living with Your Writing.”](#) [“How to Market a Book.”](#) and [“Creating Income Streams.”](#)

In total, [I have read 68 books](#) in roughly a year—and still going strong. In addition to reading 68 books, I published 620 articles on my blog and published 250 books on Amazon. I am just getting started.

### [Passive Income for Christmas](#)

I grinded for 5 hours a night on work nights and 12 hours on weekends and holidays. I never knew when to stop grinding because I never knew how to end the process. When you learn how to create money, you don't want to stop creating money. I never permitted myself to take a break for over a year.

I felt guilty watching Netflix or playing a videogame because I could always be doing something more productive. To a certain extent, this was true. Netflix, video games, news, and politics are a waste of time. But...

However, I then read a book called [“The Relaxed Author”](#) that sort of changed my life. The book is from two authors that talk about the longevity of being a writer. The long game is vastly more important than the short term.

### [Write Book Reviews for Passive Income](#)

I reflected on this book for quite some time. It's deep stuff. You can create money on a whim, yet, you don't have to do it all day, every day. It's okay to give yourself permission to slow down and enough of the fruits of your labor.

For [us serious people](#), it's hard to slow down. We see the future, and we want to do everything in our power to protect our family and set everyone up for success. But at some point, we have done everything we can do for the moment. [Time and consistency](#) are more important than a gold rush.

Now, don't get me wrong, you'll need to grind upfront. It takes [10,000 hours to get proficient](#) at something, so the more you can accomplish upfront, the more enjoyable the ride.

Listen, I am only talking to three percent of the people in the world. It is not normal to spend your free time [writing, reading, creating, and building wealth](#). Most people would rather go to the beach or a drive-in movie.

### [You'll Need \\$20,000/Month in Passive Income](#)

But wouldn't it be nice to go to the beach and drive-in movies with wealth from [dividends, rents, interest, business, and royalties](#)? I am living the dream right now, at age 40. I have, hopefully, 40 more years to enjoy the passive income lifestyle with my wife.

**So I am giving myself permission to relax.** Sure, I am still putting four hours a day into my writing and books, but that also includes the weekends. I write the same amount on weekends now, so I have ten hours to spend as I like. I used to grind for 10+ hours on the weekends.

It is hard to go back to "semi" normal, but I have done the work. Now, I just need to maintain the operational tempo for the rest of my life. Personally, I know I can. I get very excited when writing and creating, and it is something I can do forever.

I hope this article made sense to you. You will have to grind super hard at first, but once you see a clear path, it is okay to slow down a little. Longevity and consistency are more important than the initial gold rush. **Jump in, learn, test, build, and create a long-term strategy that can last a lifetime.**

I love the process. If you want to learn more about building passive income, please follow me on [Twitter](#) or [my Facebook Page](#). Thanks for reading, and have a wonderful day!



## 51 To Be Truly Free: You'll Need \$20,000/month Passive Income

That's right, \$20,000/month in passive income will be enough to set you and your family free from the **tyranny of the workforce**. Keep in mind; this is living a down-to-Earth, "below your means" lifestyle. If you want the full "American Dream," you will need much, much more.

**Why did I decide to put a number on freedom?** Because numbers make everything easier to understand. People used to say that \$1 million will set you free. Nope, \$1 million will get you \$40,000/year of dividend income. That's \$3,333/month of income.



## [To Be Truly Free](#)

To reach \$20,000/month of dividend income (at a 4% yield), you will need \$6 million invested in your portfolio. Luckily, we are not going to achieve it only with dividends. We will have to use all of our [passive income ideas](#) to be successful.

### [Over-Budgeting 2: Low Expenses. High Income](#)

How did this topic come up? I had a strange interaction with a young Marine today that brought me to this subject. I asked the Marine if he was in the zone for Staff Sergeant (E-6) this year. He said even if he were selected, he would turn down the promotion. I, of course, asked why he would do that, and his answer surprised me.

**“Because I want to spend time with my family, and the Marine Corps won’t let me do that!”** He said this with so much disgust that I almost laughed. He said he would get out after serving eight years in the Corps.

This young dude doesn’t have a clue about the cost of freedom. He thinks coming home to his family every day from work is freedom. No, never worrying about [money is freedom](#). But, who am I to burst his dream?

I understand the true cost of freedom, which is why I am still in the Marine Corps. Also, that’s why I am serving in Japan on an unaccompanied tour, away from my family. I finally made it back to America to see them after one year, and everyone I see is just as lost as this young Marine.

New cars are everywhere, along with lovely, long boats. Not just cheap new cars, no, expensive SUVs with extended cabs and tow packages. I told my wife that these trucks cost over \$100,000. Again, the drivers think they are living a free life.

### [How Would You Invest \\$300,000?](#)

Most of the people driving these trucks will never make \$200,000 while working a job. That means that their chances of making \$200,000/year in passive income are slim to none. So why such a high number?

You actually can become free a lot sooner, around \$10,000/month, but you will still have limits in place. You can hinder your ability to travel, spend, or assist your family with \$10,000/month. My favorite author Robert Kiyosaki says it best. **“I retired so I can focus on becoming rich.”**

So, when we become free, we will continue to grind up our passive income via our wealth generators. That is how the rich make their money by moving from investment to investment. We call the speed at which they can transfer money between assets the [velocity of money](#).

**Does \$20,000/month seem like a lot of money to you?** That’s because it is, however, a very achievable goal. We have plenty of asset classes to invest across, and understanding each can assist us with building up our passive income. I dedicate my channel to understanding these passive income asset classes and also giving ideas in each. The more you know, the more likely you are to find one that resonates with you.

### [Start Your Debt Payoff Journey](#)

One of my passive income generators is [my military retirement](#). My military retirement will be close to \$10,000/month if I stay for another eight years. That’s a big chunk of \$20,000. If the young Marine had known anything about the cost of his freedom, he wouldn’t be so quick to leave the Corps.

Don’t let America fool you, though; they want to let you believe you can achieve financial freedom with your 401k and social security. Good Luck. I see it all the time, “401K millionaires” stories abound. Again, that \$40,000/year or \$3,333/month, plus social security at say \$2,500/month. These total to \$5,800/month, which is a long way to \$20,000/month. Plus, you will be 66 years old as well.

We need an actionable plan right now. Your passive income plan needs to be as over-the-top as possible, helping you get the ball rolling on your dream life. If you are having problems setting goals, read [“Think and Grow Rich.”](#) If we can imagine our goals, we can find ways to achieve them.

My [Retirement Planning at Any Age \(book\)](#) series is an excellent place to start, which breaks down each of the decades for your success ([the 20s](#), [30s](#), [40s](#), [50s](#), [60s](#), and [70s](#)). From there, it is a matter of splitting the \$20,000/month between the different assets classes.

Try to focus on what you are strong in and learn more about what you don’t understand. Remember, your main wealth generators are [the military](#), [real estate](#), and [business](#). That means that you want to double down on learning about these assets classes. You require money to fund dividends and crypto to become secondary investments, at least at the start.

## [Retirement Planning for the Average Person](#)

Let's do an example of how we can pursue our \$20,000/month across our different asset classes. Remember, we may become free at age 40 with \$7,000/month income; however, we must continue to grind up our passive income. We never know what the future holds in store, and having a lot of money will assist us with overcoming obstacles for our families and us. Here are the numbers, and then we can review some ways to get to these amounts.

- 1) **Retirement Planning:** Roth IRA \$3,300/month
- 2) **Investing:** Dividends \$5,000/month
- 3) **Crypto:** Interest \$1,000/month
- 4) **Real Estate:** Rents \$5,700/month
- 5) **Business:** Royalties \$2,000
- 6) **Business:** Automated Business \$3,000

Let's review our example. Remember, business and real estate are our wealth generators, so let's start there. Josh, our fictional character, begins by focusing on real estate. He [house-hacks](#) his first few homes and becomes a [real estate agent](#) to find even better deals.

## [Standard Employee by Day, Passive Income Hero by Night](#)

Once he has a consistent income from real estate, he builds up his [passive income from royalties](#). Like me, he wants to do this [via writing](#). He publishes a weekly blog about his real estate adventures and [creates tons of ebooks](#) on the topic.

With both of these income streams set, you can now buy his freedom from his day job and focus on becoming rich—he is 35 years old. Next up is an automated business. Because of his experience in real estate, he first starts a [passive Airbnb business](#). He also bought a few lots of land to [rent to beekeepers for passive income](#) during his real estate pursuits.

During this time, he focuses on his various investments accounts. For his [Roth IRA](#), he uses the Total Market Index Fund (VTI) to build an excellent portfolio of capital gains. He will convert these to high-yield products at age 60, all tax-free, of course.

His dividend portfolio consists of [index funds](#), [blue chips stocks](#), high-yield [REITs](#), [closed-end funds](#), and [preferred shares](#). His goal is to get to \$2.5 million.

He reaches his goal of \$20,000/month in passive income at age 55. His family is now free, and his kids will never have to be oppressed by the workforce. They can work with the knowledge that they can build passive income streams on demand.

## [The Magic of Rents](#)

It is important to remember that building passive income streams is fun. It is hard work, but you are working for yourself and your family. You work hard at a job for someone else's company, and someone usually steals the credit from you anyways.

Why not work just as hard to build up your business, brand, real estate, and investment portfolios? If you can understand this distinction, you are well on your way to becoming financially free.

**Conclusion.** I am well on my way to building my passive income streams from military retirement, dividends, crypto interest, real estate, royalties, affiliate marketing, and ads revenue from my blog.

### [Happiness Isn't Free](#)

Without my military retirement, my wife and I are pulling in roughly \$3,000/month passive income—this is a massive sum of money, trust me. We are good for the rest of our lives as it currently stands.

But what if we want to travel for a few years and take the kids with us? What if we're going to buy a home close to my parents in Arizona? What will we be able to teach our kids about passive income from retirement planning, investing, crypto, real estate, and business?

Everything we do, every penny of passive income, is a lesson for our kids. Why would we want to send them blindly into the workforce without passing on everything we have learned? Us parents are here to learn the hard lessons and be [life-long mentors](#) to our children.

So, if you think you are buying your freedom because you are home with your spouse and family every day, keep doing you. I know that the grind, whether [earned income job or passive income](#), is real. When you stop grinding, the money from your earned income job stops. The money keeps coming in when you stop grinding for your passive income. Which type of income stream do you want to build?

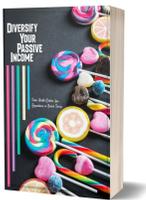
# DIVERSIFY YOUR PASSIVE INCOME



## 52 Cash Flow 105: Diversify Your Passive Income

“Variety is the spice of life,” or so they say. And why getting rich to be any different. Currently, the crypto market is down, the stock market is flat, the rental market is up, and my royalties are doing very well.

So which one do I have to focus on to be successful in today’s world? All of them and none of them. I can just keep doing what I always do, continuing to be a [Bonafide Investor](#).



### [Diversify Your Passive Income](#)

You see, first I have a job. I will not quit my job until my passive income is in a position to support my family (and generations) for the rest of my life and beyond. Next, I diversify the rest of my passive income so that one is always doing well at any given moment.

“Josh, how do you diversify your streams of passive income? I don’t know anything about real estate, business, cryptocurrency, or investing.” Do you think that I learned this in middle school?

No, I took the time to learn these things by reading books and getting involved. Each stream of income takes patience and education before you see results. Let's take a look at the early days of each of these investments.

**Retirement Income.** When I joined the Marine Corps in 1999, I averaged \$900/month for the first year. Now, I am making around \$140,000/year. Even better is that my retirement pension raises every day I continue to stay in the military.

**Real Estate.** We bought our first house in 2008 and lost all the equity we had from our down payment. Now we own three homes and average around \$2,400/month of rental income.

