My guide to making $1k/month with Nodes

Generating Passive Income with Strong, Thor and Yieldnodes

Table Of Contents

eBook written by John Treadle from https://tradingtools.net

Note: this pdf contains affiliate links to services I recommend and personally use.

I'm always on the lookout for new ways to generate regular streams of Passive Income, and I've recently stumbled upon a great new area of Defi: **Nodes as a Service (Naas)** or Defi as a Service (Daas).

In this article, I'll describe how you can generate passive income with Strong, Thor and Yieldnodes, three services that will yield a combined regular income above $1,000 per month with a simple investment of $1,800, all that in 5 simple steps.

If you want to read this offline or share it easily with anyone, I will have it as a free downloadable pdf guide here in a couple of days. Just a simple download, no email required, I don't send spammy content and don't build email lists.

You can buy me a coffee **here** if you want to thank me.

OK, let's get into it.

What exactly are nodes ?

Basically, nodes are a key part of the Blockchain infrastructure, they store and spread the blocks of data that make it up. In return for the service they provide, they earn a return.

Node projects will mostly all function in the same way :

- they issue a token for investors to purchase
- proceeds of token sales are allocated to several pools (treasury, liquidity, investments, reward,…)
- a minimum amount of tokens will be needed to create a node
- the tokens invested in nodes will be burnt

In other cases, the node projects will be more similar to Defi as a Service (Daas), where the project team invests in selected Defi projects.

They will manage the returns from these investments in liquidity and reward pools, and setup a mechanism to reward their communities.

So here are the 5 steps to the $1k/month Passive Income with Strong, Thor and Yieldnodes strategy.

Not financial advice, but here's how I proceeded :

1. First, buy one STRONG node and one THOR node
2. Compound rewards until you reach the desired level of monthly income
3. Extract monthly rewards and send them to Yieldnodes
4. Withdraw monthly rewards from Yieldnodes and send them to a USDC or USDT account
5. Stake your USDC or USDT and/or withdraw monthly Fiat to your bank account

This strategy follows a sequence of steps that start with high risk / high yield investments in node projects (Strong and Thor), then gradually securing rewards into much more secured services (Yieldnodes), to ultimately moving the rewards to staked stablecoins.

It's an inverted risk funnel if you like, allowing capital preservation and securing steady income streams.

So let's get started.

First, buy one STRONG node and one THOR node

There are many node projects out there, and you have to choose carefully.

My process was to start with two established projects: STRONG and THOR, both well regarded node projects with good communities, doxed teams and solid roadmaps.

Despite being well regarded projects, never forget some essential facts:

- node projects remain very risky, this space is still very early
- **the amount you invest in nodes is a sunk cost**, **you can never recover it**. Consider it as a contribution. You will earn returns on your investment every day, but until marketplaces are launched to enable resell the money invested is lost

Concerning token requirements, to create a node most projects will usually request around 10 to 20 dedicated tokens.

- STRONGBLOCK : you need 10 Strong tokens to create a Strong node
- THOR FINANCIALS : you need 12.5 Thor tokens to create a Thor node

Note : Thor financial offers 4 different node tiers (Heimdall, Freya, Thor and Odin). In this strategy, I choose to invest in the Thor node because it is both affordable and provides a good daily yield.

Could you pick other projects ?

Sure you can, the strategy works with mostly all node projects. Just make sure you pick sustainable ones.

Strong and Thor are two well established projects, with doxed teams and a proven track record. If you want to judge by yourself, listen to the regular AMAs done by Strongblock CEO David Moss on their Discord.

Others node projects are much more recent, with usually very high yields to attract new investors. Be very careful with these, they usually have only a few developers whose identity is not known, and rug pulls are not uncommon. Rewards usually dwindle quite quick also.

In terms of rewards, well established projects will usually offer yields of around 1% to 2% per day, already quite a hefty payout.

More recent projects will typically offer 5 to 10% yield per day at launch, in order to build a community, then they will quickly taper down to keep the project sustainable.

Be very careful with overly promising yields, most of the time they are totally unsustainable from a treasury point of view.

Our two chosen node projetcs are STRONGBLOCKS and THOR.

There are some of the other interesting node or Daas projects you could also decide to look at :

- Comb Finance : $COMB
- Fire nodes : $FIRE
- Flux nodes : $FLUX
- Cubo nodes : $CUBO
- Vapor Nodes : $VPND
- Titano : $TITANO
- Drip : $DRIP

Type their symbol in Twitter ($…) if you want to learn more from them and their communities.

Now, here are the steps you should follow to buy your Strong and Thor nodes.

