Advantage
Your personal finance edge
September-October | 2023



# Passive income 101

Popular personal growth podcasts | AI in business: Pros and cons
Growing pains for businesses | Blooming into next summer
Change your mind(set)

# Growth in business and personal pursuits

As we quickly approach the year's final quarter, our focus is on growth—in both the realm of business and the private sphere of personal pursuits. We start by exploring an exciting aspect of financial growth: passive income. This is where you let money work for you rather than you working for it. We'll help you master the basics of passive income and spur ideas to create your own income streams.

To help motivate you on the personal front, we've curated a list of some of the most popular personal growth podcasts available. They promise to nourish your mind, provide valuable insights, share personal anecdotes and stir thought-provoking conversations. And they're all designed to help support your journey toward becoming your best self.

We dive into the rapidly evolving world of technology—most specifically, the role of artificial intelligence (AI) in business—and shed light on the good and not-so-good that can come from implementing AI.

Navigating growth can be challenging, especially when your business is expanding. We'll uncover some of the most common paint points businesses experience during an expansion and offer tips on preventing—or mitigating—any hurdles.

Then, we'll take a break from business growth and move toward literal growth, exploring several ways to prep your garden now to achieve a bountiful summer growing season. From mulching to cover crops, we've got you covered. (See what we did there?)

If you've found yourself stuck in a rut or sick of the status quo, we can help you change your growth mindset with inspirational quotes from inspiring individuals who have revolutionized their own lives. Thoughts matter—how you frame them can make all the difference.

Here's to growth—may it be a constant, invigorating companion in all pursuits.

*Your trusted advisors*

**We'll help you master the basics of passive income and spur ideas to create your own income streams.**

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# Passive income 101

Passive income may appear to be the new #trend these days, but you may be surprised to learn that passive income earners have been around for quite some time. However, only 20% of American households earn passive income, and of that 20%, the median amount earned is about $4,200.[1]

If you can create additional streams of income, you can help pay down debt or save for vacation—or you can begin to create a nice nest egg for retirement (or, in some cases, even become a millionaire!). So, let's talk about what passive income is, the most common forms and how you could turn a side hustle into a passive income stream.

## What is passive income?

Passive income is the money you earn regularly with minimal effort or involvement once you've completed the initial setup. It's created through a variety of sources that continue to generate revenue over time. It's used to help supplement your current active income (i.e., your full-time job) but doesn't require your full attention. You can even earn passive income in your sleep, which, let's face it, you probably can't do in your current role.

Passive income has several benefits, including:

- Financial freedom
- Diversification of income sources
- Stability and scalability
- Wealth accumulation
- Generational wealth

While passive income does take an initial commitment of time, effort and money to get set up, it can be worthwhile because it doesn't require your ongoing time and active participation. And it can lead to financial independence that allows you to supplement your current income.

## Common forms of passive income

Many individuals can take advantage of several common forms of income, from rental properties and dividends to digital products or affiliate marketing. Here are seven of the most popular types of passive income, keeping in mind that each one takes time, effort and money to pursue in the beginning.

### 1. Rental income

Owning and renting out properties, like condos, homes or commercial spaces, can provide additional income through monthly rental payments. Short-term rentals such as Airbnb or Vrbo® are also good options, especially during peak seasons.

### 2. Investments

Think stocks, bonds and mutual funds. Investing in stocks that pay dividends allows you to earn a portion of the company's profits as regular payments. Dividend income can provide a steady stream of passive income, especially from established companies.

[1] "Cities Whose Residents Make the Most Passive Income," Chamber of Commerce, Accessed June 8, 2023. https://www.chamberofcommerce.org/cities-whose-residents-make-the-most-passive-income/#detailed-findings-methodology

### 3. Interest income

If you're able to lend money to individuals, businesses or institutions, you can earn interest on loans as passive income. This can be done through peer-to-peer lending platforms or by investing in bonds, certificates of deposit (CDs) or Treasury securities.

### 4. Royalties

If you've penned the next bestselling novel or the newest radio hit, you can earn passive income through royalties. This includes anything that falls under intellectual property rights you own, such as copyrights for books, music or artwork, or even patents for inventions. You earn royalty payments when others use or license your intellectual property.

### 5. Affiliate marketing

Building a website, blog or social media presence and promoting products or services through affiliate links can generate passive income. You can earn a commission when someone makes a purchase through your affiliate link.