**Investments.** I started buying dividend-paying stocks in June 2019. It took two months to get my first dividend, and it was \$0.23 from Papa John's. Now we bring in \$400-\$500/month in dividends.

**Royalties.** I began publishing books on the Kindle platform in January 2021. My first month of book sales produced \$3. In May 2021, my total for the month was \$40.

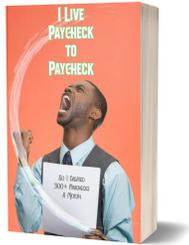
**Cryptocurrencies.** I jumped into cryptocurrencies in May 2021 by putting \$5,000 into the market. The market proceeded to take a dive and take 40% of my cash (on paper, you only lose when you sell). I just continue to keep buying.

No matter where you start, you will have some ups and downs. That is part of life and something that you should expect. Everything worth doing in life will require some form of hardship. We have to overcome limiting beliefs in each of our pursuits.

I remember when I started writing and publishing books. I had all kinds of limiting beliefs like "you are not a writer," "Who will listen to you?" But, by reading books, I realize that I could overcome these [limiting beliefs](#) by taking action.

I used to worry if my audience liked my work or not. Now, I can care-less. It's not that I don't want my audience to enjoy my writing, but it has nothing to do with me. It is an outcome I cannot affect. I now write for myself. I love the purity of filling a blank piece of digital paper with my thoughts. To me, there is nothing like it on Earth. Even better, I am building a library of great articles that I can leverage for my entire life.

For example, I recently wrote an article titled "[I Live Paycheck to Paycheck, so I created 300+ Paychecks a Month](#)." I thought that it was a snarky title. When I released it, a few people read it, nothing major. But, I then went and created a [small book under the same name](#). And what do you know, random people enjoyed it. It sold two copies in the first couple of weeks—this is huge for books, by the way.



The book can now sit in my library, and people can buy it for the rest of my life. Maybe it will sell two copies for the rest of my existence. Or perhaps it sells two copies a month, forever. That is the exciting thing about royalties. You never know what you are going to get.

I bring this up because royalties are entirely removed from stocks, crypto, business, retirement, and real estate. I plan on getting my royalties up to \$6,000/month. It may take five years, but it is absolutely worth having a source of income completely removed from everything else.

Now, I am going to really blow your mind. Inside of each of our passive income asset classes, we still need to diversify even more. No, we can't just invest in McDonald's stocks for our investment income.

We can separate each asset class into different categories that can help us withstand downturns and prosper in the long run. Again, let's look at each of our investment pillars to discover the diversity inside each of them.

**Retirement Income.** Defined benefit plans (pensions), social security, 401Ks, TSP, Roth IRA, traditional IRAs, disability, annuities, CD ladders, savings.

**Investments.** Index funds, electronic traded funds, real estate investment trusts, mutual funds, closed-end funds, bond funds, commodities, options-trading, leveraged funds, inverse funds, commodities funds, preferred shares, baby bonds.

**Real Estate.** Room rentals, finished room over garage (frog), finished basements and attics, mobile homes, tiny homes, overseas homes, homes in small cities, raw land, single-family, multi-family, commercial, apartments, real estate notes, hard money lending, private money lending, billboards, real estate agents, wholesaling, fix and flip.

**Business.** Online, content creation, royalties, books, YouTube, music, farms, dog parks, food trucks, rental car, rental boat, rental 18 wheeler, winery, brewery, online classes, marketing, gigs, food sales, mentorship.

**Cryptocurrencies.** Stable coins, smart chain coins, interest on coins, staking, initial coin offerings, pooling.

I count 63 off the top of my head. These are just the start, and there are way too many to list. Each one of these can be an article in and of itself. The idea isn't to know all these comprehensively; it is to know of them.

The more we know, the more we grow. If you can learn about many of these, then when the opportunity arises, you won't miss your chance. For example, if you see that a tiny home is 50% off for some reason, you will have the [mindset of an investor](#) and know how you can leverage it if you purchase.

This mindset is the very reason that I write each and every day. Not only am I making myself brighter, but I am passing along actionable investing knowledge to the masses. The goal isn't to be the best investor, real estate mogul, top entrepreneur, or 100X crypto person.

The goal is to be mildly successful in each of these and invest for the long run. I promise that if you can invest in each of these for the long run, your financial future will be outstanding. Let's look at two scenarios—one where the investor makes a tremendous single investment, and the other investor makes many small investments.

Our first person, Brian, makes a considerable investment in Tesla early on. Tesla spikes in price, and Brian now is sitting on \$1 million of Tesla stock. Brian has not diversified in the stock market or outside of it. He doesn't know what to do with the money. Every day he worries about selling Tesla or holding for the long run. He worries that Tesla will not be around for another 30 years to trade for his retirement.

Our second person, Bob, makes a smaller investment in Tesla, and when it spikes, he is sitting on \$500,000 in Tesla. As much as he loves the company, he knows that this is his chance to diversify into other investments, and he has been reading [MilitaryFamilyInvesting](#) daily. He sells some Tesla, paying taxes, and leaving \$100,000 in Tesla.

This leaves him with \$300,000 to invest across his various new asset classes. He first buys a rental home in Mississippi for \$100,000. He buys two Tesla Model 3 models to start a rental car business (\$100,000). He also will create a YouTube channel documenting his business journey. This leaves him \$100,000 to invest. He buys \$70,000 of dividend-paying stocks and \$30,000 into cryptocurrencies.

Bob is now well diversified across his passive income portfolio and will have rental income from his home in Mississippi, dividend income from stocks, interest and capital gains from crypto, and business income from YouTube and rental cars. He even has capital gains from Tesla remaining.

Now, who would you rather be? No matter how cool it sounds to have \$1 million in Tesla stocks, Bob is in a better position to be a millionaire for the rest of his life. He won the jackpot with Tesla and sees that he has an opportunity to set himself up for the rest of his life.

Opportunities like this do not come up often, and when you get “lucky,” you will need to know what to do with your cash. Sadly, people are “lucky” all the time; they just don’t realize it. People who bought homes in 2010 are sitting on a ton of equity. They will need to become a Bonafide Investor and learn how to leverage this equity to diversify their passive income portfolio.

Lucky for you, I am going to help you out a little more. Over the next few episodes of the Cash Flow 101 series ([101](#), [102](#), [103](#), [104](#)), I will go into a little more detail on how to diversify into more of these asset classes. These articles will serve as a cheat guide; however, you will need to dig deeper to get the particulars into each segment.

So, I am off. Hopefully, you understand the purpose of reading as much as you can about passive income. The goal isn’t to invest in everything you learn but to see (or create) opportunities as they arise. Good Luck!

## LIVING OVERSEAS PASSIVELY



### **53 Living Overseas Passively 101: Introduction to Passive Overseas**

I have been writing about my love of passive income for over one year now. Today, we will start combining everything to create an amazing life—overseas. That’s right, overseas.

**Why overseas?** There are many reasons to move overseas for retirement or long-term vacation. Let's review some of them.

- 1) **Cost-of-living.** This reason may be the number one reason amongst ex-pats (ex-patriots, people who formerly lived in the USA, UK, Australia, etc.).
- 2) **Slower life.** Life in America moves at the speed of light; the overseas location may be good for your soul.
- 3) **Politics.** Escaping overseas may help you get away from the political noise.
- 4) **Build true friendships.** Moving overseas will allow you to meet very humble, very simple people who just want to be friends.
- 5) **Send kids to college.** Going to college overseas can save you a hefty amount on college expenses. Why not move out with your kids?

There are many more reasons, but they are all dependent on what you value in your life. Before I go any further, I will talk about my and my wife's experiences overseas.

### [Happy Cash Flow Retirement 2](#)

I have spent close to 11 years of my 22-year military career overseas—living in four countries for over a year each. They are Niger, Turkmenistan, Finland, and Japan (7 years). I have also deployed to multiple countries, including Afghanistan, the Philippines, Thailand, and Australia.

My wife was born and raised in Turkmenistan. We met when I served at the US Embassy in Ashgabat, Turkmenistan, in 2004. Most of her family now lives in Turkey, where we go and visit as much as possible.

In fact, I built my entire quest towards passive income while visiting Turkey in 2019. I asked Kris's (my wife Kristina) sister how many US dollars it would cost to live a comfortable life on the Mediterranean coast of Turkey. She replied that it would cost \$2,000/month to have a good life there.

That got me thinking about my military retirement. I knew that my military retirement after 30 years of service would easily cover the expenses in Turkey. But then I realized that I would have to travel to the US a lot to see the boys. I would need more than my military retirement to live comfortably in America and Turkey simultaneously.

### [Can You Live the Laptop Life?](#)

My hunt to build passive income started in that apartment in Turkey in June 2019. It has become an obsession—one that I am proud of today. I thought something was wrong with me until I read "[Be Obsessed or Be Average.](#)" I then understand that the media tells us to find balance while living a consumerist lifestyle. Hogwash.

Anyways, I digress. But, all this [passive income grinding](#) is paying off. I am beginning to see the fruits of our labor. Our dividends are growing, rents are increasing, royalties are building, and cryptos are rebounding. I have 4-8 years in the military to make our empire even more prominent.

Now, what will we cover in this series? I am going to cover each of my main passive income topics, but with an overseas twist. The plan looks something like this:

- 1) Overseas 102: Financial Mindset
- 2) Overseas 103: Retirement Income
- 3) Overseas 104: Dividends
- 4) Overseas 105: Rents
- 5) Overseas 106: Royalties
- 6) Overseas 107: Automated Business
- 7) Overseas 108: Cryptocurrencies

It may look like my standard affair, but there will be some twist to prepare our portfolios and businesses overseas. For example, if we know that we need \$800/month in dividend income for our overseas life, then we want that income to be via a Closed-End Fund. Some CEFs pay consistently on the first day of the month, like a paycheck. Other dividend-paying stocks pay at random times and are less reliable in terms of the pay date.

### [What is Your Rich Life 2?](#)

We also will want to keep about a year's worth of living expenses in cash or bonds. Then, who will take care of our rental properties? These are all questions we will review together throughout the series.

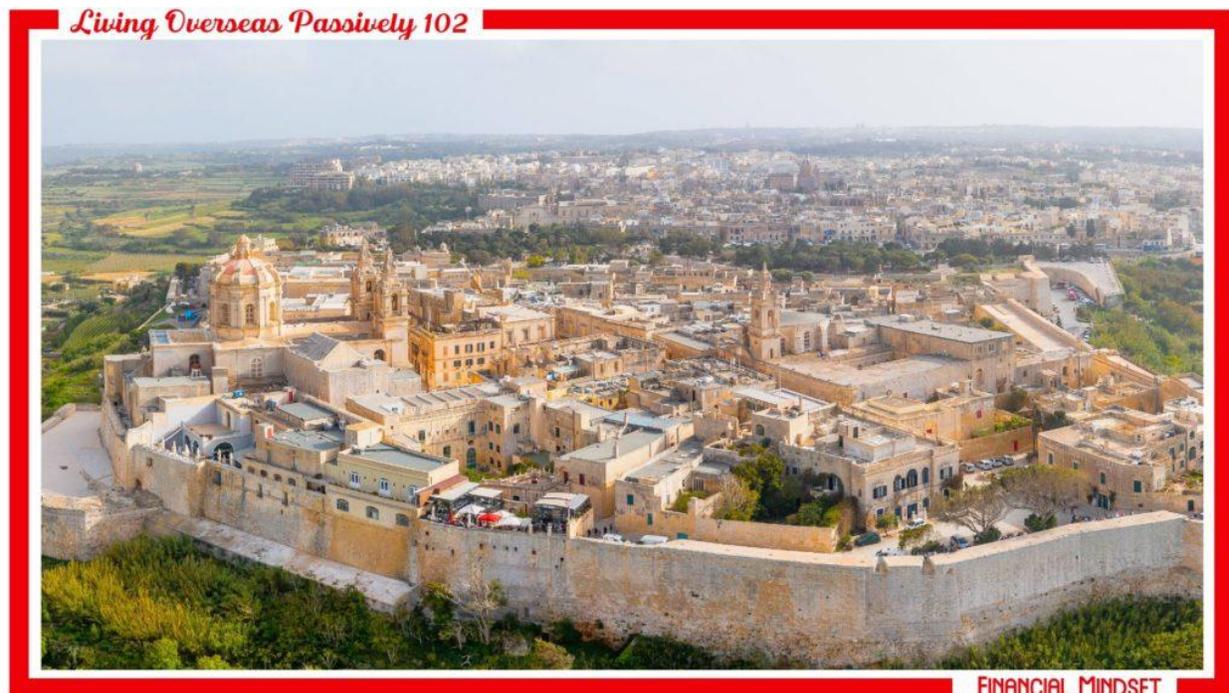
My wife and I plan to split our retirement time between Florida, Arizona, and Turkey. Turkey is a fantastic place to live, and we look forward to living there six months to a year at a time. After I complete the above eight articles, I will start putting together country guides.

