

What is Residual Income?

In speaking with moms who are looking for ways to earn income from home, I'm often asked the question, "What is **residual** income?"

(I love answering tough questions and "What is **residual** income?" is one that sound so complicated, but it's really not!)

Residual income is simply being paid over and over for work you've already done once before. I like to think of it as **royalty** income or **passive** income – the kind that authors, song writers, and celebrities earn (probably because it's the closest I'll ever get to being famous)!

Now there are different ways to earn residual income, which is another subject. But for the purpose of this writing, I'd like to share my experience with you since I've been earning weekly residual income now for the past 14 years.

Years ago, when my children were young, I started a home business that I worked part time while I homeschooled. I later put that business on hold (in hobby mode) until I finished teaching my children; but to my amazement, my checks never stopped! To this day, after all of these years, I'm still being paid week after week for the work I did 15 years ago. This is a simple example of **residual** income.

Now, let's compare this to my husband's income.

John started a corporate job years ago and has earned decent income now for over 25 years. The sad thing is that he's only been paid once for the countless hours he's worked down through the years. Those hours are long since forgotten; they served their purpose one time – for a given pay period – and then vanished. They were spent, not invested. Why? Because John's income is **linear**, not **residual**.

Linear income (like a **line**) has a starting and stopping point. When you start a job, your paycheck is there right away; and the day you stop working is the day you stop earning. It's that simple. The disadvantage you face is that linear income

always has at least one “limiting factor” that will forever keep you from being paid what you’re worth!

It’s sad that John will never be paid again for those hours. They’re gone and his income is forever limited by the number of hours he works each week. On the other hand, since I’ve earned income over and over for all these years, I’ve actually been paid **more** than what I’m worth. Are you beginning to get the picture? This is so powerful!

I hope this simple illustration causes you to stop and think about your own life. What type of income are you earning? Are you being paid what you’re worth?

If not, I recommend that you seriously think about ways that you can start earning residual income. Ask yourself, “How long will I settle for being paid less than I’m worth?” And since you have to work anyway (nothing comes easy in life), wouldn’t you rather *invest* your hours by putting time into something that will change your future instead of *spending* your time living for the moment and being paid only for today?

About the Author:

Christina Dodson offers practical advice and personal guidance to moms who are serious about earning income from home. Visit <http://MomsWorkatHome.com> to download your FREE REPORT entitled, *The Beginner’s Guide to Researching Work-at-Home Programs*.

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