

The Ultimate Guide to Creating Multiple Streams of Income by Fiona

Building multiple streams of income is key to achieving long-term wealth.

In fact, the average millionaire has about 7 income streams.

One of the main reasons why millionaires have multiple sources of income is to increase their cash flow and build their wealth.

And in this guide, I'm going to show you how to create 7 streams of income.

Let's get started.

The Importance of Multiple Income Streams

Millionaires understand how important it is to diversify the source of their earned money by building multiple streams of income.

Multiple income streams can not only help you build wealth, but they can help you:

- Retire early
- Pay off debt
- Pay for college tuition
- Pay for healthcare costs
- Increase your credit score

And so much more.

In the end, your additional income streams can set you up for the life you've always dreamed of.

How to Evaluate Your Income Streams

It's important to first evaluate your income stream options before financially committing to any one of them.

Here's a list of factors that I would use to assess each potential income stream before moving forward:

- **Flexibility** – Is it remote?
- **Cost** – Is there a large, upfront investment?

- **Enjoyment** – Do you actually like what you are doing?
- **Sustainability** – Do you have to devote time to the job?
- **Scalability** – Do you have a high income earning potential?

Before you devote money, energy, and time to building your new income stream, it's important that you consider these factors first.

7 Streams of Income

Here's a list of the 7 income streams:

- **Rental Income** – Income from rents
- **Dividend Income** – Income from stocks
- **Earned Income** – Income from jobs/side hustles
- **Royalties** – Royalties from books, inventions, etc.
- **Business Income** – Income from business profits
- **Interest Income** – Income from savings accounts, bonds, etc.
- **Capital Gains** – Capital gains from selling highly appreciated assets

If you're ready to start creating multiple streams of income, check out the ideas below!



Rental Income

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1. Rental Income

One of the most popular income streams is rental real estate.

In fact, did you know that about 90% of the world's millionaires built their wealth by investing in real estate?



**90% of millionaires
invest in real estate**

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One of the main reasons why real estate investing can be so attractive, once again, comes down to cash flow.

And the good news is that you don't need \$100,000's or millions of dollars to start investing in real estate.

At least not with the investment platforms that I'm about to show you.

So if you're interested in building multiple income streams through rental real estate, then check out my ideas below.

Rental Income Idea #1: Invest in Rental Properties

- **Fun** - 5/5
- **Flexibility** - 4/5

- **Cost** - 5/5
- **Scalability** - 3/5
- **Sustainability** - 3/5
- **Potential Monthly Income** - \$10 to \$500+
- **Best Resource** - [Arrived](#)

Have you ever wanted to invest in rental homes but just didn't know how or where to start?

Thanks to modern technology, you can invest in single-family homes spread across the country, in places like:

- Arizona
- Colorado
- South Carolina
- North Carolina

The homes are relatively modern and typically cost between \$200,000 to \$500,000+.



TRENDING (3)

FOR SALE (5)

SOLD OUT (63)



TRENDING



The Oly

Denver, CO

236 INVESTORS | 90% FUNDED



TRENDING



The Vernon

Upstate South Carolina

98 INVESTORS | 87% FUNDED



TRENDING



The Dolittle

Columbia, SC

102 INVESTORS | 82% FUNDED

Your hold period for these homes will often last for up to 7 years, so before you start investing, just make sure you're comfortable keeping your money locked up for so long.



While you could be earning a passive rental income stream from your investment, I would suggest that you consider reviewing the fees as well.

Caution: As with any type of alternative investment, you'll want to make sure to properly review your fees, as these will typically be higher than investments in the stock market, for example.

In the case of Arrived, for example, you could expect to pay an annual management fee of about 1% plus other, minor fees as well (such as a rental charge and sourcing fee).

If you want to learn more about investing in rental real estate, then check out my latest Arrived Homes Review.

The Bottom Line: One of the easiest ways to earn rental income is by investing in vetted rental properties across the United States.

Just keep in mind that you are investing in something that's illiquid and potentially higher risk.

Rental Income Idea #2: Invest in Private REITs

- **Fun** - 5/5
- **Flexibility** - 2/5
- **Cost** - 4/5
- **Scalability** - 4/5
- **Sustainability** - 4/5
- **Potential Monthly Income** - \$10 to \$500+
- **Best Resource** - [Fundrise](#)

Investing in private REITs might be the right option for you if you want to earn passive rental income without dealing with tenants.