Of course, I am not the subject matter expert on these countries, but I can pull together research from around the internet. Then we can bounce that off our passive income knowledge and build a passive living plan.

This is all exciting stuff, at least to me. Why settle for one country when you can have as many as you want, as long as you have the funds. People always ask me why I want to make so much passive income.

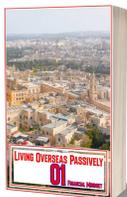
The answer is I have no idea what my future life and future self will want to achieve. I do know that I don't want money to control my destiny. I want to make as much passive income as possible to do whatever I want to do with the family.

How about you? Have you considered moving overseas for retirement? I look forward to taking this journey with you. Until next time, Enjoy and Happy Investing.



## 54 Living Overseas Passively 102: Financial Mindset

Okay, I am 40 years old and preparing myself to move overseas when I am 50. Before arranging my money and passive income, I first need to configure my brain to live overseas life.



### [Free 45-Page PDF Download](#)

Living overseas can be vastly different from living in the United States, United Kingdom, etc. Depending on the country we decide to move to, we may not have the same “luxuries” as in these more prominent first-world countries.

In America, we have plenty of things to spend our time on throughout retirement. We can go on a boat, join a club, or visit all of the national parks. We have toys like RVs, boats, motorcycles, sandrails, and more.

[Don't Gamble Your Retirement Away 2](#)

When we were in Turkey in 2019, we spent most of our time hanging out with family. When Kris and I went to the coffee shop, we sat there for 1-2 hours. There was no rush, no schedule, and no appointments.

Yes, we were on leave from work, but we left the hustle and bustle of American life in America. When we ate meals at home, we would hang out for another hour afterward, drinking tea and conversing. (I don't speak Russian or Turkish, so I was just smiling and nodding my head, but you get the idea).

One of the first steps for preparing our mindset is to slow our lives down before we leave America. Many people cannot sit still, and America is the land of the busy. We are in [the business of being busy](#).

I just spent a year away from my wife and kids living in a barracks room in Japan. Luckily, I found something that kept me occupied throughout that entire time—[blogging for financial independence](#).

Indeed, I recommend anyone who is considering moving overseas to find and start an income stream. Notice that I did not say a hobby. You can convert anything you love into an income stream; you should love what you do for your cash.

We get into trouble when we try to over-monetize our passion for a business. Let me explain. If we love to write one daily article about flowers, we need to build our income stream around that concept.

### [Become the CEO of Your Life](#)

If we go work for a flower company writing blog posts about things we care nothing about, then, of course, we will be miserable. Know yourself, your goals, and [your rich life](#). Next, put steps in place to achieve your goals on a reasonable timeline.

The second mindset shift we need to make before going overseas is [financial security vs. financial freedom](#). If we choose the financial security route, we may lock ourselves into a prison called "a fixed income." Say we need \$2,000/month to be content living in The Philippines. Does that mean we move there as soon as we achieve this amount of passive income?

I hope not. Financial freedom means making a ton of passive income. If I know I need \$2,000/month passive income for a comfortable life, I aim for at least \$10,000/month in passive income. Heck, I may even aim for [\\$20,000/month of passive income](#).

I do not ever want to worry about money. Ever. So not only do I want to make a ton of it passively, but I also want to [diversify my passive income](#) across my different asset classes. Then, and only then, can I truly be at peace—[Welcome to Stress Freedom](#).

## [6 Types of Income Streams](#)

I want to shift gears a little and talk about relationships. I know, I know, I can already hear it. “Josh, stick to talking about money and passive income. Those are things we can control.” I get it, but relationships are vital to the **total life concept**.

Working 20-40 years in America, building your wealth, and retiring overseas alone, may seem like a dream, but [what is so great about being independent](#)? Have you seen the Mediterranean Sea from the shores of Turkey? The view is impressive, but it is even better with my wife next to my side.

I just want to throw that out there while you are still in the preparation phase. I have friends that have retired from the military and have no spouse. They still have the foundation of life—exercise, cutting grass, going to movies—but something is missing. There is no enjoyment of basic things like sitting outside or watching the sunset. Just keep these thoughts to the back of your head for now.

So, we have begun to slow our life down and build up vast amounts of passive income; what's next? We need to settle down for the long haul, [stay motivated](#) on our [passive income grind](#), and stay on course with our dream.

## [Can You Achieve Work-Life Balance 2?](#)

Remember, we need to also plan for worst-case scenarios as well. If we reach \$2,000/month passive income and run away to Turkey, that would be amazing. But what if we need to return to America for 2-4 years? Do we [now live paycheck to paycheck](#)?

[Happiness isn't free](#), so running away as soon as we reach bare minimum numbers isn't in our best interests. There are still so many things that can affect our future lives, such as inflation, children, and health.

There, our final step is to [become lifelong learners](#). We can never stop reading books about business, real estate, cryptocurrencies, retirement planning, and investing. Not only does our money compound exponentially, so do our brains.

The more information we have floating in our heads, the more likely we will see opportunities before and after moving overseas. You may be walking around Turkey and see a shop struggling. Maybe you can offer to assist with their bookkeeping in exchange for free groceries.

## [How Much Do I Need for Retirement?](#)

What if you like to knit garments? Maybe you can put some of your wares on consignment in some boutiques. Little things like this can help you earn some income, make new friends, and be part of the community. I believe [reading is the most important](#) thing we can do for ourselves.

There you have it—three steps to prepare ourselves for life overseas. 1) Slow our lives down 2) set ourselves up to become financially free 3) become lifelong learners. If we can understand the principle of adding value to someone else, we will never have to worry about money.

Please download the free PDF of this article, which includes all the related pieces. I am making a push away from big companies and going at this thing in my own way. Please share my PDFs with family and friends. Thank you, and see you in the following article in the Living Overseas Passively series ([101](#)).



## 55 Living Overseas Passively 103: Retirement Income

What are the best methods to retire overseas with income from our working years? Most of this income will be hard to tap into because most of it is unusable until 60 years old. But let's take a look at our options and see what plans we can make with our retirement income.



## [Free 45-Page PDF Download \(\\$2.99 Value\)](#)

Welcome back to the Living Overseas Passively series ([101](#), [102](#)). The series is all about maximizing passive income by moving overseas during our golden years—or even earlier. With that, let's jump into our retirement income planning.

### [Living a Middle-Class Life is Stressful](#)

First, a quick review of our retirement income sources.

- 1) **Pensions.** Probably the most exciting of the bunch are pensions (or defined pension). It is hard to find a pension, as most of them reside with government employment. I will have a nice pension the day I [retire from the military](#). Teachers, firefighters, and cops may have good pensions as well.
- 2) **401Ks.** Next up are employer-matching 401Ks (or defined contribution). Usually, the employer matches up to 5%. We will need to maximize our full limit to get the full benefits of 401Ks. In 2021, the limit is \$19,500. You have to reach 59 ½ to start withdrawing from your 401K.
- 3) **Roth IRA.** Outside of pensions and 401Ks, there are [Roth IRAs](#). The Roth IRA is an after-tax contribution vehicle. However, the limits are \$6,000/year before the age of 50. My idea is to invest in index funds until I reach age 59 ½, then convert those gains into high-yield securities, making all my dividends tax-free.
- 4) **Annuities.** Annuities can be tricky, so we must use all of our due diligence when dealing with these. Annuities give us a guaranteed monthly income after providing them with a lump sum of cash. In "[Annuities vs. Dividends](#)," I write that most people, with a bit of education, can achieve better returns with a dividend portfolio.
- 5) **High-Yield Savings Account/Certificate of Deposit.** Don't forget about these investment vehicles. They are both safe and insured against loss. Currently, the rates are not high (they are actually in the toilet), but they may not always be that way.
- 6) **Treasury Bonds.** Treasuries could fall under retirement planning or investing, but they are very safe vehicles. The yield on the 30-Year Bond is 2.00%. This rate is not going to beat inflation, but it beats holding cash.
- 7) **Social Security.** If we move to the right country, we may fund our lifestyle just from social security. Not too bad, except will social security be around when you retire? I don't like guessing.

### [How We Built 13 Streams of Income](#)

Now, how do we turn all of these vehicles into \$2,000/month of passive income? First, we may have to wait until 59 ½ before we draw down many of these accounts. That's a bummer, but waiting may give us more time to stack up additional income.

**Pensions.** Military pensions start the day you retire. With the additional support of VA disability, you will most likely hit \$2,000/month easily after [20 years of service](#). The military may be one of the best sources of passive income ever. As I like to say, "[Active Service. Passive Income.](#)"

**401Ks.** 401Ks are tricky because we base them on capital gains. This means that we invest money into mutual funds ([hopefully the S&P 500](#)). Over the years, the value of our mutual funds has increased.

To draw down our 401K, we sell shares of our mutual funds—the opposite of dividend investing, where our shares pay us income. We have to be very careful with extracting revenue from our 401K due to the [sequence of returns risk](#).

### [The Invisible Budget](#)

In my most straightforward understanding, the sequence of return risk means that if you sell shares at the lowest point, it will damage all future gains moving forward. Therefore we will want to sell shares when they are at higher thresholds.

To prevent ourselves from selling shares into a down market, we can keep treasury bonds, cash, and CDs on hand. Also, we can [diversify our passive income](#) so that we are in complete control of our withdrawals.

To hit \$2,000/month of 401K income, we will need \$600,000 inside our account. Hopefully, the 4% rule can keep our 401K funded for the long term. I don't like guessing. Also, we will need more than \$600,000 because Uncle Sam will tax us as we withdraw cash.

**Roth IRA.** Thankfully, we have more control of our Roth IRA. I will invest in the Total Stock Market Index Fund (VTI) until I reach 59 ½. Then I will convert all of these shares into a [Closed-End Fund](#) like Pimco Dynamic Income Fund (PCI). The conversion will be completely tax-free.

### [4 Steps to Become Rich](#)

PCI yields roughly 9.5%, so I would need around \$250,000 worth of shares to achieve \$2,000/month income. That amount is achievable for most people that take retirement seriously. Did I mention that this income would be tax-free?

**Annuities.** I believe most people can achieve better [results with dividends](#) than annuities. However, for the sake of this article, let's say we use an annuity. I would not want to try to achieve \$2,000/month with an annuity. However, an amount like \$400/month would be a little

more feasible. Each annuity is different, but I would guess around \$200,000 would yield you \$400/month—a guess based on a guaranteed 3% return.

**High Yield Savings Accounts/CDs.** We will use these when the market is down, and we want to prevent a sequence of return risk. It is always good to have a couple of years worth of cash-like products in your portfolio.

For our purposes, keeping \$24,000 to \$48,000 in these instruments would keep us safe. Or could keep one year's worth in [High Yield Savings accounts](#) and another year in Treasuries. Hey, a 2% return is better than 0.40%.

