



**Make \$1,000 in the
time you'd spend
watching Netflix this
weekend**

I hate most personal finance experts. They all repeat the same advice:

- Stop spending money on lattes
- Clip coupons to save on groceries
- Brown bag lunches to work

Meanwhile, as you deprive yourself of life's simple pleasures, you see people who never have to choose between paying the bills and going out.

They have the financial freedom to splurge on appetizers and drinks, go on vacation a couple times a year, and still save money on top of it.

These are people who have discovered:

There's a limit on how much you can save, but there's no limit on how much you can earn

They've found skills that can earn them an extra \$500, \$1,000, and even \$5,000 (or more) each month. If you have an extra 5 hours a week to spare, you can join them.

And this has nothing to do with chasing low-priced gigs on Fiverr, home data entry programs, or other fly-by-night schemes.

These are real ventures that can scale into businesses so you can quit your job. Or raise your rates so that you can pocket

more money while putting in fewer hours.

But it all begins with taking the first steps. That's why I wrote this guide.

Who am I?



Hi, I'm Ramit Sethi, *New York Times* bestselling author and founder of [GrowthLab](#) and [I Will Teach You to Be Rich](#). I've helped millions of readers live a Rich Life using psychology, tough love, and tested, step-by-step systems that work in the real world.

Back in college, I earned money by giving presentations to venture capital firms on how young people were using social media. This is something anyone can do! And I earned way more than my classmates who worked as servers and office assistants.

After that, I never resigned myself to working another pizza delivery job again.

Today, I want to show you how you can find your first profitable idea – using skills and hobbies you already have – to earn an extra \$1,000 a month in just 5 hours a week. That's the equivalent of 2 Netflix movies you'd watch in a weekend.

So let's not waste another minute and get started.

Freelancing: The fast lane to an extra \$1,000 every month

The easiest way to earn money on the side is to freelance. You can start getting paid immediately, you can rapidly test your offerings, and you can cut through the unnecessary work of productizing and increasing your salary. That's what we're going to focus on here.

My guess is that 95% of jobs could translate into related freelance work. For example, teachers can tutor. Marketers can help small businesses outside their day job. And graphic designers can revamp websites for people.

It will probably take repeated failures to find a good match between your hobbies and what the market wants. This point is very important. Sometimes people spend so much time building up a business — with business cards and websites and licenses — that when they launch and find the market won't pay for their offering, they give up, exhausted and frustrated.

I'm going to show you how to rapidly test ideas so you don't fall into that trap. If you optimize your system of learning what people want (and are willing to pay for), it's simply a matter of time until you hit on something that matches your

skills to the market.

How I consulted for venture capital firms

Like all of us, I know how to use social media sites like YouTube and Facebook. During college, I was able to turn that into consulting gigs with multiple venture-capital firms who wanted to learn how young people were using them on the web.

This consisted of me giving them a course each week — online music, videos, social networks, etc — including showing them how guys checked girls out on Facebook. This was perhaps the greatest achievement of my life: showing how guys found hot girls' profiles to a bunch of venture capital partners.

Would you have ever thought you could turn your daily routines into a consulting gig? I wouldn't have. But people were willing to pay for it because they had concrete needs. Venture capitalists wanted to understand how young people were using new technologies so they could remain sharp investors.

Money wasn't an issue, but time was. The venture capital partners didn't want to learn everything from scratch. They had enough to deal with. But they would gladly hire someone for a few hours each week to show them the ropes.

Once I established that I could teach this stuff, I was in.

So it's not simply about being good at something. Or having knowledge about a specific area. Millions of other people know how to do the same things you do. Sometimes they're far more skilled, too.

Which is why you have to understand how to package your skills into something that potential clients recognize as valuable. Usually this is making more money, saving money, or saving time.

What skills do you have?

Most people try to reinvent the wheel when they're starting a business. That's a huge mistake. The world is a big place, trying to think of something that nobody else has thought of is almost impossible.

