



## **ADDITIONAL INCOME STREAMS**

It is often said that “necessity is the Mother of invention”, and never has this been truer than now. Faced with the current economic climate of spending cuts, tax rises, loss of job security, and rising inflation many people have come to recognize that creating additional streams of income is now a necessity if they are to secure their financial future in these trying times.

So are you are looking for a second stream of income? If you are here are some options; the list is not exhaustive but hopefully it will point you in the right direction:

### **1. Get a second job**

I know this sounds ludicrously simple in a time when unemployment is rising but there are always part time opportunities available i.e. something as basic as delivering the local free newspaper, a few hours in a supermarket, or even driving a mini cab (subject to obtaining the required driving qualifications). These can all be a valuable source of secondary income.

### **2. Product Parties**

Product parties have for a long time been a popular way of generating a second income. From cosmetics and Tupperware parties to pots and pans cooking exhibitions. Opening your home to a small group of selected friends and colleagues to display products can soon turn into a gold mine as you reap the rewards of running your own little cottage industry on the side. There are numerous companies which are always looking to recruit local agents to publicize and sell their products at product parties, and a healthy profit can be made.

### **3. Network Marketing**

Probably one of the fastest growing secondary income businesses today is Network Marketing. This is essentially a business model where twofold income is generated through (i) selling products, and (ii) recruiting others to sell products thereby generating commission for yourself on their sales. There are a number of established businesses which use this model and products range from health drinks and supplements to financial services.

Network Marketing provides an opportunity, with hard work, to generate a healthy secondary income. However this type of business should not be confused with “pyramid schemes” where there is no product and the aim becomes to generate your commission through simply recruiting other people to financially invest. Pyramid schemes are illegal.

#### 4. Car boot sales

Car boot sales and Saturday market stalls are one of the oldest “pin money” generators. Clear out your attics, cupboards, cellars, get together anything you can find that you think may be worth selling and off you go! Some people move this on a stage further by developing a business of buying and reselling goods and this also can be quite profitable.

#### 5. Online businesses

Probably the largest market to be found in buying and selling is now online where there are a number of sites like eBay where goods can be purchased “nearly new” or even new, and then resold on line or at your market stall/car boot sale. This is only one of a number of online business opportunities through which a secondary income can be generated.

#### 6. Taking in a lodger

If you have a spare room or two in your property you can let it out to a tenant thereby generating a quite decent weekly or monthly secondary income in the form of rent.

With the current stagnation in mortgage lending renting is now once again increasing in popularity. However it is important to ensure that you obtain proper character and financial references on any tenants you are letting into your property. You should also have a legally binding tenancy agreement with your tenant to avoid problems of recovering your property when the term is up, or earlier if problems arise during the tenancy.

So in conclusion it can be seen that there are a host of opportunities for you to generate a secondary income if you want to, and are willing to work at it.

Finally, secondary income is still “income” and therefore declarable for income taxes.

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