

# THE PROFITABLE PASSION

*Steps to developing your skills and earning more money*



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Ladies, this book is not for the weak at heart. This book is not for those who feel that they need to have someone take care of them (but trust me I am not above that). This is the side hustle bible -- a guide to the future based on what you do. My quotable item is "sex sells and you sell that's it". What does that mean? People will buy anything if you position it the right way. People want to buy you. They like who you are, what you stand for and not only are they buying your product; they are buying you.

So, who are you? What do you want? When was the last time that you took some time to sit and think about what you really want?

### ***My story (the short version)***

Everyone has dreams, ideas and passions. Some ideas succeed and some fail. I don't believe that there are any bad ideas; I just believe that the ideas aren't marketed right. So, what is your big idea? what are you going to do that is going to not only change your life but change the world. Because that's the goal, right?

For a long period, I wanted to be a writer, and I don't mean this type of writing. I mean, I thought I was going to be the next Maya Angelou or Edgar Allen Poe. I would daydream about a house on the beach where I would write and paint for hours. That dream has never happened but it could be possible.

I decided to pursue a dream that I saw offers faster money than being a best-selling author. The next dream I had was to travel the world. But I had to figure out how I could do that and still have an income. I was still working my full-time job and I went to school full time. I was exhausted, I didn't know how I was going to insert any additional work into my schedule. I began to babysit at night. I would bring my books with me and study once I put the children to sleep.

One of my clients asked me to become a part time nanny/ tutor for her children and increased my hourly rate by \$5 an hour. I was amazed and a light bulb went off. Within a year, I had quit my full-time job and was tutoring and nannying full time. I was making more money than I was in the corporate world. For me that wasn't an immediate process and it wasn't easy I did have to work hard and stay motivated as a transition to working for myself. It may seem that for some people it happened overnight like an overnight success story but many people don't see how long they have been working towards their goals and dreams.

### **Define side hustle:**

Money, money, money I love money. I suppose I'm over the top about it but I don't worship it but I love it. Wasn't Kanye West who said "Money isn't everything but not having it is"? That man knows what he is talking about.

So, I am a self-proclaimed side hustle queen and in all honesty, I haven't had a real job since 2012 (I was part time). So, what is a side hustle? A side hustle is something that you do to make extra money on the "side" of what you do for regular income. There are only a few people who can live off a regular full time job income and if we can, we are just barely surviving. Most people have a desire to do more than just survive; they want to enjoy life. Side hustles are for people who want to pay off bills faster, take trips, go shopping, buy that new car or upgrade their home. Think of how much your life would change with an extra \$250 a week or \$1000 a month. That's a very nice vacation after 3 months or lots of new shoes.

So, what can I do for a side hustle? Ask yourself this: What would I do if I could do anything in the world? Maybe you're a teacher at heart but hate their low salary then you can tutor. Tutor rates can start at \$25 upwards of \$75 with specialty certification. Or maybe you like to shop, then you can be a secret shopper (yes, this is a real thing). You can earn \$20 to \$100 per trip. Ideal for the shopaholics out there.

A great side hustle will follow these guidelines

- You love to do it
- You are good at it
- You are very clear who your market is (for example, if you are good with computers, you can offer your services to other homeowners in your neighborhood or in your community bulletin board or in a newsletter)
- In a short time, you can make a decent amount of money

### **Reasons to have a side hustle:**

1. More money in your pocket- Need money to get a few extra courses? Need to make more money so you can get out of debt? Need to pay for an engagement ring or new home? Save money for a dream vacation? At the end of the day, when the 9 to 5 isn't doing the trick, a side hustle can be a great accelerator to moving you closer to your goals. A side hustle gives you a little wiggle room to do things that you want to.
2. You get to build your skillset- In your full-time job you may only get to use a certain amount of skills.
3. Get to do what you're passionate about- Most people who work in a job are not happy with what they do. Having a side hustle allows you to do something that you enjoy and make a little extra money.
4. You don't have to negotiate your rate- Since this is a side hustle and you have a regular income, you don't HAVE to work for that client who wants to negotiate your rate. You have a side hustle because you WANT extra money. This is not something you have to stress over. If someone doesn't want to pay your rate, that's fine; find someone who does.
5. A side hustle could lead to a new career- Not only do you get to do something that you love but you also get to see if this has the

potential to be a full-time gig (if that is something you want).

6. You develop a just in case- I always have a back up to the back up. So, if something happens to your full-time job, if you have a side hustle, you will still have income until you find another job. You could even decide to make the side hustle full time.

So, you have doubts? Yes, I'm sure you do; why wouldn't you? you're human. So many of your objections may sound like this: I don't have time or maybe it's I don't have the money. The 3 most common objections I hear are:

1. **I don't have time-** As with anything in life if you are going to do something new you must make time in your life. So, having a family, job, and hobbies takes up most of your time fitting in a side hustle. My suggestion is to start with 30 minutes a day working on your new side hustle. That means getting up 30 minutes earlier or going to sleep 30 minutes later. This will get you motivated but won't wear you out on your new project.

Let's say that you make goals, and these goals need to be S.M.A.R.T goals. S.M.A.R.T. goals are specific measurable, attainable, relevant and time bound. So, I'll give you an example of a goal I would make in the past: I want to make lots of money. The goal I would make now: I want to make an extra \$2000 within the next 31 days so that I can take an extra vacation. (Adding what you want the money for gives you a visualization of what you are working for).

