

Anatomy of a Side Hustle: How I made \$18,000 at an effective rate of \$100/hour

Your 9 to 5 will make you a living, but your 5 to 9 will make you alive. -Nick Loper, [Side Hustle Nation](#)

A side hustle is anything you do outside of your main hustle (your JOB) to earn money. I personally think that everyone should have a side hustle, even if only for the tax benefits. The extra income is really nice, too. Everyone has their own reason for starting a side hustle, but here are a few reasons why you might want to consider starting one:

1. To Earn More Money
2. To Pay Off Debt
3. To Learn New Skills
4. To Work On Something You're Passionate About
5. To Quit Your Day Job (Eventually)
6. To Diversify Your Income Streams
7. For the Tax Advantages of Business Income vs. Earned Income
8. To Test the Waters of Entrepreneurship Without the Risk
9. To Reach Financial Freedom Faster
10. To Build Your Dream Instead of Someone Else's
11. Use Time More Productively

These are only a few reasons you may want to consider starting a side hustle. You may have other reasons that are not on the list above. The list I came up with is based only on my own experience. However, I think that you will likely be able to relate to one, if not many, of the reasons on my list (but that's just a hunch).

Now that you understand what a side hustle is and why you may want to consider starting one yourself, I want to walk you through how I made an extra \$18,000 last year from one side hustle that only required me to work 15 hours a month.

How I earned \$100/hour from my side hustle

I originally came up with the idea to start a digital marketing and analytics consulting service back in December of 2013. I had just moved out of Finance and onto a newly formed Global Analytics team to support a \$100M e-commerce business a few months earlier. However, I had known about the position for about 6 months before I made the internal move. During that time, I spent a lot of time researching and studying digital marketing and analytics.

Typically the way I evaluate and prepare for any opportunity is to first turn to the internet. I find the top bloggers on the topic I am looking to learn more about and eventually develop a skill set in. Then I head over to Amazon and buy 1-3 books on the topic (typically spending less than \$100). In most situations, you don't even have to buy the books because you can find almost everything you need online for free. However, books streamline the learning process due to their more structured nature in comparison to a blog.

By the time I made the move I felt very confident stepping into the new role. I was so confident, in fact, that I decided there was no reason why I could not double dip on this newly acquired knowledge and skill set I had been building up over the past 6 months. By Christmas time, I started telling everyone I knew that I was starting a digital marketing and analytic's consulting practice. I also created a list of some potential clients that I thought would be both willing and able to pay me for my new service. The list wasn't very long but it was very qualified. My list was so qualified that I was able to close 3 out of the 4 on the list and make them clients.

Let's take a quick look at each client:

Client #1: Was a previous employer of mine that I worked for off and on through high school and college. They operate an e-commerce business in the medical device space and had seen revenues decline over the past two years before contracting with me. I had always stayed in touch and set up lunches at least twice a year with the owners in order to keep the relationship alive and well.

With an upcoming launch in January of 2014, I put together a presentation and proposal. The proposal laid out a plan that suggested I could cut their online marketing expense in half, while simultaneously growing their revenue by \$50,000 for the year. I ended up cutting the marketing expense from \$14,000 in 2013, down

to \$6,000 in 2015, while increasing revenue by \$57,000 or about 30% for the year.

I didn't know exactly how I was going to do it, but I was confident enough that I gave them a 90-day window to cancel the contract with no further obligation.

Client #2: Was a company I found on one of the blogs I was reading. They were looking for contractors to manage digital marketing and analytics for a client selling forecasting and trading services. I applied, had a 90 minute phone call, and got the gig with little to no real experience. However, I had enough attained enough knowledge to come across as someone who at the very least knew what he was talking about. It also helped that I had a deep knowledge of trading and investing and understood what the client was selling very well.

There was no pitch, just the 90 minute phone interview along with a couple emails back and forth. I started managing this client in April and I was able to generate a 300% ROI on the money we spent on marketing.

Client #3: My wife actually refereed one of her clients to me. He was a real estate agent that wanted to get a custom website designed that he could use to show off properties he was listing. He also wanted to use it as a way to generate leads, which meant setting up some online marketing to drive traffic and analytics to figure out what was working and what wasn't. Obviously the goal was to do more of the stuff that was working and less of the stuff that wasn't.

Now website design was not something that was in my wheelhouse, but I had a friend that did this on the side. I subbed out the website design and tackled the marketing and analytics piece. The client had a small budget, so after we got the website set up with some basic marketing campaigns, he decided he would take over. He was very pleased with the website and has continued to send us periodic emails with how many people compliment his website. He has also mentioned how much more professional he looks compared to his peers.

How did I charge the clients?

