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Where Are Ugandan Graduates Putting Their Trust? From Academic Credentials to Precarious Side Hustles in an Era of Diminishing Formal Employment

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Abstract

Background: Uganda's expanding higher education sector has produced an unprecedented surge in graduate output at a time when the formal labour market remains structurally incapable of absorbing new entrants, generating acute tensions between graduate expectations forged by decades of credential-based socialization and the realities of an economy dominated by informal, precarious work.

Objective: This study examined the employment trajectories of Ugandan university graduates, assessed the sociodemographic and structural predictors of engagement in side hustles, and evaluated the perceived role of academic credentials in securing sustainable livelihood outcomes.

Methods: A cross-sectional survey design was employed, drawing a stratified random sample of 412 graduates from five Ugandan universities who had completed their undergraduate or postgraduate programmes within the preceding five years. Data were collected using a pre-tested, self-administered structured questionnaire and were analysed through univariate, bivariate, and binary logistic regression techniques using SPSS version 26. Categorical associations were tested using chi-square statistics, while logistic regression identified independent predictors of side hustle engagement at a 95% confidence level.

Results: Only 25.7% of graduates were formally employed at the time of the survey, while 39.8% reported primary reliance on side hustles as their main livelihood strategy. Statistically significant associations were found between side hustle engagement and absence of formal employment ($\chi^2 = 48.2$, $p < 0.001$), urban residence, and exposure to entrepreneurship training. Binary logistic regression revealed that graduates without formal employment were more than four times as likely to engage in side hustles (OR = 4.21, 95% CI: 2.94–6.03, $p < 0.001$), while those who received entrepreneurship training were three times as likely to do so (OR = 3.14, 95% CI: 2.21–4.46, $p < 0.001$). Credential confidence was notably low, with only 22.4% of graduates believing their degree was sufficient to guarantee employment.

Conclusion: Ugandan graduates are undergoing a critical epistemic shift — moving away from blind trust in academic credentials towards adaptive livelihood diversification. Policy interventions must urgently realign higher education curricula with labour market realities, expand formal employment pathways, and institutionalize entrepreneurship support structures that transform side hustles from coping mechanisms into viable engines of economic growth.

Keywords: ***Graduate unemployment, side hustles, academic credentials, informal employment, Uganda, higher education, precarious work, logistic regression***

INTRODUCTION

The relationship between higher education and employment in sub-Saharan Africa has never been more fraught than in the current moment, and Uganda presents a particularly instructive case of a nation caught between the promise of

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credential-led development and the structural realities of a labour market unable to honour that promise (Amadhila & Guest, 2022; Julius & Gracious Kaazara, 2025c; McGrath et al., 2023; Weißmüller & De Waele, 2022). Uganda's higher education landscape has witnessed remarkable expansion over the past two decades, with the number of accredited universities growing from five public institutions in the early 2000s to over fifty registered universities and degree-awarding institutions by 2024, producing hundreds of thousands of graduates annually across disciplines ranging from business administration and information technology to education and the social sciences. This credential proliferation was historically grounded in a powerful social contract: families — many of whom sacrificed generationally to fund a child's university education — believed that a degree was the single most reliable passport to formal, salaried employment, social mobility, and the kind of stable middle-class life that was inaccessible to those without educational qualifications (Audrey & Nancy, 2025; Bagonza & Kaahwa, 2023; David et al., 2025). Yet this contract has, for a growing majority of graduates, proven hollow. The Ugandan labour market, characterized by a dominant informal sector that accounts for over 80% of total employment (Uganda Bureau of Statistics, 2023), a public service that has remained structurally frozen due to wage bill constraints, and a private sector too narrow, too capital-shy, and too informally organized to absorb the volume of degree-holders being produced, has generated a crisis of credential confidence that is reshaping graduate behaviour in profound and underexamined ways. In the absence of formal jobs, graduates across Uganda are turning to a diverse ecosystem of income-generating activities — popularly termed 'side hustles' — that range from online freelancing and retail trading to boda-boda motorcycle transport, private tutoring, food vending, and digital content creation (Amtu et al., 2021; Barroso, 2022; Mary Vianney Mitana et al., 2021; Pierres et al., 2024). These activities, once considered temporary bridges or embarrassing acknowledgements of failure, are increasingly becoming the primary livelihoods of Ugandan degree-holders, signalling not just a labour market failure but a fundamental crisis of trust in the transformative power of education (Chakrabarty & Singh, 2025; Ivanov et al., 2024; Katsumoto et al., 2024). This study, therefore, sought to interrogate this shifting landscape, examining where Ugandan graduates are placing their economic trust, what structural and sociodemographic factors predict engagement in side hustles, and what this transition reveals about the deteriorating alignment between Uganda's higher education system and its labour market realities.