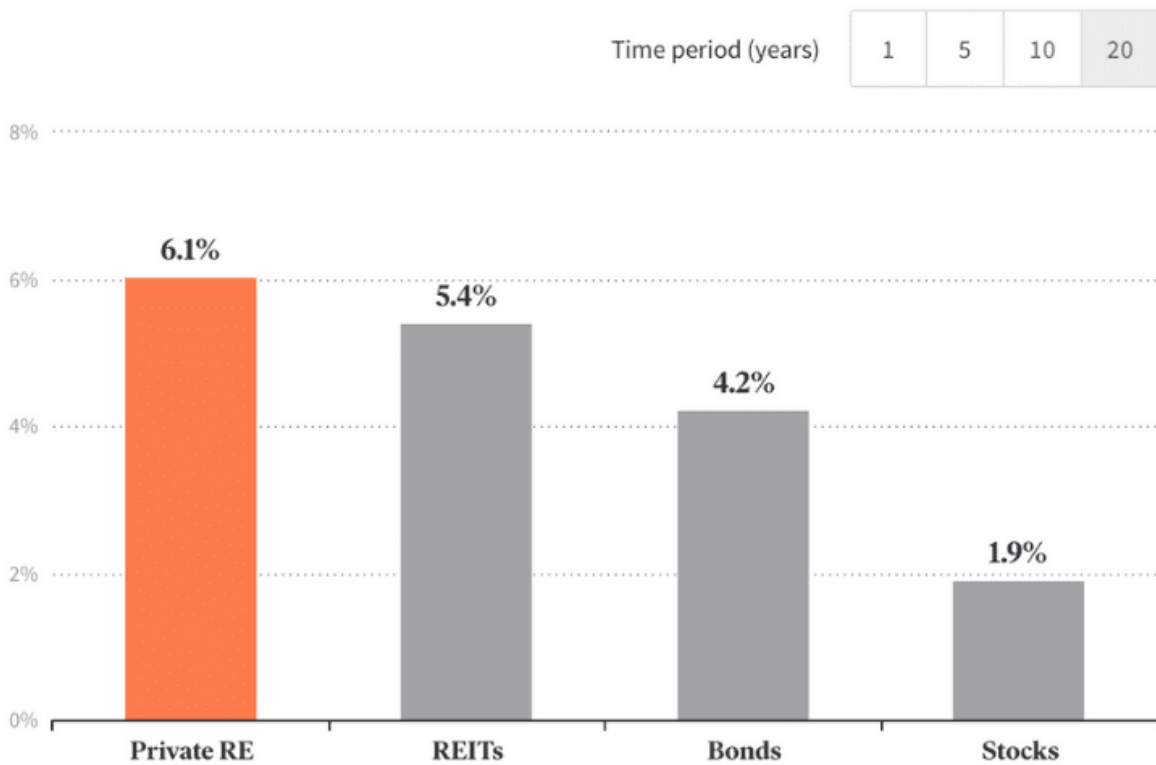
REIT Definition: A REIT (aka Real Estate Investment Trust) is a company owning multiple properties that produce a passive income stream.

The properties that REITs own are typically commercial by nature, and could include:

- Hospitals
- Apartment complexes
- Industrial warehouses

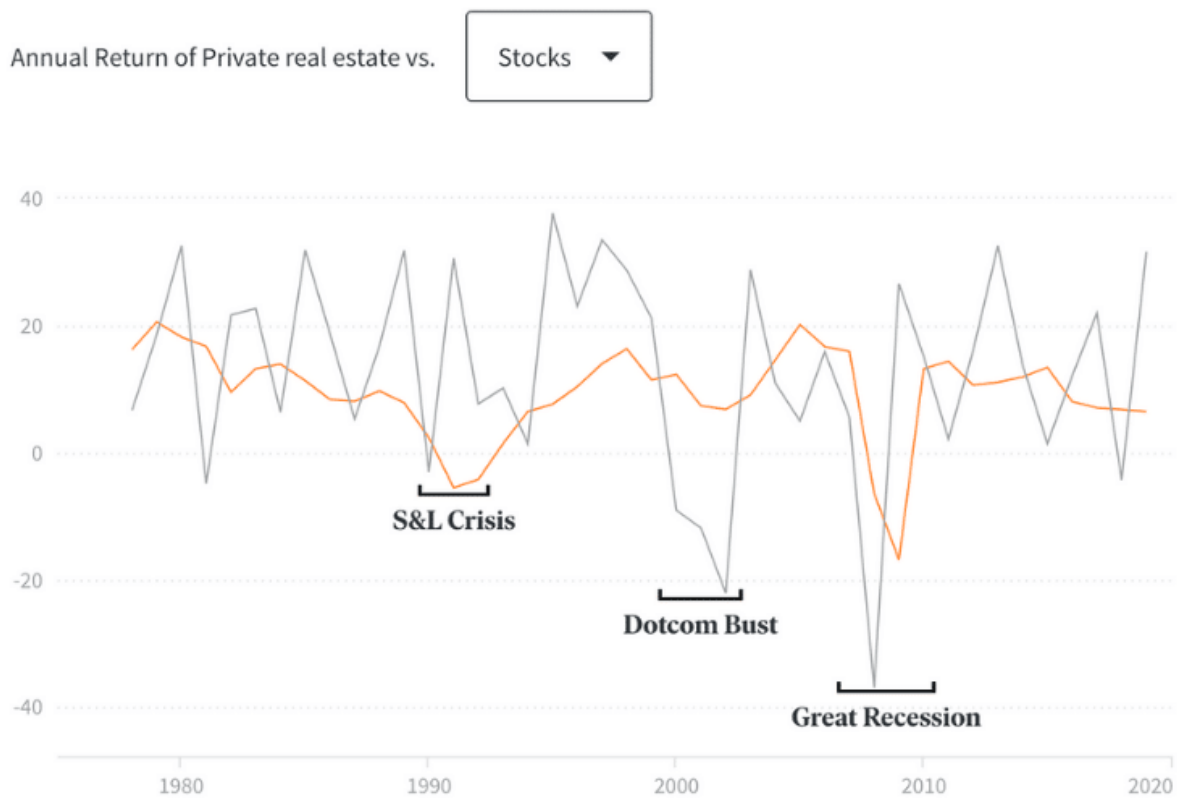
In general, REITs are a pretty illiquid investment, which means your money likely will be tied up for longer periods of time.