### 6. Digital products

Creating and selling digital products, like eBooks, online courses, templates, software or music, can provide passive income. Once you've created the product, it can be sold repeatedly without any additional effort on your part.

### 7. Automated business

Establishing online businesses or systems that can run automatically (or with minimal effort) can generate passive income. This includes drop-shipping, print-on-demand, software as a service (SaaS) businesses or membership websites.

## Turning active income into passive income

Turning active income into passive income is all about investing your money—and time—wisely. Rather than spending every penny of your paycheck, think about how you can invest any disposable income for future gains.

Investing in the **stock market** is a popular route. Start by setting aside a portion of your paycheck to invest in a diversified portfolio. If you're unsure about picking the right stocks, consider using an app that will do the investing for you.

If you're leaning toward **real estate**, consider investing in real estate investment trusts (REITs). This allows you to invest in real estate without owning actual property. If you want to go the more traditional route, rental properties are a good way to go, but it will require more time and management.

For **online enthusiasts**, consider starting a blog, a YouTube channel or an e-commerce business. Keep in mind that it will take some time to create a substantial following, but with patience and persistence, you can begin to take on paid and sponsored advertising and watch the money roll in.

If you have a knack for **creativity**, think about writing a book, creating music or inventing a new product. While it requires an initial investment of time, you have the chance to earn royalties for years to come.

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Remember, Rome wasn't built in a day, and you won't build a passive income stream that quickly, either. Getting started takes strategy, patience and, sometimes, a little money. But once you're up and running, you'll enjoy the riches (which look different to everyone) that roll in.





# Popular personal growth podcasts

If you're ready to unlock your full potential and thrive in every aspect of life, look no further than the realm of personal growth podcasts. Overflowing with invaluable wisdom from life coaches and uplifting stories of high achievers, these podcasts are a treasure trove for self-improvement enthusiasts. Grab your earbuds, hit play and embark on a quest of self-discovery with these seven popular personal growth podcasts.

## Huberman Lab

hubermanlab.com

Step into the fascinating world of neuroscience with the Huberman Lab podcast, hosted by Dr. Andrew Huberman, a tenured professor of neurobiology and ophthalmology at Stanford School of Medicine. This podcast covers everything from brain function to human behavior and the science of growth. But don't worry about complicated jargon—Dr. Huberman breaks down complex scientific concepts into bite-sized pieces of information that anyone can enjoy. Tune in to enhance your well-being and overall quality of life.

## On Purpose with Jay Shetty

jayshetty.me/podcast

Jay Shetty, a former monk turned motivational speaker, is your guide to personal growth, mindfulness and self-improvement. He brings you insightful interviews with a diverse range of guests, from celebrities to entrepreneurs and experts in various fields. Get ready to embark on a more meaningful and purpose-driven life.

## The Squeeze

lemonsbytay.com/the-squeeze-podcast

In this heartwarming and surprisingly relatable podcast, the husband-wife duo Tay and Taylor Lautner interview celebrity and expert guests on topics focused on mental health and well-being. They even open up about their own personal struggles with mental health. From coping strategies to sharing stories, this duo has your back and reminds you that you're never alone in this crazy world.

## Maintenance Phase

maintenancephase.com

Hosts Michael Hobb and Aubrey Gordon take a critical and entertaining look at the world of health and wellness, focusing on debunking myths, exposing fads and examining the diet and fitness industry. Michael and Aubrey explore various topics on weight, nutrition, exercise and overall well-being while challenging societal norms around weight and health. Their goal is to promote an inclusive and compassionate understanding of body diversity and mental well-being.

## The Mindset Mentor

robdial.com/podcast

Rob Dial, an entrepreneur, motivational speaker and personal development coach, hosts this podcast dedicated to exploring various aspects of mindset, personal growth and self-improvement. Rob shares inspirational insights, along with practical tips and strategies for developing a positive and growth-oriented mindset. Listeners are empowered to take charge of their thoughts, emotions and actions so they can create the life they want.

## Ten Percent Happier with Dan Harris

tenpercent.com/podcast

Retired ABC News correspondent and author Dan Harris hosts this podcast focusing on mindfulness, meditation and practical strategies for achieving happiness and well-being in everyday life. Dan interviews a wide range of guests, including meditation teachers, psychologists, neuroscientists, authors and spiritual leaders, to gain insights into different approaches to mindfulness and meditation. His podcast also addresses common misconceptions and offers practical tips for putting these practices into daily life.

