13 PASSIVE INCOME IDEAS - PROVEN & TESTED

Passive income is a myth, or so they say.

The idea of not working and still making money is a skill you have to master, a skill that takes years to develop, or is it just a form of leveraging work so that it's disconnected from your time?

Yes, yes it is, and if someone tries to sell you a way to ‘make money in your pyjamas’, run away from them extremely fast because they are carrying out the best way to make passive income on you—teaching you how to make passive income.

So let's break it down. Let's go through 13 methods of generating income that are extremely easy to disconnect between your time and the effort that you put in.

PASSIVE INCOME!

P.S. To actually take advantage of this 5-minute document you’re about to read, don’t read it passively; read it with intention, take in all of the pros and cons, and assess whether it's right for you. Because the truth is, all of them work, and all of them can make you passive income, but they aren't all right for you.

After reading this document, focus in on three of the sources that were mentioned and, through the process of elimination, figure out which one is the best for you. That's going to help you make the most out of this valuable document.

Let's dive in: ⬇️

1. ## Create Content

Creating content is a fantastic source of passive income because, as you scale as a content creator and start to make money from your content, the amount of money you can make for the work that you put in is unprecedented.

For example, let's say you had 100,000 followers on Tiktok and a brand wanted you to make a 30-second video, which they paid you $1,000 for.

That's $1,000 for what may have taken you 10 minutes to script, 2 minutes to record, and 20 minutes to edit, so $1,000 for less than 30 minutes of work, and those numbers scale as you scale into the big leagues, where you can end up making thousands for the little time and effort that you put in.

The argument is to be made that it's not about the 30 minutes you put in but the months you spent building your audience, and that is valid, but if you treat making content as a hobby, then you're being paid for what you love to do. Result!

PROS:

Once you reach a certain threshold, the numbers you can make are outstanding, and they are easily scaleable.

CONS:

The result is not instant; creating content is something you have to do for months upon months at a time before you see any kind of traction, so be prepared for that.

Final words:

Creating content can be anything you want from a podcast to a tiktok account, It can be in any style you want about anything you want - total utter freedom.

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2. Create a Course

No, seriously, create a course. It sounds random, and you may be thinking, I don’t know what to make a course about; why would anyone buy it? How would I even market it? And if you had those thoughts, you would be completely in the right to. The reason creating a course is a fantastic stream of passive income is because, in theory, you make it, you sell it, and that's it.

This means your time and effort are disconnected from the return that you get, and lucky for you, a lot of the previous thoughts you may have had have solutions to them. For example:

"I don’t know what to create a course about."

What do you love? What do you know a lot about? You don’t have to be a downright expert; you just have to be good enough to be able to teach people things that they didn’t know before. So what do you spend most of your days doing? Answer that, and you’ve found what you like.

"Why would anyone buy it?"

There is always going to be someone interested in learning what you know, whether it's a teenager looking to build their first computer, and you’ve already built one, or someone who wants to learn how to make the perfect burger, and you’re confident that you have perfected it.

"How would I even market it?"

You don’t have to market it. There are platforms out there, such as skillshare, where you can create and post your own courses, and people who want to learn a certain thing will go to that marketplace and search for what they want to learn. If it’s anything to do with building computers or making perfect burgers, you may just show up.

PROS:

You can make it once and sell it forever

CONS:

You have to know something about something and be willing to make a course on it.

Final words:

Believe it or not, there are courses on how to make courses, so all it takes is for you to do a little research!

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3. Do something that you enjoy

Seriously, this one isn’t a joke; if you end up doing something you love, it won’t feel like work at all, which doesn’t make it passive income in theory, but it will sure feel like it. In order to do this, it’s pretty simple: you have to either figure out what you love doing and monetize it, or find a way to monetize what you already know you love doing.

This is the dream for the majority of people: to be paid for what you love to do. Most people won’t even bother attempting to achieve that dream because it’s ‘too far-fetched, and those are the people who end up working corporate jobs and hating everyone else who doesn’t.

In order to be different, all you have to do is take that leap, take the risk that others are afraid to take, and in all honesty, you may not make it; not all people do, but at least you know that it's not due to a lack of trying.

Do you love to travel? How can you be paid for it?

PROS:

Find what you love to do and you'll never work a day in your life.

CONS:

Finding what you love ins't the hard bit, the hard bit is figuring out a way to monetize it and theres where most people give up

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4. Stocks & Investments

Stocks and investments are the ultimate stream of passive income and have been a staple in the passive income world since the first investment app was available to the public. The idea is that you put your money into something such as Apple, and then the 164,000 employees at Apple help grow your money for you.

Yes, that's how it works: you invest in Apple stock, and as their company grows, so does your money.