REITs, in my opinion, are great protection against stock market volatility because you would be receiving a passive income stream from the rents paid.



This image illustrates that over the past 2 decades, REITs have consistently earned a higher rate of return for passive income – more than stocks, bonds, or other investment assets.

Another helpful chart is the one below, which demonstrates the consistent returns of private REITs versus stocks and bonds:



The orange line, representing private REITs, illustrates that REITs like those found in Fundrise offer more consistent returns than stocks do.

Take a look at the following time periods:

- Dotcom Bust
- Great Recession
- Savings & Loan crisis

During each of these volatile times, the stock market drastically sank, while REIT performance declined only slightly - relatively speaking.

Private real estate investing has so much potential for those of us who are willing to take a calculated risk.

The Bottom Line: Investing in private real estate is a proven strategy to build wealth and earn passive income. Make sure you do your research first before you commit financially.

Rental Income Idea #3: Invest in Farmland

- **Fun** - 5/5
- **Flexibility** - 5/5
- **Cost** - 1/5
- **Scalability** - 3/5
- **Sustainability** - 4/5
- **Potential Monthly Income** - \$0 to \$1,000+
- **Best Resource** - [AcreTrader](#)

Did you know that Earth's supply of land is becoming more valuable with every year?

Think about it: The human population continues to grow and needs a place to live, yet the supply of land cannot increase.

With a declining supply and increasing demand, the value of land has skyrocketed over the past few decades.

How can you take part in the action?

Enter AcreTrader 

AcreTrader is a groundbreaking platform that gives accredited investors the chance to buy shares of farms across the country.

Accredited Investor Definition: An accredited investor is an individual who either has a net worth of \$1 million+ (not including your primary home) OR is an individual with an annual income of \$200,000+ for the past 2 years if single or \$300,000+ if married.

So, if you fall into one of these 2 categories, then you are considered an accredited investor and have

access to alternative investment platforms like AcreTrader.

So why should you invest in farmland?

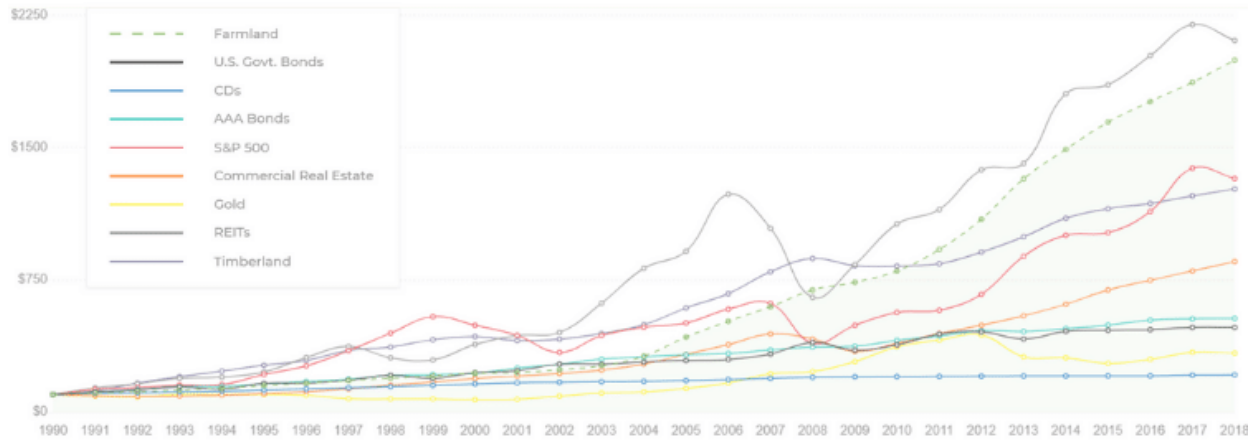
Check out the graph below.

