New Survey from LegalZoom Reveals the Prime Motivator for Nearly One-Third of Gig Workers is the Need to Simply Make Ends Meet and The Top Cities for Side Hustles

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As economic uncertainty elevates, jobs across the social media sector are dominating the side hustle economy with 52% of respondents working in content creation, writing, or affiliate marketing

Glendale, Calif. - May 30, 2023 - LegalZoom, the industry leader in online business formation and a leading platform in legal, compliance, and tax solutions, today released new findings from its inaugural State of the Side Hustle survey. With today's economic challenges, and the majority of Americans considering a career shift, the findings highlight the positive impact side hustles are having amongst 92% of respondents, with 41% feeling more secure by having one.

The survey, which captured data from 1,000 U.S. adults who are actively engaged in a side hustle, indicates that the prime motivation for nearly half (48%) of respondents was the desire to bolster their income in today's economy, followed by the ability to set their own hours (40%) and general concern regarding economic instability (30%).

The new findings also show that today's most common side hustles are in the social media sector, with over one-half (52%) reporting content creation, writing, or affiliate marketing as their choice for additional income. Social media platforms like YouTube (51%), Instagram (50%), TikTok (44%) are the most leveraged resources helping these creators make money. Traditional side jobs like delivery (27%) and babysitting (25%) round out the top three categories of today's most popular side hustles, demonstrating some of the tried and true methods of secondary income remain lucrative.

"It is clear that today's economy necessitates a side hustle to help Americans fill financial gaps and make ends meet," said Dan Wernikoff, CEO at LegalZoom. "But what's interesting is the continued evolution of what constitutes a small business. Traditional side jobs like babysitting and construction endure, but we're seeing remarkable growth in creators within the social media sector that is dominating the side hustle economy. As the leader in online business formation, LegalZoom is uniquely positioned to help educate this new sector and remove barriers to access by providing the right resources these small business owners need to form, protect, run, and grow their side hustle."

Additional key takeaways from the survey include:

The Cost of Quitting: On average, a typical side hustle generates $1,000 per month. 89% of respondents would consider quitting their main career to focus on their side hustle for the right amount of money, but a median of $4,000 per month, or $48,000 per year would be needed to do so.

Part-Time to Full-Time: Despite many people starting a side hustle for additional income, a majority (54%) would consider a job or career shift due to their positive experience. Approximately half (48%) of the respondents reported preferring their side hustle over their regular job or career versus a quarter (27%) who said they preferred their traditional job.

The Peak That Started it All: 60% of respondents began their side hustles after the pandemic's peak in 2020. As inflation swelled late last year, job insecurity and rising costs became top of mind, leading to another uptick in side hustle growth as nearly one-third (28%) of respondents started theirs following the rise in inflation.

Side Hustle Earnings: With recent economic challenges cited as the prime motivation for taking on a side hustle, over one-third (33%) of respondents say they'll primarily use the earnings to pay the bills or cover everyday expenses, most commonly groceries (24%) and utilities (21%).

Let Freedom Ring: In addition to the economic factors at play, the flexibility afforded to those who took on a side hustle was another compelling perk, with 40% of respondents motivated by the ability to work flexible hours. Flexibility is even more desirable by women, as just under half (43%) of women with side hustles found that they are able to work with more control over their hours, compared to nearly 36% of men who said the same.

Far From Official: While many Americans have taken on a side hustle, few have made the process official, with only 24% having legally created a small business entity or corporation for their side hustle earnings. Lifting the financial burden of launching a business would have made nearly 30% of side hustlers start sooner.

***On the heels of this survey, LegalZoom released a list of the top 20 cities with the most side hustles per capita across 35,000 cities in the United States. LegalZoom found that **Houston**, **Los Angeles**, and **Pittsburgh** came in as **the top three metro areas for side hustlers**, with more residents embracing the entrepreneurial spirit than anywhere else in the country. The full list of cities includes:

1. Katy, TX
2. West Hollywood, CA
3. Spring TX
4. Pittsburgh, PA
5. Frisco, TX
6. Irvine, CA
7. Tampa, FL
8. Scottsdale, AZ
9. Riverside, CA
10. Houston, TX
11. Long Beach, CA

12. Oakland, CA
13. Charlotte, NC
14. Bakersfield, CA
15. Arlington, TX
16. Raleigh, NC
17. Fort Worth, TX
18. Los Angeles, CA
19. Colorado Springs, CO
20. Jacksonville, FL

About LegalZoom.com, Inc.
LegalZoom is the number one brand in online business formation according to small business owners and is a leading online platform for legal and compliance solutions in the United States. With its mission to democratize law, LegalZoom operates across all 50 states and over 3,000 counties in the United States and has more than 20 years of experience navigating complex regulations and simplifying the legal and compliance process for its customers. Driven by its core value that every business deserves the full protection of the legal system and a simple way to stay compliant with it, LegalZoom helps its customers form and protect their businesses, their ideas and families. In 2020, 10 percent of all new LLCs and 5 percent of all new corporations in the United States were formed through LegalZoom, enabling small business owners to apply their energy and passion to their businesses instead of the legal and regulatory complexity required to operate them. In addition to business formations, LegalZoom offers ongoing compliance and tax advice, trademark and copyright filings and estate planning documents to protect small businesses and the families that create them.

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State of the Side Hustle Methodology
This sample of 1000 U.S. adults, aged 18 to 75, was surveyed on March 8 and 9, 2023. All respondents are currently engaged in at least one "side hustle" separate from their primary career, confirmed by self-confirmation. DKC Analytics conducted and analyzed this survey with a sample procured using the Pollfish survey delivery platform, which delivers online surveys globally through mobile apps and the mobile web along with the desktop web.

Top Cities for Side Hustles Methodology,/br> This data looked at the number of small business formations per capita across 35,643 cities in the United States from 2022–2023 via the LegalZoom platform.

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