

FINAL PRESS RELASE

Release Date: XX September

Britain benefits from hobby economy boom – yet millions of entrepreneurs still miss out

* Bake Off bonanza and fitspo phenomenon have contributed to the popularity of passion-based businesses
* 86% of those who have started a hobby-based business now have greater job satisfaction
* Yet millions of would-be entrepreneurs’ dreams of setting up a business based on their hobby haven’t yet been realised\*

The Start Up Loans Company (SULCo), in partnership with YouGov, surveyed over 4,000 British adults to uncover Britain’s attitudes and aspirations towards pursuing hobby-based businesses such as arts and crafts enterprises, fitness studios and cake-making companies.

Additionally, SULCo analysed the turnover and profit figures of hobby-based businesses - started up on the back of the passions of the business owner, between 2012 and 2017, to determine their value to the UK economy.

The research revealed that over a quarter (28 per cent) of Britons have, at some stage, considered turning their hobby into a business. Yet only three in 10 (29 per cent) of this group have gone on to do so. This equates to a potential 6 million hobby-based business owners that have not started up\*.

Analysis of SULCo data reveals that Bake Off hopefuls, green-fingered gardeners, fitspo fanatics and ambitious artisans recorded an average turnover of £65,000 and made £15,800 in profit\*\* – a 24% margin – in the last year.

Kasey Clarke launched Kupkase & Co. in 2013 with the help of a Start Up Loan. Previously a BBC radio producer, she always had a passion for baking, but wanted to take the next step and start her own cake business. After receiving training from a world-class cake designer, she launched Kupkase & Co., which specialises in bespoke cupcakes and wedding cakes.

Kasey said: “I’ve always loved baking and creating beautiful cake designs, but I’d never thought of it as a potential business. When I was offered voluntary redundancy, I decided it was time to give it a try and haven’t looked back since!

“The funding and support from The Start Up Loans Company helped me to buy everything I needed to get started at home, so I could take on orders as soon as possible. It’s been hard work, but now I can share my passion for baking with customers.

“I love creating new flavours and have had the chance to make cakes for a range of occasions, for family parties and companies. My very own Kupkase & Co. Kake Pots have even been stocked by Selfridges which is a dream come true.”

Start Up Loans data also reveals the most lucrative hobby-based businesses. Bakery businesses inspired by the likes of Bake Off’s Paul Hollywood record sales of £30,000 on average.

Additionally, the analysis revealed that arts and crafts generate average yearly sales of £20,000, while gardening companies generate sales of £27,000 and pet-related firms around £31,000. Some of the most lucrative hobby-based businesses are those set up by fitness and motor fans.

The Government-backed Start Up Loans Company, which merged with the British Business Bank earlier this year, provides low-interest finance and support to new businesses and those trading for less than two years.

***Joanna Hill, Interim CEO of The Start Up Loans Company, commented:*** *“Britain is home to a booming shared economy where skills exchanges are creating all sorts of opportunities for people who want to start a business.*

*“We find some of the most successful business ideas are borne out of people’s passions. So many of us have activities we pursue as a sideline to our careers, but nowadays, with the right level of support and encouragement, these hobbies can be transformed into profitable businesses.*

*“From cookery to yoga, we’ve seen countless examples of successful businesses set up based on hobbies. The fact that billions could be generated shows the potential of the hobby economy too.”*

When looking at motivation for starting a business, Start Up Loans’ research revealed that people across Britain, like Kasey from Kupkase, recognise that starting a hobby-based business would make them significantly happier.

Three-quarters (74 per cent) of respondents believe they would achieve higher job satisfaction. The same proportion (74 per cent) feel they’d be more motivated if they ran a business inspired by their hobby. Four-fifths (78 per cent) agree that a business based on a hobby has a better level of job satisfaction, and of those who have actually launched a hobby-based business, 86% now have better job satisfaction.

Free guides on how to start a business are available on the SULCo website: <https://www.startuploans.co.uk/free-start-up-guides/>

**ENDS**

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**Notes to editors**

**All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 4410 adults. Fieldwork was undertaken between 28th - 30th June 2017. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).**

**The calculations below are based on analysis carried out by Citypress, using data provided by YouGov.**

\*7 in 10 (71%) of those who have considered starting a hobby based business have not done so. This equates to 6,262,731 million working adults: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2017>

\*\*The average turnover of 384 hobby based businesses was £65,317 and they made £15,802 in profit – a 24% margin.

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**About SULCo:**

The Start Up Loans Company (SULCo) was formed in June 2012. SULCo provides personal loans for business purposes of up to £25,000 at a 6% fixed interest rate per annum, and offers free dedicated mentoring and support to each business.

The primary aim of the Start Up Loans scheme is to ensure that viable start-ups and early-stage businesses have access to the finance and support they need in order to thrive. A network of Delivery Partner organisations support applicants in all regions and industries throughout the UK. The Start Up Loans scheme is not designed to generate a commercial profit. Capital payments together with the interest are recycled to help meet our customers’ increasing demand for finance.

Free guides on a range subjects related to starting a business are available on the SULCo website: <https://www.startuploans.co.uk/free-start-up-guides/> You can find recent media coverage and press releases in the Start Up Loans Media Centre here: <https://www.startuploans.co.uk/media-centre/>

The funding for SULCo is provided by the Department for Business, Energy and Industrial Strategy (BEIS). SULCo is a subsidiary of the British Business Bank. The British Business Bank makes finance markets for smaller businesses work better, enabling the sector to prosper, grow and build economic activity. Their Business Finance Guide explores finance options and the journey from start-up to growth. Access the Business Finance Guide here: <http://www.thebusinessfinanceguide.co.uk/bbb>

**Key statistics**

 \* Since 2012, SULCo has delivered over 50,000 loans, providing more than £345m of funding, helping to back 27 businesses a day, and contributing to the creation of more than 60,000 jobs. *NB. that is jobs created or supported by a Start Up Loan including the individual recipient.*

\* In the financial year 2016/17, the scheme provided 9,431 loans with a total value exceeding £91.2m - helping to support around 27 businesses every day of the year.

\* 46% of loan recipients were formerly NEET (not in employment, education or training) and 42% were formerly unemployed or economically inactive.

\* Approximately one in five loans go to residents in the UK's most deprived communities.

\* The overall return on investment of the scheme is at least £3 per £1 invested.

\* Loan recipients report estimated average turnover of £44,000 in the first year.

\* For more information about Start Up Loans, please visit: <https://www.startuploans.co.uk/>

*\*All of these statistics are gross estimates, with the exception of the return on investment numbers, and are based upon Start Up Loans CRM and externally commissioned research undertaken by Qa Research.*