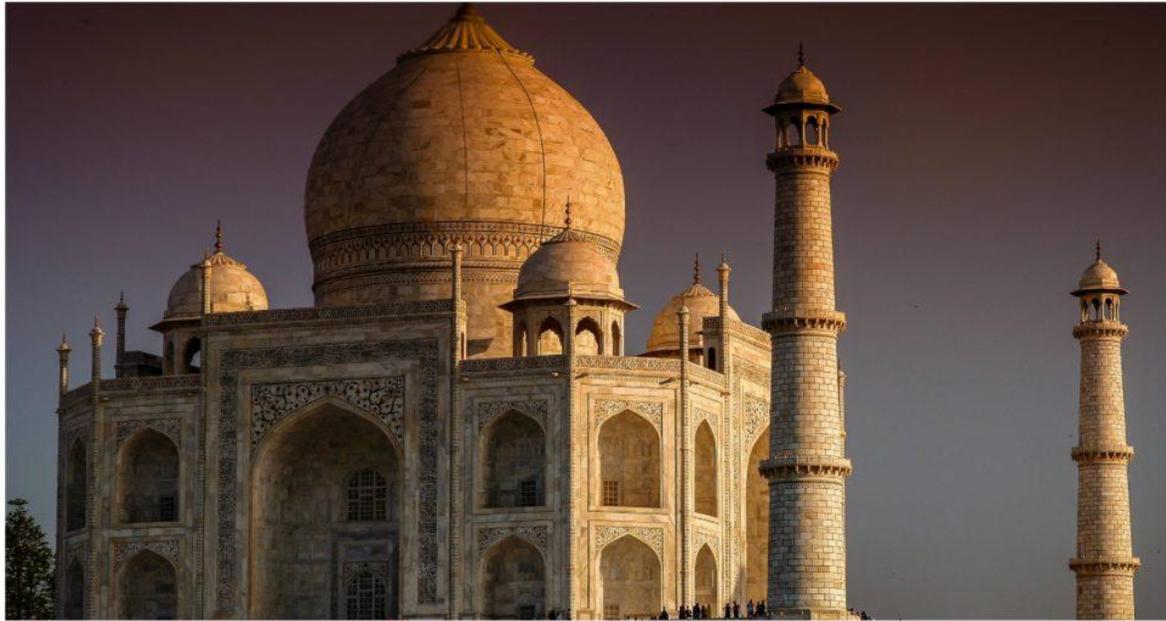
### [Become CEO of Yourself](#)

**Social Security.** If you worked for 30 to 40 years, you should have an excellent social security check coming your way. Why not maximize it overseas. If you use it in conjunction with other retirement income, you can live a very comfortable life overseas.

**Debt-Free.** One last word on debt; [don't have any debt](#) going into retirement. [Real Estate debt](#) is okay as long as your home is being rented.

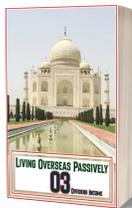
**Conclusion.** Retirement planning should start now. Once you have the inkling to retire overseas, you can gear your investments towards that end. Remember, we base the 401K off of capital gains and selling shares. We will want to extract income from 401Ks only at the appropriate time.

Things like tracking your social security amount, building your cash allocation, and creating dividend income in your Roth IRA, can lead to fantastic success in overseas living. The goal is to be as comfortable as possible and not worry about money at all. We haven't even got into the other passive income streams. You can see how lucrative it is to focus on your income. Enjoy and Happy Investing.



## 56 Living Overseas Passively 104: Dividend Income

We have come a long way in our quest to live overseas on passive income. Throughout the Living Overseas Passively series ([101](#), [102](#), [103](#)), we have explored the mindset we need to acquire and what retirement income we can best leverage to make our lives comfortable overseas.



[Free 50-Page PDF Download \(\\$2.99 Value\)](#)

Now, it is time to present the granddaddy of passive income—**Dividends!** Dividends are the most passive of all the passive income streams. However, it will take an enormous amount of money to build a healthy stream of cash flow.

Luckily, I have already done much of the legwork for retiring on dividends with the article and book, “[How We Plan to Retire on Dividends \(Amazon\)](#).” This article will guide you to the basics of the stock market, preferred shares, bonds, and the mindset of an investor. I highly recommend you take a look at this article or book.

[How to Choose Your Stocks](#)

Now, since you have read that article—,today, we need to focus on strategy. How exactly will we need to structure our portfolio to live worry-free lives overseas? There are many ways [to extract our dividend income](#), so let's look at the ones that best suit our needs.

The first step is to figure out precisely how much we need for expenses. To repeat, I said expenses—not all the money we would like to spend. For this article, we will use \$2,000/month as our baseline expense amount.

I like to separate the expenses because I want to cover this money with [closed-end funds](#). Closed-end funds are the closest thing to a paycheck that exists on the stock market. CEFs are actively managed and sacrifice capital gains for high yields. They give us immediate income.

I want my CEFs to pay for all of my living expenses—in this case, \$2,000. CEFs have a high dividend yield, so it can be safe to assume we can achieve a 7% yield. With that 7% yield, we would need roughly \$350,000 in our CEF portfolio.

Portfolio Grand Total	Market Value	Unreal. Gain/Loss	Estimated Annual Income
	\$33,276.63	\$2,599.39 +8.48%	\$1,772.03

I highly recommend you use separate accounts for all the different strategies I talk about today—no need to mix them all. Above, I have my high-yield portfolio, courtesy of Well Fargo Brokerage. I have some low-yielding index funds in this account, but the yield on cost is roughly 5.7%. Not too shabby.

### [52 Weeks of the Dividend Challenge](#)

I would start most of these strategies early and at the same time. Your CEFs will be vital as you get closer to relocating overseas. However, the other methods will take years to get into a position to assist you, so start those today. Let's take a look at the different investment strategies we can use on top of CEFs.

**Dividend Growth Investing.** We can use CEFs as the base of operations for our overseas lifestyle. We don't expect capital gains from CEFs, just cold hard cash. Dividend Growth Investing will give us growth and income. DGI works best with time, [compounding](#), and [blue-chip stocks](#).

Having an extensive DGI portfolio layered on top of our CEFs will give us income and growth to ensure we never run out of cash for emergencies or celebrations. We can choose to reinvest the dividends each month, or have certain stocks pay us in cash. With dividends, you are the boss.

## [\\$1,000 Dividend Shopping Spree](#)

For my DGI portfolio, I use Charles Schwab. I have blue chips such as Altria (MO), Phillip Morris (PM), Public Storage (PSA), Costco (COST), Apple (APPL), and McDonald's (MCD). The idea is to buy, dollar-cost-average, and reinvest until you are rich. If you don't want to pick individual stocks, you may want to choose [a dividend growth ETF](#).

**Bonds.** It is never a bad idea to have some bonds laying around. Having some long-term bond funds and high-yield bond funds in a small portfolio can help you build income and hedge [against a market downturn](#). You can use bonds as a cash substitute.

Name	Value	Gain / Return	Actual / Target
 JNK SPDR Bloomberg Barclays High ...	\$3,565.18	+\$92.99 ▲ 4.81%	50.2% 50% >
 BLV Vanguard Long-Term Bond ETF	\$3,535.17	+\$194.39 ▲ 10.20%	49.7% 50% >

I hold two bond funds in a small portfolio on M1 Finance. M1 Finance is excellent because you can have up to five different pies to separate your portfolios. I have my favorite bond funds, Vanguard Long-Term Bond ETF (BLV), and SPDR High-Yield Bond Fund (JNK) in my portfolio. I get a small number of capital gains and roughly a 4% yield. Not bad at all.

## [The Magic of Dividends](#)

**Index Funds.** Index funds will not provide us any meaningful income, but they will keep our money flowing in the direction of the market. We may plan to be overseas for 20-30 years, so we will need to have our funds increasing with inflation. CEFs keep the lights on and the food warm. Index funds work in the background to grow our wealth in conjunction with the stock market.

[My favorite index fund](#) is the Vanguard Total Stock Market (VTI). This fund covers us across the entire stock market. Just putting all your index fund money into this fund will diversify you across all the stocks on the stock market. M1 Finance is a great place to invest in index funds because it will auto-balance (and auto-sort) as you deposit a lump sum into your pie.

Name	Value	Gain / Return	Actual / Target
 <b>QQQ</b> Invesco QQQ Trust	<b>\$669.70</b>	+\$83.02 ▲ 30.36%	17.1% <b>17%</b> >
 <b>VTI</b> Vanguard Total Stock Market ETF	<b>\$660.52</b>	+\$65.23 ▲ 23.95%	16.9% <b>17%</b> >
 <b>DIA</b> SPDR Dow Jones Industrial Aver...	<b>\$660.34</b>	+\$42.72 ▲ 15.27%	16.9% <b>17%</b> >
 <b>SPY</b> SPDR S&P 500 ETF Trust	<b>\$658.35</b>	+\$68.31 ▲ 25.08%	16.8% <b>17%</b> >
 <b>IWM</b> iShares Russell 2000 ETF	<b>\$629.13</b>	+\$31.93 ▲ 10.43%	16.1% <b>16%</b> >
 <b>QQQJ</b> Invesco NASDAQ Next Gen 100 ...	<b>\$625.59</b>	+\$46.57 ▲ 15.07%	16% <b>16%</b> >

If you want to be a little more particular, you can invest into the different indexes. These include the S&P 500 (SPY), Dow Jones Industrial Average (DIA), and the Nasdaq (QQQ). They all have their unique quirks, but all are solid investments. I invest in all of them, however, the lion's share of my index investing takes place with VTI.

**Real Estate Investment Trusts.** REITs are probably a better option than keeping a ton of rental properties in the States. Again, REITs work best with time and compounding. I wrote an article about [REITs versus Rentals](#) that will have a significant impact on your overseas lifestyle.

### [Why Do I Need to Invest in the Stock Market?](#)

There are many sectors of REITs, and knowing which one can help you through your journey. For example, Mortgage REITs have high dividend payments, but will cut their dividends as soon as interest rate trouble emerges. This information is good to know if you plan to live on their income.

That is one of the reasons I want CEFs to cover all of my expenses. Other companies can cut their income at a moment's notice. CEFs can cut as well, but you are paying to have the top managers on your side.

**Preferred Shares.** Preferred Shares are great for income, but not for income that you depend on monthly. Companies can call their preferred shares at a moment's notice, leaving you in the cold. You do not want to move overseas on preferred income and have a lot of your income

called away. I have an article called "[Preferred Shares vs. Closed-End Funds](#)" that you might find interesting.

**Selling Covered Calls.** The great thing about having a DGI portfolio is that we can sell covered calls against the stocks in our portfolio. [By selling covered calls](#), we are giving insurance to the buyer. However, if the price never reaches the strike price, we keep the premium and sell the call next month.

### [Dividends vs. Royalties part II](#)

This income is in addition to our dividend income and capital appreciation. Selling calls is also a great way to stay up-to-date with our blue-chip stocks. Who says you can't have your cake and eat it too?

**Putting It All Together.** As you can see, there are many ways to achieve success via dividends. Time and planning are vital to living overseas with dividend income. You do not want to try to accomplish this in five years.

I would say at least ten years to have a good enough base of income to move overseas. A 20-year horizon would be even better. Each strategy has its timelines to achieve your numbers. Each of these critical strategies reacts differently during major events.

Also, having a cash pile is essential to your overall well-being while living overseas. Bonds are outstanding, but they too can take a significant hit during a market downturn.

Dividends can be a great way to retire overseas, given the proper timeline and a large amount of invested money. Are they the best choice of all of our passive income sources? You will have to wait and see. Until next time, enjoy and happy investing.



## 57 Living Overseas Passively 105: Rental Income

We've come a long way in our quest to live overseas on passive income, but today we will face our greatest challenge yet—[passive income from rental properties](#). The main concern with rental properties is who is going to oversee them while you are overseas?



