Why College Students Should Consider a Side Hustle This Semester



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As the summer closes and the school year nears, college students have a lot on their minds. Moving back to campus, finalizing class schedules and getting back into a routine can be overwhelming, especially as the costs of housing, tuition, food and school supplies put pressure on students to budget accordingly. We're seeing more Gen Zers (ages 18-26), including students, manage the expenses of living on their own by adding a side hustle. In fact, a recent Bankrate survey found that 53% of Gen Z have a side hustle to earn extra income.

While Gen Z is turning to side hustles at a faster rate than

other generations, there’s more than spending money at stake. According to a recent Bank of America Better Money Habits survey, 52% of Gen Z reported that they don’t make enough money to live the life they want. In the next five years, many Gen Zers hope to improve credit, pay off debt, buy a home and start a family. Unfortunately, most aren’t on track to meet these goals, and nearly two in five feel they don’t have enough income to achieve their financial goals.

However, these goals aren’t unattainable. Learning to earn, budget, manage spending and save money while in college can make this transition easier.

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Setting up for success with a side hustle

Students can earn extra cash in various ways, from traditional gigs like tutoring, babysitting or waiting tables to more entrepreneurial ventures like starting a business.

Choosing to start a business while in college is one of the best ways students can invest in themselves, their careers and, of course, their finances. Of the many benefits to starting a business in college, one of the most alluring is financial independence. Having a source of income empowers students to manage their financial responsibilities and spending/saving choices.

Starting a business or taking on a side hustle while in college also teaches students real-world experience, putting them steps ahead of their classmates. Instead of waiting until after graduation, working students get real-world experience and develop essential skills such as time management, budgeting and communication.

Student entrepreneurs can also take advantage of networking opportunities that their university offers. Attending career fairs and joining clubs based on their interests connects them with colleagues, supervisors and teachers who can act as mentors.

College towns also feature a diverse range of consumers. Depending on the target market, students can use the people around them as focus groups to learn more about their needs and determine how their business could provide the best solution.

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Becoming a student entrepreneur

So, for ambitious college students looking to bring in additional income to maintain their lifestyle and save for the future, here are some tips for starting a business:

1. **Do your research:** Before taking any steps toward launching your business, it's crucial to conduct research. What does the industry look like? Who are your competitors? Is there a market need? The more information you have at the beginning, the better off you'll be when making business decisions.

2. **Be passionate but realistic:** Before launching your business, make sure your product or service is something you are passionate about. The process of starting a business comes with its fair share of highs and lows and is often a labor of love. Your passion is what will power you through the lows. In addition to being passionate, be realistic. When choosing a side hustle, consider if and how you can manage that kind of business at scale. For example, if you're selling a product, will

you be able to store inventory and have the time to keep up with order fulfillment? Also be realistic about the time you devote to your business, especially while balancing it with your schoolwork and extracurriculars.

3. **Develop a business plan:** Planning is a key step to take before launching your business. Your business plan is a document that details the goals you have for your business and the steps you'll take to meet them. It should detail what your business will be, how it will operate, its revenue model and its growth strategy. There are several free templates available online that you can download and personalize, including this one from SCORE.

4. **Manage your money wisely:** Starting a business often requires you to invest before you can profit. First, you should consider funding sources to help get your business running. Do you have friends, parents, teachers or mentors who would be interested in investing? Are there any grants that you can apply for as a college student? Does it make sense to take out a loan? Once you've decided how to fund your business, make a budget and stick to it. Track your company's performance, sales, costs and profits, and update the budget regularly as your business changes.

Related: 7 Reasons to Start a Business While in College

Although current economic conditions may feel overwhelming for Gen Zers during their college years, side hustles offer students a creative outlet and opportunity to build wealth while taking advantage of the flexibility that can diminish once entering the workforce after graduation. Whether they start a small business of their own or not, I encourage students to take the future of their finances into their own hands and never stop seeking opportunities that can help them

achieve financial freedom.

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