The only caveat here is that in order to get a considerable return, you need to invest a considerable amount of money in the first place, so it's sort of a chicken and egg situation: you need lots of money to make lots of money, but in order to get lots of money, you need to be able to invest lots of money.

The principle, however, stands strong. Investing in stocks and crypto is fantastic when it comes to passive income, considering you can spend 15 minutes downloading the right apps and investing, and then your money can grow on autopilot.

PROS:

Super simple to do, you only need to be 18+

CONS:

You need to have money in the first place...

Final words:

Treat Investing not as a passive income stream to chase as a beginner but as a vehicle that will help you grow your wealth.

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5. Affiliate Marketing

Affiliate marketing is a term that's been thrown around for decades. It's the idea of making money from promoting someone else's product or service. Essentially, you're the referral man, and for every time someone buys the thing you refer, you get a kickback.

The reason it works and is 'passive' is because your time is disconnected from the result. You can make a blog post, a TikTok, or a YouTube video about a new Amazon find, and in principle, whilst you're asleep, someone could buy that product; therefore, you're 'making money whilst you sleep'

Of course, it's not that easy. It never is. However, the idea is there. At a very small scale, you could recommend all of your friends to a new banking app that pays out $10 per referral, and if you even get 20 of them to sign up, you could pocket $200 for messaging your friends.

From there, you can scale it into a fully-fledged business or just treat it as a side income.

PROS:

You don't need your own product or service, just a bit of knowledge about it and a voice.

CONS:

When you stop promoting the thing, you stop making money.

Final words:

If you want to explore affiliate marketing, start off with the basics, see how many of your friends you can refer to an app that pays you per sign-up.

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6. Digital tools

A digital tool can be a range of things, but fundamentally, it starts off with identifying a problem that needs solving and creating some kind of digital tool to solve that problem. This can end up being anything from a fully-fledged piece of software to an e-book, and the format of the solution completely depends on what the problem is.

If the problem is that a business is struggling to retain customers due to problems within their servers, then software is the solution; if the problem is that people don't know how passive income works or different methods of how to generate it, then an e-book may be the answer (get it?)

Now, creating a digital product is heavy on the upfront cost and effort because it will either take a lot of your time, energy, money, or all three, but once you've created your digital product, it can typically run by itself.

PROS:

Creating a digital product that can run by itself can make you a whole lotta money.

CONS:

The upfront costs meant that you have to put a lot in before you get any out.

Final words:

If you want to create some kind of digital product, focus on finding problems and figuring out ways to solve them; from there, everything else will fall into place.

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7. Membership Communities

Membership communities are a more unique stream of passive income. It's the idea of creating some kind of community around a topic and charging people to be able to be part of it. It sounds a bit odd at first, but once you realise how many people do this, it becomes, well, less odd.

There are a few different ways you can go about doing this. Ideally, you would have an existing following and build a community around that, but if that's not something you already have, you have to go with option B, making a community so niched and valuable that people don't need to already know who you are to want to join it.

This then gives you the job of figuring out what people want a community to be about and building the platform to host it. This can be on Discord, Telegram, Slack, Patron, or many other software platforms, but the value comes in how you structure it and what value you put inside it.

PROS:

Creating a community is like opening a door to endless other opportunities, once it's running, it's self-sustainable.

CONS:

There is a significant amount of upfront work that you have to do in order to get the community running.

Final words:

If you want to create some kind of membership community but have no idea what to create one about, start with what you are passionate about, and chances are others will be too.

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8. Subscriptions

Subscriptions are less of a passive income idea and more of a passive income model; the dream scenario would be to create some kind of product or service that renews on a subscription basis. Businesses such as Netflix are the ultimate passive income business (ignore the fact that they produce content) because all they need to focus on is acquiring more users.

If you're lost on where to even start with a subscription-based model, do some research, and you'll find the top subscription companies consist of Amazon Prime, Hulu, Apple Music, etc., which goes to show services outweigh products as the profit margins are typically much higher.

A great subscription-based product would be something like Harry's Razors, where they send you a new set of razors each month and you pay a monthly fee, but it's not quite as lucrative as creating a software or programme once and collecting cashflow for the foreseeable future.

PROS:

Once it's running, It's extremely self-sustainable.

CONS:

Similar to a membership there is a significant amount of upfront work that you have to do in order to get the business running.

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9. Rent or sell your goods

Renting out your goods is a pretty self-explanatory one; if you own something that is of value to someone else, you're able to rent it out at no stress to you and make money from that. This could be anything from a spare room to gadgets that you don't use anymore.

When it comes to selling your goods, we all have piles of boxes filled with stuff we haven't thought about in years. You can either hold onto it for a chance to end up on an episode of Hoarders, or you can sell it online to help you make passive income. You might have to dig deep, but you may find you have some items that are worth some serious cash.