### [Free 45-Page PDF Download](#)

Before we get into our concerns, I want to welcome you back to the Living Overseas Passively series ([101](#), [102](#), [103](#), [104](#)). If you haven't already, go ahead and go back through and pick up the accompanying free pdfs for each of the prior articles.

Now, back to rental income and living overseas. The idea of managing a few rental properties while you are overseas can seem daunting. The hardest part of this scenario will be finding a [good, reliable property manager](#).

[RE Lifestyles 2: Investor vs. Lender](#)

**Do we need rental income as one of our primary sources of passive revenue?** Before we discuss the possibility of finding a good property manager, we need to talk about the importance of rental income.

I'll be honest; if I could find a way to avoid depending on rental income while overseas, I would. In theory, rents would be the perfect supplement to your overseas lifestyle. If you had just one home without a mortgage, you could probably live overseas on just that one revenue stream.

[Rents also go up with inflation](#), so this natural flow would help protect against inflation against the US Dollar. [Rental income is also consistent](#), which will be a great help as you navigate your overseas life.

**The problem is that I am not a massive fan of property managers.** Currently, I am stationed in Japan, and I have a property manager in Arizona. It has been a nightmare. **Imagine someone who doesn't care about your money or your home, then put them in charge of your money and your home.** It is not fun.

Everything we do to prepare for rental income overseas needs to be with the mindset of having a crappy property manager. I say this because chances are, you will have a crappy property manager.

### [The Wealth Accumulation Phase](#)

The first thing we need to do is find out exactly what a property manager does daily, weekly, and monthly. We can do this by reading the book "[The Book on Managing Properties.](#)" If we understand their job, we have a much better shot of finding a good one.

Remember, trust is the most crucial element of the relationship between you and your property manager. They will be controlling your income, and they can create phantom maintenance issues (if they are dishonest).

If you can find a great property manager, then moving overseas will be a breeze. Your rental income will flow from the heavens, and everything will be excellent. So, your number one job in preparing to move overseas is finding a good property manager.

There are some other steps we can take to mitigate the influence of our property managers on our day-to-day lives. The first step is to [save a considerable cash pile](#) just for our rental properties. It is similar to what I wrote in "[Be Smarter Than the Average Bear \(Market\).](#)" We need to hedge against bad managers by having a buffer to protect us from their negligence.

### [Real Estate is a Mindset \(Intermediate\)](#)

Second, have a plan for your rental income and rental properties. If you have multiple properties, you should be able to [TAP your home equity](#) at alternating times. You can use this cash to build an income from other sources, mainly [Real Estate Investment Trusts \(REITs\)](#).

I like the idea of continuously increasing your mortgage amount by [performing cash-out refinances](#) because it lowers your taxable income. Each time you complete a cash-out refinance, your mortgage will increase, causing your rental income profits to decrease. Let me explain.

Let's say we have a mortgage of \$1500/month and a rental income of \$2,000/month. Each month, the government will attempt to tax us on that \$500 cash flow. Of course, we will use things like depreciation and maintenance to lower our profits. That is why [real estate is the I.D.E.A.L.](#) investment.

However, if we perform a cash-out refinance, our new mortgage might be \$1,800/month. Our new monthly cash flow total would be \$200/month. But, we withdrew, say, \$100,000 cash from the home. That \$100,000 is tax-free because it is debt. That's why I love reading Robert Kiyosaki ("[Unfair Advantage](#)") and learning the difference between [good debt and bad debt](#).

### [Can You Live the Laptop Life?](#)

Basically, you would be keeping your rental properties to harvest cash-out refinances. It may sound like a profound concept, but it can work with proper planning. My wife and I extracted \$80,000 from our home in Arizona, so having a bad property manager isn't that disturbing. We already took profits; we just need to break even until the next harvest. It's a different way to look at things.

**Do you have children?** If you have great children, they could be your saving grace. You all can then [start a family business](#) around [property management](#). This plan would help supplement their income and bolster your rental income safely. It's a win-win.

I have two boys, and I would integrate them into my real estate ventures as soon as possible. I would also consider paying off my main home before I left; here's why. We currently have two roommates in our primary residence, and they both pay us \$800/month. That's why I wrote the article "[The Magic of House Hacking](#)."

### [Become a Bonafide Real Estate Investor: The 1% Rule](#)

If one of my boys wanted to live in the home, I could pay it off first. Then, he could keep the roommates, and we could split the difference. So, if he had two roommates, each paying him \$1,000/month, we could have \$1,000 net cash flow each. Do you see the value in this approach?

The main idea for using rental income to live overseas is that you must be creative. It wouldn't be a good idea to have three properties, no savings, and a bad property manager. It would stress you out every time something went wrong or a tenant missed a rent payment.

The better idea would be to have your children manage your properties, have a huge cash pile, and harvest your home equity to invest in REITs. Let's talk about REITs before we go.

### [Mortgage Positive](#)

**Are REITs a good substitute for rental income?** Luckily, I just wrote an article on [rents versus REITs](#), but let's put it in the context of living overseas passively. As much as I would love to go the entire passive route of owning only REITs, real estate has some tangible and intangible benefits.

Owning real estate is an excellent hedge against inflation. Also, your net worth and property values would continue to rise along with the US dollar decline (inflation). Plus, don't you want a place to live if you move back to America? The last thing you want is to price yourself out of the market when you return.

**I would keep 2-3 properties while I was overseas.** It might be a pain in the rear-end, but the wealth creation is worth the issues. Now, I would still use my cash flow from cash-out refinances to build up my REIT portfolio.

There are so many REITs to follow that it could be a part-time job to keep up with them. I would separate my REIT portfolio from my dividend growth and income portfolios. Even though REITs trade on the stock market, you should treat them differently. I also invest in Fundrise, which is a REIT that doesn't trade on the stock market.

### [Welcome to Stress Freedom](#)



**Conclusion.** There is a lot to take in when owning physical properties. The main concern is who will run your properties while you are overseas. If you have children, start preparing them now to take over your interests. Trust me, you don't want your well-being in the hands of strangers.

### [How to Accumulate Your First \\$100,000](#)

Next, you should have lots of options. Learn how to extract income from your properties, save a nice cash pile to protect against emergencies, and invest in REITs to supplement your income from rental properties.

There is a lot of preparation for real estate, more so than most of our passive income sources. Start planning your escape overseas today. Remember, who “**will run my real estate business?**” is the number one question.

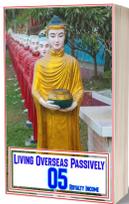
Hopefully, this article was helpful and got your creative and critical thinking juices flowing. You want to give yourself options, so you aren't placing yourself in a box. To read more about real estate, passive income, or moving overseas, [follow me on Twitter](#). You can also join my [Facebook Group](#) or [Facebook Page](#). Enjoy and Happy Investing.



## 58 Living Overseas Passively 106: Royalty Income

The next stop on our journey may be the most difficult because royalties are not known to produce consistent income. In conjunction with our other sources of passive income, they will be a great supplement. But the fun of this exercise is building our models only using royalty income.

Welcome back to the Living Overseas Passively series ([101](#), [102](#), [103](#), [104](#), [105](#)), where we build multiple income streams to take overseas with us. For royalties, let's start with the basics.



[Free 39-Page PDF Download \(\\$2.99 Value\)](#)

**What are royalties?** Royalties are payments when people purchase your creative works. Some forms of royalties are from books, videos, music, and artwork. Usually, you will need some form of advertising or marketing to sustain your royalty income.

[More Content, More Cash Flow](#)

**What are the pros of royalty income?** The best part of royalty income is that it costs little to no money to get started and sustain your product. For example, it cost me very little (\$200/year) to publish my books and blogs. This cost is from web hosting and access to stock photos.

Another pro of royalties is that you can do most of it alone. You can be a “[Company of One](#).” If we are looking to relax throughout retirement, having a simple, uncomplicated capability to produce income will add to the overall experience.

Royalties are also portable. You can start a blog, write books, produce music on your laptop, or create artwork with your iPad. Royalties are suitable for living [the laptop life](#). For instance, I am writing this article as I fly from Seattle to Tokyo. How amazing is that?

**What are the cons of royalty income?** Some people feel that you have to be highly talented to earn royalty income. I'd like to debunk that. [It takes 10,000 hours](#) to become great at something. You have to give yourself at least that long before you give up.

The main negative of royalties is that [it will take years](#) (**I repeat years**) to gain a following and start producing real income. Becoming “a creative” is not for the faint of heart. And this is where my story begins.

**We love royalties, but how do we get them?** Our journey's first objective is to estimate how much consistent cash flow we need from royalties. For all the other articles, I have been using the number \$2,000/month.

### [Why You Need a Job](#)

So we would like to earn \$2,000/month in royalty income. This number will be our target. Now, it wouldn't be wise to hit this number one time and then move overseas. I would say achieve this amount at least for 6-12 straight months.

Yes, it will take a while. By my estimations, depending on what creative work you are doing, I predict that it will take **at least five years** to achieve this income. Now, you could probably accelerate this number by hiring more people, working more hours, or advertising.

Let's not forget the point of why we are moving overseas—for peace and quiet. Do we want to move abroad and have assistants, interviews, phone calls, and advertising budgets?

My advice is to find a nice steady pace that you can produce consistent content. I just finished a book titled “[The Relaxed Author](#)” that talks specifically about this mindset.

### [What Type of Home Business Should You Start?](#)

If you enjoy producing a video about your garden once a week, then keep that pace. The way to succeed in royalties is over the long term. There is no get rich quick scheme here.

**Finding your groove.** [Before you quit your job](#), find your rhythm. It may take one year before you even understand what you are trying to accomplish. This timeline is very typical because most people haven't even considered how to create an income stream.

It took me roughly a year of hardcore grinding to find my lifelong pace. Now, I have enough back catalog content and plans to feel really relaxed. I am settling in for the long run, and it feels good.

**When to start your income stream.** I would begin my income stream at least ten years before the date when I plan to move overseas. I would start today if possible. [We have jobs](#) to pay expenses, invest, and protect ourselves while we start new revenue streams.

The main obstacle holding people back is their [unique limiting belief\(s\)](#). Very few people can ever get themselves to break this destructive mentality. I recommend a couple of books to those struggling to release their works to the public.

The first book is titled "[Mindset](#)" and talks about the difference between a fixed mindset and a growth mindset. A person with a growth mindset is constantly looking to push their lives forward, learn new things, and overcome failures.

## [Create a Never-Ending Stream of Content 2](#)

The other book I recommend is "[Limitless](#)." This book teaches us how to learn. Many of us never learned to absorb information, so we need to focus on this with intention. While building your income stream, you will constantly be learning—trust me.

**Time to start.** Yes, you read a few books, watched a few YouTube videos, and maybe took an online class—is that enough? It is more than enough! [Whatever you produce at first will suck](#). That's a promise. The sooner you get over that realization, the faster you can get to the excellent content.

Producing royalties is about constantly improving your processes, mindset, and artform. It is a never-ending journey and one that engages me at all times. As Seth Godin wrote in "[The Practice](#)," your mission is to [create](#).

**Enjoy the ride.** Royalties will be the highlight of your day. Creating royalties will keep your mind sharp, which is particularly important in your quiet home overseas. You will be able to interact with other creators and your audience.

## [Passive Income for Christmas](#)

Receiving royalties (getting paid) is also fantastic because 1) it's money 2) it means someone liked your work. Both are great feelings. My book "[The Biggest Book on Passive Income Ever!](#)"

is 1,250 pages. I can follow as people complete the entire book (via Amazon Kindle Unlimited). What a fantastic feeling and the fact that I am working on Part Two of this book gives me great joy.

**The Plan.** Now, royalties are not consistent. Some months you can earn \$1,000; others might be \$3,000. The best thing we can do to steady our income is by using a savings account. Even better, we can convert our royalty income into steady cash flow with [closed-end funds](#).

