THE PASSIVE INCOME GUIDE

Welcome!

Seriously so excited to have you dive into this ebook. Once you start to earn money without working for it, your whole money mindset will change.

Rather than working or side hustling for your next dollar, you'll start looking for new passive income opportunities.

After accumulating enough of these passive income streams, you'll find yourself no longer needing to work for money.

Cody Berman

Passive Income Expert

So...

What *is* passive income?

Like most people, I always assumed that I needed to trade my time for money. I thought the money equation looked like this:

Hours worked x **Hourly wage** = **Total Earnings**

It wasn't until I read the *4-Hour Workweek* that I realized time and money didn't have to be linearly related. Instead, I could invest my time, energy, and money into different passive income opportunities.

Some real-world examples include digital products, index funds, and rental properties.

> **If you don't find a way to make money while you sleep, you will work until you die.**
>
> – Warren Buffet

My "Big 3"

Digital Products

I sell printables and digital downloads on Etsy and Shopify. I just create the products, list them, and watch the sales roll in. There is minimal additional overhead.
I sell things like:

- Planners
- Invitations
- Holiday Gifts
- and Printable Games

This is one of the easiest passive income businesses to start.

Index Funds

Investing in the stock market can seem daunting, but index funds make it easy. If you invest $500 per month for the next 40 years, you'll have over $1.5M (*assuming an 8% return*).

Just *saving* that money would equal $240,000.

I auto-invest a percentage of my income every month so I can just "set it and forget it".

Rental Properties

Buying rental properties is one of the fastest ways to build wealth and passive income.

However, it's also the riskiest option on this page. There are a lot of factors that go into finding a "good" investment property.

I spent 100+ hours on research before I bought my first investment property.

1. Digital Products

My journey actually started in the physical product world when I founded a disc golf company in 2015. I learned a lot of lessons, but between managing inventory, packaging, and shipping discs -- it was the furthest thing from passive income.

Then, in 2018, I started selling digital products on Etsy after my friend (*now business partner*) Julie told me that she had made over $6,000 from just ~50 hours of work.

Unlike with my disc golf business, I no longer had to deal with packaging, shipping, or inventory. It was amazing!

A few months after I started on Etsy, I got my first big "break" when I made over $800 during Valentine's week... from just a handful of products.

Ever since that week, selling digital products has been one of my favorite passive income streams. It's also one of my favorite to recommend as well because it's easy to start.

My best-selling product has now earned me over $2,800:

Favorites	Orders	Revenue
553	784	$2,821

The reason why I always recommend starting on Etsy is simple... the customers come to *you.* With 80M+ users, Etsy is essentially a search engine matching people with products.

There's no way I would have sold 784 copies of my bestselling product if Etsy didn't send people to my store.

Of course, you can't just list *anything* and make thousands. There is a process. But once you master that process, each new product you create becomes a little stream of passive income.

Let's say you have one $5 digital product. If you sell 20 units per month, that's $100. 30 similar products mean $3,000 per month. 50 is $5,000 per month...

I think you get the point. And the best part is that it's 99% passive after the product is listed (*besides maintenance and customer inquiries*).

Plus, you can also cross-list your products on places like:

- Shopify
- Your own website
- and Amazon KDP

Whether you're just starting out or have an established online business, digital products are a great way to create passive income. Unlike physical products, freelancing, or independent contracting, you don't have to trade your time for money directly.

The Process

01

Research

Use keyword research tools and analyze trends to decide on which products to create.

02

Create

Create your digital product in a design program like Canva (free) or Adobe Illustrator (paid).

03

List

Add the product to your store with listing images, a description, a title, and the appropriate tags.