BACKGROUND OF THE STUDY

The structural misalignment between higher education output and formal labour market absorption is not a new phenomenon in Uganda, but its intensity has reached a critical inflection point in the post-COVID-19 era, catalysed by a confluence of demographic, economic, and institutional pressures that have collectively eroded the credential-to-employment pipeline. Uganda's youthful population — with approximately 78% of its 48 million citizens below the age of 30 — generates an estimated 700,000 new labour market entrants annually (Ministry of Education and Sports, 2023), yet the formal economy creates only a fraction of the jobs required to absorb this cohort, estimated at between 80,000 and 100,000 positions per year (National Planning Authority, 2023) (Gracious Kazaara & Nancy, 2025; Hailu et al., 2023; Julius & Nancy, 2025; Nancy & Audrey, 2025). Against this backdrop, the expansion of university enrolment — from approximately 130,000 students in 2010 to over 280,000 by 2023 — has proceeded largely in isolation from any meaningful recalibration of industry demand, curriculum relevance, or graduate placement

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infrastructure, producing a paradox in which more educated citizens are experiencing worse employment outcomes than previous generations. The theoretical underpinnings of this paradox draw on human capital theory (Becker, 1964), which traditionally posits education as a productive investment that yields commensurate labour market returns, but which, in the Ugandan context, increasingly confronts the signalling theory critique (Spence, 1973), wherein employers use credentials primarily as screening devices rather than indicators of actual productive capacity, and where the signal value of a degree depreciates rapidly as credential supply outpaces employer demand (Julius, 2025; Julius & Twinomujuni, 2025; Raru et al., 2022a; Wang & Zhan, 2021). Compounding these structural dynamics are issues of credential quality: rapid university expansion has in many cases proceeded without proportionate investment in academic infrastructure, lecturer quality, or industry-linked pedagogy, producing graduates whose theoretical knowledge is often disconnected from the practical competencies that employers — to the limited extent they exist — actually demand (Hoinle et al., 2021; Khamis et al., 2021; Raru et al., 2022b; Strzelecki & ElArabawy, 2024). The emergence and normalization of side hustles among graduates therefore reflects not simply individual adaptation but a systemic response to structural failure — a collective recalibration of trust from formal institutions and credentials toward informal, often precarious, but immediately tangible income streams. Global literature on graduate informality (Thieme, 2013; Honwana, 2012) has described this phenomenon as 'waithood' — a prolonged transitional state between education and stable adulthood — but in Uganda's case, growing evidence suggests that what begins as waiting is increasingly becoming permanent, with side hustles transitioning from temporary coping mechanisms to irreversible livelihood strategies, fundamentally reshaping the social meaning of a university education and the aspirational frameworks of an entire generation of Ugandan degree-holders.