The concept would be to use your royalty income while employed to build your dividend income portfolio. As you go overseas, you can have a consistent payout of \$2,000/month coming in from CEFs.

### [What is Affiliate Marketing?](#)

When you move overseas, you can use your royalties to fund special events, trips, or some minor luxuries. If you have [excess cash flow](#) (which you should), you can reinvest your royalties into more CEFs. More shares equal more income—a pretty straightforward concept.

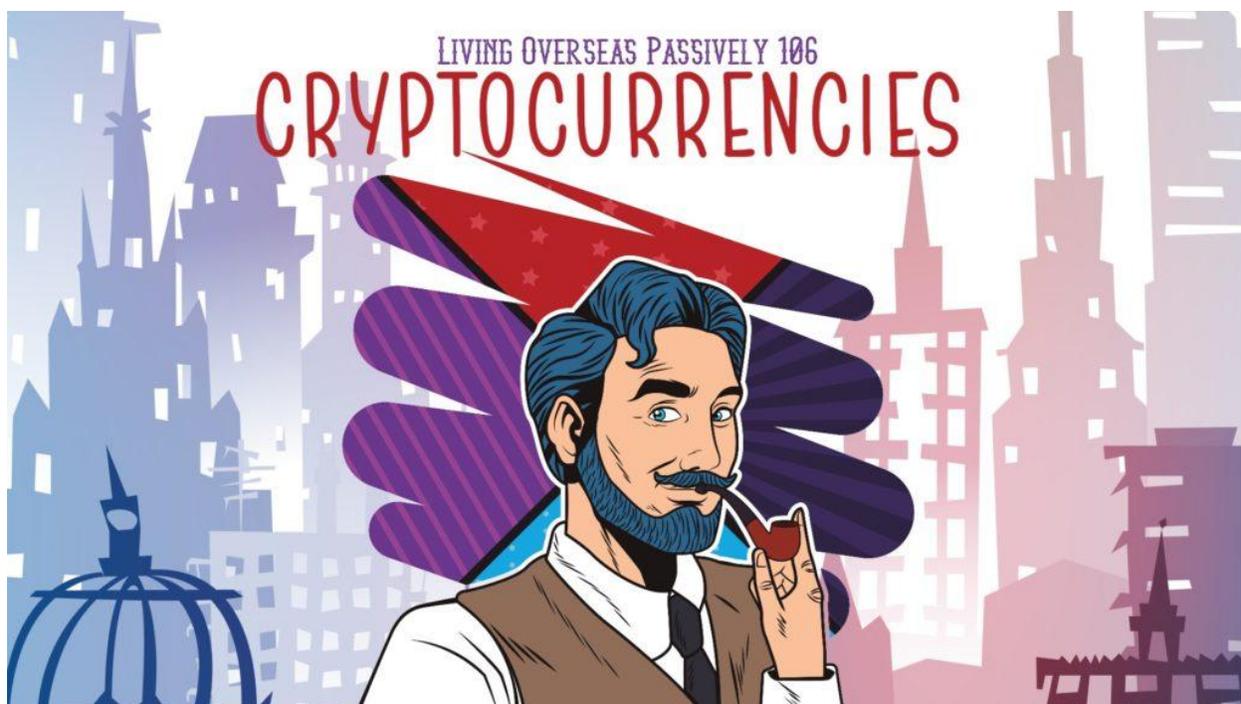
**Conclusion.** Royalties will be the most difficult to live on consistently because they are not consistent. To obtain a steady stream of cash flow, we need to invest our royalties into closed-end funds. Then we will have the best of both worlds.

Royalties are also different from the other sources of passive income. Most of the other streams use numbers, leverage, and metrics to obtain success. [Royalties use creativity](#). It warms my heart when I learn, see, or read something that sparks an interest in writing an article.

If you pick the right niche, you won't even consider royalties work or a burden. I love everything I do with my articles, artwork, and books. It is now a part of my life that will not go away. I hope you find inspiration as well.

Remember, I started down this path because Robert Kiyosaki wrote in "[Rich Dad's Guide to Investing](#)" that you should create an asset. I started for the possibility of making cash flow, but I stayed for the love of becoming better every day.

If you liked this article, please follow me on [Twitter](#) for more on royalties, passive income, overseas life, and business. Enjoy and Happy Investing.



## 59 Living Overseas Passively 107: Cryptocurrencies

Retiring overseas on cryptocurrency income will be very interesting because crypto has only been around for 10-12 years. We have no idea how crypto will fare over the next 20 years, so all we can do is hazard a guess.



[Free 39-Page PDF Download \(\\$2.99 Value\)](#)

If I had to guess, crypto would be even stronger tomorrow than it is today. Every day, crypto's adoption rate ticks upwards as more people realize the benefits of the blockchain. There has never been a better [time to invest](#) in crypto.

Welcome back to the Living Overseas Passively series ([101](#), [102](#), [103](#), [104](#), [105](#), [106](#)), where we discuss living overseas on passive income. Today, we will focus on setting ourselves up for success with income from crypto.

[Multi-Generational Investing](#)

First, let's talk about our required monthly budget. We have been using \$2,000/month in passive income for each source of income, and we will continue with that number. So, we will aim for \$2,000/month from crypto.

**Our security layer.** The first thing I want to do is establish a security layer of income. For our dividend portfolio, we used cash or bonds. For cryptocurrencies, we use [stable coins for stability](#).



My favorite stable coin, USDC, pays us 9% interest on our holdings. That is a livable wage with minimal risk. Indeed, [interest from coins](#) is a very appealing proposition in the crypto space.

We have no long-term data on how these interest rates will hold up over time, but I assume they will remain similar to today. With the [borrowing and lending protocol](#) within decentralized finance, it's in everyone's best interest to keep money flowing into these accounts.

### [New Year's Passive Income Resolution 2022](#)

**How much would I keep in stable coins?** I would aim for the entire \$2,000/month from interest from stable coins. Why? Because at 9%, there is no need to take an additional risk with the income you need for expenses. Let's see how much we need to invest to receive \$2,000/month.

\$2,000/month equals \$24,000/year.  $(24000/0.09)$  gives us a total of \$266,666 that we would need to invest in our favorite stable coins. That is very achievable, especially over a ten-year window.

**Other Crypto investments.** We have safely given ourselves a living expenses budget, but we have more crypto investing to perform. We still want to ensure [we are beating inflation](#), and that number can be higher overseas.

Looking at the chart above, we want to invest in other significant coins because of the [crypto rewards](#), plus the ability to grow faster than inflation. I believe that the major coins, like Bitcoin, Ethereum, Polkadot, Cardano, etc., will hit major inflow numbers.

## [What Type of Home Business Should You Start 2: Outside](#)

Inflow means that since these coins have their own smart chains (except Bitcoin), many users will be using their coins to interface with their networks. The more users, the higher the price goes.

I am currently receiving interest on six coins, and I will continue to invest in new up-and-coming coins that pay me interest. Why not receive interest and capital gains?

**Passive Income in DeFi.** I wrote an entire series on Passive Income in Decentralized Finance, including [yield farming](#) and [staking articles](#). Those will be fun ways to add income after paying all our bills with stable coins and major coins.

We will have a lot of time to invest during retirement, so we may be able to catch the latest and greatest coin. It pays to be current on the news with crypto. I just wrote an article about [getting rich slowly](#), and crypto is almost the exact opposite. The fastest mover receives the prize.

**The Metaverse and NFTs.** Now we will go into the speculation phase of our investments. I have been researching the [Metaverse](#) recently, and it will be huge.

## [The 8-Hour Mindset Destroys Wealth Creation](#)

The Metaverse is a digital world atop our current world, and crypto will be a major player inside. Anything that we can do to involve ourselves in the Metaverse, we need to do now. [Non-Fungible Tokens](#) will also play a massive role in the Metaverse.

Imagine owning one-of-a-kind digital artwork inside your digital world. You can hang up your artwork for all to see. Sounds unrealistic? It is already happening in various digital worlds. If we want to set ourselves up for huge gains during retirement, the Metaverse and NFTs are the waves of the future.

**Conclusion.** We have no idea how crypto will fare over the next 20 years. However, if the last ten years are any indication, it will do amazingly well. I would want all my living expenses to come from interest on stable coins. That would give me the maximum amount of security.

## [Retirement Planning for the Average Person 2](#)

On top of this security, I would add layers of interest from big coins. Then I could speculate with newer coins on DeFi.

Finally, for making huge gains, I would jump into NFTs and the Metaverse. I would find a way to make my content viable in this virtual world.

The world of crypto is fast-paced and exciting. When it comes to living overseas passively, you don't want to [gamble with your retirement](#). Stay in stablecoins, and [speculate with house money](#). Please follow me on [Twitter](#) and [my Facebook Page](#) for more investing knowledge. Enjoy and Happy Investing.



## 60 Living Overseas Passively 108: Automated Business

I don't think most people want to run a huge business when they retire overseas. It would be crazy to think about meetings and conference calls while you enjoy the weather in Bali. But, that doesn't mean we can't own a business while living overseas—we need [only delegate our responsibilities](#).



[Free 47-Page PDF Download \(\\$2.99 Value\)](#)

Welcome back to the Living Overseas Passively series ([101](#), [102](#), [103](#), [104](#), [105](#), [106](#), [107](#)), where we discuss moving overseas and living on passive income.

**A quick refresher on Automated Business.** An [automated business](#) is run chiefly by automation, out-sourcing, and management. The concept is to build a company and convert it to passive income by automating the processes or hiring a manager.

### **What Would Your Life Look Like Without a Paycheck?**

To be successful at automating a business, you need to prepare to remove yourself from the beginning. If you plan to retire overseas in five years, work that timeline into your business. Begin to hire managers or out-source as soon as possible.

**How does running a business from overseas look?** You can be as involved or detached from your business as you'd like. However, the more responsibility you [give your management](#), the more you will have to pay them.

Depending on your lifestyle, you may want to work for an hour a day at your company. The significant advantage would be limiting the amount of stress you take on. You can completely control your [work-life balance](#).

**What type of automated businesses work best at a great distance?** That depends on who you have running your business in the States.

I have two sons, and if they become highly involved in my business, I can create almost anything I want. Starting a [family business](#) is a perfect choice before moving overseas. Not only can you give your children the gift of ownership, but you can earn [residual business income](#).

### **Print Your Own Money**

If you don't have dependable family members, your choices may be limited. Just like [property managers](#), finding a good business manager may prove difficult. Remember, you will be thousands of miles away and can't babysit anyone.

Not to worry, you can always start an online business. You can create an [automated e-commerce business](#) or a [passive e-commerce business](#). One deals with buying and selling physical goods, and the other is more about [affiliate marketing](#) and [content creation](#).

I would lean towards content creation, affiliate marketing, and [search engine optimization](#). This business model can become almost 100% automated. You would only need to create content from time to time.

**Running a local automated business.** There are even more ways to run an automated business by starting a [physical company](#) in the country in which you reside.

### **Start a Home Business**

With local approval, you could leverage out-sourcing and management to start low-profile, high-margin businesses.

When my wife and [I visited Turkey](#), we saw many small carts that sold fresh corn on the cob with salt. Imagine buying a cart, say \$1,000, and hiring someone to run the corn business.

You need to ensure that the worker picks up the corn, cleans the cart, and does other minor tasks. You would pay the worker, buy more products, and take profits. You could even buy more carts as you expand the business. Even better, own multiple carts and put a manager in charge of handling all the business interactions.

I read a book about [living in Turkey](#) to get a feel for the environment. I wouldn't want to start a business there, but other countries may represent a better opportunity for a local business.

### [Run a Profitable Herb Garden](#)

**Some ideas.** Back in the States, a few ideas could work great as an automated business. You could go big with a commercial property like [self-storage, a mobile home park, or an RV park](#).

