

13 Best Passive Income Ideas

Passive income is a great way to produce extra cash flow while filling in the gaps that your regular 9 to 5 job can't seem to manage.

Especially after the economic turbulence caused by the COVID-19 pandemic, it's essential to start earning passive income.

And in this article, I'm going to show you the best passive income ideas in 2023.

What is Passive Income?

There are 2 types of income:

- Passive income – Earn money while you're spending time doing something else
- Active income – Earn money while actively performing a service

Passive income is often seen as the more desirable of the 2 types of income because you could literally make money while you sleep.

Active income, which arguably is the more common type of income, is when you trade your time in exchange for a paycheck.

How Much Passive Income Could You Earn?

How much you earn from passive assets is completely up to you.

Below are some factors that go into determining how much you can earn:

- Your effort
- Your patience
- Your consistency
- Your initial monetary investment
- Your time spent setting up this passive asset

In reality, you can make as much or as little from your passive income sources.

Start building multiple streams of income early to reap the benefits later.

Best Passive Income Ideas 2023

It's time to take a look at the best passive income ideas to help you build wealth, protect your family financially, and move one step closer to becoming financially independent.

1. Invest in Rental Real Estate

When you invest in rental real estate you make money in 2 ways:

- Rental income – Cash flow from rent
- Appreciation – Property value increases over time

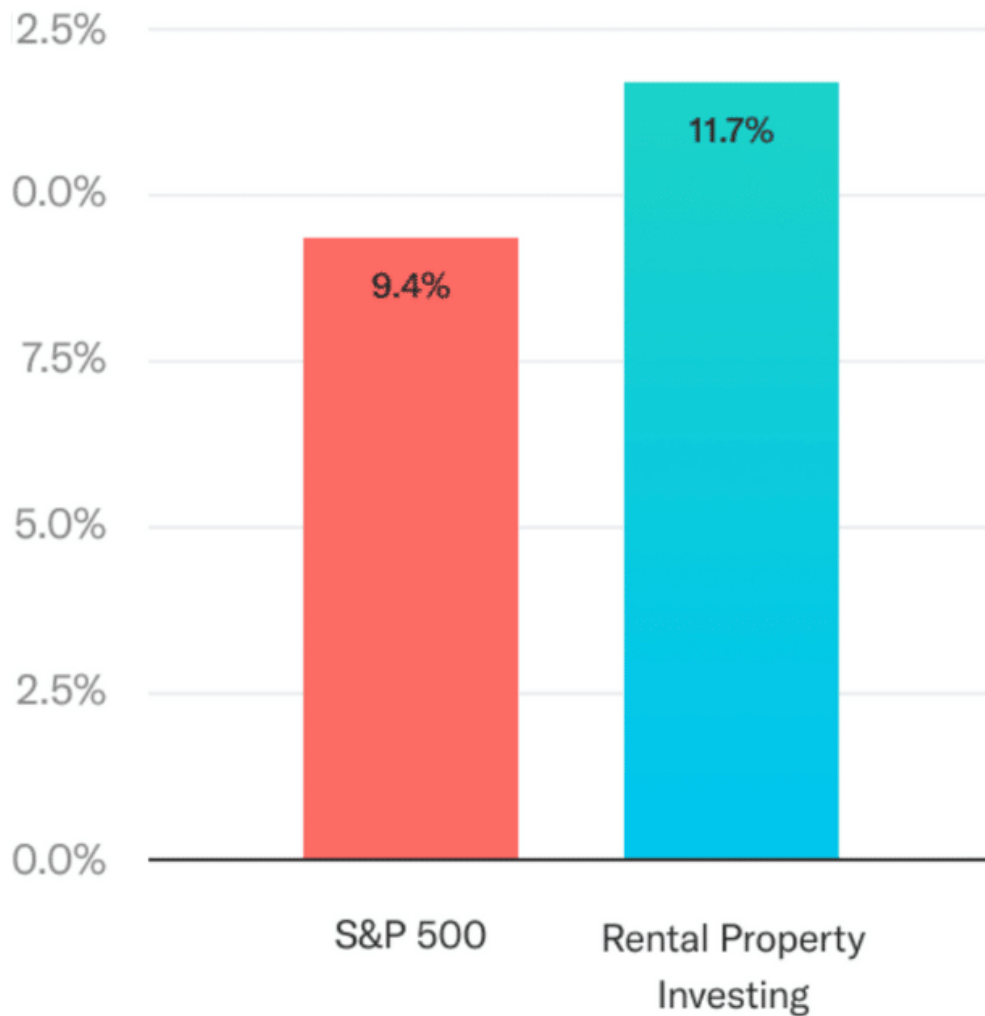
Especially over the past few years, rental real estate investing has become very profitable.



The historical rental property returns are 11.7% per year – while the S&P 500 has returned 9.4% over the past several decades.