You should have SMART goals for all aspects of your life. The first step of creating a side hustle is to make sure that your mind is ready for it. Financially, you can be a wreck, physically, you can be a mess but mentally you must be ready to take on this hustling journey. If you can wrap your mind around the fact that you are about to change your life in every way, then you are ready. Everything else will fall into place.

Family and friends are going to tell you that you are crazy. That with the kids, or your husband or your job or school, you don't have time. Please ignore the naysayers! These negative nellys are not going to help you achieve your goals. You are going to learn how to create time for everything and you will quickly figure out what is important and what isn't.

As people, we have so many goals, dreams, and passions; the problem is trying to figure out which one we should do to make money. Like I said earlier people buy you so whatever you decide is going to sell. It's just that some things are going to sell better than others. It may take a couple of attempts to figure out what will work but keep working at it and you will get it.

It is time to create a passion list. What are you passionate about what do you love to do. If you could do anything in the world what would you be doing? This is something that you want to put some thought into because it is going to be the bases of everything from here on out.

My list looked like this:

1. Making money
2. Singing
3. Dancing
4. Writing
5. Teaching
6. Giving advice

I had so many things that I felt I was passionate about; I had no idea which one to choose. I said okay maybe I could make money giving singing lessons or maybe I could be a ghost writer. I could even get a part time job teaching. But what I really had to evaluate was which one of these was going to make me money and which one could I do long term. What I decided to do was to combine several of my passions to create what I do now. I make money by teaching people how to make money through giving advice and writing.

Another method that you can do is what I call the passion elimination method. You go through your list of passions and rate these 5 questions on a scale of 1 to 10. The passion that receives the highest score is the one that you will use to start your side hustle.

1. Do you enjoy learning about this topic?
2. Am I passionate about this topic/ worldview?
3. What is my level of experience or skill with this?
4. Am I able to solve problems or satisfy desires of other people with this topic or worldview?
5. Are other people already earning income with this topic or worldview? (If yes, this is a positive sign not a negative one)

These two methods should help you pick which passion to base your side hustle based off. As a word of advice, you must be willing to go with the flow and know that your side hustle might change as you go through this process. Please know that this is normal as you will learn about yourself and you will grow and change.

So what you have figured out your passion you may have the problem of not knowing how you are going to get all of this done. With all of the things that you already have on your to do list how are you going to add in something else.

There are a couple of things that you can do to find the extra time in your day to do your side hustle.

- ▶ Create a calendar of all your activities and get organized. If you can put all errands in the same area that will cut down on time. Make all doctor's appointments on one day. Group task together so you don't have to run all over town.
- ▶ Getting up earlier an hour a day will do wonders for creating more time. And don't do anything else in your extra hour but work on your side hustle



- ▶ Do not do pointless activities all day. Many of us are checking our email, on social media, surfing the internet and we don't realize how much time we lose in the day. If you will monitor how much time you are on the internet, you will see that you have more time than you realize. A great site for this is Rescue time
- ▶ Discover what time of day that you are at your best. I am at my very best early in the morning. I know of some who are at their best late in the evening or even in the middle of the day. Knowing when you are at your best has huge benefits when it comes to scheduling what you do and when you do it.
- ▶ We already talked about setting goals so you know that they need to be SMART but also determine at the start of each day what outcomes you want to achieve. Don't worry if you don't have every detail worked out as to how you will do it. By setting an intention or outcome you will figure out ways of achieving it.
- ▶ Know what matters and what is important. There are many people who lack clarity on what they need to do. We all know that about 20% of what we do accounts for about 80% of the results. What is the 20% that gives the most impact for you? If you don't know, set out to find out.
- ▶ Start with the biggest challenge first. While it's always tempting to start with easy stuff and start scoring things off the list, avoid doing this. Start with the most challenging task first. It might be a report, a project plan, a specification or an important customer call. Whatever it is, do it first. This is going to allow you to feel accomplished and the small items will seem like nothing since you have completed the big task.
- ▶ Manage interruptions whether you are at home or in public. You want to know how you work. Maybe you need to put on your headphones or maybe you need to work in solitude. Figure out what works for you and make it clear to those around you if you

need a slot of time without interruptions.

- ▶ Delegate more. What I mean is find someone to help you with some tasks. If you can get your husband to cook dinner tonight that will free up 30 minutes to an hour for you to work on your side hustle. Or ask a friend to run a few errands for you as a favor and offer them a favor in the future. It really takes a village to accomplish anything in life.
- ▶ Book out time slots in the diary/ calendar. I get so overwhelmingly busy that I need to write down my ideas, goals and tasks.
- ▶ My biggest problem is being realistic. I like to take on too much and then I get frustrated. Please remember you are a 'human being'. It is all too easy to set up lists of things to do that are totally unrealistic. I do it on a regular basis and it's because I like to be helpful. Get into the habit of setting challenging but realistic targets.

Tips to finding more time:

- Get up early
  - Make a schedule
  - Create a support group
- 
2. **I don't have the money-** Starting a side hustle should cost you less than \$100 (best if you can do it for free) Back to my tutoring example: My tutoring side hustle started free of cost. I went on Care.com, created a free profile and forgot about it. A few weeks later I received a phone call from a mom who wanted me to homeschool her children. I started with them and loved it. A side hustle was born. Of course, I had the skill set that customers wanted but if you do it, all you have to do is put yourself out there.