I wrote a 3-part series comparing these three commercial properties. This is an excellent idea because you only need one property to earn \$3,000+ a month in passive business income.

Otherwise, you would need to have a more significant business to gain residual business income. For example, if I wanted to start a [rental car business](#), I would need to have about 5-6 cars to reach this income level. I would need to pay a manager a full-time wage to manage this many cars.

You could [buy some farmland](#) and rent it back to the farmers. However, the return on farmland is like 3-4% a year. The value of land moves up quickly (because they aren't making more land), but you would need a lot of acreages to see a good amount of income.

### [Automation Can't Replace Creativity](#)

Maybe you [buy some land and start your own](#) farm business. There are many ways to create a successful farm, even outside of growing crops. You must have a great manager to turn everything over to when you move.

**Your best bet.** As much as I love business, your best bet is to start an automated online business. If you [create content for royalties](#), you can insert your automated business into your content.

You can add affiliate links, sponsorships, online courses, [merchandise](#), email marketing, and [Facebook ads](#) into your content. As people travel down your [sales funnel](#), the process is completely automated.

## [Run a Profitable Dog Park](#)

**Don't forget about the metaverse.** [The metaverse](#) will be a massive catalyst for augmented reality, virtual reality, [decentralized finance](#), and [cryptocurrencies](#). It will also allow you to conduct [business inside](#) its digital world.

The metaverse will bring people closer together than ever, and you will want to be at the forefront of this revolution. There may be a time when we can all live anywhere we want and not have to worry about employment because our jobs will be in "The Matrix."

**Conclusion.** No matter where you plan to live, you probably won't want to work into your [50s](#), [60s](#), and [70s](#). This means that we need to automate our businesses as soon as possible.

## [6 Types of Income Streams](#)

Yes, it's great to work on our businesses all night and day. They become our babies, but eventually, they need to grow up and move out of the house.

Two good resources to learn how to automate your business are "[The 4-Hour Work Week](#)" and "[Company of One](#)." These books will put you in the correct frame of mind for turning over your business to someone else when it is time.

"[Rich Dad's Cashflow Quadrant](#)" describes the difference between a self-employed person and a business owner. You want to be a business owner and remove yourself from the equation of making money.

The person with long-term plans and diverse income wins in the end. Combine your automated business with dividends, cryptocurrencies, rental income, retirement income, and royalties for the best results. Until next time, I'm signing off.



## 61 Living Overseas Passively 109: Cash & Emergency Fund

Now, we have been all over the world on passive income. Previously, we covered [financial mindset](#), [retirement income](#), [dividends](#), [rents](#), [royalties](#), [cryptocurrencies](#), and [automated business](#). There is only one more type of income to discuss—cash.



[Free 38-Page PDF Download \(\\$2.99 Value\)](#)

Yep, that's right. Cash is a form of income, and it is vital to our success while living overseas. You must remember, living abroad carries its own inherent risks.

We trust to have access to our bank accounts and financial institutions in America. However, overseas things can be much different. The governments may control access to your local bank or ATMs.

[Net Worth vs. Passive Income](#)

We must prepare at all times for “weird” things to happen. The best way to prepare for emergencies is to have cash on hand.

**Why cash?** Cash gives us the freedom to move freely around the country where we live. Since we generate all of our cash flow in America, all we must do is travel back there.

So, our goal is to keep enough cash on hand to survive in our country for six months without access to our local accounts. But, this may be tricky.

People will expect us to have money lying around at home if we look like foreigners. So we must be smart about the locations where we keep our cash.

I would divide my cash pile between a few locations outside my home. Maybe a friend you trust or a secret hiding place is where to decide to store it. Perhaps you bury it in your backyard or at a business where you work.

### [How to Create Passive Income 103: For Advanced](#)

The idea is to have multiple little stashes of cash to protect you from an immediate change of government or law. Trust me, back in 20002; I was in Niamey, Niger, West Africa, and things became heated quickly. Crap happens all the time.

**Generating local currency.** It may not be a bad idea to create local currency as well. Because we are outstanding entrepreneurs, we can start a [small business](#) or [automated business](#).

Having access to local currency will keep us rooted in the local economy and allow our USD to grow and compound. Why spend money when it isn't needed?

**Cash on a higher level.** We also want to keep an American-sized amount of money in our American bank accounts. Remember, as much as we love to [live on dividends](#) and [royalties](#), crap happens. Companies can cut dividends, and media outlets can cancel your content, thus stopping your royalty payments.

### [The Business of RV Life](#)

Having a large amount of cash can help you stay in your local country, [stress-free](#), and ready to find [alternative sources of income](#).

You don't have to let all of your cash sit in a savings account, earning nothing, however. I like to use a tier system to keep my money still working for me but available on request. My tier system looks like this: cash on hand, high yield savings account, government bonds, and USDC stable coin.

**Cash on hand.** We talked about cash on hand above. Remember, when overseas, you want to keep a large amount of cash on hand but divide it among separate “safe” locations. It’s also a good idea to find a way to generate local currency.

**High yield savings and government bonds.** I talked about high-yield savings accounts and government bonds in the article “[Investing for Interest 102: Super Safe Savers.](#)” These vehicles are an excellent way to earn 2-5% interest on your cash. It does take 2-3 days for the government to return your money from bonds.

### [When Life Gives You Lemons... Make Passive Income Lemonade](#)

**USDC Stable coin.** My favorite store of cash is the [USDC stable coin](#). Currently, the [interest on these coins](#) is 9%. Even better, Voyager is releasing a [crypto debit card](#) that interfaces directly with your USDC account. So you can have immediate access to your savings in a pinch.

**Conclusion.** Using the tier system will ensure you can access your cash in a pinch. Also, if there is a financial emergency within the US economy, you won’t be stranded (broke) in another country.

Living overseas is a fantastic experience, and the better prepared you are, the more likely you can keep that reality. Having cash on hand is the first step to protecting yourself from random changes in the local economy.

Keeping cash throughout your portfolio ensures that madness in America doesn't affect your well-being overseas. It is a ying-yang scenario and will give you [deep comfort at night](#). Again, thanks for reading more about living overseas passively. There is more to follow; stay tuned.



## 62 Living Overseas Passively 110: Living Overseas on Passive Income

Have you ever dreamed of living on a faraway beach island? You and your loved ones would wake up to bright sunny days and lay on the beach all day long.



### [Living Overseas on Passive Income](#)

Does this life seem possible to you? Or does it sound completely out of the realm of reality?

If you struggle to understand how people can live these extraordinary lives, I will give you the secret right now—[passive income](#).

That's right, the answer to all your problems is creating passive income streams. While you lay on the beach, your money is compounding, growing, and paying you. Yes, your money pays you.

That is the [magic of passive income](#). Over the last few months, I have written several articles on retiring overseas on passive income. Yes, you could just build a considerable dividend portfolio and retire on dividends, but I believe diversification is best. Here is what I covered:

**Living Overseas Passively 101: [Introduction](#).** Here, I discuss setting up your plan far in advance of your move date. Yes, like ten years in advance.

**Living Overseas Passively 102: [Financial Mindset](#).** You cannot do anything in life without the right mindset, and moving overseas is no different.

**Living Overseas Passively 103: [Retirement Income](#).** I discuss using your Roth IRA or military pension to base your overseas income.

**Living Overseas Passively 104: [Dividend Income](#).** The mother of all sources of passive income. I prefer to use an Income portfolio as my primary source of dividends.

**Living Overseas Passively 105: [Rental Income](#).** Rents can be a fantastic source of consistent passive income; however, you need a great property manager back home.

**Living Overseas Passively 106: [Royalty Income](#).** Royalties from your creative works are great additional income, but I wouldn't rely on them for my expenses. They are inconsistent.

**Living Overseas Passively 107: [Cryptocurrencies](#).** The stable coin USDC pays 9% interest. If you can live on 4-5% of this income, you would never run out of money. In fact, your cash pile would continue to grow.

**Living Overseas Passively 108: [Automated Business](#).** Having a business is great because it can continue to grow and prosper while someone else is in charge. You'll just take that juicy residual business income.

**Living Overseas Passively 109: [Cash and Emergency Fund](#).** Cash is a necessary part of your overseas life. You never know how the world can change overnight. You want to prepare yourself.

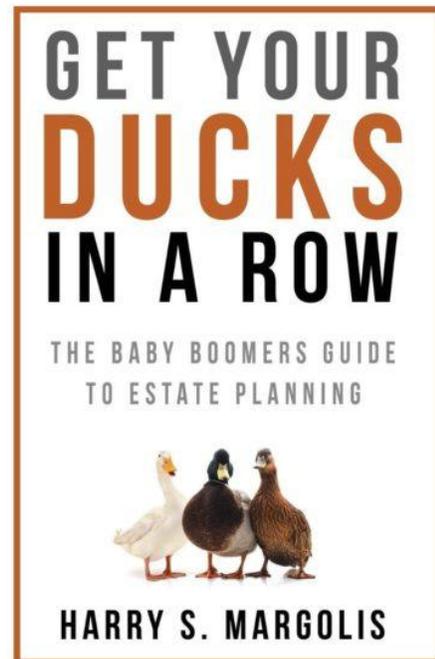
Using all these sources of passive income will make you very happy overseas. You should have an abundance of wealth, plus managing your income streams can give you something to do for 1-2 hours a day.

If you genuinely think that living overseas on passive income is unachievable, you may be suffering from [some limiting beliefs](#). I recommend reading "[Mindset](#)" to figure out who is holding you back.

With that, I'm off to continue to build my passive income. My wife and I want to spend a few years in Turkey while living on passive income. We believe in the dream, and hopefully, you will continue on the path also.

## BOOK TAKEAWAYS

# 5 TAKEAWAYS



### 63 “Get Your Ducks in a Row”

“[Get Your Ducks in a Row](#)” by Harry S Margolis is an enormous book on estate planning. I knew it would be a challenging book to read because of the subject matter, but it proved to be an exciting read.

The book was engaging because I learned much more than I thought. Estate planning covers many facets, including wills, trusts, taxes, health care, and charity. To be honest, I was on the edge of my seat most of the time because I was learning so much new information.

Most people don't conduct estate planning because they feel that they don't have an estate. However, many people have something of value that they can leave to someone else. I truly need to write my 30 takeaways from this book because of the pure amount of teaching points that stuck with me. With that, let's get into my five takeaways.

1) Wills only affect items that don't have a natural order of succession—this includes things like tangible property (i.e., furniture, gold). Things like real estate and investment accounts flow directly to the named beneficiary.

2) Irrevocable trusts are invaluable for the family to keep access to income while having an individual remain eligible for long-term care assistance from the government. If someone has too many resources, they would have to liquidate their assets and suffer a waiting period to qualify for Medicaid.

3) Estate taxes are currently set for roughly \$11 million per person and \$22 million per couple. Over 99% of residents will not qualify to pay these estate taxes. However, states can have much lower thresholds. Knowing your estate taxes and planning accordingly can affect how much you give throughout your lifetime.

4) You can give an individual \$15,000 per year without reporting your taxes. However, if you go over \$15,000, you won't have to pay taxes. That excess amount then goes into your \$11 million estate number. So most of us can give as much as we want because we won't reach that \$11 million limit. This is an excellent way to transfer items while we are still living.

5) Charity is also a great way to reduce estate taxes and give towards your legacy. You can also work with institutions to transfer assets like stocks to not trigger a capital gains tax upon transfer.

Estate planning can seem complex, but it's an attempt to do right by your family. The stories in the book are heart-wrenching because some people can become greedy when it comes to money.