Annual Returns The Last 20 Years

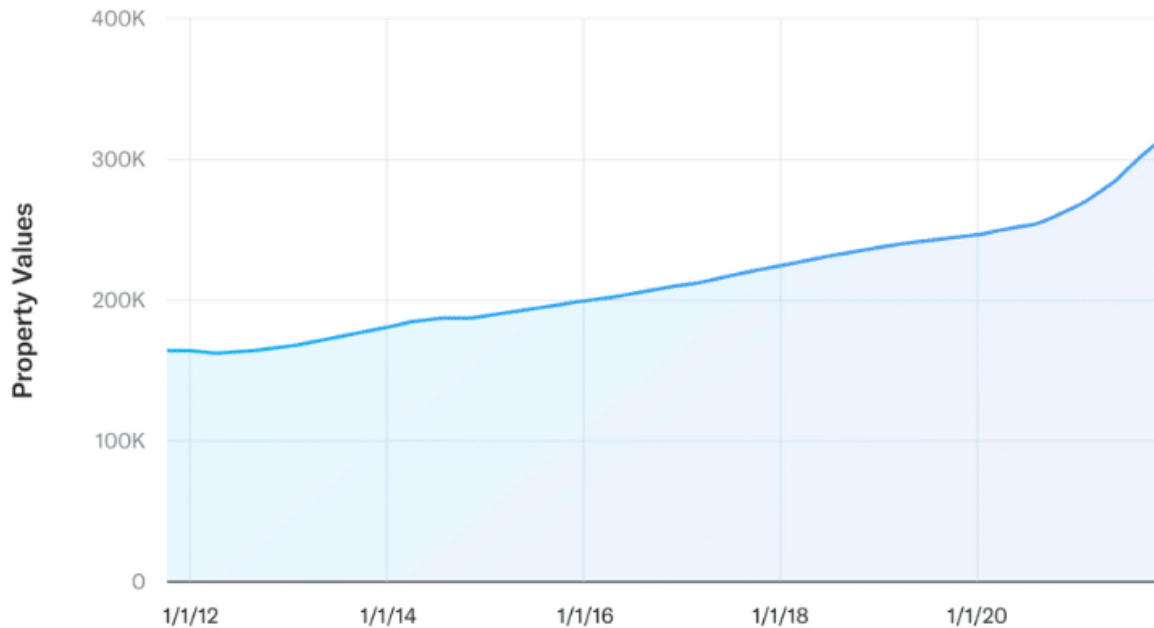
(2001 - 2021)



Take a look at the rate of property appreciation over the past decade:

Last 10 Year Average Property Value Appreciation of Single Family Homes in the USA

6.49% per year



As you can see, as long as you are invested for the long-term, your overall compound annual return can increase significantly.

How to Invest in Rental Real Estate

Here's how to get started with investing in rental real estate:

1. Sign-up to [Arrived Homes](#)
2. Browse rental real estate properties

3. Do your thorough research
4. Link your bank account with your Arrived Homes account
5. Transfer cash to your Arrived Homes account
6. Buy the number of shares that you want in your Arrived Homes investment (minimum of \$100)
7. Stay invested for the long term

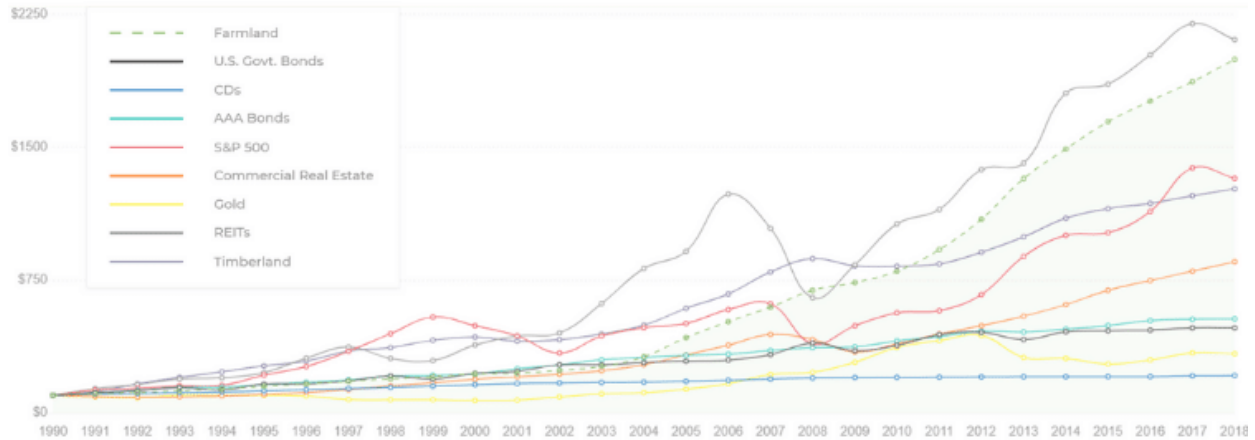
Not many people can say that they own a rental property and are making money overnight.

Now you can, with this unique alternative platform.

2. Invest in Farmland & Timberland

Did you know that farmland returns have been positive every year since 1990?

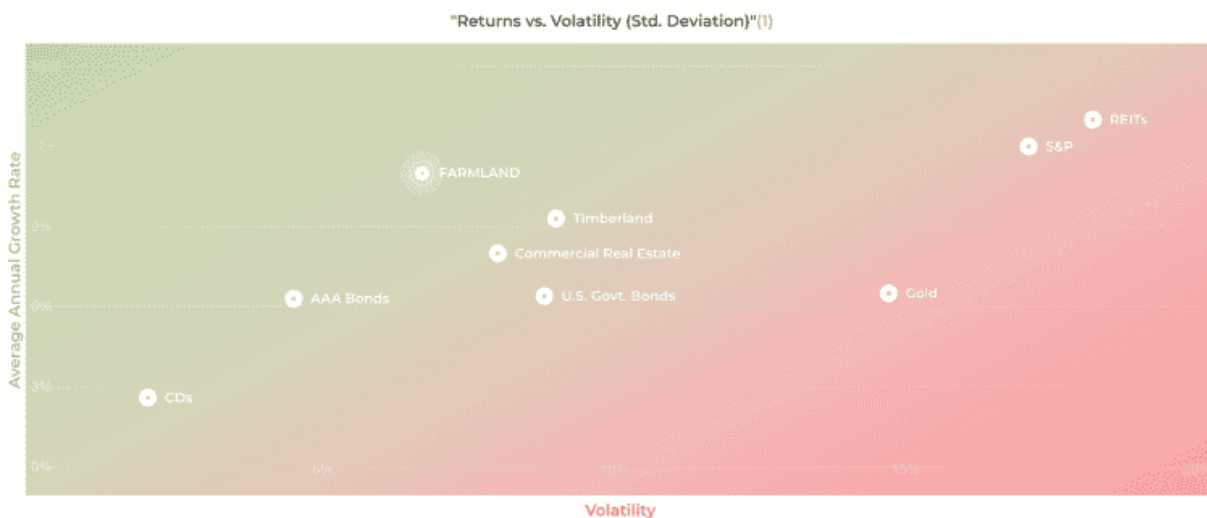
Check out the evidence in the chart below:



Farmland can be a lucrative investment because it is a tool used for:

- Portfolio diversification
- Hedging against inflation
- Passive income generation

Farmland also has lower volatility and a similar growth rate as most traditional investments (like the S&P 500):



With farmland assets, you're getting the best of three worlds:

- Low volatility
- Passive income
- Long term appreciation

Here's a quick average annual return comparison chart:

Asset Class	FARMLAND	STOCKS	COMMERCIAL	BONDS	GOLD	CDs
Attractive Yield	✓	—	✓	✓	✗	✗
Low Volatility	✓	✗	✗	✓	✗	✓
Equity Build Up	✓	✓	✓	✗	✗	✗
No Leverage	✓	✗	✗	✓	✓	✓
Hard Asset	✓	✗	✓	✗	✓	✗
Inflation Hedge	✓	✗	✓	✗	✓	✗
Average Annual Return *	11.0%	12.0%	8.0%	6.4%	6.5%	2.6%

*Data according to NCREIF, Bloomberg, Bankrate, NYU Stern School of Business, Federal Reserve Bank of St. Louis, and AcreTrader calculations. All calculations assume reinvestment of dividends.

There is a catch, however: You must be an accredited investor to invest in farmland.

As long as you pass this test, then you can start investing in farmland with platforms like AcreTrader.

How to Invest in Farmland

Here's how to get started with farmland and timberland investing:

1. Sign-up to [AcreTrader](#)
2. Confirm you're an accredited investor
3. Browse and research the available investment options
4. Connect your bank account to your AcreTrader account
5. Fund your AcreTrader account with cash
6. Execute your investment order
7. Start earning passive income

Since investing in farmland is becoming pretty popular, make sure you sign-up to receive email notifications so that you know exactly when a new farm property is available for investing.

3. Invest in Private Real Estate

Private real estate investments used to be available only to the ultra-rich.

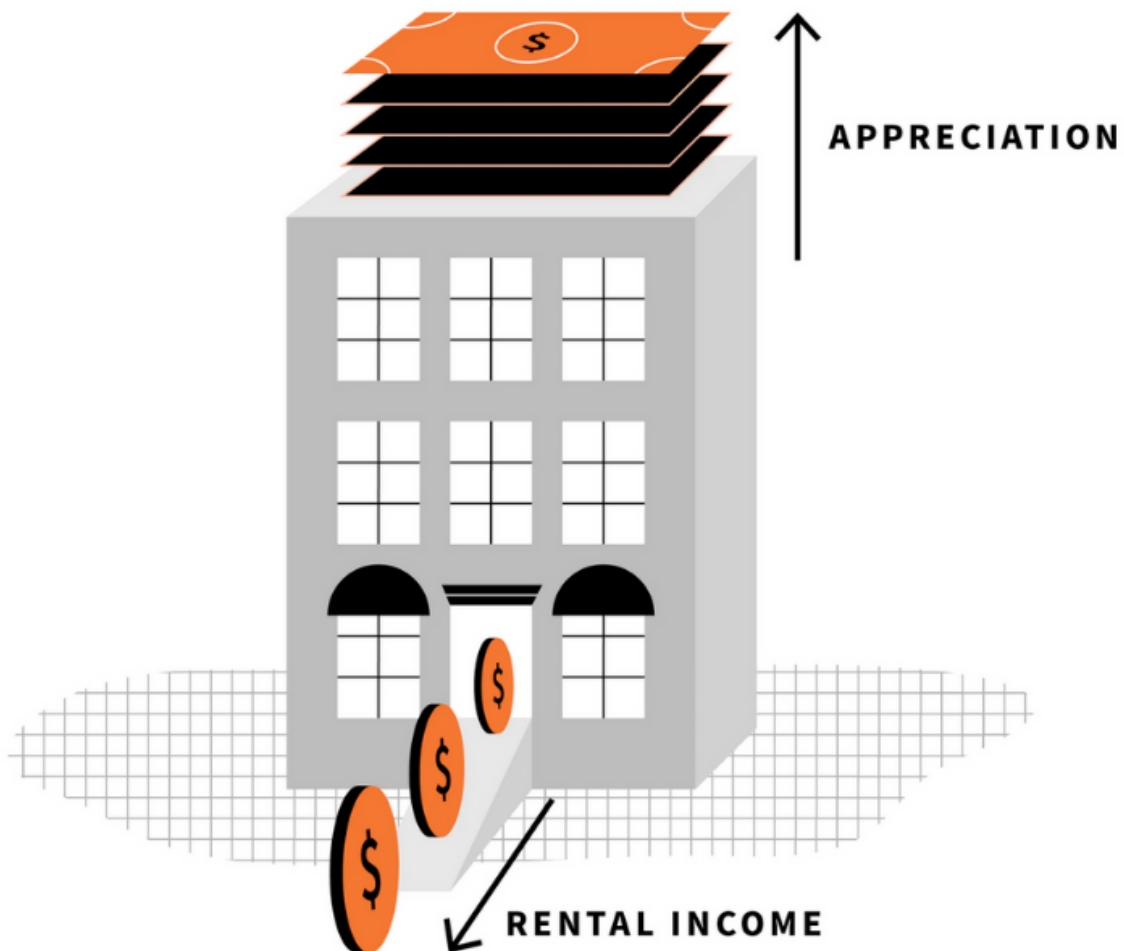
But not anymore.

Thanks to platforms like Fundrise, anyone can invest in private real estate for just \$10!

But can private real estate help you make money while you sleep?

It certainly can.