So if you don't know where to start when it comes to passive income, your closet might be your best bet—not the most efficient or effective one, but a good place to get a head start nonetheless.

PROS:

Typically there is no work at all required apart from listing your things up on a marketplace which can be done in 10<

CONS:

There is very little longevity in renting out your things, especially selling them! Once they're gone, they're gone.

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10. Dividend stocks

Dividend stocks are a pretty secure and proven way to make passive income. If you don't have a clue what they are, we would suggest you take a quick look at this video here. In short, a dividend is essentially a 'thank you' payment that you can receive for owning a stock. For example, if you brought some Coca-Cola stock for however much you brought, they would pay you back a small 3.05% of it as a thank you every October.

Now this may seem like nothing, but the more stock you own, the more dividends you can be paid. If you owned some stock in a company called Dynex, you would be paid out 12.8% of what you own as a thank you every year.

The more stocks you own, the higher the dividend yield they have, and the more money you can make. In essence, you are essentially being paid income as a thank-you for not doing anything.

PROS:

This is true passive income-not being paid more money than you put in but being paid for doing absolutely nothing. Pretty cool, right?

CONS:

You obviously need to buy the stock in the first place, which means you need the capital to invest in the first place...

Final words:

Dividend investing can get pretty confusing and complicated, so we would recommend you do your own research before doing anything.

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11. Automating a business

Running a business is hard, and as glorified as it may be on social media, it’s in no way passive unless you go out of your way to make it passive. The reason most people don’t do that is because they want to grow the business on a larger scale.

When building a business, you have 2 options: you either focus everything on growth, meaning nothing is passive as you’re giving it all of your time and focus, or you focus on cash flow and passivity, which means you’re not too bothered about growth but more in the sense that you want it to spit out some money for you.

This is where automating a business comes in; you build it with the sole intention that you want it to run by itself, and you can do this in countless ways, the main one being that you build the system and then pay others to run it for you—that's passive.

For example, if you wanted to start a dog grooming business, you could build it to a certain level and then hire employees to take it over for you, with the goal of disconnecting yourself as much as possible.

PROS:

Doing this the right way can make it truly passive. It doesn’t mean you will never have to do work again because all things come to an end, but if you structure it correctly, it can be a great cash cow.

CONS:

There is upfront work that needs to go into building the business in the first place, and doing it this way means you are sacrificing growth because, well, you can't grow it if you’re not working on it.

Final words:

This isn't a quick and easy process, It's long and risky but, with the right approach it can most definitely work.

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12. Creating an app

Creating an app is quite similar to a few other passive income ideas we have gone through previously, such as digital tools, but the reason it gets its own spot is because of the potential outcome. Creating something that has its own infrastructure and can almost run itself is as close to passive as it gets. The only big caveat there is, however, is that building an app can take a lot of time and a lot of money, but there are shortcuts to get around that.

As technology evolves, new methods of building apps with no code and little money are everywhere, but it's your job to not only find the right ones but also figure out what to make the app about. Ideally, you would have an idea of what to make it about before you made it, but if not, look back to what you would make a digital product about, as it's the same kind of idea.

PROS:

Creating an app is one of those things that can lead to blowing up and instant retirement if done correctly, and it can be truly passive.

CONS:

The upfront work that would need to go into it is what turns the majority of people away from it. It can be gruelling, tiring, and almost not worth it for the majority of people.

Final words:

This isn't a quick and easy process, It's long and risky but, with the right approach it can most definitely work.

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13. Buying something once and letting it run its course

Buying something and letting it run its course is what passive income is made from, but what do you buy?

In order to make a lot of passive income, similar to how the wealthy do, there is no shortcut; you need to have a lot of money in the first place to put into things such as assets in order to let your money grow. Making your money make you more money is the ultimate form of passive income, but to get there, you first have to make money, and in order to do this, you may have to sacrifice your time, and that's okay.

The idea is that you trade your time for money, then buy back your time with the money you now have, and then make that money make you more money. That's the formula.

Breaking it down, It all starts off with generating an income that you can deploy into assets, so make that your main focus. Try and stay away from the typical jobs where you're paid on your time and look into jobs where you're paid on your results instead, because that means the money you make isn't due to how much time you put into it but the effort you put in, which you have more control over.

In the spirit of being paid on your results, that's when you can start looking into various different side hustles where you're paid on the results that you deliver. Which side hustle? That's for you to choose, but if you're completely lost, here's a good video to put you on the right path: Escape the Matrix in 2023 With This Business Model

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You've made it through the 13 passive income ideas, so hopefully you now have a clear idea of what next step to take or at least some clarity on what direction to go in.

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- The Kaizen Team