


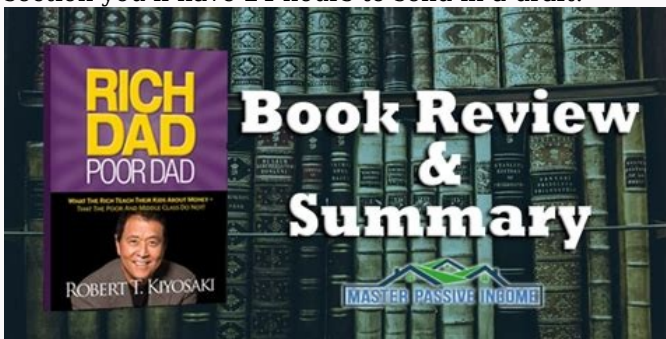
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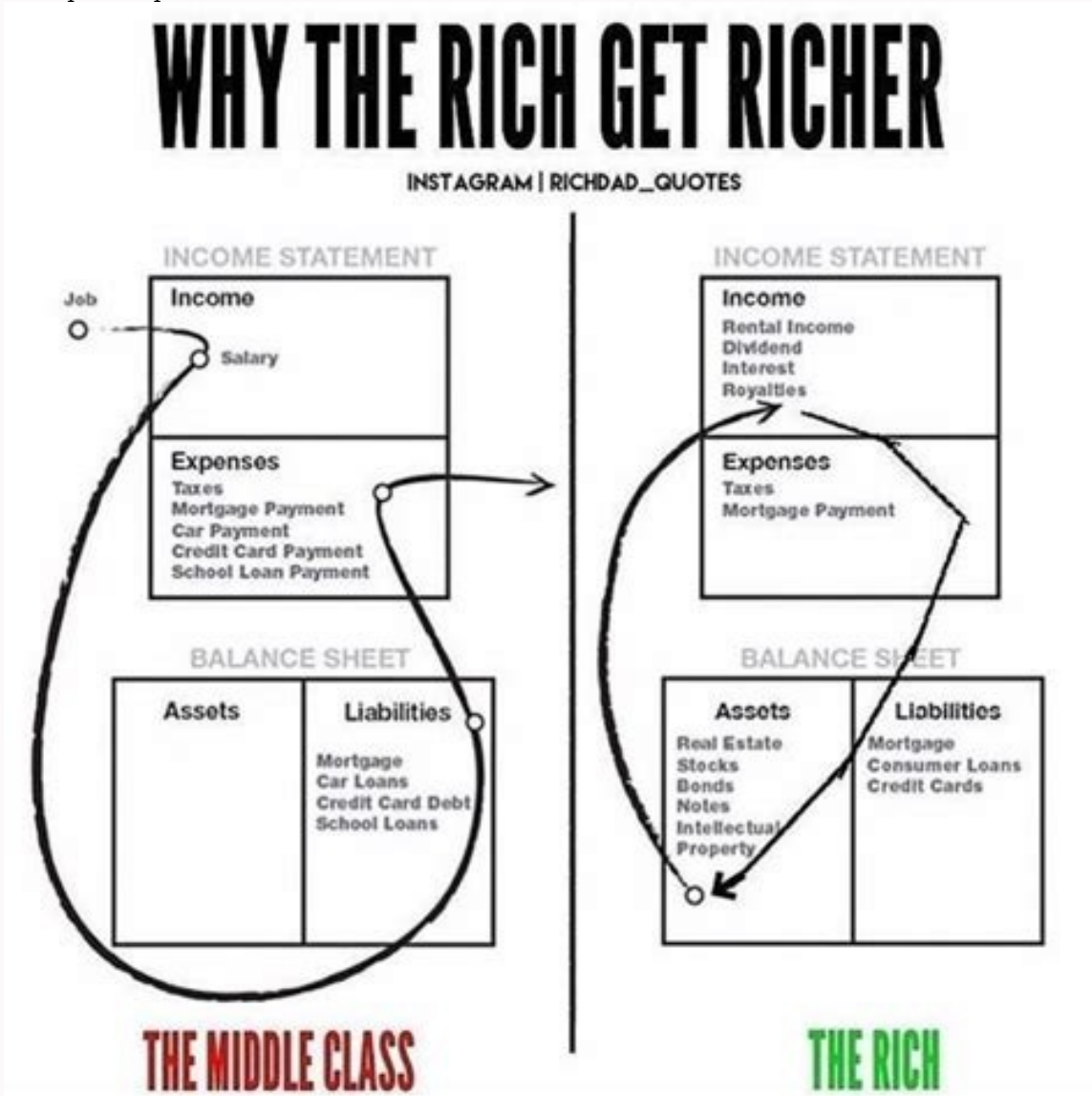
## Rich dad poor dad 3 types of income