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.

Personally speaking, one of the main reasons why I'd want to consider investing in farmland is because of the low volatility compared to the stock market.

Check out this chart:



Look at the green line, which represents the growth of farmland from 1990 to 2020.

Take note of 2 things regarding farmland investments:

- The returns have increased drastically since roughly 2008
- The returns have been relatively stable with minor downturns

Now look at the other asset classes represented in the chart above:

- REITs
- S&P 500
- Commercial Real Estate

While REITs (real estate investment trusts) do offer higher returns than farmland investments, they have also experienced more volatility over the years.

In the end, whether you're comfortable investing in farmland or not really depends on your accredited investor status and on your comfort level in taking risk.

If you're interested to learn more about investing in farmland, then check out my latest AcreTrader Review.

The Bottom Line: Not only does farmland pay you annual dividends (from the rents collected), but you can also earn substantial profits if the farmland is sold in the future.

Keep in mind you will need a large upfront investment and accredited investor status.



Dividend Income

2. Dividend Income

One of the major passive income streams for millionaires is dividends.

Dividends can actually pay you a lot of money...

How do Dividends Work?

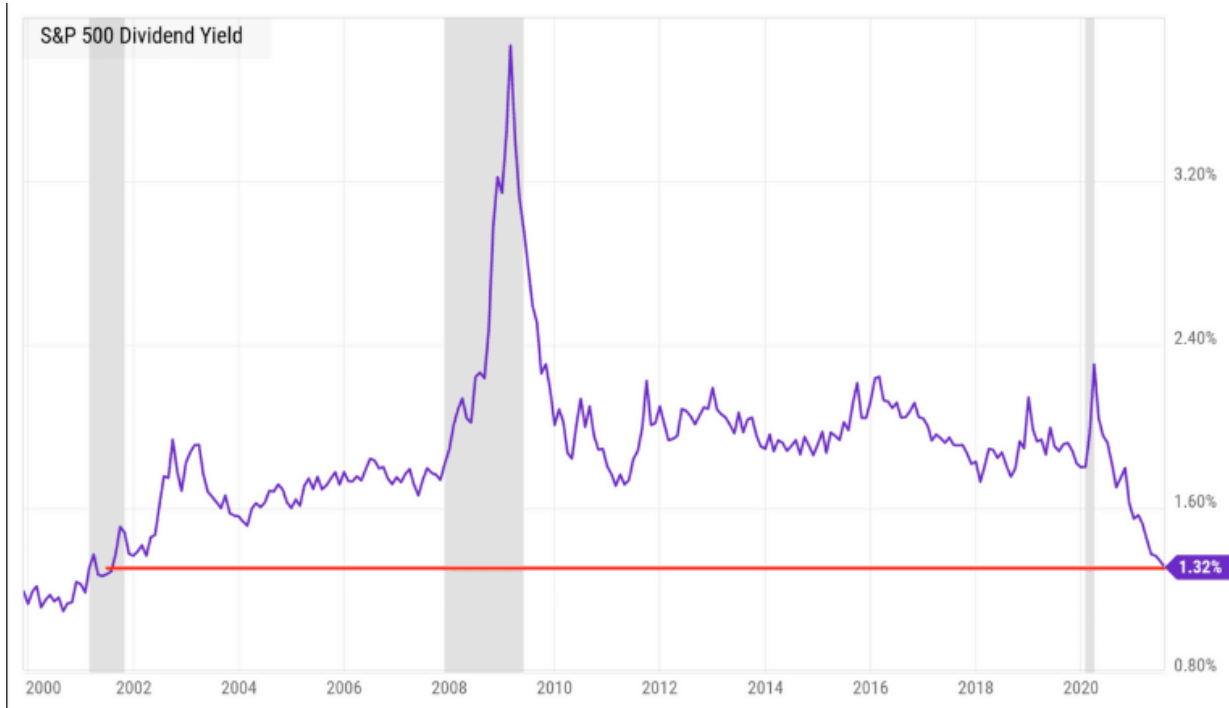
A dividend is an amount of money that is paid to you per year. How much you receive is based on the amount of stock you own in a company.

The more stock you own, the more dividends you receive.

Pro Tip: During recessions, companies typically increase their dividends as an incentive to keep their investors (like you) happy.

This is another reason why I'm generally a big fan of dividend-producing income streams, like investing in the stock market.

Check out this chart below, which shows the S&P 500 dividend yield from 2000 to mid-2020:



Take a look at the thick, grey bars in the graph: These grey bars show a recession (in 2000, 2008, and 2020).

Now, take a look at the purple line, which indicates the dividend payout.

Do you notice a trend?

Pro Tip: Every time a recession hits the US economy, it is very typical that companies increase their dividend yield in an effort to keep their investors.