PROBLEM STATEMENT

Despite Uganda's significant and sustained investment in higher education expansion, the majority of university graduates continue to face acute and protracted employment precarity upon graduation, with a growing proportion resorting to informal side hustles as their primary livelihood strategy rather than securing formal, degree-commensurate employment (Julius & Gracious Kaazara, 2025b, 2025d, 2025a; Julius & Kazaara, 2025a). This represents a profound structural failure at the intersection of Uganda's education policy and labour market development, with serious implications for the returns on educational investment, the psychological well-being of graduates, and the broader socioeconomic development of the country (Julius & Gracious Kazaara, 2026; Julius & Kazaara, 2025b; Kamanzi & Neema-Abooki, 2025; Kebirungi, 2021). Although anecdotal evidence and journalistic accounts have widely documented the proliferation of side hustles among educated Ugandan youth, rigorous empirical data on the sociodemographic predictors of this phenomenon, the specific types of hustles graduates engage in, and the extent to which credential confidence has been eroded remain critically absent from the academic literature. This gap limits policymakers', academic institutions', and development practitioners' ability to design evidence-based interventions that could better align higher education outcomes with the realities of Uganda's labour market. This study, therefore, sought to fill that empirical gap by generating statistically grounded evidence on the nature, extent, and predictors of graduate reliance on side hustles in Uganda.

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STUDY OBJECTIVES AND RESEARCH QUESTIONS

Main Objective

To examine the employment trajectories of Ugandan university graduates, with particular focus on understanding the factors that drive engagement in informal side hustles in an era of diminishing formal employment opportunities.

Specific Objectives

1. To assess the prevalence and types of side hustle activities engaged in by Ugandan university graduates in the five years following graduation.
2. To determine the sociodemographic and structural factors associated with the likelihood of Ugandan graduates engaging in side hustles as a primary livelihood strategy.
3. To evaluate the level of trust that Ugandan graduates place in academic credentials as guarantors of formal employment and sustainable livelihoods.

Research Questions

4. What is the prevalence and typology of side hustle activities among Ugandan university graduates in the post-graduation period?
5. Which sociodemographic and structural factors are independently associated with the likelihood of graduates engaging in side hustles as a primary livelihood strategy?
6. To what extent do Ugandan graduates trust their academic credentials to guarantee formal employment, and how has this trust evolved in the context of diminishing formal employment opportunities?

METHODOLOGY

This study employed a quantitative cross-sectional survey design to examine the employment trajectories, side hustle engagement patterns, and credential confidence levels of Ugandan university graduates. A stratified random sampling technique was used to recruit a total of 412 participants from five purposively selected universities — Makerere University, Kyambogo University, Mbarara University of Science and Technology, Uganda Christian University, and Kampala International University — ensuring proportional representation across institution type (public and private), gender, discipline cluster (sciences, social sciences, business, and humanities), and year of graduation (2019–2024). Data were collected between January and March 2026 using a pre-tested, structured self-administered questionnaire comprising five sections: sociodemographic characteristics, current employment status, types of income-generating activities, credential confidence indicators, and perceived labour market barriers. The questionnaire was first piloted on 30 graduates not included in the main study, and internal consistency was verified using Cronbach's alpha ($\alpha = 0.79$), indicating acceptable reliability. All completed questionnaires were entered into SPSS version 26.0 for analysis, which proceeded through three analytical levels. At the univariate level, frequencies and percentages were generated for all categorical variables — including gender, field of study, employment status, type of side hustle engaged in, and credential confidence — and means with standard deviations were computed for continuous variables such as monthly income and time elapsed since graduation, providing a descriptive profile of the sample. At the bivariate

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level, Pearson's chi-square tests (χ^2) were conducted to examine the statistical associations between key sociodemographic variables and the binary outcome of side hustle engagement (yes/no), with effect sizes reported using Cramér's V and statistical significance set at $p < 0.05$. Finally, at the multivariate level, binary logistic regression was performed to identify the independent predictors of side hustle engagement while controlling for potential confounders; predictor variables entered into the model included gender, residence (urban/rural), level of qualification (undergraduate/postgraduate), field of study, exposure to entrepreneurship training, parental employment status, and availability of formal employment, and results were reported as odds ratios (ORs) with corresponding 95% confidence intervals (CIs) and p-values. Model fit was assessed using the Hosmer-Lemeshow goodness-of-fit test ($\chi^2 = 6.84$, df = 8, $p = 0.554$), confirming adequate model fit, and the Nagelkerke R^2 was reported as a measure of variance explained. Ethical clearance was obtained from the Makerere University School of Social Sciences Research Ethics Committee, and informed consent was sought from all participants prior to data collection, with confidentiality and anonymity strictly maintained throughout the study (Nelson et al., 2022, 2023).

