

State of Side Hustle in Kenya 2022



Viffa Consult
Unlocking Africa's Entrepreneurship Spirit

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Introduction

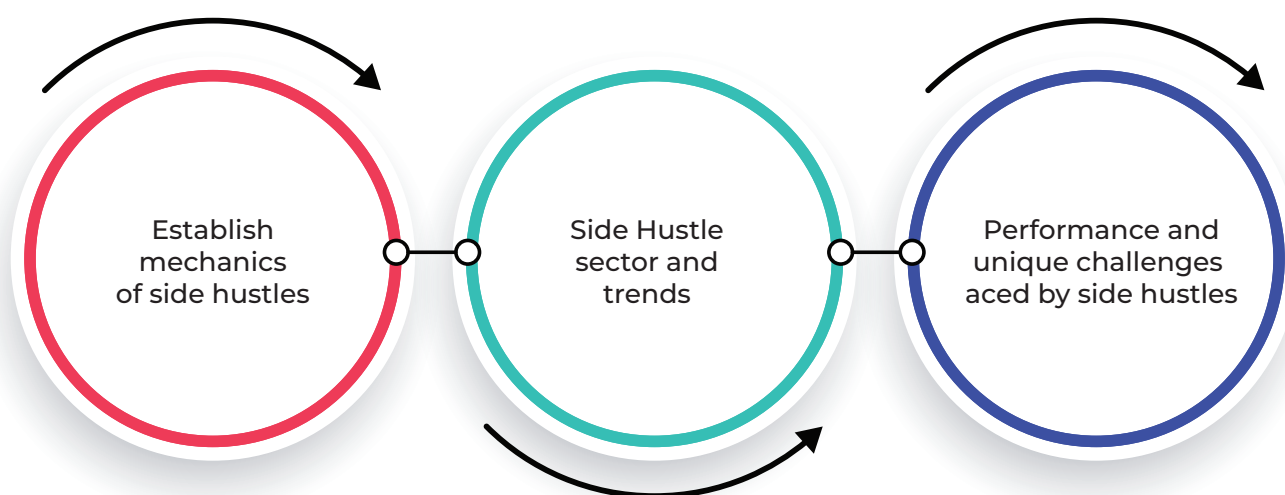
Kenyan SME as well as the broader private sector faced one of the toughest test years yet in 2021 owing to the negative effects of COVID-19 with some sectors such as tourism , music and entertainment as well as small scale retail among others bearing the greatest brunt.

Most businesses reacted to the pandemic by reviewing their budget-costs downwards due to a decline in revenue. One of the major cost that was affected was salaries hence most workers were either laid off or were put on partial pay.

The sudden loss of income and or decline in disposable income in some cases led to a shift to setting up a business either full time or part time with data from the Registrar of Companies showing the business names registered between April and November 2020 rose 58.5 percent to 65,782 compared to 41,490 in a similar period last for 2019 indicating the fastest jump in decades.

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. In 2021, Kenya’s economy rebounded in the third quarter of the year following the easing of measures aimed at curbing COVID-19’s spread. The economy grew 9.9% year-on-year during the quarter, compared with a contraction of 2.1% in the same period in 2020 according to Kenya National Bureau of Statistics (KNBS).

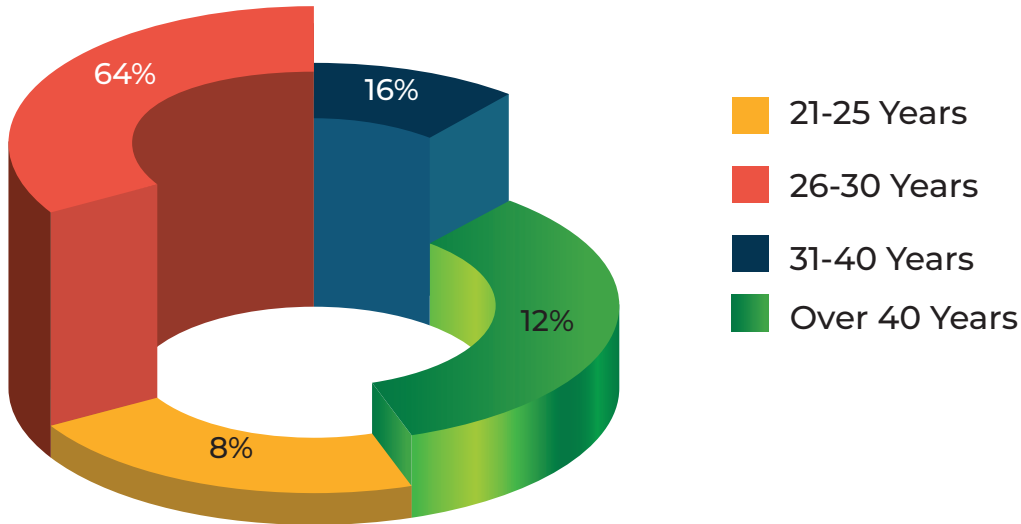
Viffa conducted its Fourth edition exploratory study on side hustles with the objective:



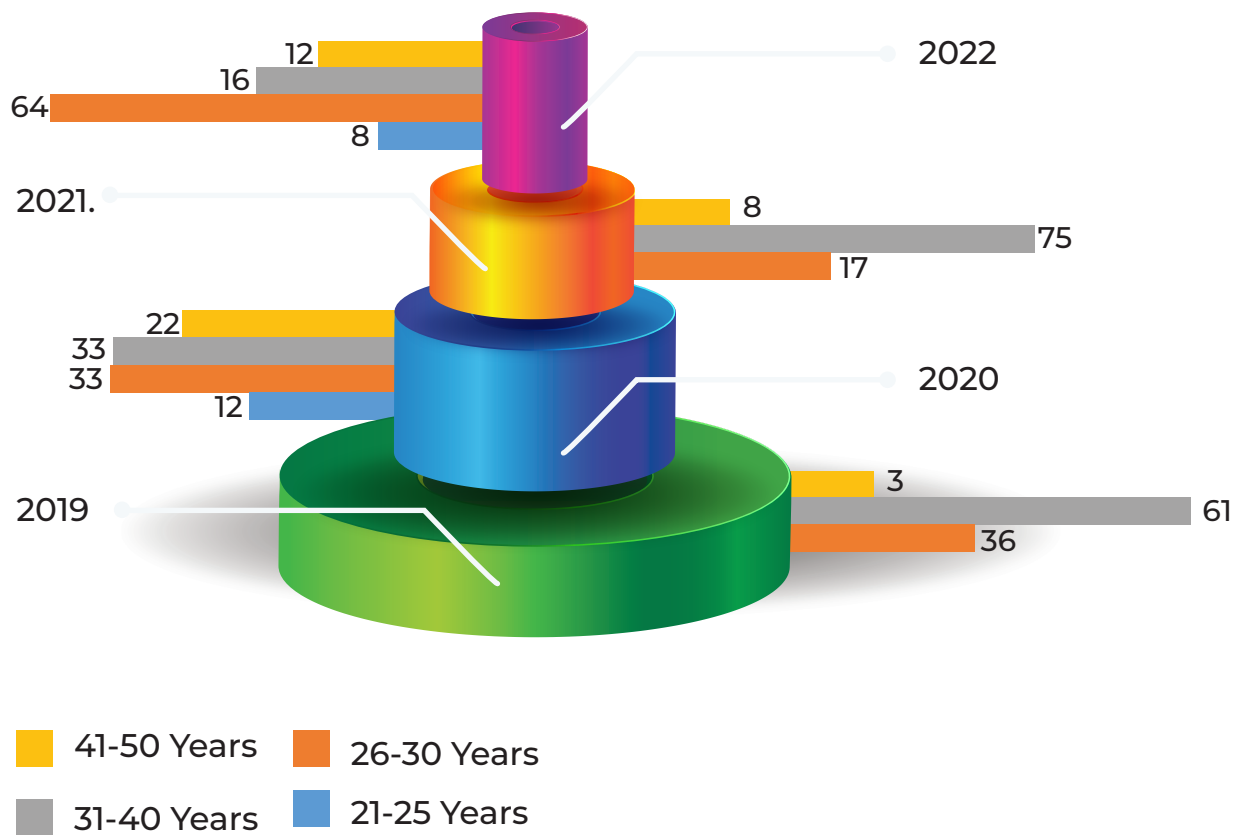
Sample Size	125
Sample Design	Purposive {Counties; Nairobi, Kajiado, Machakos, Kiambu, Kisumu, Mombasa, Nakuru} Random {Within counties}