04

Optimize

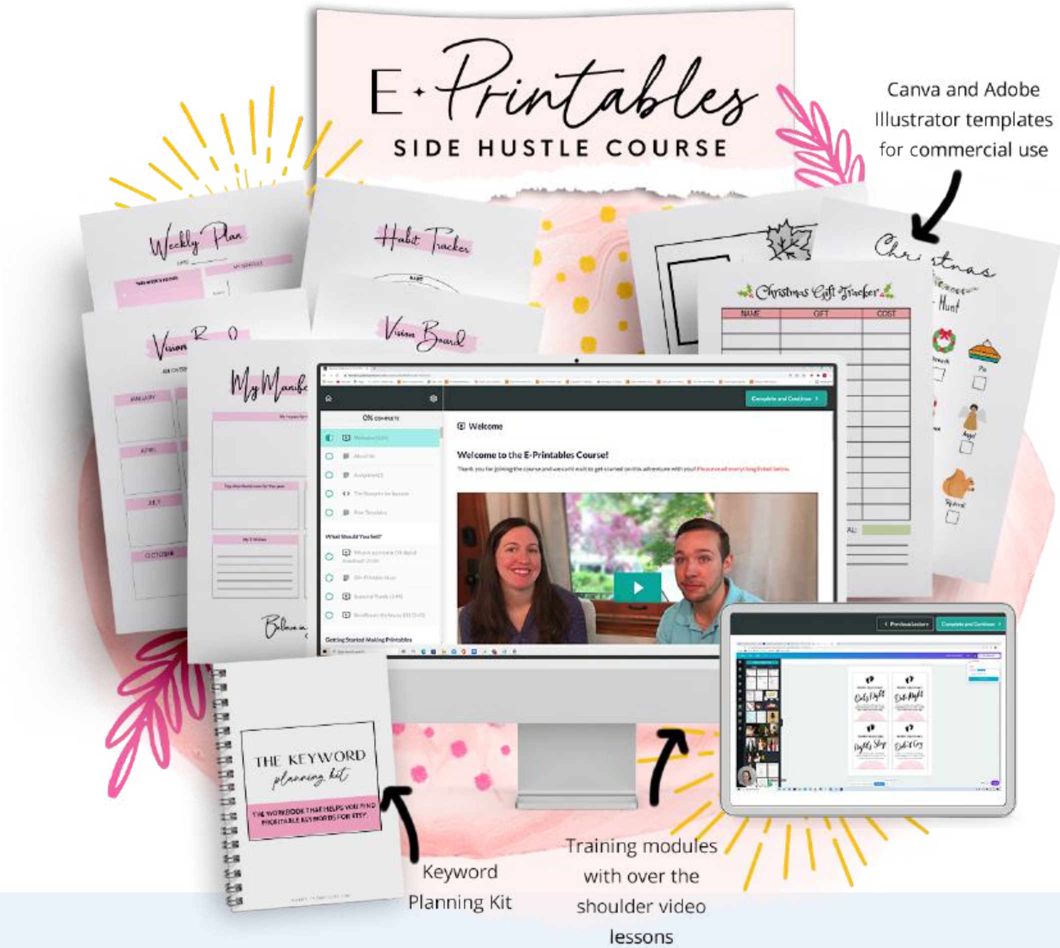
Constantly tweak and improve your product to maximize revenue and conversions.

05

Repeat

Once you've got the "formula" down, just repeat this process and grow your passive income!

E-Printables Course



You can totally DIY this side hustle if you want, but to fast-track your success, I created the E-Printables Side Hustle Course with my business partner Julie. This course will teach you exactly how to create and sell digital products on Etsy and beyond. To date, we've helped 4,000+ students through the course and continue to see amazing success stories. Click the button below to learn more.

Learn More

Do something today that your future self will thank you for.

– Sean Patrick Flannery

2. Index Funds

First, investing isn't gambling. Sure, there are ups and downs, but over the past 100+ years, the stock market has returned an average of about 8%. It's a marathon, not a sprint.

In simple terms, an index fund mirrors the performance of a financial market. So for example, the "Total Stock Market Index Fund" mirrors the performance of... (*you guessed it*) ... the total stock market.

When you put money in an index fund, you're investing in *all* of the companies that make up that particular index, which is less risky than if you were just buying individual stocks.

So how much passive income can you actually make from index fund investing? Let's run some numbers and find out.

Nik invests $500 per month ($6,000 per year). His average rate of return is 8%. After 40 years, he'll have...

Inputs		
Current Principal:	$	0.00
Annual Addition:	$	6,000.00
Years to grow:		40
Interest Rate:		8 %
Compound interest	1 time(s) annually	
Make additions at	◉ start ○ end of each compounding period	
	Calculate	
Results		
Future Value:	$	1,678,686.24

$1,678,686.24!!!

Now remember, Nik invested $6,000 each year for 40 years.

$6,000 x 40 = $240,000

Instead of putting that money in the bank, Nik invested and made $1,438,686.24 in passive income.

How to Start

Open an investment account
Sign up with Vanguard, Schwab, or Fidelity and open a Roth IRA *and** a brokerage account. All three are fantastic options to get started.

Fund the account
Connect your bank account and transfer funds to your new investment account. You can contribute up to $6k per year in your Roth and the rest in your brokerage.

Invest your funds
After you fund the account, you then have to invest those funds. Search for "Total Stock Market Index Fund" in your investment account and buy shares.

Set up automatic contributions
Once you've bought shares of an index fund once, you can set up automatic contributions every week/month. This is the easiest way to just "set it and forget it".

