

A man with a shaved head, wearing a blue suit, blue shirt, and striped tie, stands in the foreground. Behind him is a panoramic view of a city skyline at sunset, with numerous skyscrapers and a body of water in the distance. The sky is a mix of orange, yellow, and blue.

HOW TO CREATE CASHFLOW  
**WITHOUT OWNING STOCK**

**CHRIS JACKSON**

Did you know that you can actually make money within the stock market without ever owning stock?

That's correct! You can create cash flow without ever owning shares of a company, and this strategy is often similar to the insurance industry. Without having to be licensed or certified as an insurance agent!

In this quick eBook, I am going to show you how you can create monthly income, just like the professionals! No gimmicks, no bull, simply **STOCK OPTIONS**.



Most individuals working on Wall Street, will never tell this secret, but I will! I started investing about 7 years ago, looking for the holy grail of earning income, and while this is pretty darn close, it's not as easy as it will sound. There are a ton of factors to include. Like when to buy, sell, and the timing of stock options are probably the most difficult to master, if you even master it.

However, I will show you the exact strategy that will help you earn cash without ever owning stock, and if you choose to buy stock, then you **MUST**

check this strategy out, use it, before buying your first 100 shares of ANY company!

Let's think of this strategy like an insurance agent, and company selling you automobile insurance. You as the consumer will buy insurance for your vehicle, for one because you have to, however to make sure that in a case of an accident you can get it fixed without having to pay 100% out of pocket.

Following so far?

Now, each and every month, the insurance company takes in a premium to which you pay them. If you never have an accident, then the insurance companies continue to make money from you. Right? If you do happen to be involved in an accident, then they pay! During the course of the time they are receiving payments from you, they are risking that you may or may not be involved in a crash or make a claim where in turn they will have to pay for the replacement, costs, etc....

So, now that we understand how the insurance company basically works and earns cash flow, let's act as an insurance company within the stock market. But how?

Investors use stock options to secure their shares or investments, buying PUT options that act like insurance for their shares. Let's back up for a second, so I can explain what stock options are.

Stock Options allow investors the right, but not the obligation to buy or sell a stock at an agreed price & date. There are two types of options:

- CALLS - Can be bought or sold
- PUTS - Can be bought or sold

For this eBook, we want to stick to the PUTS. As I mentioned however, calls and puts can be either sold or bought. Each depend on your view of the market, stock etc.

I will briefly go over when to buy and when to sell a call or put.

### Calls

Buy if you think the price will increase

Sell if you think the price will decrease

### Puts

Buy if you think the price will decrease

Sell if you think the price will increase

As you can see, the difference between buying and selling options flip. If you want to know more in depth of call options, I'd suggest you pick up my eBook, Treat Your Stocks Like Real Estate -

<https://www.investingwithchris.com/shop/treat-your-stocks-like-real-estate-e-book>

There I discuss how to make money on your shares without selling them and basically renting them out on a monthly basis to earn cash flow!!!

Okay, so back to learning how to create cash flow without owning stock. This also is a great strategy on lessening your cost if you are thinking about buying at-least 100 shares of a certain stock, and you'll see why.

Now that I covered the two types of stock options, we will dive into PUTS solely for this eBook.

Often investors buy puts for shares they own, for insurance. If the stock drops, they get to sell their shares at the given price they agreed on, or the strike price they bought the PUT contracts for. So for example; Stock XYZ

is trading for \$50/ share and the investor owns 100 shares. He or she believes that the stock may drop due to earnings, or something that has been seen or heard on the news. The investor would buy 1 PUT contract for the 100 shares ( 1 options contract = 100 shares) at the \$50 strike price. This allows the investor to sell his or her shares off at \$50 per share regardless of the price of the shares after the contract date.

If the stock drops to \$45 per share, the investor is still going to sell off his or her shares at \$50 per share. The only loss was the premium paid for the put option. As we can see this is similar to auto insurance where the insurance company takes in premium every single month.

Now let's act like an insurance company, create cash flow just like they do. This is where the professional investor understands how to create income without owning stock. Let's play the insurance company. How?

IF you have the capital to buy at-least 100 shares of a particular stock that you are selling PUT options on, you can do this. \*\*This is the risk - IF you are assigned 100 shares of the stock you are selling PUTS on.

This is also the best way to get into shares if you are already wanting to buy stock of a certain company.

Let's say you are interested in buying XYZ and wanting at-least 100 shares of it. It currently is going to cost you \$5,000 to buy 100 shares. \$50 per share. Many beginners entering into the stock market industry will immediately purchase 100 shares at \$5,000

However, let's sell 1 PUT contract for an example of \$50 premium. This would do two things. Reduce the actual cost of 100 shares to \$4550 minus commission fees. And also reward you \$50!!!

**But wait! What's the risk, this sounds too good to be true!**

As I always stress to EVERYONE, there is always some sort of risk associated with any type of investing. Insurance companies carry risk, real estate carries risk, EVERYTHING has risk! Even driving to work produces risk! PEOPLE can't drive!!!!

In all seriousness, the PUT selling strategy is the best way to create income, and if you're already looking at purchasing stock, this allows you to create profit before buying.

So now, let's cover the risk. You just made \$50 without doing anything other than selling 1 PUT at a certain strike price. (Strike price is the price to which you are looking at for any company)

Two things can happen:

1. The premium or \$50 you just credited to your account is profit and you keep it! You just profited \$50 and nothing else happens!
  - a. This only happens IF the stock does not hit your strike price at expiration.
2. The premium is collected (\$50) and you are assigned 100 shares, which will cost you the remaining amount at the strike to which you sold PUT(s) on.
  - a. Cost of the shares at the \$50 x 100 - \$50 = \$4550 (Strike price X 100 shares - premium collect)

As you can see there is a risk, but only the risk to which you were going to buy shares you were planning on anyways. I have to say I spent years and years learning stocks options, and when I found out the strategies of selling puts, I was blown away. I wish someone could had shown me this value before I went and just purchased stock on my own. I could had earned credit before even buying!



These are just some of the technical chart studies, drawing tools, and definitions that are needed to know before investing in stock options.

I have developed an art for myself and I am teaching individuals how to understand such things over at my website and investors club. I also teach individuals one on one that dives more deeply on the specifics and mental basis of investing. If you are looking to create cash flow and begin your investing within yourself, the market, and to better your returns, then Join the Investors Club Today, where I help individuals learn when and how to earn using various Option Strategies.

<https://www.investingwithchris.com/the-investors-club/>

## RESOURCES & EXTRAS

- My Blog - <https://www.investingwithchris.com/blog>
- I Build Chat Bots - <https://www.torx.life>
- Veterans Transitioning Out of the Service - [www.warriorwealthsolutions.com](http://www.warriorwealthsolutions.com)
- Free eBook - Profitable Strategies When Investing - <https://www.investingwithchris.com/free-ebook-profitable-strategies-when-investing>
- Investors Club - <https://www.investingwithchris.com/the-investors-club/>
- How to Master the Game of Business - <https://amzn.to/2LIYyZU>
- Treat Your Stocks Like Real Estate - <https://amzn.to/2PMKtmH>
- Canon EOS Rebel T6 DSLR Camera - <https://amzn.to/2ZUuKqj>
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