Results

Entrepreneurs Age Distribution



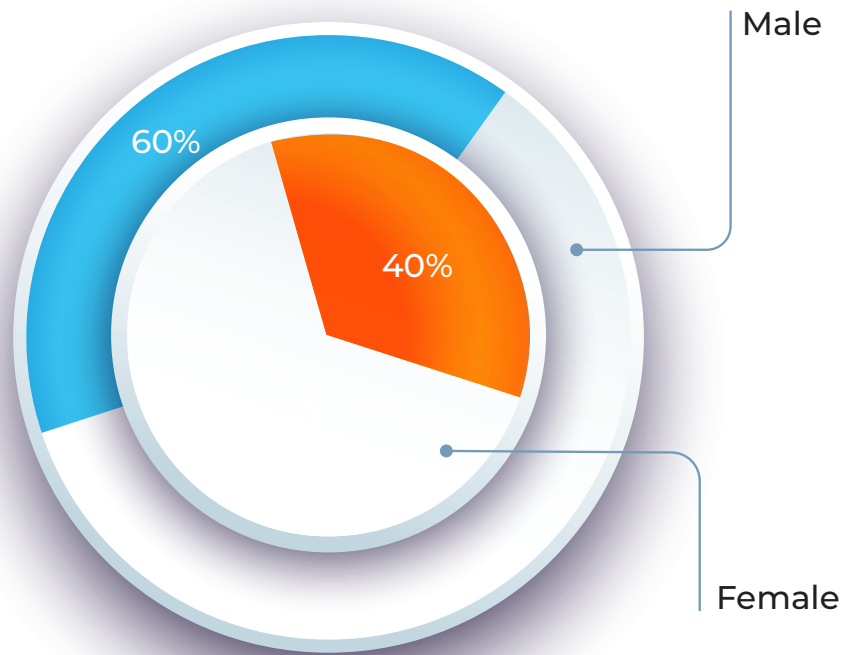
Age Distribution Trend



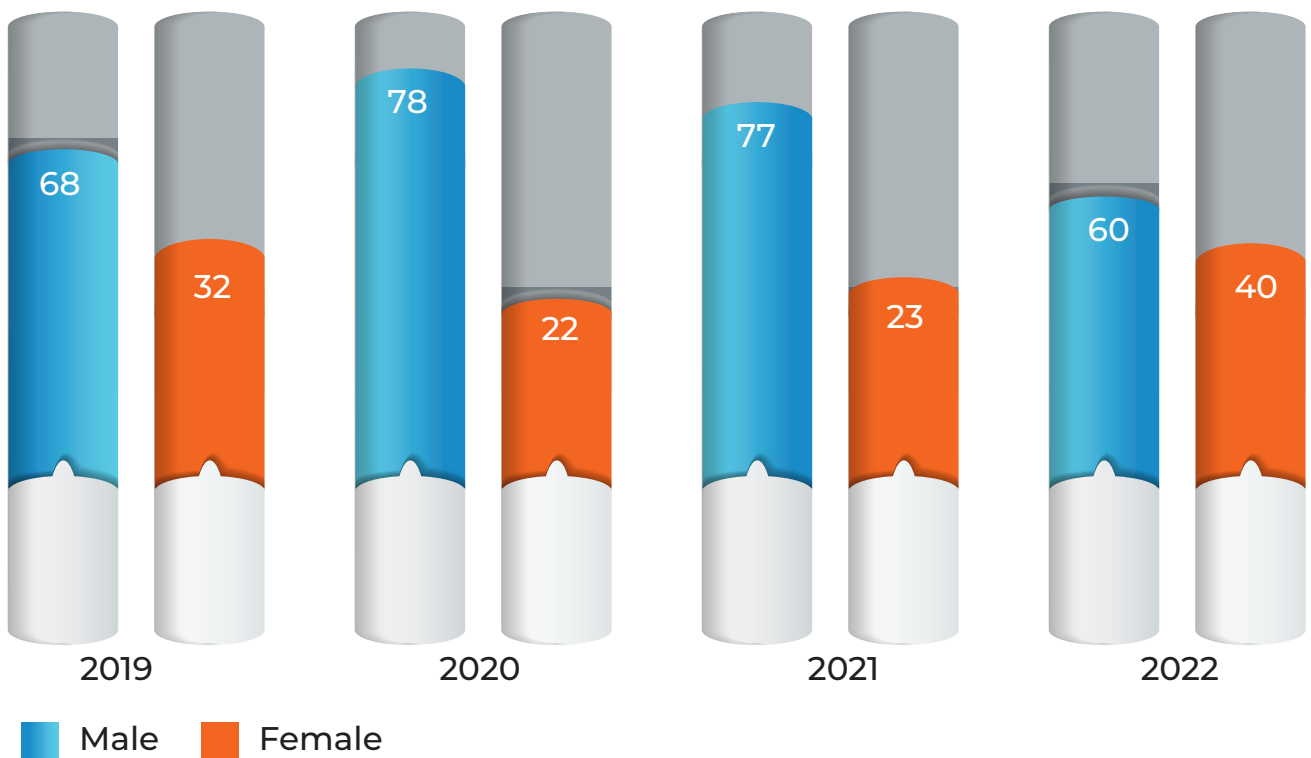
Insight

The age bracket 26-30 years experienced a significant jump of 47 percent point between years 2021 and 2022 which may be explained by loss of entry level jobs as compared to 2021 in which case age bracket 31-40 years experienced the highest jump of 42 percent point which pointed to mid-level employees both of which are a reaction to the negative effects of COVID 19 on private sector bottom line