**"Dan Harris hosts this podcast focusing on mindfulness, meditation and practical strategies for achieving happiness and well-being in everyday life."**

## The School of Greatness

lewishowes.com/sogpodcast

Lewis Howes, current USA Men's National Handball Team athlete and former professional football player, hosts this podcast that focuses on personal growth, success and achieving greatness in life. Each episode features in-depth interviews with influential guests, including top athletes, entrepreneurs, authors, thought leaders and experts in various fields. Guests open up about their journeys to success, the challenges they faced and the lessons they learned along the way...and provide actionable advice to help listeners achieve their own hopes and dreams.



# AI in business: Pros and cons

Have you ever wondered what artificial intelligence (AI) would look like in your business? If you're concerned that it's going to replace your employees, fear not. AI is like the Swiss Army knife you keep in your pocket; it's efficient and can solve several problems at once. But it's not without its challenges. (You wouldn't build a house with a multipurpose tool, would you?) In this article, we'll uncover the pros and cons of using AI in your business.

## the pros

### 1 Increased efficiency

AI can take on repetitive and time-consuming tasks, helping you streamline operations and improve productivity—such as using an automated processing system that automatically sends order confirmations, tracking and shipping notifications. This frees up valuable time for your employees to spend on more strategic and creative tasks.

### 2 Potential cost savings

Implementing AI can seem like a significant investment, but incorporating it into your business can save you money over time. For example, investing in cybersecurity tools allows you to proactively monitor and detect cyberattacks, helping to prevent expensive breaches. It also reduces manual labor and minimizes error, leading to fewer costly mistakes.

### 3 Improved data insights

AI can process large amounts of data very quickly and easily identify patterns, trends and customer behaviors. Using tools such as social media analytics or online surveys allows you to easily gather information from customers, so you can make data-driven decisions that help improve your products and services.

### 4 Enhanced personalization

AI enables small businesses to deliver personalized experiences to customers by tailoring offerings based on individual preferences. You can learn what purchases your customers make and provide recommendations based on their purchase habits. This helps lead to customer satisfaction and loyalty.

### 5 Better customer service

Businesses can use AI-powered chatbots and virtual assistants to provide 24/7 support to customers. AI can answer common questions and help resolve issues outside of regular business hours.

### 6 Competitive edge

Businesses that implement AI can gain a competitive advantage over their competition. By automating systems and using data, you can step ahead of the businesses that don't use AI and provide a better customer experience.

## the cons

### 1 Cost of implementation

Developing or adopting AI solutions can be expensive for small businesses, especially if you go the custom-built route. The initial investment can pose a financial challenge and include ongoing maintenance costs.

### 2 Skill requirements

Implementing AI can require someone with specialized skills and expertise that may be outside the scope of your business. Hiring or training employees to work with AI tools or gain knowledge of AI can be a bit of a hurdle.

### 3 Data privacy and security

Using AI involves collecting and processing customer data, which can raise concerns about data privacy and security. You must take precautions when handling sensitive information and ensure you follow security regulations.

### 4 Lack of human connection

While AI improves efficiency and automates processes, some customers may prefer the human touch. Relying solely on AI can diminish the customer relationship.

### 5 Potential for bias

AI systems can inherit biases in the data they train on, leading to biased decision-making. You must be cautious and proactive in making sure AI applications remain fair and unbiased.

### 6 Integration challenges

Just like implementing any new software or application can be time-consuming, integrating AI can also be very complex. It can take time, effort and a lot of modifications to make sure it works seamlessly with your current business processes.

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As with many things in life, there are both pros and cons—you just have to determine if one outweighs the other. Remember that AI is not a one-size-fits-all solution. It's about finding the right balance and determining how AI can best serve your business.

# Growing pains for businesses



Small businesses form the backbone of many economies worldwide. In the United States alone, **they make up 99.99%** of all businesses.[1] At some point, you may consider expanding your business. That could include exploring new locations, venturing into new markets or adding new products or services.