How to buy your Strong node :

- Create or use your Metamask wallet
- Connect it to the Ethereum network
- Buy some ETH on your favorite exchange
- Keep some ETH for the fees and swap some for 10 Strong tokens on Kucoin
- Send the ETH and Strong tokens to your Metamask
- Now go to https://app.strongblock.com/
- Connect your Metamask buy clicking on "Connect Wallet"
- From there, click "Create your Node"

You have the option to create either an Ethereum Node or a Polygon node. They do not have exactly the same reward mechanisms, Ethereum nodes have a flat daily return of 0.092 Strong whereas Polygon nodes have a higher return at start and then it reduces over time. That's up to you, check the Strong Discord if you want to deep dive in the differences.

Do the same thing on THOR Financials and create your first Thor node.

- Connect your Metamask on the Avalanche Network
- Buy some Avax tokens on your exchange
- Go to https://traderjoexyz.com/ and swap some Avax for 13 Thor tokens
- Keep some Avax for the fees
- Make sure you have yourAvax and Thor tokens in your Metamask
- Head to at https://app.thor.financial/
- Connect your wallet on the top right
- Click on Thor node in the "Create a Node" box
- Give your node a name
- Click "Create node"

You're done, congrats you are now the proud owner of a Strong and a Thor node.

Both Strong and Thor have maintenance fees that you have to pay regularly.

- At Strong, you will have to pay $14.95/node/month
- At Thor, fees are $20/thor node/month

Do not forget to pay those fees, or else your nodes will stop producing rewards and end up deactivated.

Very important : **the money you invest in nodes is a sunk cost, you cannot get it back**. The tokens you purchase to build the nodes are usually burnt when the node is created. Please don't forget that when you calculate RoI. At time of writing you can neither sell nor transfer your node to anyone.

Compound rewards until you reach the desired level of monthly income

Your nodes will now start producing daily rewards. Compounding allows you to grow your node count by using your rewards to generate new nodes without having to inject new cash.

The strategy I describe here does not compound the initial two nodes, but you can decide to do so if you ant to increase the daily reward levels. Basically that will push back your RoI but make it potentially higher in the end. It's a judgment call on the project's longevity.

But keep in mind three things:

- it might be a good idea to recoup your investment before you compound, to make sure that you are risk free
- some node projects have monthly node maintenance fees, so take that into account in your P&L
- the amount you compound is « lost » because it adds to your node balance, which you cannot recoup

If a project provides a daily yield of 1%, it will take you 100 days to recoup your investment, plus or minus the fees, so you might not want to start compounding before a couple of months.

When you've reach the desired level of nodes, you can start sending your rewards to a Yieldnodes, a more stable option to produce regular rewards and preserve your capital.

Extract monthly rewards and send them to Yieldnodes

Yieldnodes is a great service, a little different from the other node projects, for several reasons:

- It's a complex multi-tiered Node rental program generating revenue from masternoding
- Alternatively, Yieldnodes also engages in Proof of Stake staking
- it does not rely on a specific token, and deposits or interests are paid in Euro, USD or BTC
- the amount you invest is locked for 6 months, but after that you can withdraw it, a major plus
- it has a great track record, providing close to 10% monthly yield since inception in Oct 2019, equating to an annual yield of 120% (or 213.84% compounded)

Note : the links to yieldnodes are affiliate links, if you subscribe through them I will get a small reward that helps pay for my website costs

The minimum deposit is 500 euros, payouts are monthly.

The reason I use Yieldnodes is that it reduces my exposure to risky node projects by converting my monthly rewards to USD or EUR, with a solid monthly yield generating great passive income.

That reduces the risk of impermanent loss on my node rewards due to the high volatility in their token prices.

Note that there are several ways to send money to Yieldnodes, the one I use is by sending BTC.

In order to send your Strong and Thor rewards to Yieldnodes, follow the steps:

- Claim your strong and Thor rewards in your metamask
- Swap these rewards for BTC at Traderjoe for Thor and Kucoin for Strong
- Send that BTC to the one time address that Yieldnodes will provide you on the « Deposit » section of your account (you also have an option to send deposits as Tether USDT TRC-20 tokens)
- Wait 7 days for the deposit to be added to your masternoded balance

From there on, you should be earning a solid 8 to 10% a month.

The team at Yieldnodes is doing an impressive job of delivering this monthly yield for quite some time now.