Gener Distribution 2022



Side Business Gender Distribution Trend

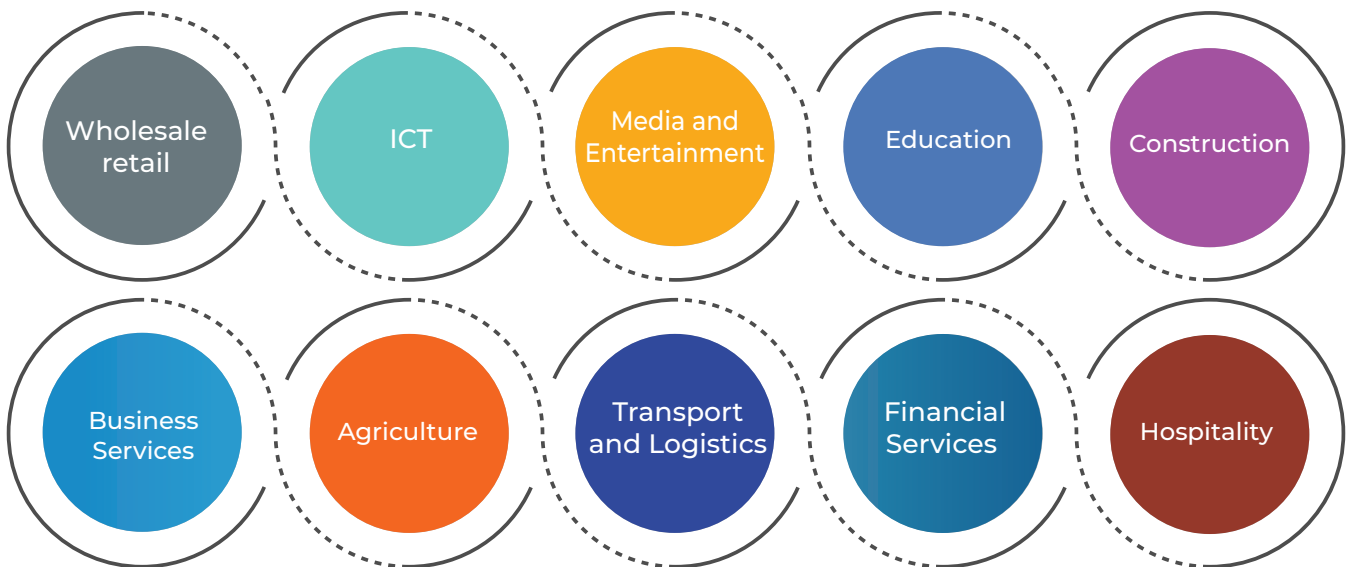




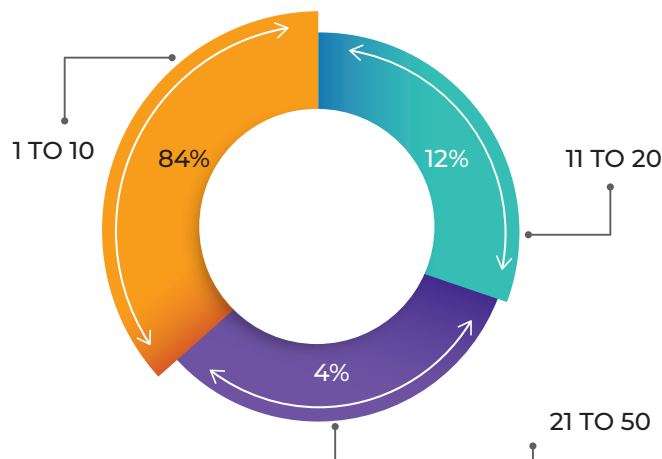
Insight

Salary supplement remains to motivation for starting side business followed by investment of disposable income and retirement plan both of which respondents indicated provide above market returns compared to government securities. Side Business investment also offered an easy to reach cashflow in case of personal emergency.