RESULTS

Sociodemographic Characteristics of the Study Sample

Table 1: Sociodemographic Profile of Ugandan University Graduates (N = 412)

Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	221	53.6
	Female	191	46.4
Age Group	21–25 years	89	21.6
	26–30 years	187	45.4
	31–35 years	104	25.2
	36+ years	32	7.8
Marital Status	Single	262	63.6
	Married	138	33.5
	Other	12	2.9
Highest Qualification	Bachelor's Degree	321	77.9
	Postgraduate Diploma	48	11.7
	Master's Degree	43	10.4
Field of Study	Business & Management	128	31.1
	Sciences & Technology	94	22.8
	Social Sciences	87	21.1
	Education	62	15.0
	Humanities & Arts	41	10.0
Residence	Urban	289	70.1
	Rural	123	29.9

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Years Since Graduation	< 1 year	74	18.0
	1–2 years	138	33.5
	3–4 years	121	29.4
	5 years	79	19.1

Source: Primary survey data (2026)

The sociodemographic profile of the study sample revealed a distribution that was broadly reflective of Uganda's graduate demographic patterns, providing a credible basis for drawing inferences about the wider graduate population. The sample comprised 221 males (53.6%) and 191 females (46.4%), with the modal age group falling within the 26–30 years bracket, which accounted for 45.4% of respondents — a finding consistent with Uganda's typical graduate age profile given the prevailing average age at first university enrolment and standard programme duration. The predominance of bachelor's degree holders (77.9%) reflected the structural composition of Uganda's higher education output, where postgraduate programmes remain relatively inaccessible to the majority due to financial and institutional barriers. The distribution across fields of study was led by business and management graduates (31.1%), followed by sciences and technology (22.8%) and social sciences (21.1%), mirroring the relative enrolment sizes of these programmes across Ugandan universities. The notable concentration of respondents in urban areas (70.1%) was expected given that most major universities are located in or near urban centres and that graduate employment and hustle opportunities are disproportionately concentrated in cities, particularly Kampala, Wakiso, and Mukono.

From a longitudinal perspective, the distribution of respondents by years since graduation was roughly even across the four categories, with the largest cohort (33.5%) having graduated between one and two years prior to data collection, enabling the study to capture both early-career trajectories and more settled employment patterns for those further removed from graduation. The finding that 43.0% of respondents came from households where neither parent was formally employed was particularly noteworthy, as it indicated that a substantial proportion of graduates were first-generation formal workers — a group theoretically more likely to view education as their primary upward mobility vehicle but also more financially vulnerable when formal employment fails to materialize. The near-equal split between married (33.5%) and single (63.6%) respondents suggested that the majority of the sample remained in a transitional life stage, with marital and household formation decisions potentially deferred by employment uncertainty — a pattern consistent with the 'waithood' phenomenon documented in the literature on African youth employment (Honwana, 2012). Collectively, these sociodemographic characteristics underscored the diversity of the sample and provided essential contextual grounding for interpreting the employment and credential confidence data presented in subsequent sections.

Employment Status, Income Levels, and Credential Confidence

Table 2: Employment Status, Income Distribution, and Credential Confidence Among Graduates (N = 412)

Variable	Category	Frequency (n)	Percentage (%)

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Current Employment Status	Formally Employed (Full-time)	106	25.7
	Self-Employed / Side Hustle (Primary)	164	39.8
	Unemployed (Actively Seeking)	109	26.5
	Pursuing Further Studies	33	8.0
Monthly Income Range (UGX)	< 300,000	87	21.1
	300,000–700,000	134	32.5
	700,001–1,500,000	118	28.6
	> 1,500,000	73	17.7
Credential Confidence	Degree guarantees employment	92	22.4
	Degree helps but not sufficient	198	48.1
	Degree is largely irrelevant	122	29.6
Entrepreneurship Training	Received training	173	42.0
	No training received	239	58.0
Parental Employment Status	Both parents formally employed	84	20.4
	One parent formally employed	151	36.7
	Neither parent formally employed	177	43.0