In fact, there are 2 main reasons why private real estate can be a lucrative investment:

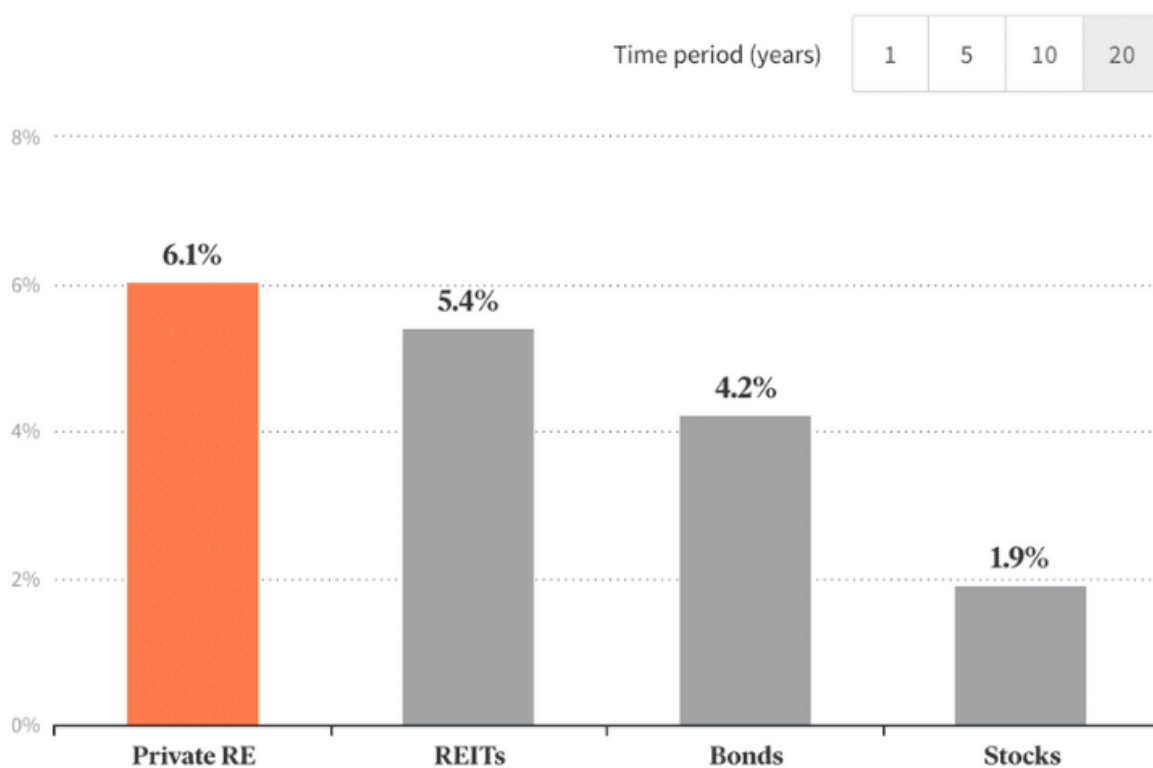


Private real estate investments help you earn:

- Cash flow from rents
- Profits from property appreciation

And it gets better:

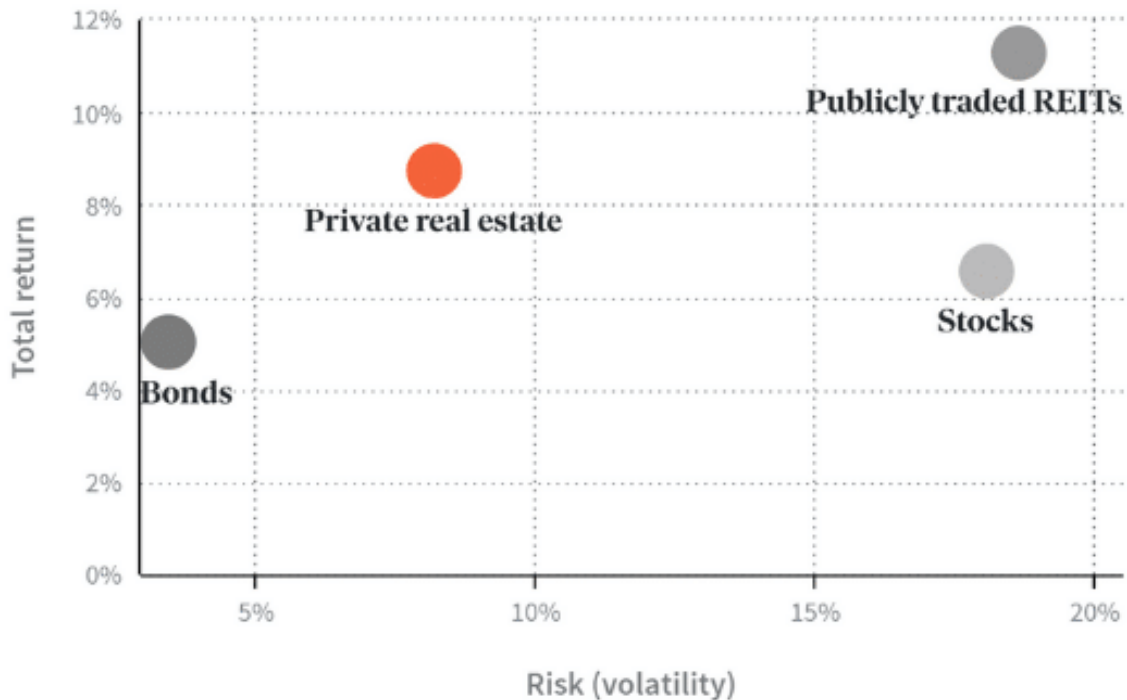
Private real estate has had solid passive income results over the past 20 years:



Not only do you get higher passive income, but you also have less volatility than other asset classes:

Attractive risk-adjusted return potential

20-year risk-adjusted return



With private real estate, you get the best of both worlds:

- Less volatility
- High returns

Examples of private real estate investments include:

- Single-family homes
- Apartment buildings
- Industrial / commercial
- Home developer construction

How to Invest in Private Real Estate

Here's how to get started with private real estate investing:

1. Sign-up to [Fundrise](#)
2. Determine your real estate portfolio strategy
3. Connect your bank account with your Fundrise account
4. Fund your Fundrise account
5. Execute your investment orders
6. Start earning passive quarterly income

The best part about investing with Fundrise is that you can start with just \$10!