See their track record below.
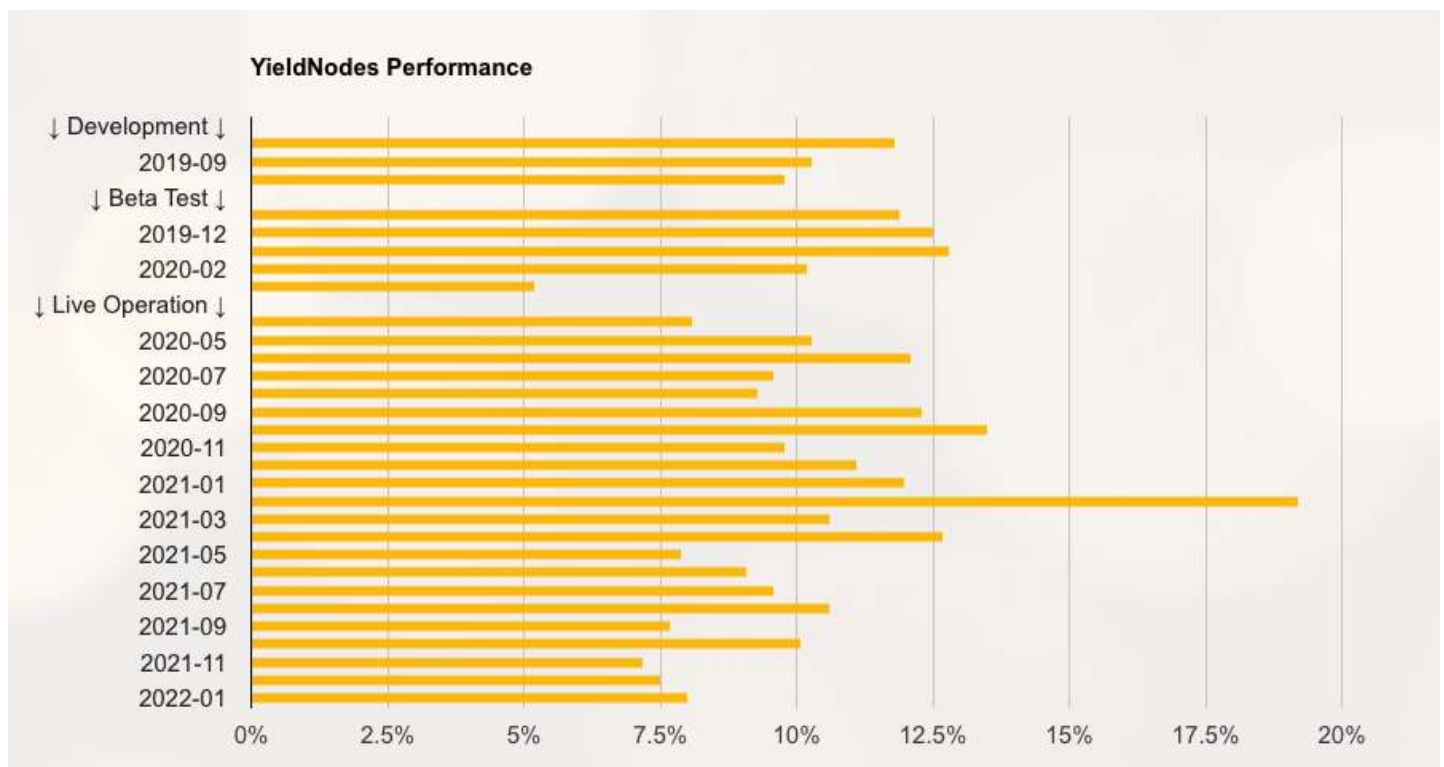
Yieldnodes track record

Note : Yieldnodes has a very high rating of 4.8/5 stars at Trustpilot, check out their excellent profile.

Yieldnodes trustpilot profile

Withdraw monthly rewards from Yieldnodes and send them to a USDC or USDT account

Once your rewards are added to your masternoded balance at Yieldnodes, you will have an option to either compound or withdraw these rewards.

That's up to you.

You can choose to compound only a % of the rewards. To do that, there's an option on the website where you use a slider to define that percentage on the "Withdrawal" tab.

Note : Rewards are paid with a slight delay every month, you have to request a withdrawal before the 15th of each month to get it paid before the 8th of the following month.

I choose to extract all my monthly payments in order to secure that return on my investment. I move all my earned funds to safer accounts in USDC or USDT.

That's my inverted risk funnel.

My monthly interest on Yieldnodes is paid in BTC. I will have it sent to Crypto.com in order to convert it to USDC or Terra (USDT).

The idea is to put these stablecoins on a staked account, earning 8 to 12% for USDC or 19% for USDT.

Stake your USDC ou USDT and/or withdraw monthly Fiat to your bank account

I use crypto.com to stake my USDC as they offer loads of services such as credit cards, which I'm pretty fond of.

You could also decide to stake your rewards on other platforms such as Celsius or Nexo.