While the stock market may be plummeting during a recession, as long as you're invested for the long run, your dividend yield can keep you afloat, because that's the cash flow you're being paid right now.

And that's the beauty of dividends: Cash flow.

If you want to build multiple income streams through dividends, then check out my ideas below.

Dividend Income Idea #1: Invest in a Brokerage Account

- **Fun** - 5/5
- **Flexibility** - 5/5
- **Cost** - 5/5
- **Scalability** - 5/5
- **Sustainability** - 5/5
- **Potential Monthly Income** - \$10 to \$1,000+
- **Best Resource** - [M1 Finance](#)

One of the best ways to build your wealth is to invest in the stock market by opening a brokerage account.

Brokerage Account Definition: A brokerage account is an account that you open and deposit money into for the purpose of making trades and investing in the stock market.

Investing in the stock market can be extremely lucrative, especially if you hold your investment for the long term.

In fact, American households that classify in the wealthiest top 10% of the country own about 89% of all US stocks.



The wealthiest 10% of Americans own 89% of all U.S. stocks

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On the other hand, 11% of the stock market is distributed among the bottom 90% of American households.

Yikes.

So how do you become part of the action with the top 10 percenters?

Start owning stocks.

The best part?

All you need is \$100 to start investing.

If you're looking for a long-term and low-cost investment option, then [M1 Finance](#) is likely a very good option for you.

The Bottom Line: Arguably one of the best ways to invest and build multiple income streams is investing in the stock market.

This type of investment should be long-term, as the stock market does experience volatility.



Earned Income

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3. Earned Income

The most common income stream is earned income.

Earned income can range from your typical day job to passive income, to your side hustle.

Did you know that 57% of Americans claim to have a side hustle?

Here are some of the most popular side hustle ideas:

- Drive for Lyft or Uber
- Deliver food
- Deliver groceries
- Become a photographer
- Tutor online
- Take surveys
- Teach English
- Rent your home or spare room on Airbnb
- Get paid for your creative talents
- Become a personal chef
- Babysit
- Dog walk or pet sit
- Clean houses
- Sell products on Etsy
- Do tasks for people
- Become a freelance writer
- Wash and detail cars
- Mow lawns or do yard work
- Become a coach
- Sell baked goods

- Do makeup for special events
- Become an event planner
- Deliver packages for Amazon
- Launch a blog or paid newsletter
- Start a youtube channel
- Teach online courses

A side hustle, in addition to your regular 9 to 5 job, is a great way to find financial freedom for yourself and your family.



Royalties

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4. Royalties

Before we dive in, let's explore what the word royalties actually means:

Royalties Definition: Money you are paid for each use of your patent or for each sale of your book, music, public performance, etc.

The best part about royalties?

Years after you've published your product, you could still earn royalties from it!

As an example, I wrote my first eBook in June of 2021.

Since then, I've made \$1,000's off of writing my 1 eBook, which probably took me about 1 month to write, edit, and market.

Now, after 2 years since I first published my eBook, I continue to make sales.

Other royalties could include:

- **Image royalties** - If someone wants to use an image, they will have to pay a royalty to the person who owns the image
- **Mineral royalties** - companies pay landholders for the right to take minerals from their property
- **Franchising royalties** - the franchisee pays royalties to the franchiser in exchange for the right to use their business name and branding

- **Performance royalties** - musicians produce copyrighted music, and anyone who wants to play the song in public or for commercial use must pay royalties
- **Patent royalties** - If someone wants to make or use a patented product, like a new invention, they will have to pay a royalty to the person who owns the patent

I think the power of building an income stream from royalties is often overlooked.

The truth is this: You can make a lot of money from royalties.



Business Income

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5. Business Income

Did you know that you have the highest chance of becoming a millionaire if you are a business owner?

In fact, if you are self-employed, you are 4 times more likely to become a millionaire than if you worked for someone else.



You are 4 times more likely to become a **millionaire if you are a business owner**

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Yet surprisingly, only 18% of American households are run by business owners.

Of course, being a business owner can have its own ups and downs, for example:

- 100% responsibility
- No guarantee of success
- Extreme financial pressure
- More demanding work hours
- No consistent income stream

As you can see, owning a business might not be for everyone.

But, if starting a business sounds like the right choice for you, then check out these proven business models below:

Business Income Idea #1: Build a 7-Figure Blog

- **Fun** - 5/5
- **Flexibility** - 5/5
- **Cost** - 5/5
- **Scalability** - 5/5
- **Sustainability** - 5/5
- **Potential Monthly Income** - \$10 to \$10,000+

Imagine the following scenario:

- You're at the beach
- You're soaking up the warm sun
- Your laptop is on the table next to you
- You just heard a "ping" and see you earned \$200

You are making money while actually enjoying life.

Believe it or not, you can actually make this scene become a reality if you start building a blog.

Did you know?