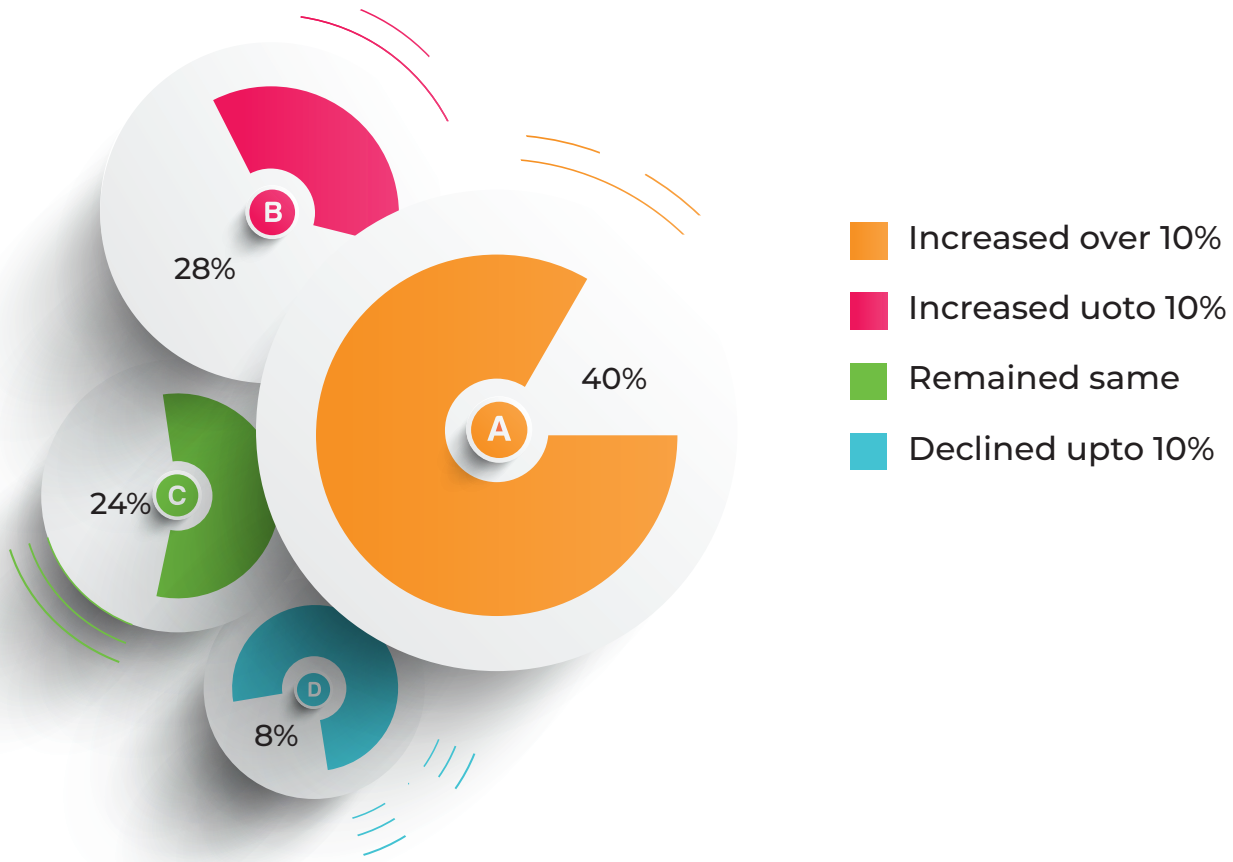
Most preferred Side Business Sectors



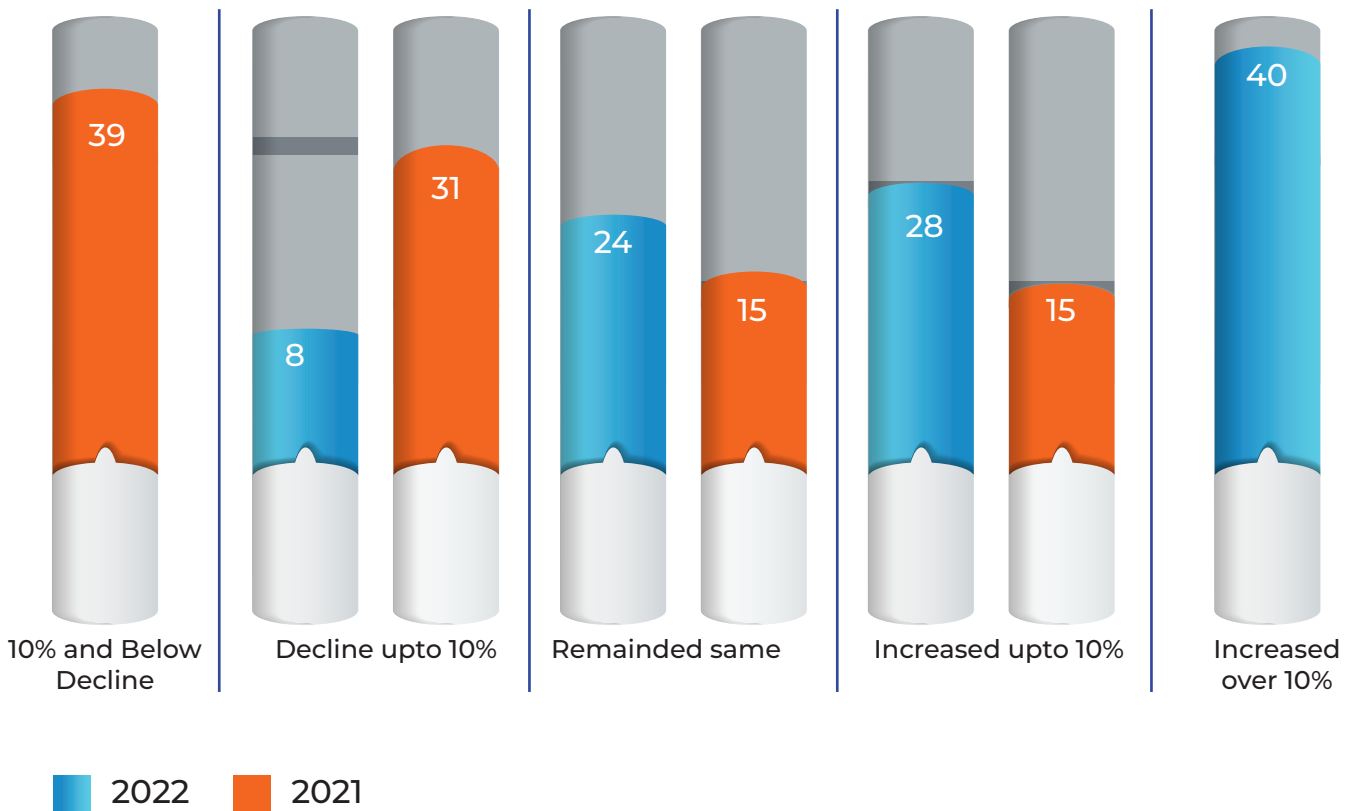
Number of employees



Revenue performance between 2022 and 2021



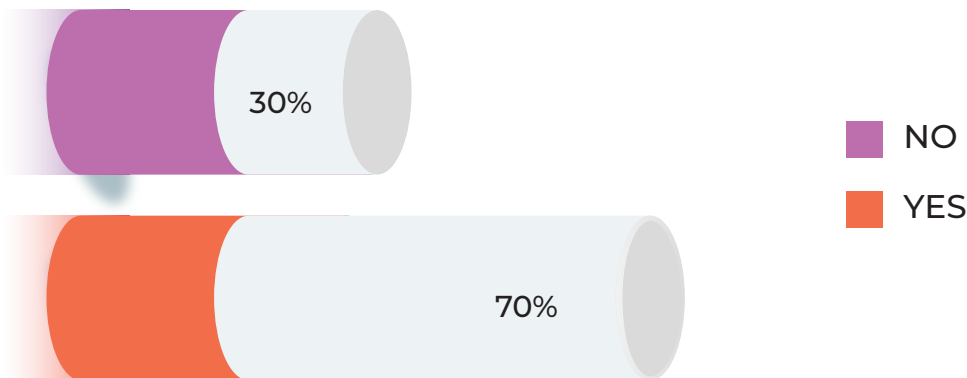
Revenue Performance Trend



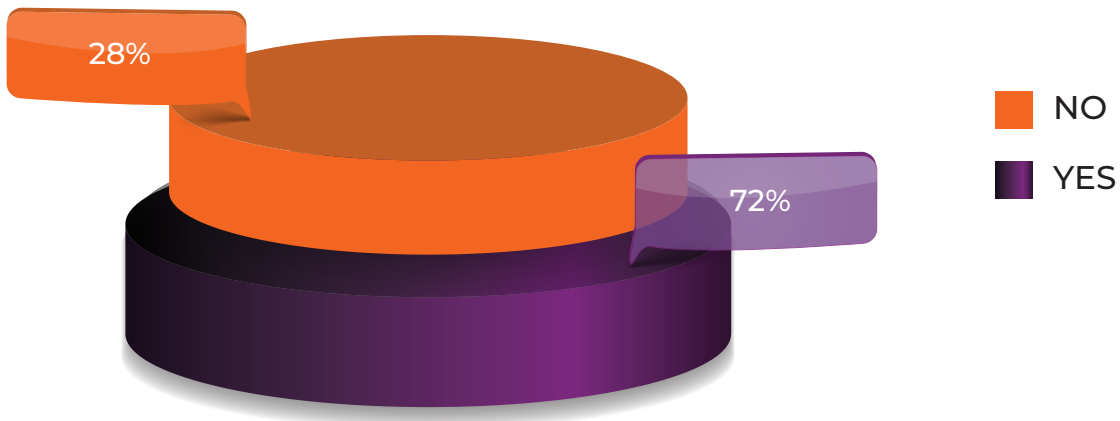
Insight

With the opening of the economy in the last quarter revenue performance