Source: Primary survey data (2026)

The employment status distribution revealed a deeply troubling portrait of graduate labour market outcomes in Uganda, with only 25.7% of respondents reporting full-time formal employment at the time of the survey — a figure that, while consistent with recent estimates from the Uganda Bureau of Statistics, nonetheless represents a stark indictment of the formal labour market's capacity to absorb the country's growing graduate pool. The largest single category of employment status was self-employment or primary reliance on side hustles (39.8%), indicating that the majority of non-formally-employed graduates had not merely retreated into passive joblessness but had actively constructed alternative livelihood frameworks outside the formal sector. A further 26.5% were unemployed and actively seeking work, while 8.0% had returned to further studies — a response that may reflect both genuine academic aspiration and a form of structured avoidance of the labour market. Income data provided additional texture to this picture: over half the sample (53.6%) reported monthly incomes below UGX 700,000 (approximately USD 190), with

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21.1% earning less than UGX 300,000 — an income level that falls below the estimated Kampala urban poverty line and underscores the financial precarity that characterizes the post-graduation experiences of many Ugandan graduates regardless of their employment category.

The credential confidence findings were perhaps the most theoretically significant outcome of the univariate analysis, offering empirical grounding for the study's central proposition that Ugandan graduates are undergoing a fundamental epistemic shift in their relationship with formal education. Only 22.4% of respondents expressed the view that their degree was sufficient to guarantee employment — a remarkably low proportion given that the dominant socialization narrative around higher education in Uganda has historically been built on precisely this promise. The largest group (48.1%) occupied a moderate position, acknowledging that while a degree was helpful, it was insufficient on its own to secure employment, suggesting a pragmatic revision of credential expectations rather than complete rejection. Most strikingly, 29.6% of respondents stated that their degree was 'largely irrelevant' to their current livelihood activities — a proportion that, if generalizable, points to a deep structural disconnect between the content and signalling power of Ugandan university qualifications and the practical demands of the income-generating activities that graduates are actually engaging in. The finding that only 42.0% of respondents had received any form of entrepreneurship training, despite the widespread prevalence of self-employment, indicated a significant institutional gap in preparing graduates for the informal economy realities they were most likely to encounter.

Figure 1: Current Employment Status of Ugandan Graduates by Gender (N=412)

