

Passive Income Strategies — Workbook

This workbook turns the course's honest math into decisions you can act on. You will price your own time and capital, score the five models against your real situation, and leave with a single chosen model and a 90-day validation plan. Work through one section per module, in order — each builds on the last.

What Passive Income Really Is (and Is Not)

Define your inputs honestly and identify the engine — capital, audience, or skill — that will power your first model.

Worksheet: Price Your Time and Capital

Fill in your true input costs. Your effective hourly rate is what a focused hour earns in your best alternative; your cost of capital is the safe yield you give up (use today's money-market or Treasury rate). You will reuse these numbers to judge every model.

Effective hourly rate (\$/hr)

Investable capital you can risk without disrupting life (\$)

Current safe yield / cost of capital (%)

Hours per week you can realistically commit

Months you can sustain effort before needing income

Annual income target from passive sources (\$)

Exercise: Place Five Ideas on the Effort-to-Passivity Spectrum

List five income ideas you have considered. For each, mark its upfront effort, its year-two maintenance effort, and whether it is really active income wearing a passive costume.

- Which of your ideas is actually a second job with relentless maintenance?

- Which has front-loaded effort that fades after launch?

- Where on the spectrum (active, leveraged, recurring, capital) does each land?

- Which trade are you making for each — ongoing time, upfront capital, or upfront creative effort?

Checklist: Identify Your Dominant Engine

- Counted investable dollars I can risk (capital engine)
- Counted people who would open an email from me (audience engine)
- Named one thing I could teach or make that a stranger would pay for (skill engine)
- Compared the three and circled my single strongest engine
- Accepted that I will start with the engine I have, not the one I lack

Digital Products and Licensing Your Work

Choose a product format, validate demand before building, and protect your intellectual property in any licensing deal.

Worksheet: Digital Product Break-Even Calculator

Pick one product idea and fill in the numbers. Multiply build hours by your effective hourly rate to get your effort cost, then divide by your per-sale profit (price minus platform and payment fees) to find how many sales you need just to break even.

Product format (ebook / template / course / stock asset)

Estimated build hours

Effort cost = build hours x hourly rate (\$)

Planned price (\$)

Platform + payment fees (%)

Net profit per sale (\$)

Break-even sales = effort cost / net profit per sale

Realistic year-one sales estimate

Exercise: Validate Before You Build

Design the cheapest possible test of demand before investing build hours. Sketch a pre-sale or waitlist page and decide how you will drive a small amount of traffic to it.

• What headline and one-line promise describes the product?

• Will you collect emails (waitlist) or deposits (pre-sale), and why?

• How many sign-ups or pre-sales prove the demand is real to you?

• Where will the first 100 visitors come from this week?

Checklist: Licensing Deal Review

- Scope is narrow — names the exact product, media, and uses granted
- Exclusivity is non-exclusive, or the premium for exclusivity is worth it
- Territory and term are limited, with clear renewal and exit terms
- Payment is a royalty (not a one-time fee that sells away future income)

- [] How 'net' is defined has been read and is fair to me
- [] A guaranteed minimum and audit rights are included
- [] An IP attorney has reviewed anything with real revenue at stake

Affiliate and Content-Driven Revenue

Pick a profitable niche, plan evergreen buyer-intent content, and build an owned email list stacked with recurring commissions.

Worksheet: Niche Scorecard

Evaluate up to three candidate niches. Score each factor 1 to 5, then total. The highest total is your starting niche — a niche with deep commissions, real buyer intent, beatable competition, and personal fit.

Candidate niche

Commission depth (recurring / high-ticket available?) 1-5

Buyer intent (do people search ready to spend?) 1-5

Competition (can a new site rank?) 1-5

Personal fit (can I publish 50+ pieces?) 1-5

Total score (out of 20)

Exercise: Map Ten Buyer-Intent Keywords

Using Google Keyword Planner, Ubersuggest, Ahrefs, or Semrush, list ten long-tail, buyer-intent phrases in your niche. Favor low-volume, low-competition phrases someone types with a credit card in hand.

- Which 'best [product] for [use case]' phrases fit your niche?

- Which comparison or 'X vs Y' phrases signal a buyer deciding?

- What is the search volume and difficulty of each?

- Which three could a brand-new site realistically rank for first?

Worksheet: Lead Magnet and Recurring-Offer Plan

Design the email capture that turns rented traffic into an owned audience, then list the recurring-commission products you will recommend to it.

Lead magnet idea (matched to buyer intent)

Email tool (ConvertKit / MailerLite / Beehiiv)

Welcome sequence: number of emails before first recommendation

Recurring-commission product #1 + monthly commission

Recurring-commission product #2 + monthly commission

Target active subscriptions for \$500/mo recurring

Checklist: Affiliate Trust and Compliance

- Clear, visible affiliate disclosure on every page with links (FTC)
- I only recommend products I would recommend without a commission
- Cookie windows and payout holds for each program are noted
- Email capture is live so I own the audience, not just rent traffic
- I have accepted the 6–12 month ramp before meaningful income

Capital-Driven Income: REITs and Dividends

Run the yield math on dividends and REITs, size them in a portfolio, and commit to one model with a 90-day validation plan.

Worksheet: Dividend and REIT Income Projection

Estimate the income your investable capital would produce. Multiply capital by yield for annual income, divide by twelve for monthly, and note whether reinvesting or spending the distributions.

Capital to deploy (\$)

Dividend ETF allocation (%) and yield (%)

REIT ETF allocation (%) and yield (%)

Blended yield (%)

Projected annual income (\$)

Projected monthly income (\$)

Reinvest or spend distributions?

Account type (taxable / Roth IRA / other)

Exercise: Pressure-Test a High Yield

Pick one high-yield holding you are tempted by and check whether the payout is durable rather than a warning sign of a falling price or an unsustainable dividend.

- What is the yield, and is it unusually high versus peers?
 - What is the payout ratio, and is it above ~80 percent?
 - Has the dividend grown, held, or been cut in recent years?
 - Would a diversified ETF (SCHD, VYM, VIG, VNQ, SCHH) be the safer choice here?
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Worksheet: Model Selection Scorecard

Score all five models against your own situation. Rate each factor 1 to 5 (higher is better fit), total the columns, and the highest-scoring model becomes your first model.

Model (digital product / licensing / affiliate / dividends / REITs)

Capital required fits me (5 = low/affordable) 1-5

Time-to-first-dollar fits me (5 = fast) 1-5

Ongoing effort fits my hours (5 = light) 1-5

Fit with my dominant engine 1-5

Total score (out of 20)

Checklist: 90-Day Validation Readiness

- Chosen exactly one model as my starting point
- Defined one measurable milestone for each of the next 12 weeks
- Written an honest kill criterion that tells me to stop or pivot
- Set the date and amount for my first reinvestment into a second model
- Confirmed the first proof point (a pre-sale, a distribution, or published content) is scheduled

Your Action Plan

1. Calculate and record your effective hourly rate and cost of capital.
2. Identify your dominant engine — capital, audience, or skill — and commit to starting there.
3. Score all five models on the selection scorecard and pick the single highest scorer.
4. Write a 90-day validation plan with one measurable milestone per week and a clear kill criterion.
5. For a skill model: pre-sell to at least ten buyers before building anything.
6. For an audience model: choose a niche, map ten buyer-intent keywords, and publish your first piece.
7. For a capital model: open a brokerage or Roth IRA and buy a starter dividend or REIT ETF position.
8. Stand up an email capture with a targeted lead magnet from day one.
9. Review the first proof point at day 30 against your kill criterion and continue or pivot.
10. Reinvest the first income into a second model to begin diversifying your engines.

