

EXPLORE YOUR ENTHUSIASM

EPISODE 150: DO YOU HAVE A BUSINESS OR A HOBBY?

You may have turned your hobby into a business, you may make sales, but is it REALLY a business? When people talk to me about this issue, they mention taxes, business names, income... but that's not the answer. You can have a business and not have made a dime yet. And you can have a hobby that makes money.

So do you have a business or do you have a hobby?

WELCOME TO EPISODE 150 OF EXPLORE YOUR ENTHUSIASM.

150! To celebrate this milestone, I'm going back to dive deeper into the subject of one of my most popular videos: Do you have a business or do you have a hobby?

Now, I get emails every week asking me "is this class or book for me?" "should I do x or y?" And if you've told me nothing else about your business, the first question is always: Do you have a business? Are you trying to make this a business?

And invariably people reply with their sales, or questions about business licenses, or taxes. But that has nothing to do with the question.

The question about whether you have a business or hobby comes down to YOU.

There isn't a certain dollar amount that you make that flips you from hobby to business. There's NOTHING that will flip you from hobby to business except you. And the reverse is the same: you can flip a business to a hobby, regardless of how well it's doing or how many customers it has.

Now, don't get me wrong, the IRS and your government have specific definitions of a business vs hobby. They want you to claim all income, but won't let you claim expenses on a "business" that hasn't made money after 5 years. They consider it a hobby. But that's info you can find at [IRS.gov](https://www.irs.gov) or the website for your taxation organization in your country. That's not what you mean when you ask me.

And like I said, the business vs hobby isn't about how much money you make, it's about your own mindset towards the business.

Over the years, I've found three things to be true about real businesses:

1. You have a vision.
2. You are willing + eager to do the work of building the business
3. You're in it for the long haul.

In my experience, any business can succeed if given enough time, consistent work, and paying attention to and serving the customers. Even the weirdest business.

A hobbyist will list a few products on Etsy or Ravelry, chill out, and be upset that sales aren't happening. When they don't make sales in 6 months, they'll consider it a failure and tell everyone you can't make money at this.

A business owner will list products and then keep working. They'll learn about marketing, profitability, time management, their own mindset. They'll continuously try new things and commit to being consistent with what might work. And if they don't make a sale in 6 months, they'll look honestly at what they did, and try something else - a new product, a new photograph, a new message, a new marketing tool.

Over the last 7 years of working with all kinds of businesses, I can tell you this for certain: I have NEVER met a business owner, who was actively learning and experimenting and DOING THE WORK, that didn't make a single sale in 6 months, or even 3 months. Now you might not have the amount of sales you want, but that requires more work, more consistency, more experimenting to find what works.

So what I'm saying is this: You gotta ask yourself: is it a business or a hobby?

And hey, looooooots of people think they want a biz, start it, then realize they are NOT willing and eager to do the work without immediate reward. That is A-OK. But stop beating yourself up for not having a better business. Just go back to really enjoying your hobby! Everyone doesn't need to be an entrepreneur to enjoy their life! Just like, if I talked to someone who was a farmer and loved it, that doesn't mean I need to be a farmer to be happy.

How do you make the mindset shift? You've been treating it like a hobby, but YOU DO want to make it a business?

A few things:

- ★ Ask yourself - are you comfortable doing work without immediate reward?
- ★ Would you be willing to work unpaid for 6 months, if you knew you'd make a fair salary while doing work you loved in 3 years?

If not, that's fine. Don't get seduced by having a business or "passive income."

Now lots of people say yes to do this, but then don't do the work unpaid and get impatient for the reward. If that's you, that's ok. I just heard Gary Vaynerchuck say: "You have two choices: Be Patient, or Quit."

If you can get on board with the idea of not seeing an immediate reward for your effort, because you want to make money doing the thing you love THAT BAD, then you're halfway towards having a business and not having a hobby.

Next up:

- ★ Get clear on your vision.
- ★ Get willing to do the work.

It may take you a while to figure out what the "work" of the job is. But that's the first thing you have to learn: What is the work of doing this. Making products, photography, listing, sharing your vision with your people. That's the work, and you have to work out the details.

But you have to be WILLING to do this work.

I talked to a family member who wanted to sell her handmade thing but she said "I'd do it, but I hate listing things on Etsy". Ok, but that's having a handmade business... so you're not willing to do the work, so you don't get to have a business. Or! Look at shopify, woocommerce, squarespace, whatever. You have to be willing to do the actual work to have an actual business.

If you want to have a *real* business, you need to be ready to commit to the long haul. If you're in this to make it work, then DO the work, every day, and you'll see results.

If you've been doing the work and you feel like you're still not where you want to be financially, [sign up here](#) to learn more about Pay Yourself. I'm re-launching it soon, and it'll walk you through the calculations and figuring you've gotta do to help your business get profitable and start regularly paying yourself.