

Passive Income by Richard Gadson | Book Summary by Paul Minors

INTRODUCTION

Who is this summary for?

Passive Income by Richard Gadson has 30 strategies and ideas to start an online business and acquiring financial freedom. Perfect for someone looking to escape the office and the 9-5 lifestyle. Full of tips and ideas on how to get started on your journey, this book covers everything from starting an online shop to selling eBooks on Amazon.

In this summary

First up, this summary will address two different ways to create a passive income, with a small budget and with a larger budget. We'll then dive into a discussion about different strategies including online advertising and email marketing. Finally, we'll summarise different options you have for selling physical products online and other digital services.

BOOK SUMMARY

PASSIVE INCOMES

Gadson explains that if you have access to the internet and a computer then you are completely capable of starting an online business with the goal of becoming financially independent. There are multiple different strategies you can adopt and we'll discuss these throughout the summary. It's important to understand what you're trying to do with your business and the best way to do it. Gadson recognises that a lot of online businesses never make enough money and can be classified as a failure. He believes that with the right research and the right approach anyone can have a passive income.

"Living from a "passive income" as it is called, is a term now used to describe the income people receive from the internet. It is called passive income because in theory most of the work is pre-done. Then you sit back and reap the benefits of your labor with little work involved."

SMALL BUDGETS AND A PASSIVE INCOME

Budget is one of the first hurdles to overcome when starting up a new business, and Gadson recognises that a lot of people have a very small budget. He highlights a couple of key questions you should be asking before you get started:

1. Is there a product or service that you would like to sell? Is this physical or virtual?
2. Do you currently have an online presence? Think website, blog, social media.
3. What is your budget?
4. What experience do you currently have online? Do you know how to build a website and do basic coding? Do you know how to set up advertising on facebook?
5. In order to be successful, what do you think you need to learn?

Have an online presence

Gadson emphasises the importance of having an online presence, this is the best way to get your name and product/service out there and is usually mostly free. Consider Facebook, Google Plus, Twitter, LinkedIn, YouTube, Pinterest or Instagram. You don't have to do all of them, establish which 1-3 would be best for your target market and get started building a following and a community.

Investments

Gadson encourages you to be very selective when considering where to spend your limited funds. Ensure the return you are going to get is the best possible. When considering a website, you don't have to pay for the flashiest web designer. You could try standard web templates and even possibly a blog. Many web hosting services charge but there are also free ones out there. Do your research as some of the free ones have limitations, decide where you need to spend your dollars and where you need to save them.

Sites such as BlueHost and WordPress are recommended by Gadson. He considers these sites to be relatively user-friendly. They also have well-used forums with advice and a good help service including chat features so you can talk directly to technicians for advice.

"An almost totally passive internet income could be achieved by outsourcing all the necessary work and only overseeing the operation. But that still requires some input, so there is no such thing as a totally passive income site."

LARGER BUDGETS AND A PASSIVE INCOME

"The best way to determine if something can be a worthwhile passive income stream is by comparing the likely return with the current risk-free rate of return on, say, government bonds."

Gadson's recommendation is that you need to ensure that your return is over 7% per annum. If it doesn't look like you'll be able to achieve this, then perhaps you're looking down the wrong avenue. It's important to establish this before you get too far.

Internet share market investing

If you've got a larger budget, a lot of people want to have a go at investing in stocks to make some extra money. Gadson explains that it's fine if you have a spare couple of hundred dollars and you want to see what happens. But, if you have a serious amount of money to invest and want to establish a passive income from investments, then there's a lot to learn.

Firstly, the theory of investing is straightforward, buy low and sell high. However, Gadson believes that most people don't actually know what classifies something as low or high. If you don't have an accurate understanding of what something is worth, then it's going to be difficult.

The stock market can be volatile, it's important to do your research before you invest. When considering an investment, study what's been happening over the last month, 6 months, year and even further. Consider the patterns that have been occurring and what is happening in the near future that may have an effect on your chosen stocks.

Gadson recommends thinking about stocks as percentages rather than dollar amounts. And he strongly recommends against investing everything into one investment. This usually doesn't end well, it's better to spread your finances across different investments and diversify.

Gadson warns against ever borrowing money to invest. You can't be certain that you won't lose it so it's a big risk. You also need to be prepared to lose all of your invested money. For this reason, it's important to only ever invest money that you could afford to lose.

You'll find that plenty of rumours will circulate stocks and investments, you'll hear about the potential next big thing or rumours of a company about to be hit hard. You'll also find that everyone wants to offer you advice. Gadson warns against listening to the rumours and accepting bad advice. Be careful and make your own decisions always.