If you want to compare the USDC yields on all these platforms, check out Defirates.com.

To stake my USDT, I will use the Terra Station wallet to stake on the amazing Anchor Protocol, providing close to 20% yearly APY.

I will usually compound my rewards in USDC and USDT and keep them staked.

When I have a specific need or simply want to cash out of the whole system, I will do one two things:

- use the crypto.com payment card for my expenses
- send Fiat money back to my bank account.

For my funds over at Anchor protocol, I will send the USDT to crypto.com.

Also very important, be mindful of taxes. Depending on your country, legislation differs on what is considered a taxable event. I use Koinly to help me figure out all my crypto taxes.

Always remember to set an amount apart for taxes.

Final considerations: how much can you make? What are the risks ?

Let's start with the risks. They are numerous:

- Rug Pulls : when the dev team runs away with the treasury. Will be more likely when the team isn't doxed;
- Treasury depletion: happens when rewards are too generous and the team hasn't setup a solid revenue generating system;
- Drop in token price, or impermanent loss: sure you're adding up rewards, but if token price plummets you're losing precious RoI;
- Getting your wallet hacked : you have to be extra careful on protecting your wallet. Best option is self-custody, buy yourself a Ledger Nano X.

That's the reason why you need to recoup your investment as fast as possible, in order to go risk free. That can usually be done in around 3 months.

Now for the big question: How much can you expect to make?

This will depend on several factors :

- how much you'll decide to invest. You can start small with a couple hundred dollars
- how early you are when entering some node projects: getting in early on solid projects can lead to astronomical rewards
- the evolution of your token prices: token prices are known to follow very steep up and down curves, take that into account
- the sustainability of the projects you've invested in
- The yield on Yieldnodes

So, how much can you make ?

In our strategy, you did the following:

- bought 1 STRONG node and 1 THOR node to get started
- never compounded rewards and sent them all to Yieldnodes on a monthly basis
- Extracted all yieldnodes rewards monthly and send them to a USDC account yielding 9% per year

Here's the math (not taking into account Gas fees) :

- Strong node investment = 10 tokens x $150 = $1,500
- Thor node Investment = 12.5 tokens x $25 = $312
- TOTAL INVESTMENT = $1812

- Daily Strong rewards = 0,092 strong x $150 = $13.8 (0.92% daily return)
- Daily Thor rewards = 0,144 thor x $25 = $3.6 (1.15% daily return)
- TOTAL DAILY REWARDS = $17.4

Here's a table showing you how this will play out over time if you started in Jan-21.

	Strong net rewards	Thor net rewards	Strong monthly Fees	Thor monthly fees	Yieldnodes balance	Yieldnodes rewards 10%
janv-21	414	97,2	14,95	20	0	0
févr-21	414	97,2	14,95	20	476	48
mars-21	414	97,2	14,95	20	953	95
avr-21	414	97,2	14,95	20	1 429	143
mai-21	414	97,2	14,95	20	1 905	191
juin-21	414	97,2	14,95	20	2 381	238
juil-21	414	97,2	14,95	20	2 858	286
août-21	414	97,2	14,95	20	3 334	333
sept-21	414	97,2	14,95	20	3 810	381
oct-21	414	97,2	14,95	20	4 286	429
nov-21	414	97,2	14,95	20	4 763	476
déc-21	414	97,2	14,95	20	5 239	524
janv-22	414	97,2	14,95	20	5 715	572
févr-22	414	97,2	14,95	20	6 191	619
mars-22	414	97,2	14,95	20	6 668	667
avr-22	414	97,2	14,95	20	7 144	714
mai-22	414	97,2	14,95	20	7 620	762
juin-22	414	97,2	14,95	20	8 096	810
juil-22	414	97,2	14,95	20	8 573	857
août-22	414	97,2	14,95	20	9 049	905
sept-22	414	97,2	14,95	20	9 525	953
oct-22	414	97,2	14,95	20	10 001	1 000
nov-22	414	97,2	14,95	20	10 478	1 048
déc-22	414	97,2	14,95	20	10 954	1 095

Monthly Income in Yieldnodes rewards

And as you can see, after two years your investment of $1,812 will be yielding you a fantastic $1k/month.

That's all for the strategy, I hope you can make it work.

More crypto articles to take things further:

- How Safe and Sustainable is Yieldnodes?
- The 12 Best Node Investors to Follow

To say thanks

I spend a lot of time setting up these free pdfs, and will hand them out with no strings attached, no email required, no spammy content sent to you.

So if you want to thank me, you can buy me a coffee using the link below, that's always appreciated ;-)

Buy me a coffee