All you need to get started is:

1. Something to sell.
  2. Someone who wants what you're offering.
  3. A way to collect money.
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3. **I don't have a good idea**- One thing I have learned in all my years of side hustling is that there is always someone out there who will buy something. I mean really, I have sold things that have shocked me and it's like "really you're going to really buy it". You never know what is going to happen till you try. Just like there is a market out there for that ugly Christmas sweater that Aunty Betty knitted last year. Throw that sweater up on eBay, and it will make some person in the polar ice caps a happy camper. There is a market for everything! I also suggest you look at the reference section for a list of 100 side hustles.

A business model isn't something you build from the ground up. When management-types ask about a business model — as in, "So what's your business model?" — they really want an answer to a much more direct and basic question: "How do you plan to make money?"

Behind that question is a lineup of other questions:

- Who's your target customer?
- What customer problem or challenge do you solve?
- What value do you deliver?
- How will you reach, acquire, and keep customers?
- How will you define and differentiate your offering?
- How will you generate revenue?
- What's your cost structure?
- What's your profit margin?

So, the first step now is to figure out your target market so who are you going to help and what with? The people whom you help are called your target market. These are the people who you are going to go after to buy your product or service. Try not to be very general about this because you are hoping that the bigger you market the more money you can make. That is not necessarily the truth. Majority of the time if you are in a niche market you can create great name for yourself and charge more.

So how do you figure out your target market? Here are some questions to get you started:

- Are your target customers male or female?
- How old are they?
- Where do they live? Is geography a limiting factor for any reason?
- What do they do for a living?
- How much money do they make? This is most significant if you're selling relatively expensive or luxury items. Most people can afford a carob bar. You can't say the same of custom murals.
- What other aspects of their lives matter? If you're launching a roof-tiling service, your target customers probably own their homes.

To take it a little further to find your niche clients ask yourself these questions:

- Who do you like to hang out with or spend your day with?
- What are their personality types?
- What would they bring to your business?
- Do they share your values?
- Do they have the necessary income to enjoy your services?
- What is it that draws you to these people?

There are certain ways to define a niche. Please understand that your niche is a group of people who share a problem. They are willing to

pay for the solution for that problem and they are discussing the problem and trying to find the solution. These are the people who are looking for your products and services. They are constantly searching for what you have to offer the way that you are offering it. These are your niche clientele. Can you imagine that these people NEED your products and services? It is not a want; this is a need so they are ready to hand the money to you. Are you ready to collect?

There are a few concerns that people have when trying to figure out their niche. The first one being that marketing to a niche is going to limit your income but like I said directly marketing to your niche is going to give you the ability to charge more and get more clients through referrals.

After you figure out who to sell your products and services, you need to figure out your business model.

Speaking of collecting, how do you know what to charge and how do you get paid? There are going to be different ways to charge depending if you are offering a product or a service.

What do you want to help your customer with? What problem are you going to solve? So many people want to change the world but don't know how to do it. Now that you have figured out your niche market, what is your mission and vision for them?

Establish your business's vision, mission, and values to tell the world about what your business accomplishes. Even if you have your business's vision, mission, and values in mind, you need to commit those factors to writing to reflect the essence of your company.

- Vision
- Mission
- Values

Your vision statement: Defines your long-term aspirations. It explains why you're doing what you're doing and the ultimate good you want to achieve through your success. Think of your vision as the picture of where you ultimately want your work to lead you.

So to create the ultimate vision, sit and write out where you would like to be in your side hustle. But the key to all of this is that it is your vision!

Once you have your vision in order the next thing to handle is your mission.

Your mission statement: Defines the purpose of your company and the effect you intend to have on the world around you. It states what you do for others and the approach you follow to achieve the aspirations you've set. Think of your mission as the route you'll follow to achieve your vision. You can use this figure's worksheet to get your mission statement focused.

Start with a market-defining story. You don't have to write the story—it's not included in the mission statement—but do think it through: Imagine a real person making the actual decision to buy what you sell. Remember what I told you in the beginning, people are really buying you not what you sell. Use your imagination to see why she wants it, how she finds you, and what buying from you does for her. The more concrete the story, the better. (And keep that in mind for the actual mission statement wording: "The more concrete, the better.")

A good market-defining story explains the need, or the want, or—if you like jargon—the so-called "why to buy." It defines the target customer, or "buyer persona." And it defines how your business is different from most others, or even unique. It simplifies thinking about what a business isn't, what it doesn't do.

This isn't literally part of the mission statement. Rather, it's an important thing to have in your head while you write the mission statement. It's in the background, between the words. Define how your customer's life becomes better because your business exists. Start your mission statement with the good you do. Use your market-defining story to seek out whatever it is that makes your business special for your target customer.

Don't undervalue your business: You don't have to cure cancer or stop global climate change to be doing good. Offering trustworthy auto repair, for example, narrowed down to your specialty in your neighborhood with your unique policies, is doing something good. So is offering excellent slow food in your neighborhood, with emphasis on organic and local, at a price premium. This is a part of your mission statement, and a crucial part at that—write it down.