It's better to think of skills you already have.

For example:

A friend of mine left a management consulting firm to start a local events-based business because he became an expert on estimating attractive local markets.

Another friend left Deloitte to do system optimization for bloggers (integrating email, Twitter, YouTube, etc).

A third friend, who finds cleaning her room therapeutic, is starting a freelance business where she'll be a professional

organizer. Her full-time job at a non-profit has nothing to do with this at all.

“Think outside the box” is the sort of trite advice that I hate. But you really do need to challenge yourself to see what skills (or hobbies) you have that the market would potentially pay for.

Here are 3 questions you can ask yourself to get started:

1. What are all the things you could put on your resume?
2. What are you good enough at that you could teach other people? (Speed reading? Weight lifting? Social media expert?)
3. What do you eventually want to be good at? Consider learning it now and selling it later.

Two simple rules of profitable freelancing

Too many people jump into the tactics without understanding why they’re doing what they’re doing. To be honest, I do it as well.

But if you can spend a little time planning, you can save hundreds of hours of missteps.

Over the last 10 years, I’ve helped thousands of people get started freelancing. And I’ve developed two simple rules that

remove the guesswork from your strategy:

Rule 1: If you want to start freelancing because you want to earn extra money, identify a profitable market first. Then adapt your services to it.

Rule 2: If you want to freelance because you want to take your passions and turn them into side income, first create your services that are based on your passions. Then identify a profitable market.

Let me walk you through two examples:

Rule 1 in action: Jack wants to earn money

Let's say Jack wants to earn an extra \$1,000/month because he wants to pay down credit card debt and propose to his girlfriend after he's debt-free. Great!

So rule 1 of profitable freelancing applies to him. He should figure out the most profitable market that matches his skills and pursue it relentlessly.

Pretend Jack is an editor for his full-time job. So he looks outside the market where he can make money with his skills. He reads lots of blogs and notices a lot of his favorite sites are growing fast. Realizing they might need extra editors, he reaches out to a few of them and gets 2 clients.

They each pay him \$500 a month for work he can do outside

his regular job.

Since Jack cares about generating income first, and his passions second, he simply found an easy market that would help him earn more immediately.

Rule 2 in action: Mary is passionate about jewelry

By contrast, Mary is passionate about jewelry. She feels like she has a lot to teach other women about accessorizing the right way. So she wouldn't want to start a freelance business helping CRM companies optimize their sales funnels, even though she might have those skills.

Since she already knows she wants to earn income in the jewelry field, she spends her time researching different services she can offer to create that people will pay for. She comes up with 3 ideas for services:

- Assistant to jewelry makers at trade shows
- Jewelry specialist for high-end clients
- Online marketing specialist for boutique jewelry stores.

We don't know which one will be profitable yet — but Mary will find out via rapid experimentation.

She can reach out to potential clients and simply ask if there's a need for the services she's thinking about offering. Eventually, she'll find something that can turn her passion into income.

An important reminder when thinking of freelance business ideas

People don't really care what you're good at, or what you enjoy. They pay for solutions, not your skills. If you understand this, you'll be light years ahead of everyone else.

For example, I was recently on a webcast where I was suggesting ways for people to earn money on the side. I mentioned that I hate cooking and would love it if someone cooked for me.

I got an email later that night from someone in San Francisco who said, "Ramit, I can help. I can teach you everything you need to know over one weekend, and you'll know 3-5 great dishes to cook."

I appreciated the offer, but wrote back, "Thanks for the offer! But you don't understand. I don't want to learn — I want someone to do it for me."

He ended up sending me another proposal and I'm now working with him.

People have problems. They want solutions. If you can offer them, you'll make money — guaranteed.