Money trading foreign exchange Forex trading

"Being a Forex trader offers one of the most amazing potential lifestyles of any profession in the world. But it is also one of the riskiest. If you are determined and disciplined, you can make it happen."

Gadson explains that there is the potential to make a lot of money over a short period of time as a trader. But there's just as much potential to lose a lot of money quickly. The most important thing you need to do when considering dealing money is to understand the money values exactly. Always be aware of the dollar amount and never go in blind. You need to consider every trade as a considerable trade and you need to be aware of your chances of losing it all.

Gadson recommends that anyone keen to get involved in the Forex market should spend some time studying and understanding it first. There are some great free courses online and he recommends getting a comprehensive understanding before you dive in.

STRATEGIES

Online advertising

Online advertising is one of the first things people think of when they are trying to start some marketing. Gadson explains that it's one of the most straightforward ways to earn money provided you do it right. The idea is that other companies pay to use your online platform to advertise their products/service. The one thing that online advertising really needs is plenty of traffic through your website. Without traffic, you won't receive enough clicks or visitors to be beneficial. A few options for online advertising on your website: AdSense, Media.Net or Chitika.

Affiliate Marketing

Gadson believes that affiliate marketing is one of the best ways to earn some passive income and it's usually very straightforward. The concept has been around as long as the internet has. The idea is, that other companies pay you to promote their products and service, usually in the form of a blog post or something similar. You can either be paid a lump sum or earn a commission.

Again, affiliate marketing requires a steady stream of traffic to your website, you also need to ensure that your target audience is appropriate for the products/services you are trying to promote. It's also important to have a trusting audience and to not do this promote products too often.

Email Marketing

Email marketing is slightly trickier, Gadson explains that the key is to establish yourself as someone who sends valuable emails, not someone who swamps people with too many emails that are irrelevant or feel like spam. If you can remain authentic and do it well, then email marketing can be a really successful marketing tool. By having a well-established audience, they hopefully trust you and the content that you provide. If you have a good relationship with your audience and remain authentic they will be more likely to purchase from you.

Having a niche

Having a niche website is another good way to make a passive income provided you have a product or service that is considered a specialty. The concept of a niche is

that the audience may be slightly limited, but there isn't a lot of competition. You can be certain that anyone who reaches your website is truly interested in what you have to sell. That way, you are more likely to convert visitors into paying customers.

Freelance writing

There are so many opportunities online for freelance writers. It's a relatively hassle-free way to make some good money online. If you are a talented writer who has a lot to say then you can be sure that there is a platform online looking for someone to provide content like yours for their website. You can check out sites such as UpWork, eLance, and Freelancer to look for work. Otherwise, get in contact with popular blogs that you enjoy, reach out and ask for an opportunity to write for them. Ensure that you have a good portfolio with plenty of examples of your writing.

Search Engine Optimisation (SEO)

Gadson explains that anyone who has experience with and knowledge about SEO should be able to find work easily. SEO essentially means you understand how search engines and websites work and perform at their best. Anyone with a website wants their articles and content to be written in a way that optimises their site for search engines. Plenty of this work revolves around keywords, synonyms, titles, headers, and bullets. A lot of people don't have experience with this and look to outsource so there is an opportunity. If you can ensure that your own website is optimised you can be sure that you will get plenty of traffic.

Other options

There are so many opportunities to make money online and we've only discussed a few. A few other ideas that Gadson has are: promoting click bank products or promoting Amazon products and becoming an affiliate. You could consider taking up a virtual assistant job, check out UpWork for listings. There are always opportunities to take surveys and write reviews in exchange for money. Other options are selling eBooks, privately or on Amazon and selling online courses.

OPTIONS FOR SELLING PHYSICAL PRODUCTS ONLINE

“Selling or reselling physical products can be very lucrative. Making a living by purchasing wholesale and reselling on the existing online marketplaces has never been easier.”

eBay

eBay is a great option, you can set up your own eBay store which is ideal if you want to be selling your products regularly. Gadson explains that the buy and sell concept can still work very well and there is plenty of profits to be made. The key is to purchase products that have been marketed badly and are cheap. Then, you can put some effort into promoting well and throw on a considerable markup.

Dropshipping

Dropshipping is what happens when you have your own online store that sells not-local products, all from a particular manufacturer. The way it works is a customer will place an order from your store, which is passed on as an order to the manufacturer (usually overseas). The manufacturer usually makes the product and ship this directly to the customer, you really are just the middleman. Once you have been paid by the customer you pay the manufacturer, not before, so the risk is very low. You also don't have to worry about logistics, packaging etc. All the tricky stuff is handled for you.