If your business is good for the world, incorporate that here too. But claims about being good for the world need to be meaningful, and distinguishable from all the other businesses. Add the words “clean” or “green” if that's true and you keep to it rigorously. Don't just say it, especially if it isn't important or always true.

Consider what your business does for employees or interns. With this part of the mission statement, there's a built-in dilemma. On the one hand, it's good for everybody involved to use the mission statement to establish what you want for future employees in your business. On the other hand, it's hard to do that without falling into the trap of saying what every other business says. Stating that you value fair compensation, room to grow, training, a healthy, creative work environment, and respect for diversity is probably a good idea, even if that part of your mission statement isn't unique. That's because the mission statement can serve as a reminder—for owners, supervisors, and workers—and as a lever for self-enforcement. If you have a special view on your relationship with employees, write it into the mission statement. If your business is friendly to families, or to remote virtual workplaces, put that into your mission.

Don't forget to add what the business does for its owners. The mission of management is to enhance the value of the stock. And shares of stock are ownership. Some would say that it goes without saying that a business exists to enhance the financial position of its owners, and maybe it does. However, only a small subset of all businesses is about the business buzzwords of “share value” and “return on investment.”

After you have done everything, it is about time to discuss, digest, cut, polish, review, and revise. Whatever you wrote for points 2-4 above, go back and cut down the wordiness. Good mission statements serve multiple functions, define objectives, and live for a long time.

As you edit, keep a sharp eye out for the buzzwords and hype that everybody claims. Cut as much as you can that isn't unique to your business, except for those special elements that—unique or not—can serve as long-term rules and reminders. Read other companies' mission statements, but write a statement that is about you and not some other company. Make sure you believe in what you're writing—your customers and your employees will soon spot a lie. Then listen. Show drafts to others, ask their opinions, and really listen. Don't argue, don't convince them, just listen. And then edit again.

And, for the rest of your business's life, review and revise it as needed. As with everything in a business plan, your mission statement should never get written in stone, and, much less, stashed in a drawer. Use it or lose it. Review and revise as necessary, because change is constant.

How you expect to make money is one part of your business model, but *when* you expect the money to roll in is another important factor. Some companies run up costs and spend cash months (even years) before a revenue stream begins to flow. For that reason, your business model must include a timeline that takes the following into account:

- The upfront costs you expect to incur when setting up your business
- The source of funds to pay for your upfront costs
- A schedule showing when you expect revenues to pour in

## **What should I charge?**

Someone who has a side hustle is going to be considered an independent contractor. There are a variety of ways to charge for your service, such as a fixed amount for an entire project, an hourly fee, or a



sales commission. But you must figure out how to charge so how do you do this:

1. Figure out how long it will take you to complete the project.
2. What you'd like to make per hour
3. The competitive rate for the service/skill
4. Practice the art of negotiation

## **What to charge for a product?**

There are three different profit margin calculations one should consider: direct costs margin, break-even pricing and profit pricing.

The direct costs margin is the margin generated after paying for costs that are directly associated with the product or service being sold. Examples include costs of sales, commissions and so on. The formulas for direct costs margin and direct costs margin percent are:

Direct costs margin = sales price - total direct costs

Direct costs margin % = direct costs margins / sales price x 100%

You can also use the direct cost margin percent to calculate the break-even volume as follows:

Break-even volume = (fixed costs / direct cost margin %) / selling price

You must at least cover direct costs to continue carrying the product. You may accept a price that is greater than direct costs in the short-term (such as a slow month). Over the long term, however, you must also cover your fixed costs and generate a profit--otherwise, you're just trading dollars.

Fixed costs are costs that do not fluctuate with sales volume like rent, depreciation, administrative employees and so on. Break-even pricing is

related to the break-even point, but instead of having the volume as the variable; selling price is the variable as follows:

Break-even price = direct costs / unit + fixed costs / volume

Setting the price at the break-even price will give you a profit of 0. If you're at least getting the break-even price, at least you're not losing money on the sale. However, all that work and investment still won't pay off. This brings us to profit pricing, which is calculated as follows:

Profit price = direct costs / unit + (fixed costs + desired profit) / volume

So now you have a price that will make you a profit. Ask yourself this: Can I sell my products and services at this price and still be competitive? If the answer is no, then you have two alternatives: lower your direct costs, fixed costs or desired profit, or consider not selling this product and focus your attention instead on products that have a better profit margin or less competition.

## **What to charge for a service?**

Research your competition. You will need both high and low estimates of what your local competition is charging. Call every competitor in your surrounding area and ask for a general charge rate.

Assess your relative value. Take into consideration the amount of experience you have, your level of expertise, the range of service you provide and the demand for your service in your area. Scale yourself as either a high, medium or low-ranking professional, and use this assessment to set your pay rate to your personal value.

Calculate an hourly pay rate.

- Set your annual salary amount. Be sure to account for any money you will spend on overhead, as well as savings and retirement plans and health insurance.

- Divide your annual salary by the number of hours you plan on working. Account for both direct (physical) labor and indirect (administrative) labor, as well as any paid or unpaid sick, holiday and/or vacation days you would like to include.

- Make sure that what you charge per hour fits realistically inside the parameters of your competition and your relative value. For example, if the most skilled and reputable accountant in your area charges \$50 an hour, then you, as a new accountant, should charge less.