*The reason why I recommend opening a Roth IRA *and* a brokerage account is because Roth IRAs have an annual contribution limit of $6,000. So max out your Roth first (there are tax advantages) and *then* start contributing anything over $6k to your brokerage account.

The Long Game

I said it once, I'll say it again: investing isn't gambling. However, it *is* a long game. There are up years and there are down years, but *on average* the historical return has been around 8%. The stock market won't make you rich overnight, but it *will* help you build massive wealth over time (remember the example with Nik above).

It really only takes 30 strategic minutes to set yourself up for long-term wealth. It's not as complicated as many people think.

1. Open your investment account (*15 minutes*)
2. Fund your account (*5 minutes*)
3. Invest your funds (*5 minutes*)
4. Set up automatic contributions (*5 minutes*)

If you set this up today, I promise your future self will thank you. As your investments grow each year, so does your passive income. This is exactly how generation wealth is built.

The big money is not in the buying or selling, but in the waiting.

– Charlie Munger

3. Rental Properties

Real estate is probably the fastest way to get "quit-your-job" passive income. With that being said, it's also the most difficult, and the riskiest of the three mentioned in this ebook.

I know some people who have reached financial independence in less than 2 years through real estate, and others who have gone bankrupt. The point is, it's a little more complicated than "buy a rental property and create passive income".

I toured over a dozen locations before buying my first rental property.

Although there's a LOT that goes into finding a "good" property, I'll try my best to share the basics with you.

THE 1% RULE

The first question I ask myself when looking at a potential property is:

Does this meet the 1% rule?

This rule states that the monthly rental income from a property should be *at least* 1% of the overall purchase price.

So for example, a $300,000 property should be able to generate *at least* $3,000 in monthly rental income. This may seem impossible in your market, which brings me to the next important point.

LOCATION

Location matters. A lot. If you know anybody in the real estate world, you might have heard the phrase "location, location, location". Location can make or break a property.

Since no properties in my immediate area met the 1% rule, I had to start looking an hour south. I didn't know the area well so I looked at:

- New business growth
- Population density
- Current housing inventory
- Median household income
- Crime data & walkability
- Schools & careers

You can find a lot of good information on City-Data.com and similar websites. Once you find a decent location with 1% rule properties, *then* you should start setting up tours.

If there's nothing within driving distance, don't worry. You can still do all your research online and then "walk" the area using Google Street view.

CONDITION

Even if a property meets the 1% rule *and* is in a great location, the condition is still an important consideration.

It's always a good idea to get a licensed inspector to assess a potential property. Especially when you're just starting out. Understanding the expected repair costs will help you make a more informed decision.

Step-by-Step

- [ ] Find a real estate agent in your desired location and get set up with automated emails with your property criteria.
- [ ] Shop around for mortgage lenders and get prequalified and/or preapproved for a mortgage.
- [ ] Start setting up property tours (*even if you're not ready to buy*) just to get your "reps" in and what to look for.
- [ ] Put in offers on properties that check out on the 1%, rule, location, condition, and any of your other parameters.
- [ ] Once an offer is accepted, perform the proper due diligence. If it's still a "go", proceed with the purchase.
- [ ] Perform any necessary prep work to get the property rent ready. Then you can start marketing for tenants!

Tenants

Finding the right tenants is almost as important as finding the right property. You want to find tenants who are financially responsible and who will care for your property. Here's my screening process:

- Background check
- Credit check
- 3-months paystubs
- Pets? Smoker? Family size?

You can't discriminate unfairly, but you can use the above parameters to find the right fit for your property. Unfortunately, "he/she seems nice" doesn't usually cut it.

Once you *do* find the right tenant, ask them to sign your lease, collect rent + security, figure out utilities, and finally get the property ready for move-in.

An empty house is better than a bad tenant.

– Irish Proverb

Taking Action

So now that you have all the knowledge to get started, it's time to take action. Far too often do I see people consume content without ever putting that content to good use. The best way to learn, progress, and succeed is by taking action. I started a zero and now I'm earning over $20K per month in passive income. Now it's your turn.

Whether you're going to...

1. Sell digital products
2. Invest in index funds
3. or purchase rental properties

... it makes no difference to me. You could even start all three! All I care about is that you take action toward creating passive income.

SO HERE'S MY CHALLENGE

Let me know that you're taking action by tagging me on Instagram (*or wherever your favorite online community is*). A simple message or screenshot will not only keep you accountable, but will also make my day! Like I mentioned before, once you start to earn money without working for it, your whole money mindset will change.

@CodyDBerman

Thanks for reading!

let's stay connected

It seriously means so much to me that you made it to the end of this ebook. I spent a long time putting it together and hope that it helps you achieve passive income as soon as possible. Talk soon!

Cody Berman

Passive Income Expert