Meet Greg: The computer expert who went from asking for 6-packs of beer to charging \$100 an hour

For as long as he can remember, Greg was the “go to” guy whenever friends or family had computer troubles. Most of the time, he was paid in cases of beer. But once he reframed his services as saving time and money, he was able to charge \$100 per hour... [Read more here.](#)

How to get your first 3 paying clients

Most of the advice on getting freelance clients is horrible. Typical advice goes something like this:

- Just start blogging!
- Make a website and do SEO on it so you always get free traffic!
- Create a video that goes viral!

Don't get caught up in any of these time-wasting tactics. When starting out, your only focus should be getting 3 paying

clients.

The reason is simple. Anybody can get one client. Maybe a friend of a friend hires you. The second client might be your uncle. Who knows? But once you get 3 paying clients, you're on to something.

Getting your first 3 clients starts with a 2-step process that I call Locate and Communicate.

Step 1: Locate your clients

- Who is your exact client, and where do they go to look for solutions to their problems? Do they read magazines? Go to the grocery store? Ask their priest?
- Where are people already looking for solutions to problems? How can you make a match between them and your service?

This can be something as simple as posting and responding to an ad on Craigslist. Someone needs their lawn cut, and you can respond saying you'll be over with your mower later that

day.

This is exactly how Vin got his first paying clients as a guitar teacher:



VIN 6 years 5 months ago 
Hey, it's me! Vindel1985.....
I put an ad on Craigslist last night offering guitar lessons and WiFi network help and have ALREADY received a few e-mails. In less than 13 hours!
Granted, these are not big businesses that will sustain me alone, but they sure will get me earning money!
Thanks Ramit, again.

Reply Hide Replies ^

RAMIT SETHI 6 years 5 months ago 
Nice job, man. Try the niche I suggested of helping dudes pick up girls. I think you can niche it out and skyrocket your rates. I wonder...

Reply

Other times it's not as straightforward. In that case, you need to identify a specific target market, and figure out where they go to look for a solution to their needs.

Don't try to go after everyone under the sun. You'll drive yourself crazy trying to serve everyone. Niche it down by age, location, interest, income level, or whatever else might be relevant for your idea.

Then find out where they go to find solutions. Get in their heads:

- Want to pitch to moms that blog about children? Go to popular mom blogs.
- Looking for physical or massage therapists within 50 miles of your house? [Yelp](#) should get you started easily.
- What about tech startups with over \$1 million in funding, with more than 10 employees but less than 50? [CrunchBase can help with that](#).
- If you want to groom and pet sit large dogs, there's likely a local pet store or dog park near you. Owners are probably there waiting for your services!

Many people say they have no idea where to find clients. When I ask them what they've done to research their audience, I'm always met with silence.

It's important to get out of your shell. Email people. Take them out for coffee. Ask related service providers if your idea is any good.

80% of your ideas will be strengthened — or washed out — with this simple exercise. And it only takes a week or two to get started.

GET OFF YOUR ASS AND TAKE ACTION.

This brings us to the next step.

Step 2: Communicate with your clients

Email will be your most important communication tool for pitching clients. I get pitched via email all the time for guest posts, product pitches, and people who want to work together. I vomit routinely. The emails are usually way too long and have no clear point.

I'm going to make sure you don't fall into that trap by showing you examples of good and bad emails.

Bad email:

Subject: to the real ramit [Subject line is too vague]

Ramit (please forward to him, if VA reading),

I'm impressed, I've scanned your blog from 2004 to now, left a few comments and felt the need to contact you for networking, an offer, and advice. This should take you about 4 minutes to read, I hope you can. **[Good compliments, but 4 minutes is way too long]**

Background: I'm influenced by Tim Ferris, Seth Goden, Leo Babauta, Rocky Balboa, and Steve Jobs. Effective efficiency meets ideas, the power of less, will power and innovation.