4. Invest in Small Businesses

You can make some serious money when investing in small businesses.

Not only do you have the potential to see your investments grow over time but you also have the

ability to earn passive income through what is known as the revenue share.

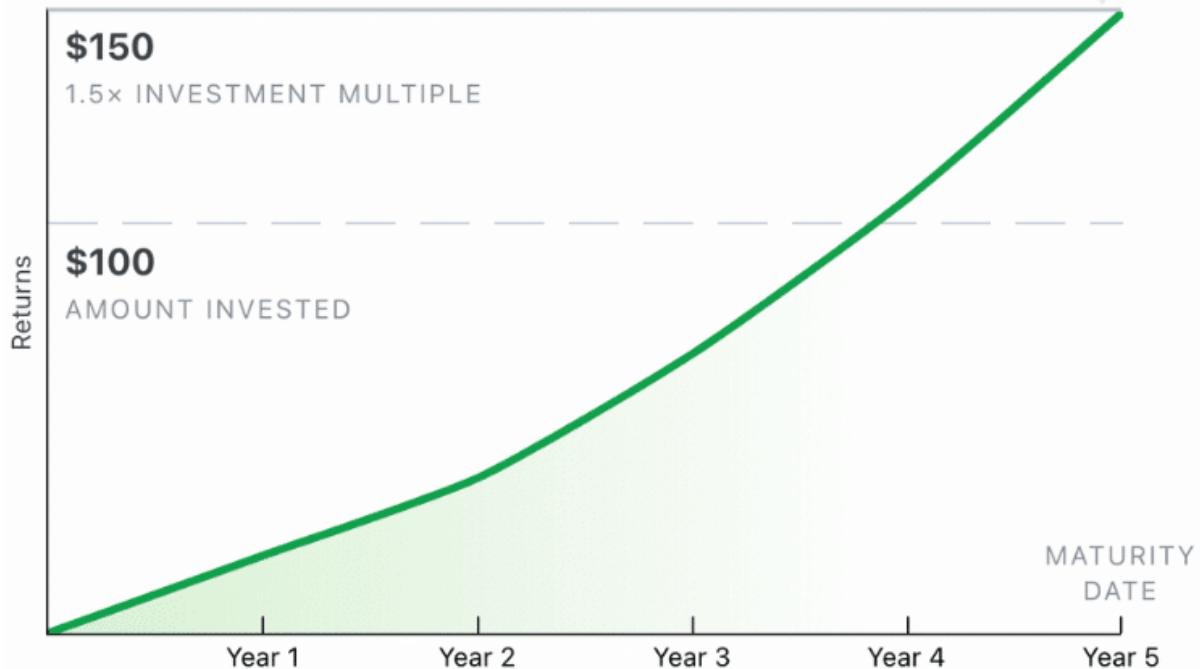
Revenue Share Definition: A revenue share is the total percent of revenue that a small business is willing to share with its investors.

The revenue share also typically depends on the total amount of capital that is raised and the investment multiple.

Investment Multiple Definition: The investment multiple is the agreed-upon amount that is owed to investors, and should be paid no later than the maturity date.

Here's a hypothetical example of how you could make money when investing in small businesses:

In this hypothetical scenario, the business stops providing repayments once you receive \$150. **Your internal rate of return would be approximately 12.81%.**



Adjust the business's hypothetical rate of revenue generation



If you had invested \$100 and your investment multiple was 1.5x, the business should pay you \$150 by the maturity date.

The more you invest, the greater the percentage of the business revenue you earn.

How to Invest in Small Businesses

Here's how to get started investing in small businesses:

1. Sign-up to [Mainvest](#)
2. Browse the available businesses
3. Research common metrics such as revenue share, investment multiple, and maturity date
4. Link your Mainvest account with your bank account
5. Fund your Mainvest account with cash
6. Select your favorite business(es) and start investing

What I like most about investing in small businesses is that you can start with just \$100.

5. Invest in the Stock Market

If you've ever wanted to own a slice of a major company, then investing in the stock market might be for you.

For example, you could buy a fractional share of Tesla for \$5 and officially own a very small piece of that company.

Tesla Inc

\$850.00 ↑ 22,035.42% +846.16 MAX

Pre-market: **\$889.00** (↑ 4.59%) +39.00

Closed: Aug 10, 8:53:51 AM UTC-4 · USD · NASDAQ · Disclaimer



The best part?

You don't even have to be an experienced investor.

How to Invest in the Stock Market

Here's how to get started with investing in the stock market:

1. Sign-up to [M1 Finance](#) (it's free)
2. Complete your investment profile
3. Decide what stocks or funds you want to invest in
4. Determine the number of shares you want to buy
5. Connect your bank account and fund your M1 Finance account
6. Execute your investment order

A key to becoming a successful stock investor is staying invested for the long term – even during volatile times.

If you want expert advice on picking stocks, then I highly recommend checking out [Seeking Alpha](#).

6. Earn Passive Income on Twitter Account

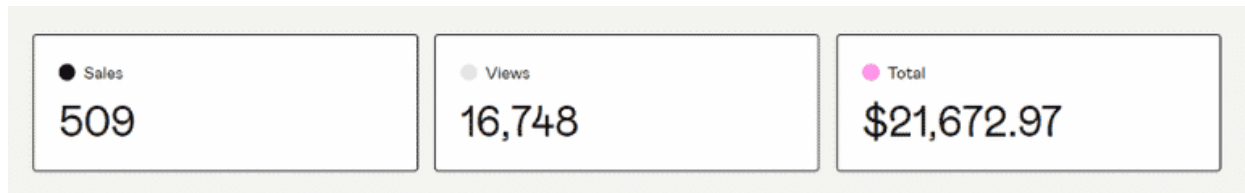
Ever dreamed of building a successful side hustle and making money overnight?

You can make that dream a reality.

How?

By making money on Twitter.

In fact, I've made over \$20,000 from Twitter in passive income by selling my Gumroad products (like my eBook).