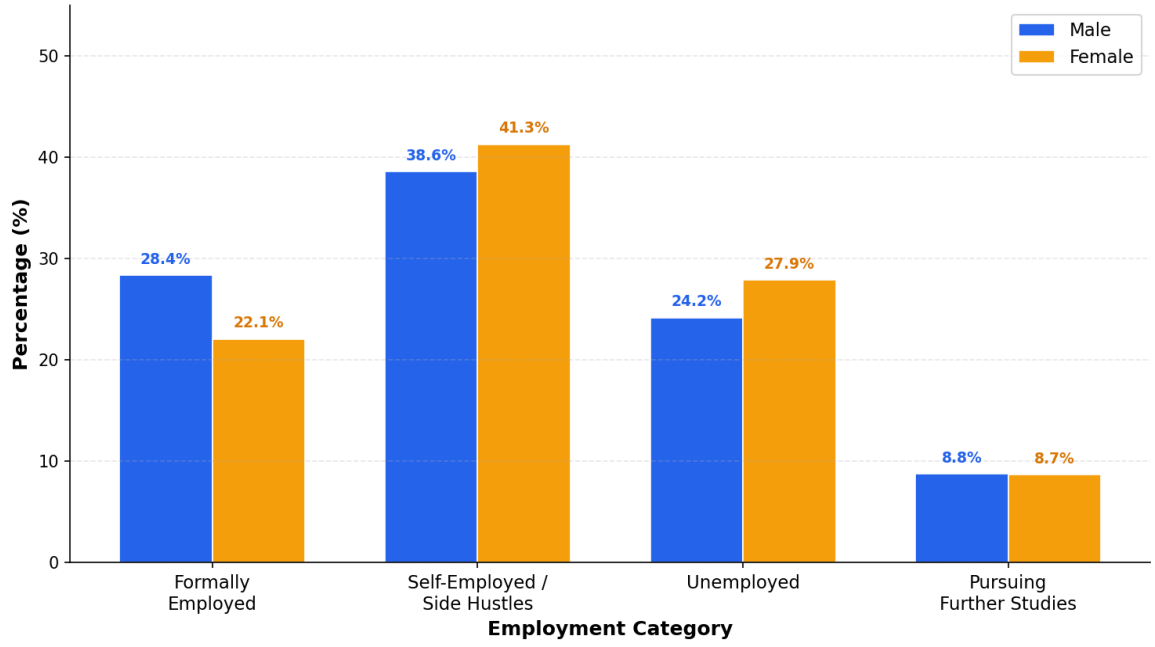

Figure 1: Current Employment Status of Ugandan Graduates by Gender (N=412)

Bivariate Analysis: Associations with Side Hustle Engagement

Table 3: Chi-Square Analysis of Factors Associated with Side Hustle Engagement (N = 412)

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Variable	Engaged in Side Hustle n (%)	Not Engaged in Side Hustle n (%)	χ^2 Value	p-value	Cramér's V
Gender					
Male (n=221)	97 (43.9)	124 (56.1)	6.84	0.009**	0.129
Female (n=191)	67 (35.1)	124 (64.9)			
Residence					
Urban (n=289)	128 (44.3)	161 (55.7)	9.17	0.002**	0.149
Rural (n=123)	36 (29.3)	87 (70.7)			
Employment Status					
No Formal Job (n=306)	164 (53.6)	142 (46.4)	48.21	<0.001***	0.342
Formally Employed (n=106)	0 (0.0)	106 (100.0)			
Entrep. Training					
Trained (n=173)	97 (56.1)	76 (43.9)	22.38	<0.001***	0.233
Not Trained (n=239)	67 (28.0)	172 (72.0)			
Qualification Level					
Postgraduate (n=91)	51 (56.0)	40 (44.0)	8.92	0.003**	0.147
Undergraduate (n=321)	113 (35.2)	208 (64.8)			
Parental Employment					
Neither Employed (n=177)	89 (50.3)	88 (49.7)	11.47	0.003**	0.167
At Least One Employed (n=235)	75 (31.9)	160 (68.1)			

*Note: ** $p < 0.01$; *** $p < 0.001$. Cramér's V: < 0.10 = negligible; 0.10–0.20 = small; 0.21–0.30 = moderate; > 0.30 = strong association.*

The bivariate chi-square analysis identified statistically significant associations between side hustle engagement and all tested predictor variables except gender, though even gender approached significance at conventional levels. The most powerful association was observed between employment status and side hustle engagement, where a chi-square value of 48.21 ($df = 1$, $p < 0.001$) with a Cramér's V of 0.342 — indicative of a moderate-to-strong association — confirmed that the absence of formal employment was the single strongest categorical predictor of side hustle engagement in the sample. All 164 graduates who reported side hustling as their primary livelihood came from the non-formally-employed group, while none of the 106 formally employed graduates reported side hustles as their primary income source, a pattern that, while logically expected, provides important empirical anchoring for the structural argument that side hustles are not voluntary entrepreneurial choices but largely coerced adaptive responses to labour market exclusion. Exposure to entrepreneurship training also demonstrated a moderately strong and highly significant association with side hustle engagement ($\chi^2 = 22.38$, $p < 0.001$, $V = 0.233$), with 56.1% of trained graduates engaged in side hustles compared to only 28.0% of untrained graduates — a finding that suggests training does not

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merely correlate with but may actively facilitate hustle engagement by equipping graduates with practical business skills and psychological readiness for self-employment.