Status: Working 40 hours a week until I can escape via passive or easily managed income. I am IT support for

an all Apple global consulting firm. I run [Company], a well oiled machine of an IT support, web development, and internet consulting company (just me and my VA's). I run [Website] – a chronicling of the stages of becoming self actualized to the fact that life isn't how people tell you it is, and you can design it otherwise. I just bumped up my pretax savings to %11 of my earned income. I am unrelentingly in pursuit of the break that will come and free me to live out my dreams of supporting people and their technology, training in crossfit, learning spanish, and giving to youth without worrying about money. **[Too long=I'm starting to lose interest]**

My need is to learn from you (not your typical money wisdom), and your need is that you or someone you know could use me like a cup of coffee on a Monday morning. **[This is where most busy people make the decision not to read on]**

I've seen enough cases now, yours included of people vice gripping life and making it their own. I've always been service oriented in the quiet leader type way, and I've made smart no risk decisions, I'm 25 and will no longer take the slow road. I'm primed for a break, and will be unrelenting until it comes. I'd like to include you in that because I think you're smart, on your way up, and accessible. Please review me below, I hope you can make use

of me before I realize my full potential and be swept up in that.

Although I can be wordy, I'm not a magician with words, I'll lay my most powerful qualities/experiences out in bullet points. I hope you see them as I do, as ammunition.

- will power like no other (never lost a “bet you can’t stay...”)
- technical savant (no technology too frustrating or complex)
- people person (communication is a strength, met several C level execs, Sony for instance)
- action oriented, all plans suck without implementation. simple plans plus action work.
- business man. started and sold several businesses
- founder of [Company]
- i save %11 of what i make, split to an IRA and emergency fund. i make very little.
- building a backup information product and breaking the ice of online marketing
- traveled the world while being a digital worker

- self starter, will succeed and see the positive regardless of situation
- educated, technical, fast and i think before i act

Would you let me help you or someone you know with these skills? If yes, please connect with me.

Honestly, the guy sounds like a nice guy who wants to offer his services. I think. I'm not really sure.

But instead of getting in my head and suggesting how he could help me specifically, he just listed a series of vague skills that were all over the board. And the call-to-action is...for me to “connect” with him?

I responded, as I usually do to vague emails, with one sentence: “So what would you like to do for/with me?” He sent another rambling email, so I simply shrugged and moved on with my life.

Now, compare this to a good email:

Subject line: I want to work for you for free **[Best subject line I've ever received]**

Hey Ramit,

Love your site, especially the articles about automation and personal entrepreneurship. It's because of you that I have multiple ING Direct accounts for my savings goals,

a Roth IRA, automatic contributions, and asset allocation all set up. **[Good buttering me up]**

I'm a web developer for [Company], a site that gets around 50 million hits per month. I used to do freelance work exclusively, and I'm preparing to make the switch back to doing freelance work ~30 hours / week while I travel and study in China. I work in Ruby on Rails, doing everything from the database to the front-end, and I'm especially good at rapidly prototyping new ideas and projects. **[He's in my head: I'm always looking for talented developers and he's clearly one of them]**

In order to start getting myself back out there, I'd love to have the chance to do some development work for you, completely gratis. If you like my work and have some paid projects for me down the road, that'd be great of course, but I'd be happy just for the opportunity to network and receive a little advice. I'm sure you have a project or two in the back of your head that you haven't had time to prototype yourself yet; let me do it for you! **[I LOVE IT!! As a matter of fact, yes I DO have some side projects I've been wanting to do]**

You can give me a call at ###, or find me on Google Talk under this address. You can also check out some samples of my work here: [website]

Thank you!

Two things: First, that was the best subject line I've ever received. Second, his email is clear, concise, and makes me a strong offer while highlighting his experience. I called him within 60 seconds of receiving this email.

Note that if you are looking for paying clients, you can often skip the work-for-free arrangement that I often urge by creating an incredibly niche offer.

For example, if he had attended the last 5 video office hours I did and had heard me make an offhand comment about how I've been wanting to launch XYZ project, his subject line could be: "I can help you launch XYZ in 2 weeks." Then his email could then lay out why he's good and what he would do, and it could lead directly to paid work.

When it comes to communicating with your prospects, I hear many people complain that they've tried to reach out with little success. The truth is they're often reaching out in the wrong way.

