Side hustlers: army earning extra cash

The guide Finding alternative income alongside your regular job is becoming more common, and lucrative, says Jessie Hewitson

One in four British workers now has a side hustle — an extra business outside their normal work — as traditional jobs become increasingly insecure, research suggests.

A study by academics at Henley Business School at the University of Reading questioned 500 business leaders and more than 1,000 other adults and found that a quarter ran a business project alongside their regular work. A quarter of those worked a total of 50 hours a week, but said they were more productive in their main role as a result of their extra activity.

As the number of side hustles grows, the kind of person doing them is becoming more varied. Everyone from business people to millennials to parents are looking to earn extra cash.

Some 44 per cent of people earning extra money this way had at least one child under 19 living at home, according to Go Daddy, a web hosting company.

Henley Business School economists estimate that side hustles add £72 billion to the economy, but there are no figures available for how much individuals earn. The Direct Selling Association (DSA) — a trade group for people who sell goods to consumers — says that the average monthly income earned by its members is £372.95.

“The vast majority of people do direct selling part-time, to fit around family commitments or another job,” says a spokesperson for the DSA.

The website Fat Llama, which allows lenders in London — ie people who do this as a side job — make an average of £931 per month.

Gatis Baumanis, 35, Kennington, south London

“We rent out a lot of audio-visual gear and camera equipment on Fat Llama. We now have about 200 items listed,” says Baumanis. He chooses which items to add to his stock by asking borrowers what they need and monitoring live searches on the website. If he’s thinking of buying something, he looks at how many times borrowers have searched for it.

“I’ve made £1,600 renting out a pair of PA speakers in the past year and that’s just one of about 200 items I rent. I had equipment from my events business which I was only using occasionally, so I started renting to make some money from it. The main reason I rent my stuff is the extra income. At the moment, we’re investing to keep growing it as a business, but pretty soon I might need an extra pair of hands to meet the demand.”

Fran Soleilhac, 55, Milton Keynes

Soleilhac became a consultant for the Cambridge Weight Plan, a diet programme, in 2014. She had a job as a pastoral support manager in a secondary school, but her work with Cambridge has become so successful she has now quit. She works with customers on a one-to-one basis and manages a team of 28 consultants. Her business turns over £130,000 a year and she pays herself £3,000 per month.

“My client base is extremely varied, with the average age of about 40. I go to clients’ homes or people come to me. “The flexibility of running my own business was invaluable when my mum, who lived in France, had cancer and sadly died in early 2015. During her illness, I regularly travelled to France to support her, something that would not have been possible if I had a 9 to 5 job. Direct selling has also given me financial freedom.”

Common ways that you can earn money on the side include:

Renting out your storage space

Stashbee allows you to rent out extra space in your home. One woman says she has made £26,000 from using its site in seven months, although she does own three warehouses and about 50 garages. The website claims that people can make more than £2,000 a year renting out a spare room for people needing to store goods, £1,600 from a basement and £1,000 from an attic. All goods are covered by the Stashbee insurance and it says that premises and the people using them are subject to checks.

Dog walking

Dog walkers can earn up to £9,200 in a year by doing three walks a week for three to four dogs, according to the dog walking platform Rover.com, which arranges dog boarding, walking and pet sitting. The work is popular with students and you may need references.

Selling goods online

Retail arbitrage — reselling new products with a mark-up — is one
of the most popular side hustles. Amazon Marketplace and eBay remain the dominant websites for private sellers. The Amazon Seller app allows you to scan barcodes of high street products to see how much they sell for online. Amazon also offers a Fulfilment service, where you can send Amazon your products and it stores them, delivers to your customers and deals with returns and customer service.

Fees start at £3.66 per item under 1kg, going up to £8.32 for anything weighing 30kg. A monthly storage fee of between £0.65 and £0.91 is also charged. Bubble wrap and labelling costs extra.

Renting out a room on Airbnb
The phenomenon of making money from your house while you are away is now so common that we all know someone who does it or who uses it while on holiday. Other sites include homeaway.co.uk and tripping.com.

And don’t forget about tax
HM Revenue & Customs (HMRC) is cracking down on people with undeclared income and is becoming increasingly sophisticated in finding side-hustlers who have not paid their full tax bill. You can earn £1,000 as a private seller online before you have to declare your income.

George Bull, a tax specialist at RSM, a chartered accountancy firm, says HMRC is unlikely to be interested in a seller who is selling random second-hand goods on eBay that they may have used themselves. But if you “are selling vintage camera equipment, for example, and you couldn’t have used it yourself, HMRC will take an interest”, he says. The taxman is looking for signs that you are selling goods in an organised way and so likely to be making a profit. Anyone making more than £1,000 from a side hustle needs to declare the income to HMRC.
Hobbies or jobs on the side such as dog walking or renting out storage space have almost become a full-time job for many second-income earners.