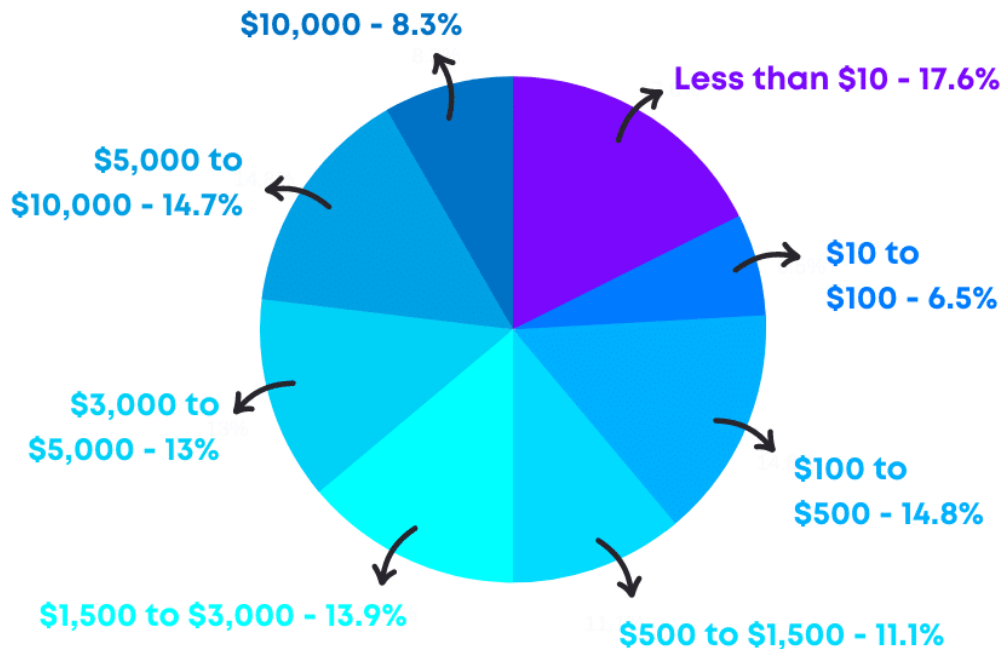
You can earn \$10,000+ per month by blogging.

And you can literally write about anything:

- Cars
- Dogs
- Food
- Music
- Fashion
- Finance
- Shopping

Here's how much money you could expect to earn if you started a blog:

How Much Bloggers Make



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It's not easy to make money blogging.

Based on the chart, about 50% of bloggers reported earning less than \$1,500 per month for working about 8 hours on their blog each week.

However, if you really dedicate yourself to your blog, you can really see a positive difference.

Pro Tip: With blogging, the amount of time and effort you put into your blog will typically reflect your future blogging income potential.

Here are some of my favorite ways to earn money blogging:

- Selling eBooks
- Selling courses
- Sponsored posts
- Affiliate marketing
- Selling your own services
- Selling your own products

If you are thinking about getting into blogging, then just make sure you are actually passionate about it and not just doing it for the money.

Blogging might be right for you, if you:

- Like to write
- Love to create content
- Are focused on the long-term
- Are passionate about a certain topic
- Understand how to work with computers

If you want to break free from the rat race and the daily 9 to 5 grind, then building a blog is likely one of the best ways to escape.

The Bottom Line: Blogging is arguably my favorite activity here. You are your own boss, you can create whatever you want while connecting with interesting

people from around the world – all while earning money.



Interest Income

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6. Interest Income

Out of all the income streams listed, this is probably the least important income stream.

Why?

Because the interest you can earn from a regular savings account is virtually nonexistent.

Check out the interest rates from a national bank here:

Wells Fargo interest rates

Interest rate on balances	0.01%.
How it compares	The national average rate for savings accounts is 0.06% APY.

The image above shows that you get 0.01% annual percentage yield on your savings.

Basically, you're getting next to nothing.

With that said, I'm about to show you 2 proven strategies to optimize your interest income below.

Interest Income Idea #1: Invest in High-Yield Savings Accounts

- **Fun** - 5/5
- **Flexibility** - 5/5
- **Cost** - 5/5
- **Scalability** - 3/5
- **Sustainability** - 4/5
- **Potential Monthly Income** - \$10 to \$1,000+
- **Best Resource** - [SaveBetter](#)

A high-yield savings account (aka HYSA) is a liquid and accessible savings account that is generally only found through online banks.

You typically earn a much higher interest rate than with brick-and-mortar banks.

Let's take a look at a classic example of the savings account interest rates offered at a local brick-and-mortar bank in my area:

Rates

With tiered interest rates, the more you save, the more you could earn.

Today's rates⁷

Preferred Rewards members can earn even more. [How to qualify](#)

Account balance	Standard Annual Percentage Yield (APY) ⁸	Gold Tier APY ⁸	Platinum Tier APY ⁸	Platinum Honors Tier APY ⁸
Less than \$2,500	0.01%	0.02%	0.03%	0.04%
\$2,500 and over	0.01%	0.02%	0.03%	0.04%

You can see that the interest rates are only 0.01% to 0.04%.