By going through the steps of LOCATING and COMMUNICATING, you can skip all the bad advice out there.



Meet Ann: The web and graphic

designer who made \$40,000

Ann realized how powerful the locate and communicate framework can be. Once she found her first 3 paying clients, she was able to scale and get 35 with ease... [Go here to see the 10-second email template she used.](#)

How to get back an extra 10 hours each week

If you want to start a successful freelance business earning \$1,000 on the side, managing your time is critical. You'll have your normal responsibilities AND clients you need to make happy.

Which is why I want to give you 5 simple systems you can implement today to take control of your day.

Set these up once, and you'll reap the benefits forever. The best part is, none of them requires a special app or software.

Hundreds of my students have used these exact systems. Doing one of the 5 can save you hours each week. All 5 could save you at least 10 hours per week.

Think about that. That's over 40 hours each and every month (an entire workweek of time!).

I recommend you start with the one that you find most impactful and work your way through the list over the coming weeks. Then watch the overwhelm disappear.

System 1: Make it stupid easy to say “No”

How many times this month have your friends (or even you!) said something like:

- “Sorry, something came up. I’ll catch you next time”
- “I don’t know if I can do that. I’m just so swamped at work, you know?”
- “I’m too busy to do that right now. I’ll get to it later”

All of us — CEOs, politicians, Ph.D candidates, mothers of 2 — have the same 24 hours in a day. It’s OK to recognize when “no time” is actually a blanket excuse for not doing something you don’t want to do.

When you find yourself saying any of the phrases above, stop and evaluate why.

Maybe it’s not a priority for you right now. Maybe you really don’t want to do it. Both of these thoughts are perfectly fine. We’ll save everyone a lot of time and effort by recognizing (and acting on) what’s really going on.

ACTION STEP: The next time someone offers you an invitation, instead of saying “I don’t have time,” be honest with

them and yourself. You can even use this exact script: “That sounds really interesting, but I’m going to pass so I can focus on a couple other things I really want to do.”

This will:

1. Make others value your time and commitments
2. Force you to be honest with yourself about what’s important
3. Free up your mental energy to worry about things you actually care about

System 2: Purge the tiny time-sucks

We all face daily annoyances in our lives that are so tiny, they’re almost embarrassing to talk about.

- Oh god, I have to wrap my hair dryer up and put it in the medicine cabinet?
- I don’t have enough hangers for my coats!
- My garbage can is kind of ugly!

But these minor annoyances add up. It’s like dealing with mosquitoes. One isn’t so bad, but if you’re getting bitten by a swarm of them, you have a serious problem.

We keep putting up with these distractions day after day, not recognizing the invisible cost of each individual annoyance.

We never make the connection between these 50 tiny inconve-

niences... and the BIG things that we always seem too tired to do.

But those little annoyances are like motivation mosquitoes. They suck you dry one bite at a time.

We say, “I need motivation,” but we already have enough. The problem is we’re spending it, one ounce at a time, on tiny BS problems.

ACTION STEP: Make a list of every tiny annoyance in your day.

- Maybe you only have 2 coffee mugs, so you have to wash one every morning
- Maybe you need a new shower curtain, but last time you went to Target, they were all sold out
- Maybe half your pants are in your closet and half are in your drawer, so you have to go back and forth every morning

It’s not shallow to want to have a smooth day. In fact, top performers go out of their way to recognize these motivation mosquitoes — those tiny annoyances that drain your mental

reservoir — and purge with prejudice.