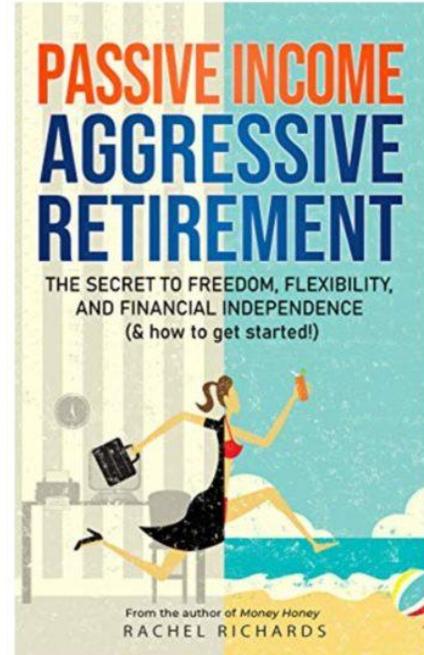
My biggest takeaway is to talk to your family. There should be no surprises when the executor reads the will and transfers assets. The family should discuss the plan at least every couple of years to ensure things have not changed too much.

An irrevocable trust is a great way to ensure the family legacy remains intact for a long time to come. You can set the trust only to allow dividends and interest to flow out of the account, leaving the principle safe and growing.

If you are growing your wealth (as you should), this book is what you need. I am 40, but I need to begin to put these plans in place because I am building a growing number of assets. For being 456 pages, it was a fast, easy read. Time flies when you are learning. I highly recommend this book.

[This link is to a physical product. The link above is to the digital book. Sorry. I get no credit for digital product links.](#)

# 5 TAKEAWAYS



## 64 “Passive Income, Aggressive Retirement”

“[Passive income Aggressive Retirement](#)” by Rachel Richards is a book after my own heart. I mean, honestly, I could not write a book that mirrored my views on life better than this one. Passive income is such an invaluable part of my life, and this book reinforces my goals.

One of my favorite ideas from the book is that we don’t need to be the best at any one passive income idea. Having a combination of many different streams can still set us free. I am a big believer in the same mantra.

The author has five different categories, or types, of passive income. She breaks it up into royalties, rental income, coin-op machines, ads and e-commerce, and portfolio investments. Wow, again, they almost mirror my five types. For reference, mine types are retirement planning, cryptocurrencies, investing, real estate, and business.

I really enjoyed how the author ties her emotion into the art of building passive income. She explains that the first phase of creating an income stream is hard work (I can attest to that), but the second phase is where it becomes a lot more passive. Let’s get into my five takeaways. I will focus on the coin-op section because I learned the most here:

1) Arcades can still be a viable passive income stream if you can find a decent location to implant your machine. You will need to work with owners of local businesses.

2) ATMs can be great passive income, but it is difficult to find unsaturated locations. Once you find a location, it's your mission to convince the owner to let you drop your machine. Are you seeing a theme here?

3) Vending machines can have a great return on investment; however, it comes down to location, location, location. You also need to track what the audience of your particular locations enjoys.

4) Slot machines are highly regulated because they are considered gambling. So, if you can understand all the laws and follow them, this could be one of the better coin-op machines out there.

5) Starting a coin-op car wash is very capital-intensive (expensive) upfront. However, if you can make it passive via management, you may be able to retire just from that one location.

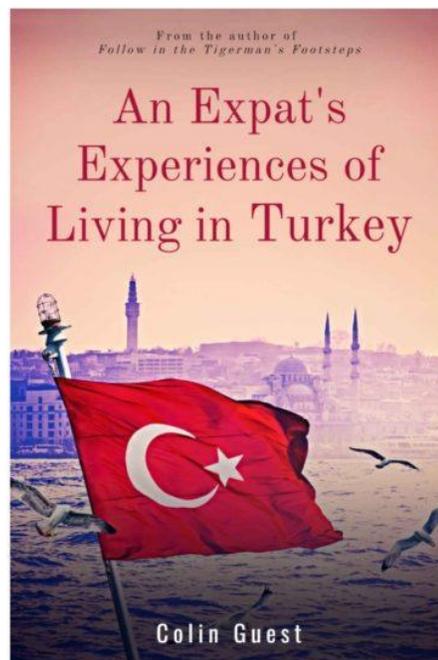
Tying all the other passive income streams together can set you free a lot earlier than most people realize. When you focus your hard work on building your dream, not someone else's company; you'll be surprised at how fast things move.

Every type of passive income requires you to research and do your due diligence. There are no shortcuts to your dream retirement. Do not let limiting beliefs hold you back—we can all achieve financial independence through passive income.

If I were to write a book, it would turn out exactly like this book. I believe the only difference between her thought process and mine is that I have kids, and she doesn't. Other than that, I could be her shadow. I highly recommend this book for people starting their journey or those continuing on the path.

[This link is to a physical product. The link above is to the digital book. Sorry. I get no credit for digital product links.](#)

# 5 TAKEAWAYS



## 65 “An Expat’s Experiences of Living in Turkey”

“[An Expat’s Experiences of Living in Turkey](#)” by Colin Guest is an extraordinary true story of love and loss. I’ve been writing articles about moving [overseas and living on passive income](#), and I needed more details of the expatriate experience. This book is precisely what I was looking to find.

My wife’s sister lives in Turkey, and we plan on spending a significant amount of time there during retirement. I wanted an inside look at a foreigner making an authentic life in Turkey. Through the author’s experiences, I can now reshape my vision of the ex-pat life.

My main takeaway is that you need to avoid working in Turkey at all costs. Most of the issues he ran into were dealing with work. For my purposes, I must make more than enough passive income never to work overseas. Luckily, I already knew that golden nugget of information.

Living overseas may seem more challenging than living stateside, but it is just different. Many things are vastly more complex, while others are more simple. Understanding the country you live in is perhaps the most crucial element of the move. Let’s get into my five takeaways.

1) The annual rate of inflation was/is intense in Turkey. Having access to US Dollars is vital to long-term success. Prepare a way always to have USD available.

2) Eating out in restaurants, especially in Istanbul, can be very expensive. Indeed, eating out can be just as expensive as being stateside. Prepare accordingly.

3) Colin had a massive problem with his rental property back in England. I write about this in [Living Passively Overseas 105: Rental Income](#). Having a trustworthy property manager is the only way to keep a house while overseas.

4) The medical care in Turkey is very advanced, and you can even have procedures done there. However, you will need to have private medical insurance outside of your stateside coverage.

5) Buying land in Turkey can be confusing and a money sink. Ensure you have a lawyer present for all purchases of land and homes. Many times the land is sold twice, or the certificate to build on the property is missing. It's not as straightforward as the States.

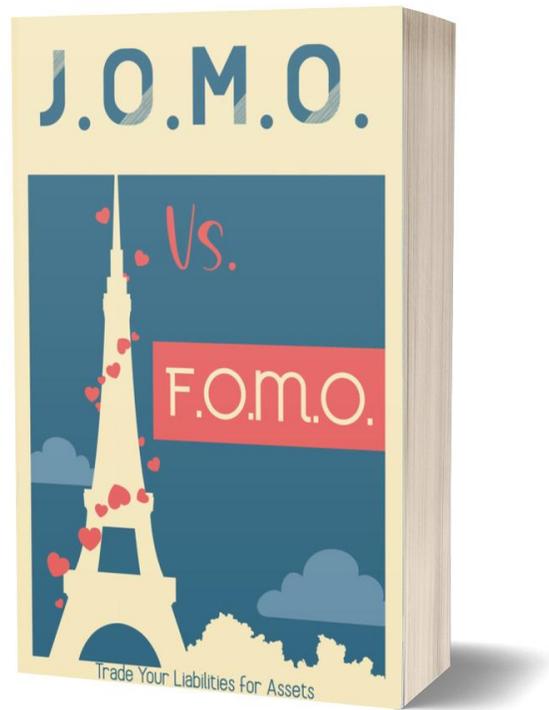
The people of Turkey are amazing, but it does have its rougher element. Just ensure you know where you are and who is around you. Reading stories from Colin had me laughing. They were just so outlandish and different from anything in the States.

The rules in Turkey, about everything, are vastly different from the States. Some examples are bank checks are only usable for ten days, and if someone dies, their possessions stay in their name. These little things can add up to a lot of frustration.

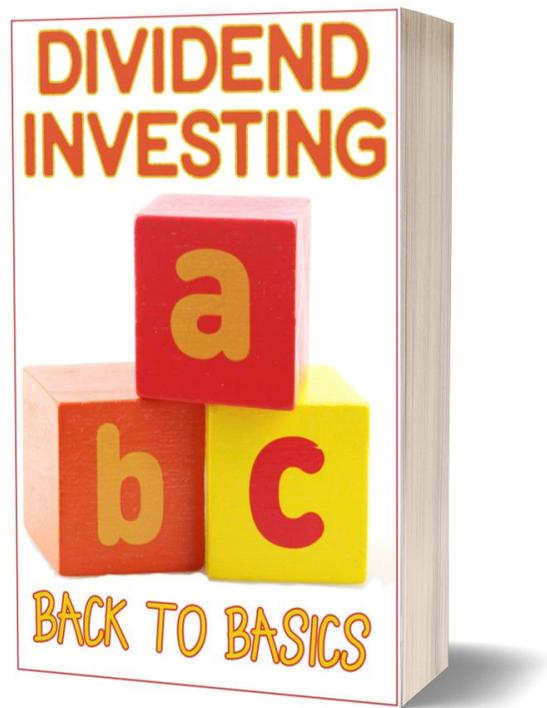
If you plan on living in Turkey, I would visit at least seven to ten times for a total of two to three years. It is that different over there. Learn as much of the culture and traditions before making your final decision to move permanently. And, have enough passive income to prevent you from needing to work—this is vital.

Overall, a great book about living in Turkey and overseas in general. Every country will have its unique way of life, and reading a book or two can help you prepare for the unknown. I highly recommend this book for travelers and future ex-pats.

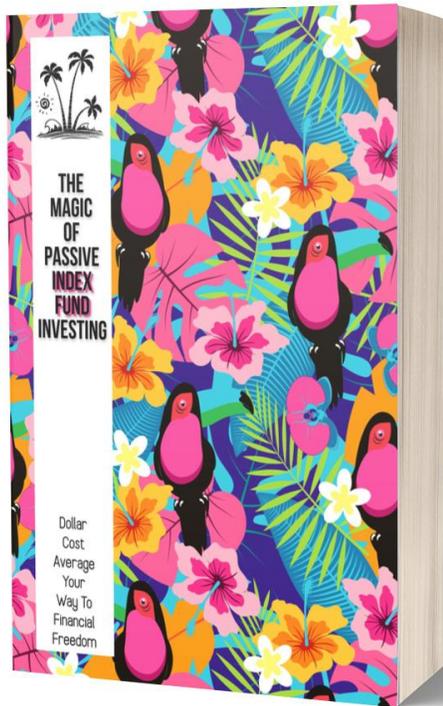
[This link is to a physical product. The link above is to the digital book. Sorry. I get no credit for digital product links.](#)



[Grab something different! -Free PDF Download](#)



[Try Something Different!- Free PDF Download](#)



[Grab something different! -Free PDF Download](#)



## [Financial Independence Magazine](#)

# MILITARY FAMILY INVESTING

[www.militaryfamilyinvesting.com](http://www.militaryfamilyinvesting.com)

[Read My Books for Free: Free Kindle Books Schedule](#) also [on Kindle Unlimited](#) Join me on the best app for Crypto- [Voyager](#)

Follow us on our Facebook Page ([here](#))

Join our Facebook group ([here](#))

20 Books that Will Make You Rich ([here](#)) part 2 ([here](#))

**Want to Build Passive Income from Books and Affiliate Marketing? ([Learn here](#))**

**Disclosure: I am not a financial advisor or money manager, and any knowledge is given as guidance and not direct actionable investment advice. I am an Amazon Affiliate. Please research any investment vehicles that are being considered. I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it. I have no business relationship with any company whose stock is mentioned in this article.**