



Millennials: The Difference Between Passive Income and a Side Hustle

Description

Passive income and side hustles: both have become increasingly popular in the last two years, thanks to the pandemic. It's left a lot of uncertainty around cash flow, particularly with millennials.

You've got it bad

Millennials have had it hard their entire lives. They were born during a recession, graduated during a recession, and are now trying to find a job in a volatile economy *and* a pandemic. But there's even more to add onto that.

There's another factor weighing on millennials that offers positives and negatives. On the one hand, millennials have the highest percentage of university degrees compared to their elders. On the other, this means they have student debt coupled with trying to find jobs in a competitive market. And that means living in urban centres, where more than 80% of millennials still reside.

So, that makes side hustles and passive income pretty darn important. But what's the difference?

Side hustle

Let's start with the growing popularity of the side hustle. A side hustle is basically creating your own small business. It's something you can do on the side that can earn you a little bit of extra income outside your main job. This increased in popularity with many Canadians and therefore millennials working from home and having extra time on their hands.

A great benefit has been millennials finding their passion project during this time, whether it's selling carpentry or earrings or doing odd jobs. It's active income, just like your day job, but on your terms and at your leisure.

But there are some problems with it. Because it's still [active income](#), you need to be doing things to keep your side hustle going. That could include making an investment into purchasing products,

renting storage space, and hiring an accountant to help you navigate the business. It also means instead of relaxing at the day's end, you have to answer client questions, create orders, and other endless tasks.

So, while a side hustle could be a great idea if millennials want it to take over their day job one day, it's not easy. And that's why passive income is totally different.

Passive income

Passive income is completely different from active income. It's money millennials can earn while they work, travel, relax — heck, even sleep! It's a great way to diversify your income, bring in cash long term, and help you reach financial freedom earlier than you would with just a day job.

But that doesn't mean it's easy either. Passive income usually means an initial investment as well. That can be time, money, or both. However, there are so many options out there; millennials simply need to find out what's right for them based on their current situation.

Let's say you don't have savings that you want to spend on passive income. A great option is to use what's already available to you. That can be a shed on your own property, your attic, your garage, or even your parking space or storage unit in your apartment building.

Don't have any space available? Another option is writing. You can write a book and self-publish for free. You can start a blog and attract advertisers. All of this is free and allows you to find what you're passionate about and explore it.

Now, if millennials do have money to invest, of course, [investing](#) in the stock market is a solid option. But you could also invest in real estate to become a landlord, which has long been one of the best long-term passive-income solutions.

But if you want to bring in passive income immediately? Move! If you're in an urban centre and can work from home, move to a cheaper place and potentially bring in hundreds of thousands of dollars that you can keep all to yourself.

Bottom line

No matter what you choose, there are options for both side hustles and passive income that millennials have access to. It's a crazy world out there, so finding extra cash is always a solid option. Nothing is certain in this life, so making sure you're safe, secure, and fulfilled is the best way to live your life.

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Date

2025/09/28

Date Created

2022/01/25

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