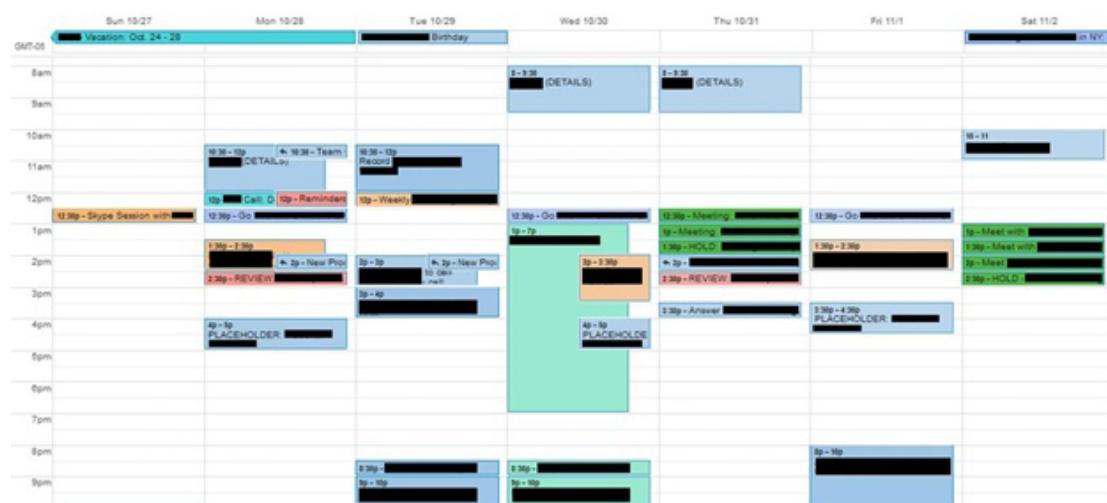
Now, my favorite part!

One-by-one, schedule in time to fix each of them. Put an actual appointment on your calendar to order a new curtain, organize your dresser, or shop for cool new mugs.

Then put a recurring item on your calendar to identify your new time-sucking annoyances and get rid of them every quarter. You'll be amazed at how your day changes when small problems vanish.

System 3: If it's not on your calendar, it doesn't exist

My friend asked me how I manage my to-dos. I pulled up my calendar and showed him exactly how I run my life: If it's not on my calendar, it doesn't exist.



Look at this one item:



This is a random to-do that I would normally put in the back of my head, and it would never get done. Instead, I added it to my calendar so it always gets done.

ACTION STEP: Stop putting things on your “to-do” list. Instead, schedule time for them. Here are a few items from my calendar:

- Call cable company
- Clean stupid box of papers
- Mail letter to friend

Advanced tip: You can set up weekly, monthly, and quarterly “to-dos” for things like reviewing your systems, planning an annual negotiation, or even checking in on your relationship.

System 4: Get information out of your brain and into action

Now I want to show you a simple system I use that helps me stay extremely productive. I call it the Iceberg Method.

I decided to share the Iceberg Method once I got this question from an IWT reader:

“I read a lot of influential things every day from people like

you, Tim Ferriss, Ryan Holiday, etc. All of the topics you discuss and people you link are insightful and usually have a great deal of value and takeaways. However, even when distilling it down to bullet points on pieces of paper, it can all still be a lot to take in (that's how much value there is!), and often it's easy to forget some or all of it. What is the process you use to internalize information like this and make it a part of your everyday thinking, rather than just another sheet of notepaper?” –Rick

You're probably like Rick and also read all this stuff every day. So how do you apply what you've learned?

Use the Iceberg Method. This will help you actually USE what you learn without having to search and reread before applying it. The best part is, you don't have to waste critical mental resources trying to retain or remember everything you've read.

I recorded this video to share how I use this:



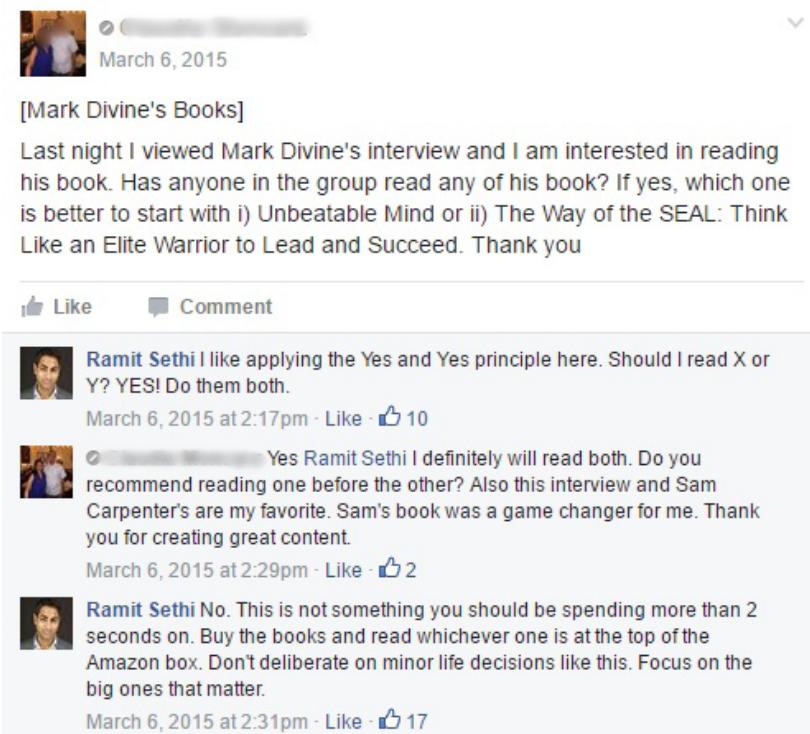
ACTION STEP: Start by looking at your email inbox.

Most of us have months old emails sitting stagnant because “someday” we’ll need to reference them. Tag these emails and file them away so they are out of your brain and you don’t waste mental energy each day reviewing them.

System 5: Make a decision. And move on

Recently, one of my students in my Brain Trust group asked me which book she should read first.

Look at my response:



March 6, 2015

[Mark Divine's Books]

Last night I viewed Mark Divine's interview and I am interested in reading his book. Has anyone in the group read any of his book? If yes, which one is better to start with i) Unbeatable Mind or ii) The Way of the SEAL: Think Like an Elite Warrior to Lead and Succeed. Thank you

 Like  Comment

 Ramit Sethi I like applying the Yes and Yes principle here. Should I read X or Y? YES! Do them both.

March 6, 2015 at 2:17pm · Like ·  10

 Yes Ramit Sethi I definitely will read both. Do you recommend reading one before the other? Also this interview and Sam Carpenter's are my favorite. Sam's book was a game changer for me. Thank you for creating great content.

March 6, 2015 at 2:29pm · Like ·  2

 Ramit Sethi No. This is not something you should be spending more than 2 seconds on. Buy the books and read whichever one is at the top of the Amazon box. Don't deliberate on minor life decisions like this. Focus on the big ones that matter.

March 6, 2015 at 2:31pm · Like ·  17

Stop wasting time deliberating minor decisions. Stop agonizing over optimizing small decisions that will have no meaningful impact on your life. Pick something — and move on.

In other words, **BE DECISIVE!**

It's easy to be a control freak. (I say that as someone who used to be one...and still is in certain areas of life.)

But then you create massive to-do lists, become the bottleneck to your co-workers and family, and set yourself up to be the martyr because “nobody else can do it like I do.”

It's actually harder to take a hard look at yourself and admit: “I'm a cognitive miser — I have limited attention and willpower. So I'm going to spend my limited time focusing on things that really matter. And I'm going to make a decision — ANY decision when it comes to the things that don't matter.”

This took me years and years to really “get.” And beneath it all is the very real problem of perfectionism. I realized I could spend all the time in the world to make “perfect” decisions... or I could actually have an impact on the world by focusing on things that matter.

This is liberating. It means most of the decisions I used to worry about don't matter. So I pick something and move on — so I can focus on the decisions that do matter.

ACTION STEP: Make a decision you can stick to when it

comes to something you shouldn't waste time deliberating.