Now, take a look at the interest rates you could earn with an online high yield savings account:

Compare Savings Accounts on SaveBetter

Savings

Deposit Amount: Financial Institution:

Product: APY: Annualized Earnings: [?](#)

 Western Alliance Bank 	High Yield Savings Account Product terms	4.45%	\$2,222.86	Save now
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That is a huge increase when you level up from the 0.04% interest rate (for brick-and-mortar banks) to the 4.45% interest rate (for the [Western Alliance Bank high-yield savings account on SaveBetter](#)).

So if you want to maximize the interest earned on your savings, consider checking out a high-yield savings account.

Just remember that ideally, you'll only want to stash 3 to 6 months' worth of living expenses in your high-yield savings account, or you will likely lose money (due to inflation).

The Bottom Line: If you're looking to build your emergency savings fund (which should have about 3 to 6 months' worth of your living expenses), then to get the biggest bang for your buck, you should consider opening a high-yield savings account.



Capital Gains

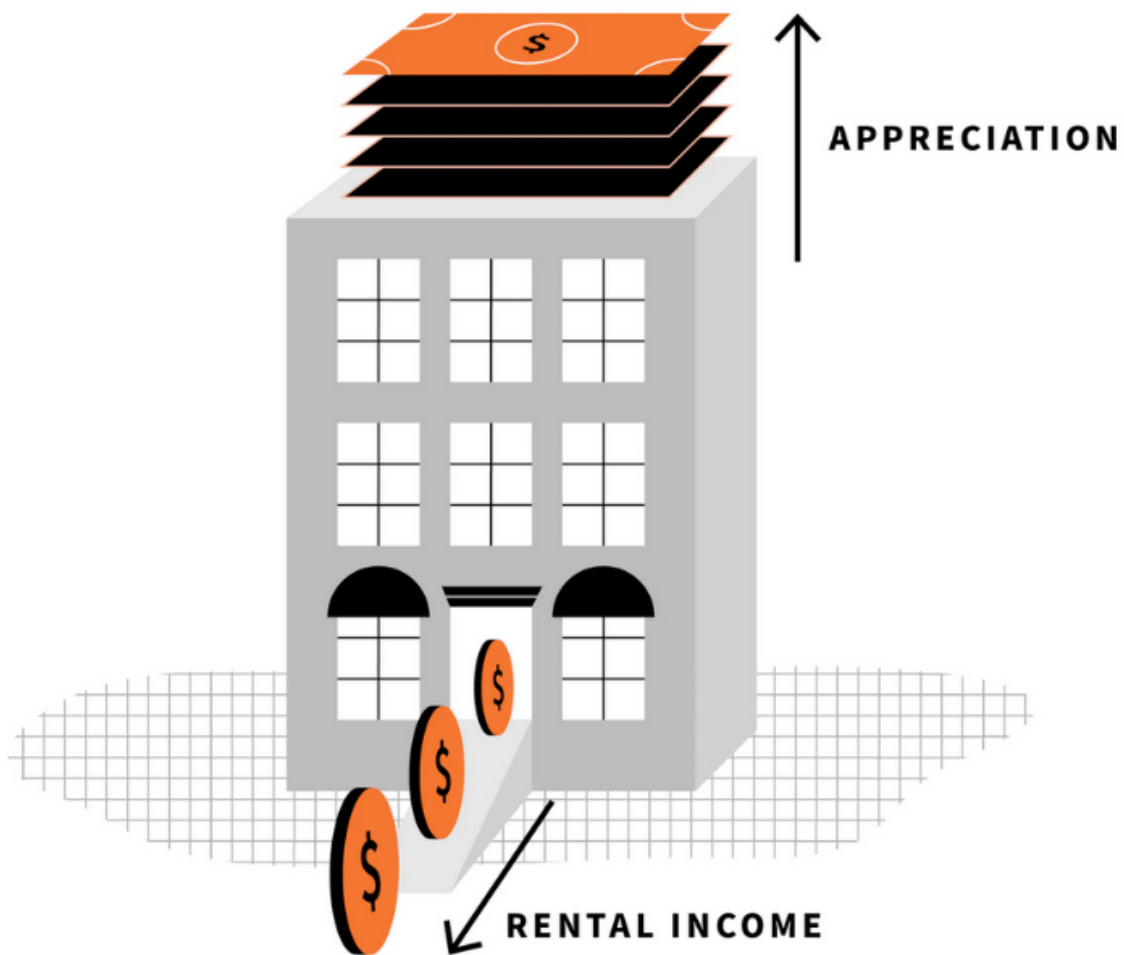
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7. Capital Gains

You may remember from the previous income streams that investing in real estate can be incredibly profitable.