Craigslist

Gadson explains that Craigslist is free and many people find it more user friendly than eBay. However, it lacks some of the key features that eBay provide. To sell on Craigslist you don't even have to be a member, however, Gadson recommends signing up so you can keep track of products you post for easy re-listing.

Etsy

Etsy is the perfect platform for anyone wanting to sell arts and crafts or anything handmade. It's an extremely popular site with a worldwide audience. If you have a niche craft that you are wanting to sell the Gadson highly recommends Etsy.

Shopify

Shopify is one of the best e-commerce platforms. It's simple and easy to set up, you don't need any prior experience. Gadson finds that their interface is very easy to use and with all of the add-ons such as themes it's easy to customise and build the perfect e-commerce site for your products and services.

SELLING DIGITAL PRODUCTS

Physical products are not the only option, it's also very lucrative to sell digital products online. Things such as websites and domain names can increase in value over time, just like real estate. Another option Gadson suggests is photography, if you have a decent photo then websites such as Shutterstock, iStockphoto, and Graphic Stock are always looking for images to sell online for a royalty fee.

Selling Software

Software is another digital product you can consider selling. However, the important part is having a great, new idea and a good programmer. If you can build some useful software, then Gadson believes you can make some decent money selling it to others who may need it. When looking for an idea, consider issues that you face and would like to address. Remember, that the software doesn't have to be over-complicated and expensive, even if it solves a simple problem people will be willing to pay for it.

Website services

Anyone with experience building websites, SEO, writing posts, graphic design, and programming is extremely valuable online. You can advertise your services on sites such as UpWork and Freelancer. Many people don't have the skills to do these things nor the time to learn so opt to outsource.

eBooks

If you've got an idea for an eBook then you have an opportunity to sell these online. You can do this through Amazon or your own websites. Further to eBooks, you can put together video series, podcasts, online courses etc. These are all relatively cheap to make and easy to sell online! Look at places like Instagram to sell your products, there's already a massive customer base sitting there waiting to purchase these kinds of products.

"By taking a hard look at your own situation and seeing if there are any areas you may be able to improve in your financial situation, you are taking the first steps to becoming independent."

CONCLUSION

Key Takeaways

- If you have access to the internet and a computer then you are completely capable of starting an online business with the goal of becoming financially independent.
- You don't need a large budget to get started, you can get your name and product out there for free on social media platforms.
- Be wise when considering stocks, shares, and forex trading. Make sure you've done plenty of research and only spend money that you are willing to lose.
- When it comes to getting started there are multiple different strategies including email marketing, affiliate marketing, online advertising, freelancing, and SEO.
- If you're looking to sell physical products online consider services such as eBay, Craigslist, Etsy, and Shopify.
- You don't have to sell physical products, there are plenty of digital products you can create for next to nothing and sell online. Almost no overheads involved in this strategy.

Further Reading

The \$100 Startup by Chris Guillebeau has two key themes: freedom and value. Freedom is what we're all looking for, and value is the way to achieve it. The concept of having your own startup is the ultimate form of freedom according to Chris Guillebeau. He discusses different lessons on the road to beginning your own startup. With a focus on small 'micro businesses,' this book has plenty of tips and advice for every step of the journey.

Sprint is written by Jake Knapp with help from John Zeratsky and Braden Kowitz. These three have all been a big part of Google Ventures. Together, they have put together a guide for "solving big problems and testing new ideas in just five days". You'll find useful start-up examples including those from Slack and Blue Bottle

Coffee. Knapp, Zeratsky and Kowitz have put together a must-read checklist at the back of the book that will assist anyone in this problem-solving, idea-testing journey.

The Lean Startup by Eric Ries defines a scientific methodology for running startups and launching new products. This new approach has been adopted around the world within startups and established organisations. Regardless of your role or company size, this is a must-read for entrepreneurs, marketers, developers and business leaders.

Guidelines is my eBook that summarises the main lessons from 33 of the best-selling self-help books in one place. It is the ultimate book summary; Available as a 80-page ebook and 115-minute audio book. Guidelines lists 31 rules (or guidelines) that you should follow to improve your productivity, become a better leader, do better in business, improve your health, succeed in life and become a happier person.

Action Steps

- Download the complete book on [Amazon](#).
- Identify what your budget would be for starting a small business.
- Establish a product or service that you would like to sell?
- If this is a physical product, it's time to start looking into manufacturing or drop shipping options. If it's virtual, time to get started creating.
- Build your online presence, consider Facebook, Instagram, Twitter etc. Which has the best audience for your product/service.
- Set up a basic website depending on your budget. Consider WordPress.
- Figure out what platform is best to sell your product/service on.
- If you're not selling a product/service but instead looking for freelancing work then look to advertise on sites like UpWork.
- Get started!

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