Rich dad poor dad contents. Rich dad poor dad types of income.

Like I promised here is another lesson from the book Rich Dad Poor Dad by Robert Kiyosaki. Robert explains that he is often approached by reporters for interviews, where he is asked what he does for a living and how much he gets paid. He usually tells the reporter that he makes a small salary from working at his company (compared with Fortune 500 CEO's), and that's usually where the interview ends. What most reporters fail to ask Robert is if he has other sources of income. Robert is rarely asked what kind of business he is in, what investments he has made and if he has other sources of income. In Kiyosaki's book he explains that there are three types of income. There is active income, passive income and portfolio income. 1) Active income comes from your full-time job where you work 9-5. Active income typically comes from exchanging your time for a salary or wage. 2) Finally, there is portfolio income which comes in the form of stocks and bonds. When you own these types of investments you receive cash flow in the form of dividends, distributions and coupons. Reporters often fail to ask what are Robert's passive income streams, they are only interested in his active income or how much he earns at the job he works. They fail to notice that he owns apartments, stocks, bonds and patents. He has published various books that he continues to receive royalties for. He owns patents on board games that he invented to help people learn about personal finances. These patents provide Robert with a constant flow of cash. We learn from a young age that we should go to school, get good grades, so that we can get a high paying job. We are told to strive to become doctors or lawyers. Doctors and lawyers make a great salary, however they have to put in their time and expertise to earn their salary. These professionals are limited in their earnings by the amount of hours they can work in a day. So, it's important to understand the other forms of income, such as passive and portfolio income if your goal is financial freedom! Labels: 3 types of income, active income, bonds, cash saving tips, investments, passive income, portfolio income, Rich Dad Poor Dad, Robert Kiyosaki, saving money, stocks. These notes were contributed by members of the GradeSaver community. We are thankful for their contributions and encourage you to make your own. Written by people who wish to remain anonymous Kiyosaki's book is his attempt to bestow a kind of wisdom to his reader. By being honest about one's own relationship to money, and one's own relationship to the future (whether they seriously consider how to be successful in the future, with discipline), a person could get wealthy, simply by buying books about investing, and then by using those methods to invest margins of money into stocks. He paints a picture of wealth that is not determined by anything but ethical wisdom, because to consider the future strategically, and to maximize one's potential are both the purpose of ethics. To be wise is simply to behave according to a strategy actually works. By learning the techniques of investment, a person could easily invest, but without the homework, they will fail. So the truth is that the only thing stopping a person from becoming wealthy is having the discipline to learn from books about it. That works in many other arenas besides investment, of course, which he mentions, but ultimately, it is the only way to win. Without fixing one's goals on realistic, well-researched, well-defined strategies, a person is bound to compete in the corporate rat race for meager salaries, while other people get wealthy. Therefore, the key idea in this book is this: That to play "not to lose" is not the same as playing to win. He believes that by playing to win, you can ensure your success, if you have the patience to study the right books and to take it seriously. You can help us out by revising, improving and updating this section. Update this section After you claim a section you'll have 24 hours to send in a draft.