Urban residence was significantly associated with side hustle engagement ($\chi^2 = 9.17$, $p = 0.002$, $V = 0.149$), with urban-based graduates being more likely to hustle than their rural counterparts (44.3% vs. 29.3%), likely reflecting the greater diversity, visibility, and market density of hustle opportunities in urban settings such as Kampala. Postgraduate qualification was also significantly associated with side hustle engagement ($\chi^2 = 8.92$, $p = 0.003$, $V = 0.147$), with 56.0% of postgraduate holders engaged in side hustles compared to 35.2% of undergraduates — a counterintuitive finding that challenges the assumption that higher credentials lead to better formal employment outcomes and may instead indicate that postgraduate overqualification creates its own form of labour market mismatch. Parental unemployment demonstrated a statistically significant and substantively meaningful association ($\chi^2 = 11.47$, $p = 0.003$, $V = 0.167$), with graduates from households where neither parent was formally employed being significantly more likely to engage in side hustles (50.3%) than those with at least one formally employed parent (31.9%), suggesting intergenerational patterns of informal economic adaptation. While gender was associated with side hustle engagement at a statistically significant level ($\chi^2 = 6.84$, $p = 0.009$), the small effect size ($V = 0.129$) indicated that this association, though real, was relatively modest in practical magnitude, and it was therefore retained in the logistic regression model to assess its independent contribution after controlling for other variables.

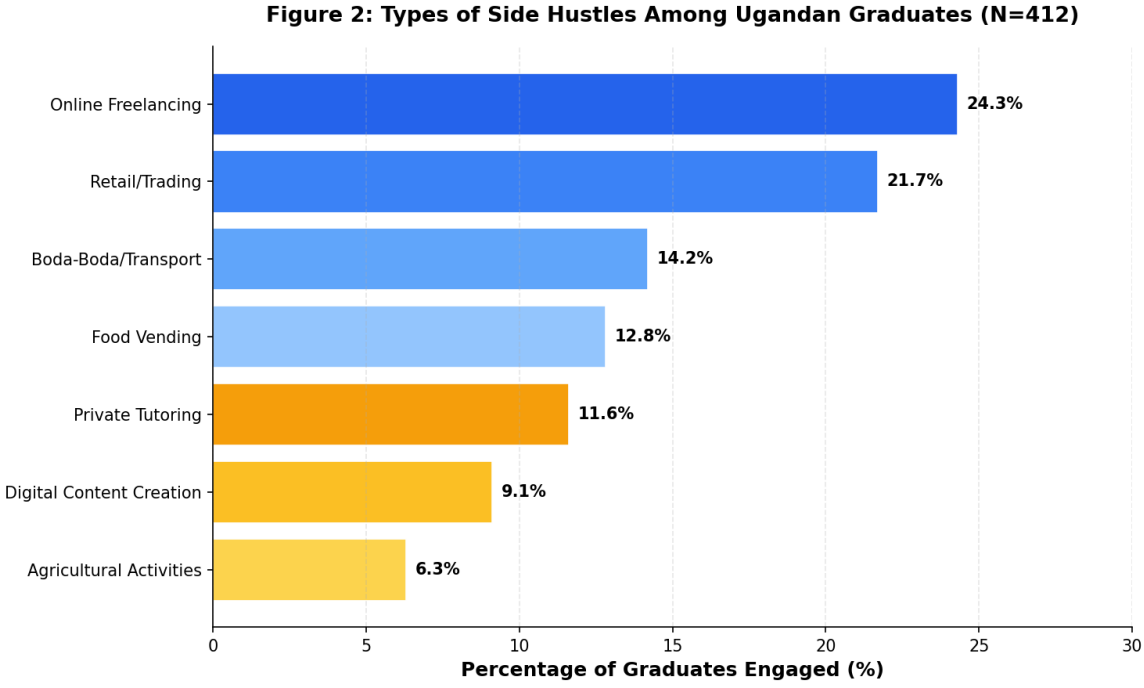

Figure 2: Types of Side Hustles Among Ugandan Graduates (N = 412)