improved as seen in 24 percent of respondents indicated revenue remained stable and 68 percent indicating a positive growth in revenue {28% revenue increase up to 10%; 40% revenue increase by over 10% }. This compared to 2021 where 70 percent indicated negative revenue performance

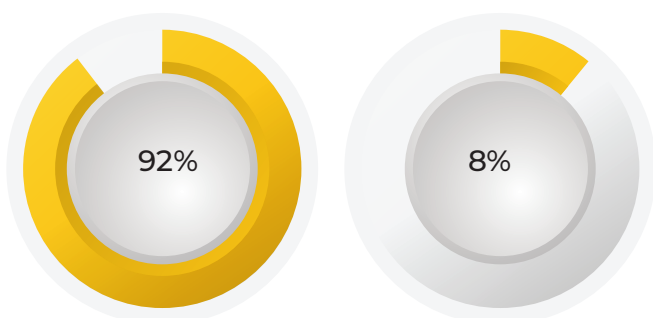
Sale of product online



Profitability of side business (Revenue Exceeds Expenses)

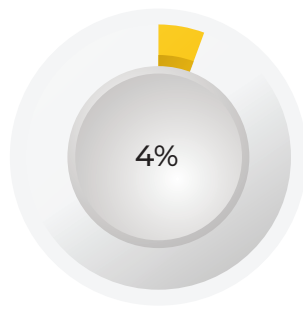
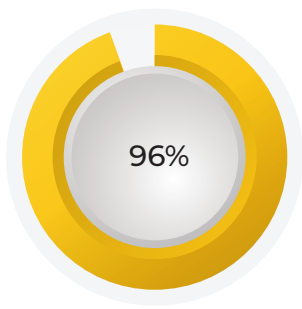


Effect of side Business to current Income level



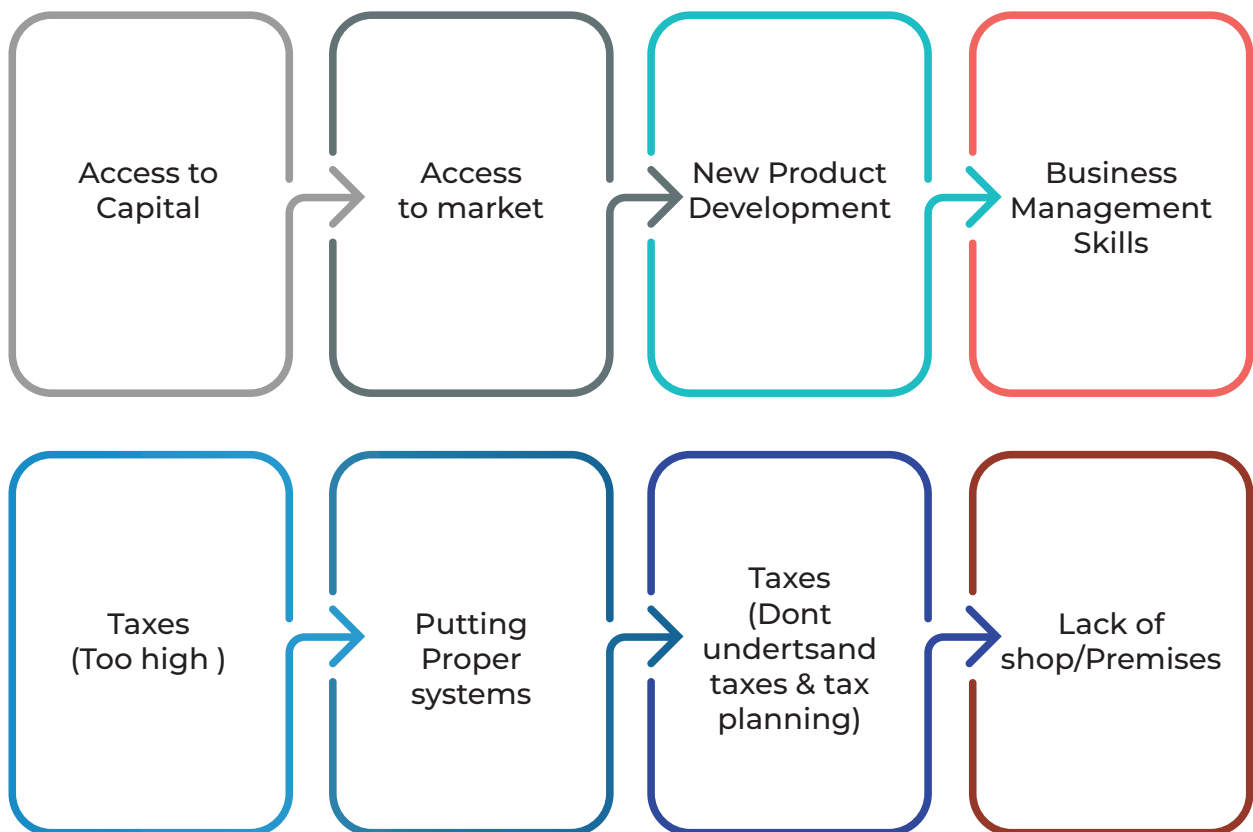
92 percent of respondents indicated that their side business improved their level of income while 8% indicated that their side business didn't improve their income level

