

# **Residual Income – What Does It Mean And How To Build It?**

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Wake up early in the morning, get fresh, pack the office bag and leave for work. Work hard for next 10 to 12 hours to build someone else's dream then get back to home 'Tired'. If possible spend some time with family, and then go to bed. Again on second day wake up and go to work, same on third day and so on.....Sounds familiar???

Now say this again and again— “Got to work – Come back home” minimum 20 times without taking break. Doesn't it sound irritating? But we keep doing this for long 40 years of our life.

The above situation is found all over the world; almost 97% of population is busy building business that they don't own. What I tried to figure out here is, we all are building dreams of other people. Most of us do not work because we like it, but instead we work because we HAVE TO WORK. At the ends of month we have to pay the bills, grocery and much more. Think; when you did had chat with your kid's? When did you spend some quality time with your family? When did you took long vacation to a beach and didn't think about work or boss?

It's not our fault, its fault of our MINDSET that won't allow us to think about generating residual income. In my post '[Why I will choose residual income?](#)' I tried to figure out why should me or anyone who want to aspire time freedom, financial benefits, and self reliant lifestyle should work to generate residual income.

## **What Does It Mean By Residual Income?**

Actual definition of Residual income is 'Income from an effort which continues to generate revenue over time without requiring any additional efforts'. It sounds crazy, but there are opportunities out there in real world who promise to help people to generate residual income aka passive income.

Any ideal residual income opportunity generates revenue 24 hrs a day and 7 days a week, even in the absence of its owner and can be maintained from any corner of the world. But when we look at the business models that help us to generate residual income, demands huge efforts to build it and always require some kind (though it's minimum) of attention to maintain it, so they can generate revenue. (It is like 'Work Hard Now To Reap Benefits Later'). The best thing is that even if you took a long vacation, your business keeps working for you to help you generate money.

This is the real difference between Active income and Residual income. In any job that we do actively, we trade our time for money. We spend our time actively working for others to get paid fixed amount of money. At the end of month we get fixed salary, while residual income opportunities generate money in your absence.

## **What are the advantages of residual income?**

Though the generating Residual income is not an easy task at all, it rewards great things. People who work hard with smart attitude to build a business that generate residual income get benefits at the end.

- **Independency** – In job we can't be independent but once you successfully build an residual income generating system you can become independent for some time without worrying about money. It gives us time as well as financial freedom. Even if it does not able to produce much money, it will definitely provide us much control over our finance. Most of residual income models are location independent and can be controlled from any place across the globe. You can run your business from any corner of your world.
- **Time freedom** – This is the most helpful reward that residual income model gives to people. As money can be generated without your active participation once you setup residual income business, the owner become free to do anything that matter most to him. Because money is not the only thing in this world that people should give priority to. You can spend time with family, friends, and kids, can go on vacations. This what we call as 'Self Reliant lifestyle'
- **Financial freedom** – If done right way, it benefits us to achieve financial freedom. Financial freedom is a stage when you does not require worrying about money (having lots of money in bank account) and can enjoy the life the way you want. Even though you fail to build a descent income from residual income model, it will definitely provide some amount of money, so one can get the control over the life and financial calculations.
- You can totally stop working and have some money coming in your bank account. Think about medical emergencies, which came in life without any prior warnings to you. It takes away your time, energy, lots of money and the most important thing is that you can't able to work actively. As per the rules of life 'No work=No money'.