However, expansion doesn't just consist of duplicating current successes on a larger scale. It takes methodical planning, strategic decision-making and, sometimes, difficult course corrections. Growth can come with big investments; there's always a risk of losing money if things don't pan out. But while the challenges may seem daunting, each growing pain is an opportunity for the business to improve.

**Growth can come with big investments; there's always a risk of losing money if things don't pan out.**

Many successful businesses have gone through similar growing pains and have emerged stronger, demonstrating that the following challenges can be overcome with thoughtful planning, dedicated effort and careful execution. Let's uncover some common issues businesses face when expanding and tips on how to avoid or mitigate them.

## Problem: Insufficient planning

Diving headfirst into expansion without a game plan can make things spin out of control—and fast. It can lead to poor decision-making, wasting resources and, quite possibly, a failure to expand.

**Solution:** Dodge this problem by creating a comprehensive business plan, including detailed market research, a well-defined value proposition, a clear marketing strategy, operational plans and realistic financial projections. Regularly review the plan and make adjustments as needed.

## Problem: Cash flow

Rapid expansion can lead to a lot of money going out before it comes in. This can cause you to be stretched thin financially while growing operations.

**Solution:** Keep an eye on your finances. It's important to have a detailed financial plan that includes cash flow projections.

[1] "Small Business Statistics," Chamber of Commerce, Accessed July 25, 2023 https://bit.ly/smbstat

This helps businesses identify potential shortfalls and plan for them. Securing additional financing through loans, investors or grants is an option. But also creating a slower, more manageable growth strategy that aligns with the financial capacity can be more financially sound.

## Problem: Overlooking core customers

When you're busy trying to bring in new customers and markets, you may inadvertently neglect your existing customer base. This can lead to a decrease in customer loyalty and repeat business.

**Solution:** Keep engaging with existing customers by asking for feedback and working to meet their needs during the expansion. Remember, these are the people who helped you succeed in the first place.

## Problem: Declining company culture

As you grow and bring on new employees, it can be tricky to maintain the original company culture you had when your team was smaller.

**Solution:** You must clearly communicate your mission, vision and values—and it should come from leadership. Regular team-building exercises can also help solidify the company culture. Also, when hiring, make sure new employees will be a good culture fit.

## Problem: Lack of skilled employees

Expanding often means needing new skills. That can result in the need to hire new staff to fill any skill gaps.

**Solution:** Identify the skills you need and consider investing in training for your current employees or hiring new ones with those skills. Another thing to consider is outsourcing specific tasks or functions to expert agencies or consultants.

## Problem: Overexpansion

Sometimes, you can be overambitious with expansion plans, trying to do too much too quickly. This can stretch your resources too thin and increase the risk of failure.

**Solution:** Consider a more intentional, step-by-step expansion strategy. This lets you learn from each step and adjust your strategy as needed, so you ensure your resources can support your growth.

## Problem: Inefficient operations

As you grow, systems and workflows that work for a smaller team may not scale for a larger operation. They can become inefficient and hinder expansion.

**Solution:** Regularly review your operations and processes, and update them as needed to accommodate growth. Implementing scalable solutions, like cloud-based applications and automation tools, can help manage increased complexity.

## Problem: Regulatory compliance

Expanding into new regions or markets can involve unfamiliar regulations and compliance requirements.

**Solution:** Do your homework to fully understand the regulatory environment in any new markets you plan to enter. Hiring local legal counsel or compliance experts can help you navigate complexities and make sure you're operating within the law.

By anticipating these growing pains and planning for them, you can greatly increase your chances of a successful expansion. Also, don't hesitate to seek advice from mentors, business advisors or other entrepreneurs who have successfully expanded their own businesses. You've got this!

# Blooming into next summer

As you watch the last summer roses unfold, their vibrant beauty may tempt you to bid farewell to your gardening gloves until next spring. But don't hang up that trowel just yet! Your garden is about to see its "fall potential," and the work you put in now could yield a blossoming tomorrow.



You may be thinking, "Leaf it out; it's far too early for next summer," but as seasoned gardeners know, the secret to a thriving summer garden lies in the groundwork done in cooler months. Plant the seeds of success by starting your preparations in the fall. Here are eight cooler-weather garden tips that will reap a healthy summer garden next year.

## 1 Cleanup

A fall garden cleanup is an absolute must. It may feel premature to remove your summer plants, but removing old plant material can prevent diseases from overwintering and playing havoc on next year's crop. Don't forget to prune perennial flowers and shrubs, either. It will help them bloom even better next season.