Here are a few other Twitter monetization methods:

- Getting clients
- Affiliate marketing
- Promoting your business
- Selling your products/services
- Starting a paid Twitter community

While it's a lot of upfront work, it doesn't take a genius-level IQ to make \$10,000+ per month on Twitter.

How to Start Making on Twitter

Here's how to get started with making money on Twitter:

1. Sign-up to Twitter
2. Create a professional-looking Twitter profile
3. Consider your niche
4. Create thoughtful content
5. Consistently tweet and engage with your audience
6. Download [Twitter Affiliate Mastery](#)
7. Learn how to become a master affiliate marketer on Twitter
8. Start promoting affiliate products and services
9. Continue to provide high-quality content

The key to making money on Twitter is that while affiliate marketing is OK – always make sure your content is high quality.

Never sacrifice the quality of your content to make a few extra \$\$\$.

That is the fastest way to lose trust with your audience.

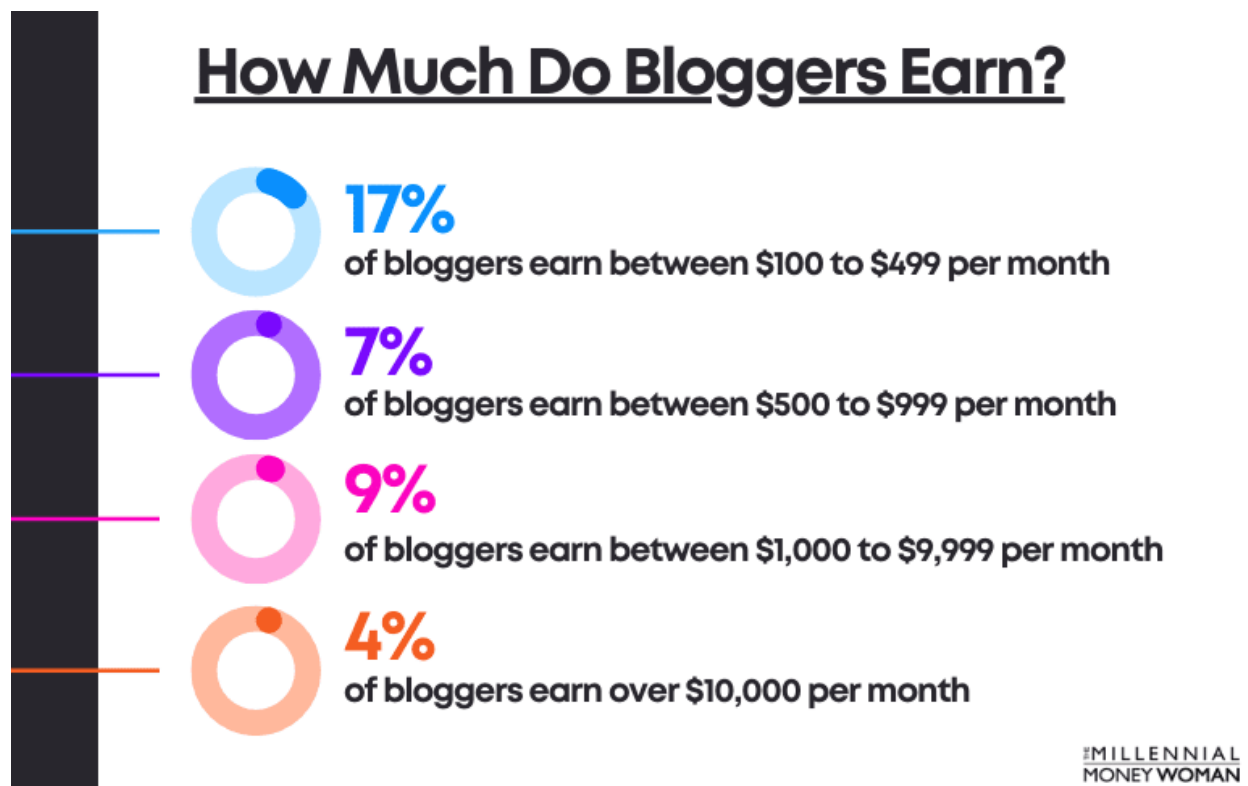
7. Build a Blog

If you're wondering how to make money in your sleep and you can dedicate 100% of your time to starting an online business, then consider building a blog.

In fact, you could make \$10,000's if not \$100,000's per month by blogging.

HOWEVER, it's not easy.

Here's how much money bloggers earn on average:



As you can see, only 9% of bloggers earn over \$1,000 per month.

But it's possible to earn more – and you don't have to be a genius.

All you need is consistency, hard work and patience.

How to Build a Blog

Here's how to get started with building a blog:

1. Think about your niche of expertise
2. Determine your blog name
3. Sign up to [Bluehost](#)
4. Create your website
5. Select a theme that's simple and fits
6. Start writing, editing, and publishing content
7. Promote your blog on social media
8. Learn [affiliate marketing](#)
9. Implement affiliate marketing tactics
10. Create thoughtful content while implementing affiliate links

Affiliate marketing can make you a lot of passive income, but there is one catch.

To be the best affiliate marketer, you should have some experience with the products/services you are promoting.

You want to be in the know when promoting a company.

Otherwise, you'll seem insincere and may lose credibility.

8. Rent Out Your Unused Space

Do you have unused space on your driveway or in your garage?

If yes, then consider renting out your unused space for extra cash!

Here's how:

- Find unused space in your home
- Determine your rental price
- Take pictures of the space
- Post your space on [Neighbor](#)
- Earn monthly income

Check out how much you could earn by renting out your space:

Neighbor [Find storage](#) [Help](#) [Become a host](#)

200+ spaces
Storage in Miami, Florida
[Vehicle and Self storage](#)

Host	Space Type	Price
Jose P.	20 x 10 Garage	\$450 / month
Clint H.	25 x 10 Garage	\$350 / month
A.J.	20 x 10 Garage	\$249 / month
Janes N.	20 x 10 Garage	\$700 / month
Bryant G.	15 x 10 Bedroom	\$85 · 1st month
Jocelyne M.	20 x 10 Garage	\$240 / month

Even if you have access to an unpaved lot, you could make up to \$1,200 per year for the extra storage space!