Effect of side Hustle to performance of day job

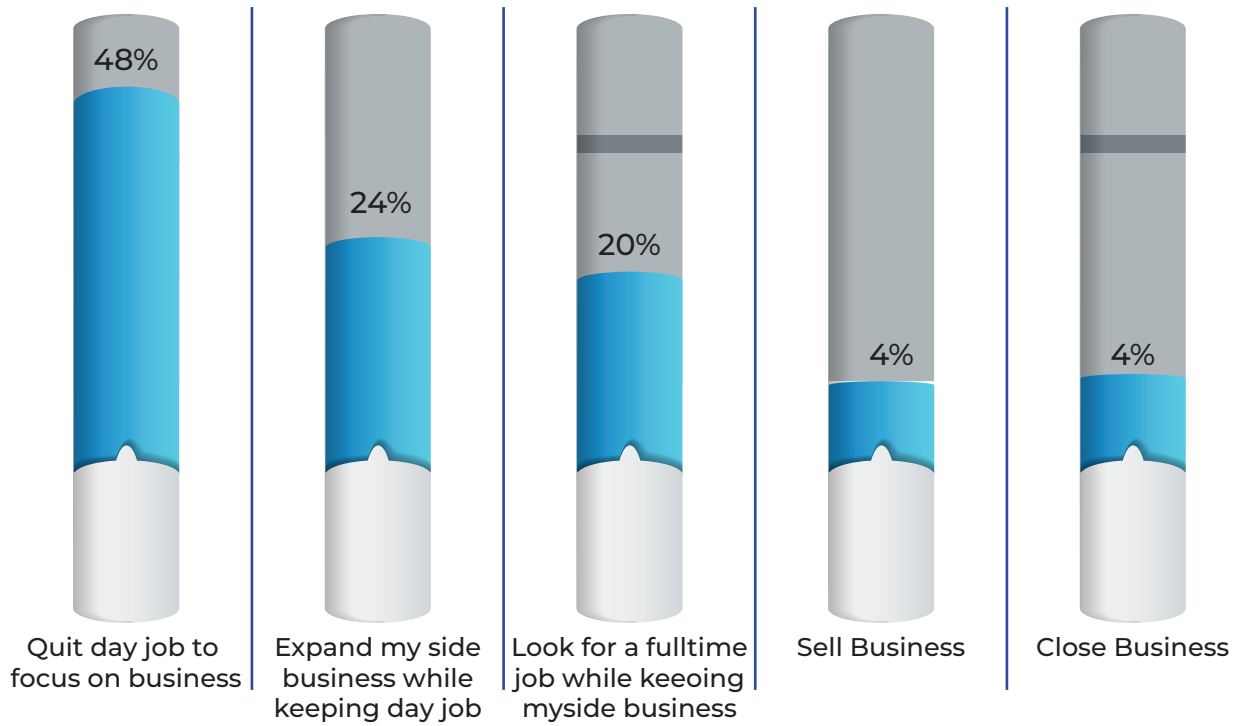


96 percent of respondents indicated that their side hustle improved their performance of day job while 4 percent indicated that their side hustle had no or negative performance on their day job.

Side Business Challenges



2022 Plans for Side Business



■ 2022 plans

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