Decide whether you want to charge by the hour or per project.

- Charging by the hour. This method is ideal for customers who want to hire you to do work on an irregular, piece-meal basis. You tell customers your per-hour pay rate, and they pay you for the number of hours you work. The advantage is that this method is simple for both you and your customer to understand and calculate. Additionally, charging by the hour prevents you from getting in over your head on bids for undefined jobs. The disadvantage is that some customers may question the length of time it takes you to complete a job.

- Charging per project. When you accept a job that has clearly defined parameters in regards to timeframe, materials and tasks, you may want to use the charge per project, or contract, method. This allows you to most accurately predict your income, as well as output. Additionally, customers know exactly what they are getting, and for how much. This method makes the most sense for jobs involving creative or intellectual property. For example, if you are hired to write a jingle for a deli, then it doesn't matter how much time you spent writing the jingle, if the jingle delivers on what the deli hired you for. To calculate your project rate, multiply the number of hours it will take you to complete the job, from preparation (even brainstorming) to execution, by your hourly rate. Adjust your cost per any special circumstances (difficulty of work, specialization, research, etc.) required for the job.

## How to market your side hustle

Okay Queen (nickname I gave myself) I have found time, I know I don't need money, and I've figured out what I want to do, how do I make money, and how do I find people who want to spend money (clients)? It's time for a little market research. Google will become your best friend. Anything I want to know I type it in google.

For this section, I will use myself as an example: My main side hustle is tutoring. At a certain time, I had so many clients; I was overwhelmed and started sending my clients to other tutors. How did I get to this point? I used craigslist. So many people are hesitant about the site but I love it. There are ads on there with tutors offering their services. After a review of those ads, I saw that the going rate in that market was about \$30 an hour. So, when I started out I started at \$25 an hour so I could establish a reputation for myself. Not only do I review the ads of people looking for a tutor but I also posted my own ads offering my service.

How you market your side hustle is going to depend on what market you are in but remember marketing is about creativity. What can you do to make yourself stand out from someone who is doing the same thing that you are doing?

### Creating a logo

There are many ways to be able to obtain a logo. How you get it depends on your budget. You have the option of hiring a graphic designer or you can do it yourself. If you are technically savvy and creative, then definitely make one yourself. But for those of us who are not then I can make a couple of suggestions that are budget bases.

For \$5 to \$15 there is a site called [fiverr.com](https://www.fiverr.com) that allows you to pay \$5 for a logo. This site is going to give you a decent logo that is great if you are on a limited budget. Some of the contractors on this site are very busy and it can take up to 30 days to get your logo back completed. You can pay extra to have the logo expedited.

For the price range of \$10 to \$50, there is also the option of hiring a freelancer from different sites such as [freelancer.com](https://www.freelancer.com), and [upwork.com](https://www.upwork.com). I like to use a freelancer from these sites for my logo needs. These sites require you to create a free account. You can place an ad on the site and tell the freelancers what you are looking for in a logo design. It is your responsibility to find a contractor who fits your budget and matches your needs.

Here are some questions to ask your potential designer:

1. How long have you been a graphic designer?
2. Do you have an office space, or are you home-based?
3. What's your specialty?
4. Have you worked on this kind of a project before?
5. How much does it cost?
6. How long is your turnaround time?
7. What's included with my project?
8. What do I need to provide?
9. What if I'm not happy with the design?
10. Do you have references?
11. Can you send me some samples?

Another option if you have the budget of about \$299 to \$1199 for it is to use a service such as [99designs](https://www.99designs.com). This company offers graphic designers who are very experienced in designing logos. This site doesn't just offer you one logo to choose from like the other sites. Depending on which package you choose you can get from 30 to 90 designs to choose from.

If you are now making money, a very important tip that I learned later in business is to keep your side hustle money separate from your work money. This can be as simple as opening another bank account to opening a business bank account (I'll explain more about this later). This is very important because not only do you want to be able to track the amount of money that you are spending, but you may also need this for tax purposes (depending on how much you make).

There are a few simple ways that you can track your finances. You can write down all your expenses as well as all the ways that you made money. If you subtract your expenses from your sales that will equal to your profit or the amount of money you made.

If your business is thriving, you may want to incorporate. There are several different types of corporations that you can set up.

Please research the different American corporation types and place the information here. *(Examples would be LLC, S-corp, partnership etc.)*

At first, you can start with being in a partnership with someone you know or a larger company. Advantages include a division of tasks between you and your partners, and it can help in making your company move. Although this may help alleviate and divide your business problems among your colleagues, this may not be enough when trying to consider capital's return on investments and liabilities.

Once you have set-up the partnership, it may become a Limited Liability Company (LLC); this is a cross between a corporation and a partnership. It has the basics of a partnership and the protection of a corporation. Typically, in a partnership and sole proprietorship, once a business is closed with liabilities, the properties you own may be used to pay the liability. Being in an LLC may help protect you from liabilities since a company's debt is theirs alone.

Once you have decided to become a full-fledged corporation from being in a partnership or an LLC, you can start with being a Small Business Corporation (S-Corp). This has an advantage of being a corporation but at a limited scale. Just like in an LLC, an S-Corp is also a separate entity from the owners, and the liabilities that stakeholders hold should be proportional to what they invested in. Truly, being in this type of corporation can help you in a lot of ways financially but this business entity is strictly monitored by the government like its bigger counterpart, the regular corporation (C-Corp).

