



Plotting Your Journey to Financial Independence

How is your retirement plan going? Are you frustrated with the way RRSP's, mutual funds and other traditional investments have gone / are going? What's the answer?

Financial Planners will tell you to diversify. That's a good idea except that diversification is usually exercised by most people solely through the purchase of diversified mutual funds. It is still investing in mutual funds. There are ways to obtain wealth (and financial security) that you may not currently be exploring, ways that go beyond buying mutual funds.

Instead of planning for retirement, which is planning for an immeasurable and constantly moving goal (one which you might not reach), plan to reach True Financial Independence. True Financial Independence is a measurable, known target and is a goal that can actually be reached. The answer IS passive income. Generate Cash Flow.

Cash Flow? Yes, income from systems that have been created to automatically generate regular streams of income. Such systems might include rental income from real estate, income from a business that is owned (but not necessarily operated by the investing individual), from royalties spun from a book, or other intellectual property that was authored by the investor and from some forms of dividends and interest producing vehicles. Whatever you do, it's always wise to have multiple streams of income in order to maximize your profits while spreading your risks.

Investing in real estate is always a good idea, no matter the economic environment. Investing in income producing property is even better. However, there are different types of investing that can help you spread your risks when markets meet turbulent times. This is a very good safety net for those who do not want to feel as though they are gambling away their investments on a real estate market that is fickle on its best days.

You really have two course of action when it comes to bringing in multiple streams of income when building your financial portfolio. The first is to spread your wealth and portfolio across several different types of real estate investments. There are a few types that come immediately to mind. First there are rental properties. You have two options even with these. You can choose to rent properties outright to families, students, singles, and the elderly in your town. Alternatively you can offer a lease or rent to own situation to those who have the dream of home ownership.

Another option for bringing in multiple streams of income through real estate is to have a few rental properties and combine them with other deals. You could try a commercial property or two, a pre-construction deal or a vacation condo in development. One thing is certain; you should always be on the lookout for your next real estate investment, so that you can make good money while having a little added security. Rentals are passive income for the most part, especially if you have a solid property manager taking care of the details. Other investments are often icing on the cake.

If you want a truly diversified portfolio however, it is a good plan to include a few investments that aren't related to real estate investing. While I firmly believe that real estate investing is the way to go for most people, there is much money that can be made in other fields. It would be pointless to discuss multiple streams of income without mentioning a few that are unrelated to real estate investing. Retirement plans are a great option and you can now invest in a retirement plan of your own even if you are self-employed. It is definitely worth considering as yet another stream of income, but it is part of your future income. Franchise businesses are often great money makers for those who need more immediate results from their investments efforts, and stocks and bonds are also great long term investment strategies.

The truth is that there are many things that you can do to create passive income. Make money online through affiliate marketing, blogs and direct sales. You can try “brick and mortar” businesses, though these tend to be just as time consuming as real estate. The point is that you want to bring in money from different avenues. Real estate investing is just one of many different routes to explore when deciding on your investment future and establishing those multiple streams of income.

A new approach to making and managing money...**Journey Partners C-A-P Approach**
The C-A-P Approach is Cash Flow, Appreciation and Protection

Cash Flow: To help one become 'truly' Financially Independent, one must have investments that generate continuous Cash Flow /Passive Income.

Appreciation: When investing one must have a certainty of Appreciation without the risk of losing it.

Protection: When investing it should be through vehicles that offer Protection.

Anything short of the above approach leaves one stranded on their Financial Journey! Whenever and wherever an individual decides to invest their hard-earned money it must offer some protection so that when the market, or any type, or quadrant, of investing, takes a down turn, and all types, or quadrants (there are 4) do, they are protected on the downside. As well, some investment vehicles even offer a guaranteed income stream.

To learn more about your own personal Journey to Financial Independence visit us at www.journeypartners.ca. Better yet, come and join us for Monday Money Nights, the B-E-S-T School and/or the Journey to Financial Independence Forum.

Enjoy the Journey!

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