For example:

- [President Obama wears the same suit every day](#)
- I made a list of restaurants and coffee shops I like, and if I'm having a business meeting, I always meet at 1 of the same 3

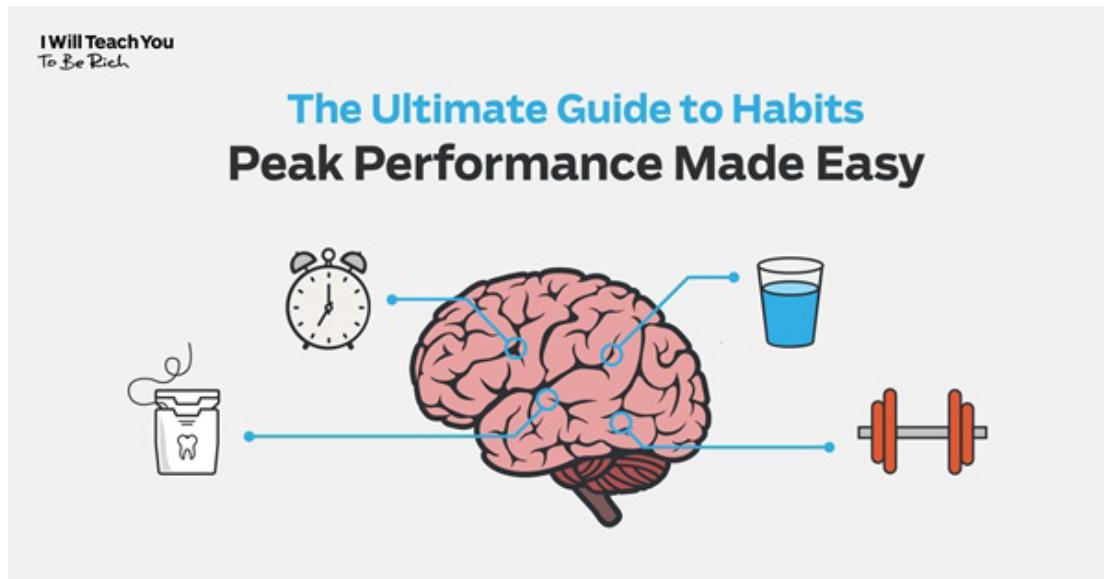
I'm willing to bet you deliberate over decisions that make no difference at all. Do you spend time researching airline fares to save \$50? Do you open 15 tabs on the different types of underwear to buy?

What's an area of life where you've deliberated way, way too much? Where you could just pick something — ANYTHING! — and move on with life?

Applying any of these 5 systems to your life can make a massive difference in your productivity.

If you're ready for more advanced systems on creating habits,

and accomplishing goals. I've put together, The Ultimate Guide to Peak Performance.



Take a look at what's inside:

- How to wake up productive and get more done by noon than most people do all day (covered in Part 2)
- “If I wasn’t so lazy, I’d ___. ” I’ll teach you how to keep accomplishing goals even when you “don’t feel like it.” (covered in Part 3)

- Ever spent a busy day filled with distractions — answering emails and putting out fires — and walked away feeling like you finished nothing? I'll show you how to stay laser-focused on tasks and eliminate distractions (covered in Part 6)

This guide includes HD videos, downloadable worksheets, lessons from the world's leading experts on behavioral change, and much, much more.

[Click here to get the Ultimate Guide to Peak Performance](#)

Try out the techniques. And enjoy the results you get for the rest of your life.

What's next

Congratulations! If you've made it this far you now know:

- Freelancing is the fastest route to earning an extra \$1,000 on the side
- The 2 rules of profitable freelancing
- Why you should focus on getting 3 paying clients above all else
- The 5 systems you can use to put an extra 10 hours back in your hands each week

But if you're still stuck on finding an idea, don't sweat it. It's

one of the biggest barriers people have.

Luckily, I have a free Idea Generator tool that will help you go from “no idea” to profitable and fun freelance business.

[Yes, I want the free Idea Generator tool!](#)