There are many companies that will help with the incorporation process but I also suggest hiring a business lawyer to help with the legal aspects of your business. Now I am not saying that this is something that you must run out and do immediately but it is something that you should consider as you move your side hustle to a full blown business. Hiring a lawyer is not only great to assist in the incorporation process of the business but also to make sure that all your contracts and documents are legal. You also want to make sure that you are covered just in case you get into any legal trouble. It is easy to get you out of legal trouble before you are in it than to get you out once you are already in it.

Business lawyers are typical generalist lawyers who have a wide range of experience with and knowledge of issues surrounding the starting and running of a business. They are typically generalists who have a working knowledge of a wide range of issues, from copyright and trademark to tax and employment law, although larger firms employ attorneys who specialize in particular areas.

## **Taxes**

*Don't DIY your taxes to save a buck!*

This is one of the most common mistakes I see freelancers make. You try to bootstrap your business so you cut corners by filing your own taxes. In the meantime, you've missed out on possibly thousands of dollars in tax savings, as well as potentially screwed up your tax return in the process.

Bootstrapping your business is all about spending money in the right places and cutting back on the non-essentials. I don't think possibly getting in trouble with the IRS is on the "not important" list.

During the first year of running their own business, I always encourage solopreneurs to find a CPA or Tax Professional to help file their taxes. This way you can get a feel of how it's supposed to be and the tax deductions you qualify for. Then next year you'll be more equipped to file your own taxes if you chose to do so. Another option is to find a reputable Bookkeeper who has a CPA on board to answer specific questions or to do quarterly tax calculations, filing etc. Hiring a Bookkeeper opposed to a CPA will save you TONS of money – but you'll still get the added benefit of having a CPA available if/when needed.

*Start small and then incorporate later*

When you start your business, it can be tempting to dive-in head first, but this is not a good idea. It's best to file your taxes as a sole-proprietor and then shift to an LLC or corporation later.

In the U.S., business owners can file for DBA (Doing Business As) and a Tax ID number, or EIN, for their business. This is a simpler step and doesn't



require hiring a lawyer like filing for an LLC would (in some states). Please remember to always do your research before starting any project.

An advantage to having an EIN is when you fill out tax forms and other legal documents, you won't have to hand out your Social Security number. This helps prevent any fraud or theft issues with your personal SS# as well as represents your business in a more professional light.

As your business grows and you learn more and more about running an organization (no matter how big or small), then you can make the decision to incorporate. Until then I suggest taking it slow.

If you feel like you want to become an LLC right now to take advantage of tax savings and other benefits, you can still file as a sole-proprietor of the LLC. This is especially key for freelancers just starting out as a business.

To find out the best route for you, check out [Independent Contractor, Sole Proprietor, and LLC Taxes: Explained in 100 Pages or Less](#) by Mike Piper.

## **Create a checklist of deductions**

As a self-employed individual, you're required to file a tax return if your gross earnings is equal to \$400 or more. As such, a [Schedule C](#) must be filled out with your personal tax return. All of your business expenses (and income) will fall into these categories.

- Advertising
- Car and truck expenses
- Commissions and fees
- Contract labor
- Depletion
- Depreciation
- Employee benefits programs
- Insurance (other than health insurance)
- Interest

- Mortgage
- Legal and professional services
- Office expenses
- Pension and profit-sharing plans
- Rent or lease
- Repairs and maintenance
- Supplies
- Taxes and licenses
- Travel, meals and entertainment
- Utilities
- Wages
- Other expenses

List out the expenses your business has paid out in the last year and put them into the appropriate category. This will make it SO much easier on you when it comes to meeting with the CPA. And you won't have a big bill to pay a tax professional to do it for you.

### **Always pay yourself first.**

When you run your own business, and must answer to multiple clients, it's easy to pay all the bills first and forget about yourself. But if you want to make tax season a breeze, it's vital that you set aside money for taxes, business savings and even "fun money" for yourself.

You don't want to work hard all year round and have nothing to show for it and end up with a huge tax bill you can't pay. Open a separate bank account for your taxes and set aside at least 15% of your earnings from each payment you receive from clients.

### **Here are 3 tips to make this aspect of your side hustle business easier:**

#### **1. Keep track of what's coming in and going out**

If you don't know what's going on in your business, no one else will. So as a self-employed freelancer, you're responsible to keep track of what's

coming in and going out. This can be broken down into two main categories:

*Income from your business.* You no longer have the luxury of depending on an employer to provide you with the end of year tax info. So, it's solely up to you to keep track of the revenue your business brings in. Yes, you will get 1099s from your clients, but for the most part your income will be based on revenue receipts and statements.

*Expenses for the business.* You want to qualify for ALL the tax deductions you're legally able to claim. No one wants to pay more taxes than they have too! For this reason, it's vital that you carefully record all your expenses related to business transactions, and especially keep good records of any equipment you purchase and your travel expenses.

A simple way to keep track of both your income and expenses is to use financial software like Mint, LearnVest or Outright Bookkeeping. They offer both free and paid options depending on the complexity of your business. If you need help with payroll and other more in-depth features, you could consider QuickBooks online.