An editor will review the submission and either publish your submission or provide feedback. There are different types of income, but three of the most common are earned income, passive income and portfolio income. The main difference is in how you make each type of money. 1. Earned income Did you get paid to babysit, mow lawns or deliver newspapers as a kid? Even then, you were earning income. Earned income is exactly what it sounds like: It's money you earn by working—either for yourself, someone else or a business you own. It's also called "active income" because you actively perform a service for it. If you work for a company—from a small business to a large corporation—your employer may pay you an hourly wage based on the amount of time you work. Or your employer might pay you a salary, which is a fixed amount to do a certain job. Salaries can be paid weekly, biweekly or monthly, but it's common for them to be expressed as annual figures. Earned income could also include bonuses and extra pay. For example, taxi drivers and restaurant servers can earn tips. And people who work in sales can earn commissions. Gigs can be another option for earning income. People who want to be independent, self-employed or work a part-time job may want to consider gig work. These side hustles are often temporary or short-term jobs performing a single task on demand. Musicians are a prime example. So are babysitters, freelance writers and food delivery drivers. 2. Passive income Want to make money while you sleep? It's possible to make money without actively working for it. That's why it's considered unearned or passive income. Rental income and income from royalties and limited partnerships are some examples of passive income.



Do you own anything other people may want to use? It's common for people to rent or lease a second home or even a spare bedroom in their own house, which is considered rental income. Leasing a commercial building could also be a source of monthly income. Businesses can lease vehicles and equipment for a profit too. Have you written a song or a book? Invented something? If you've designed, built or made something unique, you could get paid royalties for it. Royalties can be paid by someone who uses your work or other property for their own purposes. They may pay per item or by period of time. If you loan a friend money to open a craft brewery in exchange for a share of their profits, for example, that could be considered a limited partnership. As long as you don't actively work in the brewery, those earnings could be considered passive income. Other examples of passive income include alimony, child support, unemployment, Social Security and worker's compensation. 3. Portfolio income A financial portfolio is a collection of your monetary assets. And portfolio or investment income can include interest, dividends and capital gains on investments. Your bank or credit union may pay you interest to deposit your money into one of their accounts. For example, you can earn interest on checking accounts, savings accounts, money market accounts and certificates of deposit—commonly called CDs. The amount of money you make in interest can vary. You could also earn money by investing in stocks, bonds and mutual funds. When you buy bonds, you're essentially loaning money to a corporation or a government in exchange for them paying you interest on your money. When you buy stock in a company, you're a part owner in that company, so you can share in its profits. Similarly, you can make money from mutual funds, which pool money from investors to make and manage investments. Think of dividends as the payday on your investments. When a company makes money, it can pay a portion of its profits to shareholders. Corporations commonly pay dividends in cash. But you can also receive more stocks or other assets, such as property. When you sell something for more than you paid for it, the difference is called your capital gain. With financial investments, you can earn capital gains when you sell a stock or cash out a pension fund whose value has increased since you bought it. I didn't even know I could earn different types of income! until I joined the home based business industry. Financial Education Is Crucial The first book I read by Robert Kiyosaki was Rich Dad, Poor Dad. I couldn't put the book down! Everything he said made so much sense to me and I was "hungry" to learn more from him. I started to buy all of his books, and tapes and devoured his unique "financial education" which no one else was teaching back in the late 90's. 3 Types Of Income Robert Kiyosaki says there are 3 types of income: 1) Earned Income = Income from a job 2) Portfolio Income = Income from paper assets or capital gains 3) Passive Income = Income comes in on a regular basis Taxes Differ For Each Type Of Income 1) Earned Income taxed at about 50% 2) Portfolio Income taxed at about 20% 3) Passive Income can legally be taxed at 0% Please watch Robert Kiyosaki's video on the 3 Types of Income: Robert Kiyosaki 3 Types Of Income from Dynasty Team on Vimeo. Cool huh? @ I love getting educated by Robert Kiyosaki! So Robert says if you are going to work hard, why not work hard to earn "Passive Income". He also talks about the E (Employee), S (Small Business), B (Big Business), I (Investor). If you would like to learn more about Robert's Cashflow Quadrant and the 4 categories, E, S, B, & I, please click on a blog post I did on the New Rules Of Money For Home Based Business. How do you feel about the different types of income? Did you know how different the rules are for the different types? I would love to hear your thoughts and comments below. @ May we ask you to click the "I share" button at the top of the article, to share on Facebook or "retweet" this on Twitter? Also, if you'd like to learn tips and secrets I've used over the past 16 years, sign up for our video series below. Sending you a lot of "Aloha" (love) & "Mahalo" (thank you) for being a part of our "Ohana" (family)! @