## 2 Compost

Your garden worked hard all summer and deserves to be fully replenished with nutrients. Make a compost cocktail with a blend of green materials (e.g., grass clippings, vegetable peelings) and brown materials (e.g., dried leaves, twigs). Mix it well and work it into the existing soil. It will decompose over winter, providing a solid foundation for your summer plants.

## 3 Cover crops

If you live in a colder climate, planting cover crops, like oats, winter rye, winter wheat and crimson clover, offer better soil protection. They help prevent soil erosion, suppress weeds and enhance soil fertility.

## 4 Mulch

Adding mulch to garden beds is a great way to keep weeds at bay during your non-growing months. Mulch helps maintain moisture, insulate the soil and add organic matter to the soil for a healthier garden in the spring.

## 5 Bulbs

Planting bulbs in the fall is a typical gardening move that produces a classic spring show. But the fall is also a great time to plan summer-blooming bulbs like dahlias, lilies and gladioli. You'll wait until spring to plant these, but choose your favorites now and make a plan for spring.

## 6 Garden bed maintenance

If you use raised gardening beds, the fall and winter months (before the snow, of course) are the best time to replenish the soil in the beds. Mix in compost at this time as well. If you're in a snowy part of the country, you can also cover your raised beds with plastic tarps or even cardboard. Inspect your garden beds and make any needed repairs.

## 7 Seed prep

If you plan to have veggies in your summer garden, the cooler months are the best time to start planning. Depending on your growing season, you may start some seeds as early as January. Many vegetables, like tomatoes, peppers and eggplants, require a long growing season, so starting early is the name of the game. Dry out and prep seeds from your current veggie stash or order your seeds early.

## 8 Garden layout

What better time to plan next year's garden layout while you still have the current season's fresh growth in front of you? Identify the areas that need improvement and which plants thrived. It's a good idea to rotate your plants so that different nutrients can be spread around the garden.

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### *Do the work now—reap the benefits later*

It may seem like prepping your garden for next summer is a chore. But it's actually an investment your future self will thank you for. So, grab your gardening gloves and get to work!



# Change your mind(set)

**Stuck in a rut? Set in your ways?** If so, it's time to flip the script and change your mind(set). The key to unlocking your potential is already inside you. To help you embrace a growth mindset, we've curated a powerful collection of insights from some of the greatest minds in history.

**"It takes courage to grow up and become who you really are."**
– E.E. Cummings

**"Don't worry about failure. Worry about the chances you miss when you don't even try."**
– Sherman Finesilver

**"Nothing is impossible; the word itself says 'I'm possible.'"**
**– Audrey Hepburn**

**"You have to apply yourself each day to becoming a little better. By becoming a little better each and every day, over a period of time, you will become a lot better."**
– John Wooden

**"Look for the good in every situation, seek the valuable lesson in every setback, look for the solution to every problem. Think and talk continually about your goals."**
– Brian Tracy

**"It does not matter how slowly you go so long as you do not stop."**
**– Confucius**

**"The people who are crazy enough to think they can change the world are the ones who do."**
– Steve Jobs

**"You can achieve anything you want in life if you have the courage to dream it, the intelligence to make a realistic plan, and the will to see that plan through to the end.**
–Sidney A. Friedman

**"Success is the ability to go from one failure to another with no loss of enthusiasm."**
– Winston Churchill

**"Patience, persistence, and perspiration make an unbeatable combination for success."**
– Napoleon Hill

**"Developing a growth mindset is really a journey. It's a lifelong journey of monitoring your trigger points and trying to approach things in a more growth mindset way of taking on challenges, sticking to them, and learning from them."**
– Carol Dweck

**"The way I see it, if you want the rainbow, you gotta put up with the rain."**
**– Dolly Parton**

**"The big secret in life is that there is no big secret. Whatever your goal, you can get there if you're willing to work."**
– Oprah Winfrey

**"Twenty years from now, you will be more disappointed by the things you did not do than by the ones you did."**
– Mark Twain

**"Do not be embarrassed by your failures; learn from them and start again."**
**– Richard Branson**

**"With the right mindset, we can't lose—we either practice what we've learned or we learn what we need to practice."**
– Noura



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