## 2. Pay Quarterly Taxes

This is probably one of the most alarming situations a freelancer faces when they complete their first self-employed tax season. You could be stuck with a huge tax bill, and a large penalty on your tax return if you don't pay your taxes on a quarterly basis.

Why? Because the Federal government requires that all taxes be paid and collected at the time the income is earned. Therefore, your employer withholds taxes from your paycheck every pay period, and sends payment on your behalf.

Additionally, as a self-employed freelancer, you are responsible for your own portion of Medicare and Social Security tax, whereas your previous employer paid half of these taxes.

These SE taxes require payments called QET's or quarterly estimated taxes which you pay on the 15th of the month following your last quarter. You can calculate your estimated taxes by using a round figure of 15-25% depending on your tax bracket.

However, if you want a more accurate calculation, you can fill out Form 1040-ES, or you could pay for the premium version of one of the bookkeeping services I mentioned above to calculate the taxes based on your gross income throughout the year.

### 3. Know Your Tax Deductions

By understanding all the tax deductions to which you're entitled can help you pay a lot less money in taxes — which means more money in your pocket to help your business grow.

Many of the most relevant tax deductions for self-employed business owners include; healthcare costs, home office deductions, business assets, travel expenses, office supplies and more. Even little things like business cards, repairs for your computer and interest paid for business loans are tax deductible.

To keep it simple each year, and avoid missing deductions you could claim, make a list of all your expenses as you go along. Then at the end of the year check off the ones that you've accounted for, before heading to the CPA.

Using these simple tips, you'll be much better equipped to handle tax season and won't have to fear the unknown.

### **Hiring an accountant and a lawyer**

I suggest hiring professionals to handle things that you won't be able to do yourself. You want to make sure that your money is handled properly and you can't be sued. So, hire an accountant so that you can be rest assured that your finances are correct. This accountant can do not only your side hustle taxes but also your personal taxes. They offer bookkeeping and budgeting services.

A lawyer can help make sure you are incorporated correctly; they are also great to make sure that all your documents such as contracts are binding. This is an expense that you don't want to spare.

Research services that offer accounting or lawyer services at a monthly fee or one-time fee. Add the information here.

Many websites would offer a software for you to be able to calculate and know your expenses. This accounting software may be found online and some even giving you a free trial period that you can use to get comfortable. If you really want an accountant, you can find and hire one through LinkedIn or UpWork. When looking for an accountant, make sure they are a Certified Public Accountant (CPA); these are people who have taken and passed the board exam which makes them eligible to give you a report and explain your company's financial standing.

On the other hand, looking for a lawyer may be quite tough as they can become quite busy with a lot of things; but with the current technology, looking for them isn't that much of a problem anymore. Websites such as LawDingo can help you with your LLC formation for as low as 99.00 USD.

### **How to collect payments?**

There are many ways to handle the payment situation with a side hustle. Cash is always king in my book but many people don't carry cash these days. So, you want to make sure that you can accept all payment types so that your clients can buy your product or service without hesitation. There are a couple of solutions you can choose, and you should just try to do what is best for your business.

PayPal- You can set up a free PayPal account and send out invoices that clients can pay with their PayPal account or a debit/credit card. PayPal also has a swipe device that allows you to take payments by card in person (there is a small fee per transaction for this service).

Another option is <https://inspirepay.com>. You can accept payment via PayPal or other debit/credit card. I suggest this because it a better presentation opposed to sending people a PayPal invoice or link. It's a bit more of a "professional" look/feel.

Square- Square is a payment system that allows you to swipe the credit card or key in the payment via their app and device (there is a small fee for this service).

If you feel comfortable taking checks, they can make it out to you. I do this for customers I have a long-term relationship with.

As you start to develop your side hustle, you will see that there are several different ways to collect payments. My favorite thing is to be paid in cash. Cash is not trackable so that is sometimes a bad thing. If you want to show income to investors, you need the money that you make to be on record. Cash makes collecting payment easy, but it can hurt you in the long run if you plan to grow your business.

There are several different payment systems and to figure out what system is best for you, there must be a test and trial method. There are payment systems that are offered through the banks that are called merchant accounts. These allow you to take payments from credit and debit cards. There is a monthly fee and a transaction fee, then the funds are placed into your account.

There is also the online option of payment.

Research online payment options and explain them here.

Online payment services such as the most common paypal can be used when making transactions between people. This limits the option of going through to different places to meet up and pay for the service. This online payment services may be mainly for payment but they also secure your money from transactions that you don't mean to do or unauthorized deductions. Don't worry about wanting to use your money online for a

service or product on a physical store, paypal connects to your bank card and other online payment service like Google Wallet hands out their own card for you to use when you want to pay for something at a physical store using your money online.

There are so many ways that you can earn many! I hope that I have provided at least a basic outline so that you can get started reaching your goals. What I would like to for you to do now is to really consider your talents and skills. Figure out how can you promote them to attract people and convince them to hire you. If you haven't started doing any side hustle yet, now is the time to think about what you can do in your free time that can benefit others as well as yourself.

Believe that you have unlimited potentials, and develop those which you are most inclined to use and find out more how you can use them to your advantage. Let me reiterate, this book is not for the weak at heart. It is for those who believe in themselves and in their capacity to do more in life. Start your side hustle business now, and reach as far as your dream can bring you!