How to Rent Out Your Unused Space

Here's how to get started renting out your unused space:

1. Sign-up to [Neighbor](#)
2. Complete your profile
3. Take good, aesthetic pictures of your available space

4. Determine how much you will charge based on the size, safety of the location, and other amenities (such as security cameras)
5. Post your storage space
6. Wait for a message from renters through the app's built-in message platform
7. Payments are handled through the app's website

If you're wondering how to make money while you sleep, then renting out your unused space is probably one of the best options.

It's minimal maintenance, and you still make cash fast!

9. Develop an Online Course

Online course creators are expected to earn \$325 Billion by 2025!

Clearly, online courses can be very lucrative – if done right.

Below are some factors:

- Consistent updates
- Industry experience
- First-level promotion

Especially when you are first developing your online course, you will need to put in a lot of upfront effort.

Pro Tip: One of the keys to building a successful online course is knowing your niche.

While successful online courses can range anywhere from gardening advice to financial advice, the niches that typically perform well include:

- Education
- Computer coding
- Financial education
- Marketing and promotion

How to Build an Online Course

Here's how to get started with creating your own online course:

1. Consider your area of expertise
2. Test your online course idea with a test audience
3. Research the topic and consider the feedback from your test audience
4. Sign-up for an online course creation platform such as [Teachable](#)
5. Draft the course outline
6. Incorporate the course material

7. Launch a pre-sale on your website, social media, e-mail, etc.
8. Promote your course using podcasts, e-mails, your website, sponsored tweets, and other social media ads
9. Request social media influencers to help you launch your course

Building an online course may be the right next step for you.

Just keep in mind that online courses could be a lot of upfront work.

10. Write and Sell an eBook

One of my proud moments was authoring and publishing my very first eBook, *How to Get Rich from Nothing*.

It took me weeks to complete this book from cover-to-cover.

But, after putting in the hard, upfront work, writing my own eBook completely paid off: Within the first week, I made over \$2,000 from my eBook!

I couldn't believe it.

While I'm not making \$2,000 a week anymore from my eBook (sales do tend to dwindle after a book's initial promotion), I'm still making money in my sleep – 2 years later!

How to Write an eBook

Here's how to get started with writing and selling your own eBook:

1. Think about a topic
2. Download [How to Create & Sell eBooks](#)
3. Study the strategies in the ebook course
4. Write an eBook outline
5. Start writing the actual eBook
6. Edit
7. Re-edit
8. Re-re-edit
9. Re-re-re-edit (and probably do it again after that!)
10. Use actual publishers or a free self-publishing platform (like Gumroad)
11. Promote vigorously via your email list, social media, word of mouth, influencers, etc.
12. Start selling your eBook

If you have a gift for writing and if you have specialized knowledge in a specific field, then writing an eBook might be the right next step for you.

11. Open a High Yield Savings Account

Want to earn a higher interest rate on your spare cash?

If yes, then you may want to consider opening a high yield savings account.

Here's why:

High yield savings accounts typically have interest rates much higher than regular savings accounts.

For example, as of February 2023, you could earn 4.05% APY with a savings account at [CIT Bank](#).

Compare that to the current national average savings interest rate which is just 0.08%!

Big difference right?

So how do high yield savings accounts help you make money while you sleep?

Here's how:

1. Deposit cash
2. Earn interest on your cash
3. Let the interest compound daily

As long as you don't touch the cash in your account, over time, you'll see your money grow.

How to Open a High Yield Savings Account

Ready to open a high yield savings account?

Here's the process:

1. Open an account with [CIT Bank](#)
2. Complete your profile
3. Select the high yield savings account option
4. Link your outside bank account and/or your paycheck information to receive direct deposits
5. Start earning interest on your savings

Just keep in mind that investing your cash in a high yield savings account will barely keep pace with inflation.

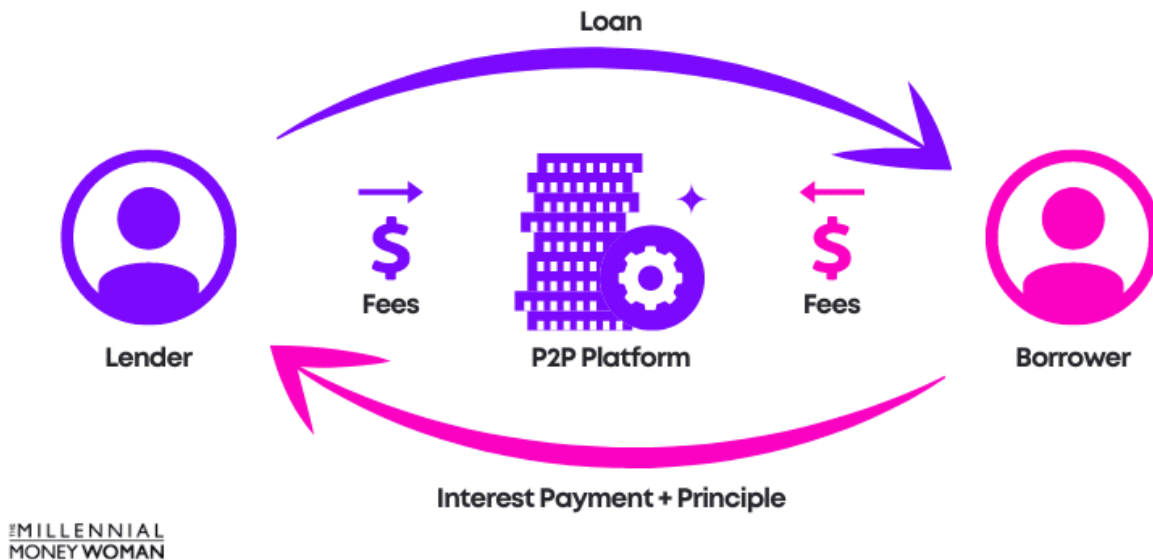
So, don't put 100% of your assets into a high yield savings account.