In all honesty, this was a case by case basis. The great thing about a side hustle is that there are no rules and you can come up with whatever pricing strategy you want.

With client #1 I charged a \$5,000 initial fee plus 15% of any increase in revenue

over the prior year that I generated. This one client generated 75% of my side hustle income from this business. Any time you can get a piece of the action, do it. My recommendation is to ask because the worst case scenario is the client says no. When I presented this pay structure, I also included an option where they would pay me a fixed fee of \$1,500/month. This was really just a tactic because they could easily calculate that their minimum spend would be \$5,000 in option #1 or \$18,000 in option #2. I was intentionally steering them to option #1, which was the pricing structure I favored.

Looking back I would have made the same amount of money with either option, but the reality is they would have never gone for option #2 and I knew it. So it was really just a psychology play. Plus, I wanted my upside to be unlimited in case I was really able to blow it out of the park. In option #2 I had a ceiling at \$18,000 for the year long contract.

With client #2 I charged them an hourly rate of \$45/hour billed monthly. At the time my annual salary was \$90K/year, so I used that as a benchmark to come up with a hourly billing rate.

And finally with client #3 I charged a flat fee of \$3,000 for all services rendered.

In summary

Most people don't realize that they have a skill set that others are willing and able to pay for out there in the world. It is also not nearly as hard as you may think it is to start a side hustle. And the only rule is, well, there are no rules. You get to decide when you work, where you work, and with whom. And you get to decide how much you will charge.

It took me 30 days from the day I got the idea to start this business before I landed my first client.

It took less than \$100 in educational material. But like I said above, the information could all be found online and for free. The books just helped streamline my education due to structure.

I spent 15 hours a month with 3 clients on 3 different pricing structures.

Over the course of 12 months and 180 hours, I was able to generate \$18,000 in

extra income. This put my effective rate at \$100/hour. If I did this full time that would be approximately \$200K/year.

Look, I am not special or born with some special talent. Anyone can do this. Even YOU!

So what are you waiting for? Get out there and get your hustle on!!!

- Gen Y Finance Guy

p.s. Are you looking to get your side hustle one? [Here is an in-depth guide to 100 On-Demand companies people can work for on the side. \(More than just Uber and Airbnb\)](#)

Oh, you're still reading.

Do you want to help keep our lights on? You're under no obligation, but if you were already thinking about it or were a little bit curious, why not help us out?

Here are a few ways you can help us out:

1. **Personal Capital** - You know how big I am on tracking my finances, that's why I totally recommend Personal Capital's FREE software that helps you see all your financial accounts in one secure and convenient place (checking, savings, investments, and retirement accounts). Without a tool like Personal Capital, these reports would take 2-3 times as long to complete. You want to track your income? Your expenses? How about your Net Worth (who doesn't like watching that bad boy climb). Just sign up and link your accounts today. **Absolutely free to you!**
2. **Amazon** - I order just about everything from Amazon. Not only does Amazon have the **lowest price**, but with Amazon prime I get **FREE two-day shipping** as well as the following: 1 Million ad FREE songs, FREE instant streaming of thousands of TV shows and movies, FREE unlimited photo storage in the cloud, and FREE books for Kindle. Lets be honest, at some point you actually need to spend money, but you might as well get the best price. Anytime you use this link and make any sort of purchase on Amazon within 24

hours, we will get a very small commission at **no additional cost to you**.

3. **Blue Host** - Have we inspired you to create your own blog? Well let me save you some money. This is the hosting company that I use for this blog. It is stupid cheap and the customer service is amazing. The normal price is \$5.99/month, but if you use this link you will get a 34% discount (only \$3.99/month). It took me less than 5 minutes to buy my domain, install wordpress, and get the first version of this site up and running.

OR you can check out our [Recommended Products and Resources page](#).



Gen Y Finance Guy

Hey, I'm Dom - the man behind the cartoon. You'll notice that I sign off as "Gen Y Finance Guy" on all my posts, due to the fact that I write this blog anonymously (at least for now). I like to think of myself as the *Chief Freedom Officer* here of my little corner of the internet. In the real world, I'm a 30-something former C-Suite executive turned entrepreneur turned capital allocator. I am trying to humanize finance by sharing my own journey to Financial Freedom. I believe in total *honesty* and *transparency*. That is why before I ever started blogging, I decided that I would share all of my own [financial stats](#). I do this not to brag, but instead to inspire motivate, and also to hold myself accountable. My goal is to be a beacon of hope, motivation, and inspiration for *you*, the reader, by living life by example and sharing it **all** here on the blog. My sincere hope is that you will be able to learn from me - both from my successes and my failures! [Read More](#)