



State of
**Side Hustle
in Kenya
2020**

Kenyans are quite entrepreneurial in nature as evidenced at least in the volume of registered business standing at 98% mostly SMEs owned by independent full time entrepreneurs, full time and part time formally employed individuals popularly known as side hustlers.

The Kenyan private sector in general experienced a tough business environment in 2019 with at least 15 listed companies issuing profits warning followed by layoffs of over 1700 employees further compounding challenges faced by these households that are struggling to make ends meet.

The drop or loss of income by formally employed entrepreneurs continues to have the effect of driving them to set up side businesses to supplement their diminishing income.

Viffa conducted its second edition exploratory study on side hustles with the objective:

I. Establish motivation to starting side hustles

II. Side Hustle sector

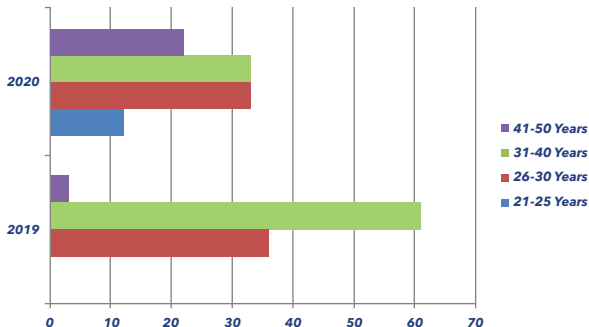
III. Performance and unique challenges faced by side hustles

IV. Propose relevant recommendation for SMEs run by formally employed entrepreneurs

STUDY RESULTS

ENTREPRENEURS BACKGROUND

Age distribution



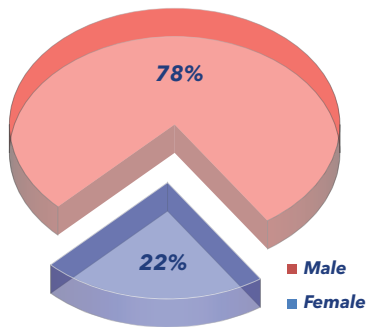
Age Distribution Insight

There has been an increase of 12% points from 2019 to 2020 of entrepreneurs engaging in side business of age bracket 21-25 Years as well as an increase by 19% points age bracket 41-50 Years.

We can hypothesize the phenomenon that there is a need for extra income to cover basic cost which are currently not being met by existing salary due to salary increment growing below inflation.

ENTREPRENEURS BACKGROUND

Gender



Motivation for starting side Hustle



Motivation Insight

Over **80%** of respondents indicated salary supplement as their top motivation for starting a side hustle due to inability of current salary to meet their basic needs.

Respondents who indicated motivation of retirement and investment indicated that investment in side business had the potential to provide above market return on investment as well as the business acted as a cash reserve in case of an emergency.

Top Side Hustle Industry

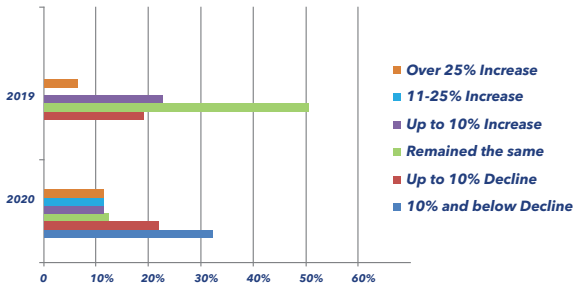


Number of employees

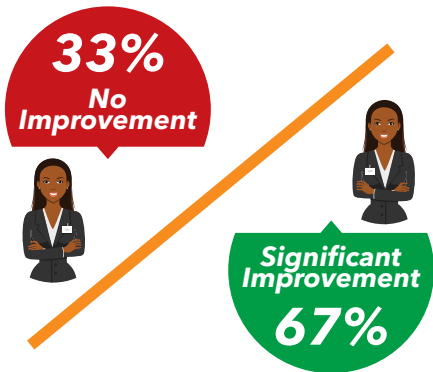


Over **100%** of respondents' indicated they employed between 1 to 5 employees

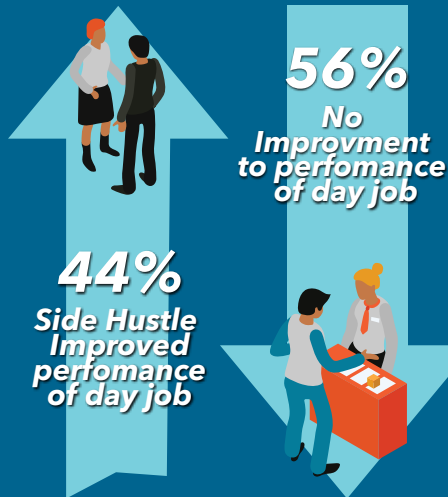
Revenue Performance



Effect of side Hustle to current Income level



Effect of side Hustle to performance of day job



Insight

Corporate employers should establish framework to encourage employees to engage in side business outside official work hours and on special occasions within working hours as long as it complements and improves the employees' day job as it will act as employee training and development. If such a scheme is well managed employers will reap the benefit of increased skill and productivity at no or significantly less cost compared to formal training as well as low attrition due to job satisfaction.

Side Hustle Challenges



2020 Business Plan

67%
Expand
while
keeping
day job



33%
Quit day job
& do business



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