Not only do you earn income from the rents paid, but you also earn money from capital appreciation, since real estate is an appreciating asset.

The picture below illustrates this concept well:



And if the pandemic has taught us anything about real estate, it's that property values typically go up.

When prices are up, that's typically a sign that you want to consider selling your property, and you'll earn money based on your capital gains.

Capital Gain Definition: A capital gain is any profit (sale price – purchase price) you make from the sale of property or other investment.

But, real estate is not the only way to earn capital gains.

Check out these other lucrative ideas below.

Capital Gains Idea #1: Invest in Fine Art

- **Fun** - 5/5
- **Flexibility** - 5/5
- **Cost** - 3/5
- **Scalability** - 3/5
- **Sustainability** - 3/5
- **Potential Monthly Income** - \$10 to \$1,000+
- **Best Resource** - [Masterworks](#)

While the world of fine art is often only available to the ultra-wealthy, that's no longer the case.

Enter Masterworks 

Masterworks is an alternative investment platform that allows virtually anyone to buy shares of fine art.

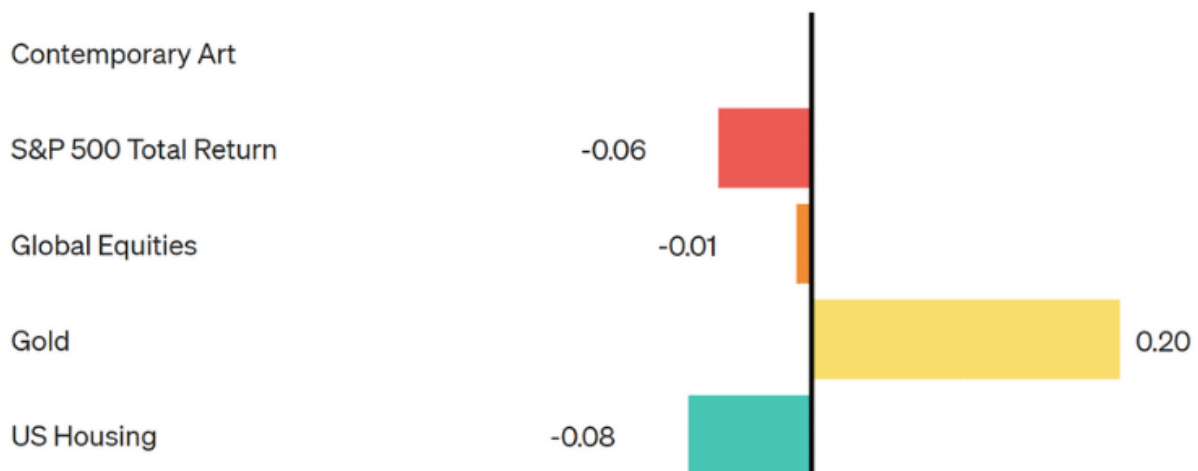
With Masterworks, you could:

- Diversify your investments
- Protect yourself against inflation

- Invest in million-dollar fine art for a fraction of the cost

Artwork could also protect your net worth because it's not really correlated with stock market volatility, based on the graph below.

Correlation Factor (1995–2020)



In the image above, when the S&P 500 goes down (red bar), nothing happens to the contemporary art market (it goes neither up nor down).

This could be a good thing, since you would protect the value of your art assets, even during potentially rough economic times.

Caution: One of the reasons why I'm not the biggest fan of investing in fine art is because of the high fees and the long lock-up periods.

While you might not earn an active income stream on your fine art investment, you could earn a profit once the fine art is sold.

So, just make sure you do your thorough research before committing to the fine art market.

If you are interested to learn more about Masterworks and the fine art investing world, then check out my latest Masterworks Review.

The Bottom Line: Another proven strategy to build multiple streams of income is by investing in fine art.

Fine art is a protection against inflation and could help you earn a profit, as long as you are willing to stay invested for the long run.

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So there you have it!

There are so many ways you can start building multiple income streams even in just the next 6 to 12 months.

To recap, here are 7 types of income streams:

- **Rental Income** – Income from rents
- **Dividend Income** – Income from stocks
- **Earned Income** – Income from jobs/side hustles
- **Royalties** – Royalties from books, inventions, etc.
- **Business Income** – Income from business profits
- **Interest Income** – Income from savings accounts, bonds, etc.
- **Capital Gains** – Capital gains from selling highly appreciated assets

Keep in mind that creating multiple streams of income is not an easy task, as it typically takes:

- Hard work
- Research
- Patience

Depending on the type of income stream you are building (like a long-term side hustle), then you might not see results within the first 12 months or even the first 24 months.

Unless you win the lottery, you probably won't get rich overnight.

So, put in the work and stay focused on the long-term goal of building wealth and you'll start seeing results.

I have full faith in you!

Signing off now.

Your friend,

- Fiona

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