As a small bonus, I would like for you to visit me at [www.hustlinghotties.com/bookbonus](http://www.hustlinghotties.com/bookbonus). I have over \$500 worth of free gifts for you as a thank you for purchasing this book!

## Definitions:

**Coaching-** The art of facilitating the performance, learning and development of another

**Consultant-** the business of giving expert advice to other professionals, typically in financial and business matters

**Expenses-** the cost required for something; the money spent on something.

**Freelancer-** someone working for different companies at different times rather than being permanently employed by one company

**Independent contractor-**a natural person, business, or corporation who provides goods or services to another entity under terms specified in a contract or within a verbal agreement.

**Side hustle-** Sideline that brings in cash; something other than your main job.

**Self-Employment-** A situation in which an individual works for himself or herself instead of working for an employer who pays a salary or a wage.

**Overhead-** cost or expense

**Profit-** a financial gain, especially the difference between the amount earned and the amount spent in buying, operating, or producing something.



## 100 Side hustle ideas:

1. Web design
2. Home organizing
3. Writing and editing
4. Coaching
5. Computer maintenance/ repair
6. Massage
7. Tax preparation
8. Personal training
9. Yoga
10. Consulting
11. Catering
12. Photography
13. Affiliate marketing
14. Air BNB
15. Alterations
16. Antique Picker
17. App development
18. Bartender
19. Being a task rabbit
20. Baking
21. Blogging
22. Booking/ Accounting

23. Building Niche websites
24. Car wash and detailing
25. Caregiving
26. Carpet cleaning
27. Catering
28. Child care
29. Cleaning Service
30. Club Promoting
31. Computer Tutoring
32. Consulting/ Coaching
33. Cover Letter and Resume Service
34. Craigslist Arbitrage
35. Customer Service
36. Designated Driver
37. Donate Plasma
38. Drop shipping
39. Estate Sale Service
40. Event Dj-ing
41. Freelancing
42. Furniture Making
43. Ghost Writing
44. Gig walking
45. Handyman service

46. Home inspection Service
47. Housesitting
48. Human Billboard
49. Hyper- Local Newspaper
50. Interior Decorator
51. Ironing/ Laundry Mobile Service
52. Junk Hauling Service
53. Medical Transcription Service
54. MLM Sales
55. Mobile Oil Changing Service
56. Modeling
57. Moving Service
58. Movie/ TV Extra
59. Mystery Shopping
60. Newspaper Route
61. Notary Public Service
62. Online Surveys
63. Online researcher
64. Party Planning/ Wedding Coordinator
65. Peer Lending
66. Personal Chef
67. Personal Organizer
68. Personal Training

69. Pet grooming/ sitting
70. Photography
71. Pool Cleaning
72. Proofreading
73. Public Speaker
74. Rec Sports officiating
75. Renting out your car
76. Run A Facebook Or Twitter Account with Sponsored Content
77. Sell Avon
78. Selling on Amazon
79. Selling on EBay/ Etsy/ Fiverr
80. Sperm Donor
81. Sports coaching
82. Substitute teach
83. Taste tester
84. T-shirt Printing Service
85. Teaching Music
86. Teaching on Udemy
87. Teaching Yoga
88. Test writer
89. Tour Guide
90. Translation/ Interpretation Service
91. Travel agent service

- 92. Tutoring
- 93. Vehicle Advertising
- 94. Virtual Assistant
- 95. Web Design service
- 96. Window Cleaning service
- 97. Working on Mechanical Turk
- 98. Write an eBook
- 99. Yard work Service
- 100. Youtube Channel Host

## Websites/ Apps for hustlers:

1. Fiverr.com
2. Ebay.com
3. Etsy.com
4. Elance.com
5. Odesk.com
6. Craigslist.com
7. Paypal.com
8. Square.com
9. Uber.com
10. Google drive
11. Dropbox.com
12. Task rabbit
13. Waze
14. Thumbtack

- Income
- 1099MISC from freelance clients or companies
- Income receipts for freelance work (not issued on a 1099)
- 1099MISC from advertising
- 1099MISC from affiliate income (Amazon, Google)
- Receipts for any other self-employed income
- Value of promotional gifts received (books or products sent for reviews)
- Receipts for estimated tax payments paid quarterly
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

# Expenses

- Website domain hosting and registration fees
- Promotional and giveaway costs (paid out of pocket)
- Conference tickets and passes
- Travel costs (hotel, airfare, rental car, parking, meals)
- Business cards, brochures and promotional items
- Shipping and packaging costs (PO Box fee)
- Bank charges (credit card interest, service fees)
- Marketing and advertising fees (email newsletter, Facebook promotions, Twitter ads)
- Computer software, electronics, apps (Acrobat, Scrivener, Scanner Pro)
- Monthly or yearly subscriptions (private forums, networking clubs, magazines)
- Continuing education costs (books, courses, certificates)
- Graphic designer fees, website theme or layout costs
- Employee, assistant and project fees (virtual assistants)
- Legal and professional fees (lawyer, bookkeeper, accountant)
- Office supplies, furniture and equipment (desks, computers, printers, paper, ink)
- Special clothing and supplies (required to conduct business)
- Internet, phone, fax charges (used for business purposes only)
- Health insurance premiums (Self-employed)
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