Rather, just stash your emergency savings fund into a high yield savings account and invest the rest.

12. Invest in Peer-to-Peer Lending

Peer-to-Peer lending (aka P2P) is an online platform that connects lenders (you) with borrowers.

How Peer-to-Peer Lending Works



With P2P, you essentially are the bank.

Keep in mind, however, that you are lending money to people that normally can't qualify for traditional financing loans (maybe they have a poor credit or bad track record).

How to Invest in Peer-to-Peer Lending

Here's how to get started with peer-to-peer lending:

1. Sign-up to [Groundfloor](#)
2. Determine your risk tolerance

3. Select investments based on your risk tolerance
4. Link your bank account to your Groundfloor account
5. Transfer funds to your Groundfloor account
6. Execute your investment order

The Groundfloor platform states that within 6 to 9 months, most loans are repaid, which is actually not bad.

13. Invest in Alternative Assets

When you hear the term “alternative assets,” you might think that these are exclusively available to only the ultra-wealthy.

That’s not the case anymore.

The playing field is now leveled where virtually anyone can invest in alternative assets.

For example, with investment platforms like [Yieldstreet](#), you could invest in:

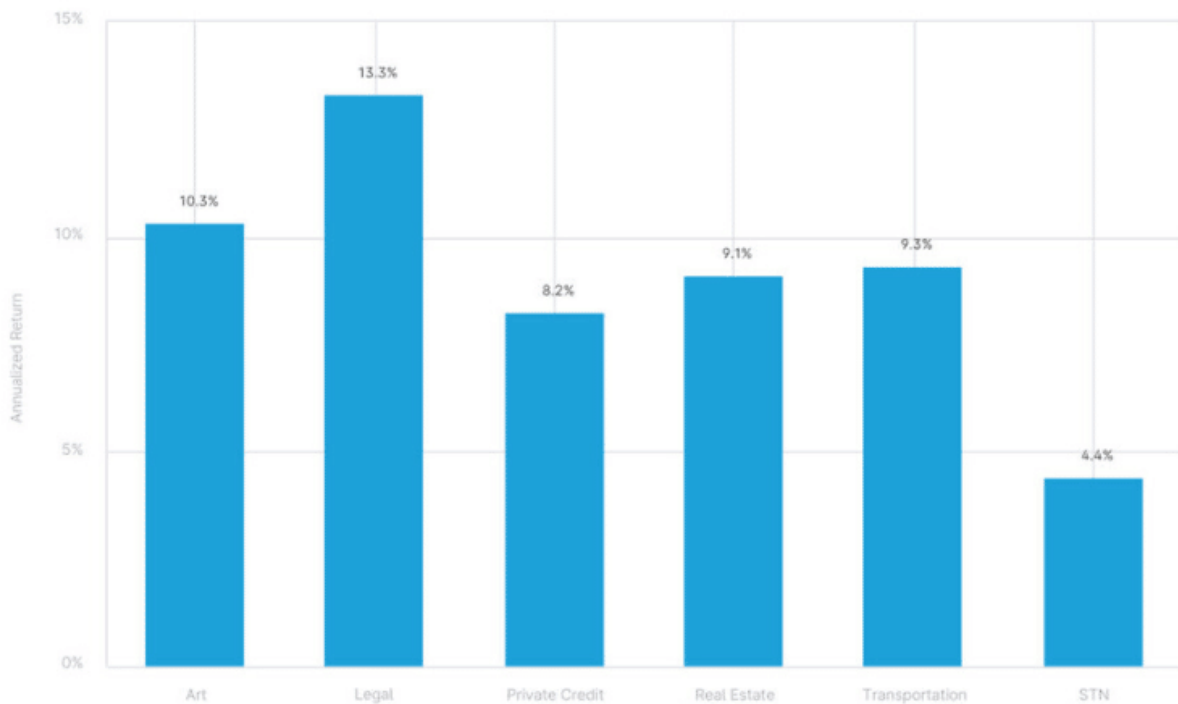
- Crypto
- Fine art
- Real estate

- Legal contracts
- Marine financing
- Structured notes

...And much more.

Not only do have a wide array of investment options, but you can also receive higher returns.

Take a look at the returns Yieldstreet has achieved with their private market offerings:



Question is:

Why even consider alternative assets?

First, alternative assets increased by about 90% in value in 2021.

And second, alternative assets can generate passive income – sometimes far more than traditional passive income sources.

How to Invest in Alternative Assets

Here's how to get started with alternative asset investments:

1. Sign-up to [Yieldstreet](#)
2. Complete your profile
3. Browse the open offerings
4. Do your proper research
5. Link your bank account
6. Fund your Yieldstreet account
7. Execute your investment order

While all types of investors can access Yieldstreet, you'll have more investment options if you are an accredited investor.

- - - - -

Closing Thoughts

Imagine going to sleep at night and waking up to more money in your bank account.

Now that's a great feeling.

And believe it or not, this can be you!

By saving, investing, and building income generating assets, you can become financially independent.

Caution: While it's possible to earn \$10,000's per month in passive income, you might have to put in upfront work initially.

...And you probably won't see immediate results, either.

But when you do start making money overnight, the rush becomes addictive and you'll probably want to keep making more money.

Start today.

Your bank account will thank me later!

Signing off now.

Your friend,

- Fiona

This guide may contain affiliate links.

P.S. If you enjoyed this guide or have any questions / comments, [shoot me a message on Twitter](#) and let me know 😊

P.P.S If you need a mentor to help you build extra income streams, like:

- Starting a blog
- Starting an agency
- Renting out properties
- Investing in real estate
- Building a personal brand
- Investing in the stock market
- Starting your own ecom store
- Making money on social media
- Buying cash-flowing businesses
- Starting a vending machine business

Then [check out our community, Prosper.](#)