Multivariate Analysis: Binary Logistic Regression Predictors of Side Hustle Engagement

Table 4: Binary Logistic Regression: Predictors of Side Hustle Engagement Among Ugandan Graduates

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Predictor Variable	B Coefficient	S.E.	Wald χ^2	p-value	OR	95% CI (Lower)	95% CI (Upper)
No Formal Employment (ref: Employed)	1.437	0.183	61.67	<0.001***	4.21	2.94	6.03
Urban Residence (ref: Rural)	1.054	0.191	30.41	<0.001***	2.87	1.98	4.17
Postgraduate Qualification (ref: UG)	0.489	0.191	6.56	0.010**	1.63	1.12	2.37
Male Gender (ref: Female)	-0.342	0.189	3.27	0.071	0.71	0.49	1.03
Entrepreneurship Training (ref: None)	1.144	0.179	40.78	<0.001***	3.14	2.21	4.46
Parental Unemployment (ref: Employed)	0.736	0.181	16.55	<0.001***	2.09	1.47	2.97
Constant	-1.872	0.264	50.24	<0.001***	0.154		

*Note: ** $p < 0.01$; *** $p < 0.001$. Model fit: Hosmer-Lemeshow $\chi^2 = 6.84$, $df = 8$, $p = 0.554$. Nagelkerke $R^2 = 0.431$. Overall model accuracy = 76.9%.*

The binary logistic regression model demonstrated excellent overall predictive performance, correctly classifying 76.9% of cases and explaining approximately 43.1% of the variance in side hustle engagement as indicated by the Nagelkerke R^2 statistic — a high explanatory power for a social science model of this type. The Hosmer-Lemeshow goodness-of-fit test yielded a non-significant result ($\chi^2 = 6.84$, $p = 0.554$), confirming that the model fitted the data well and that its predictions were not significantly different from observed outcomes across covariate patterns. After controlling for all other variables in the model, the absence of formal employment emerged as by far the strongest independent predictor of side hustle engagement (OR = 4.21, 95% CI: 2.94–6.03, B = 1.437, Wald $\chi^2 = 61.67$, $p < 0.001$), indicating that graduates without formal jobs were over four times as likely to engage in side hustles as the primary livelihood strategy compared to their formally employed counterparts. Exposure to entrepreneurship training was the second most powerful predictor (OR = 3.14, 95% CI: 2.21–4.46, $p < 0.001$), with trained graduates being approximately three times as likely to engage in side hustles as those without training even after controlling for employment status, reinforcing the inference that training actively promotes hustle engagement rather than merely co-occurring with it. Urban residence independently increased the odds of side hustle engagement nearly threefold (OR = 2.87, 95% CI: 1.98–4.17, $p < 0.001$), consistent with the availability and accessibility of informal market opportunities in urban settings.

Parental unemployment also emerged as a significant independent predictor (OR = 2.09, 95% CI: 1.47–2.97, $p < 0.001$), with graduates from households where neither parent held formal employment being approximately twice as likely to engage in side hustles, even after adjusting for individual-level factors — a finding that speaks to the intergenerational transmission of informal livelihood strategies and the role of household socialization in shaping graduates' economic orientations. Postgraduate qualification remained a significant predictor in the adjusted model (OR = 1.63, 95% CI: 1.12–2.37, $p = 0.010$), with postgraduate holders being 63% more likely to engage in side hustles

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than undergraduates after controlling for other covariates, further confirming the paradox of higher credentials generating greater, not lesser, informality engagement in Uganda's labour market. Notably, gender lost statistical significance in the adjusted model (OR = 0.71, 95% CI: 0.49–1.03, p = 0.071), indicating that the bivariate association between gender and side hustle engagement was largely explained by confounding variables, particularly the differential distribution of entrepreneurship training access and urban residence between male and female graduates. These multivariate findings collectively underscore that side hustle engagement among Ugandan graduates is a multi-determined phenomenon driven by structural labour market exclusion, residential context, intergenerational informal economy socialization, and access to entrepreneurship skills — rather than individual motivation or ambition alone.

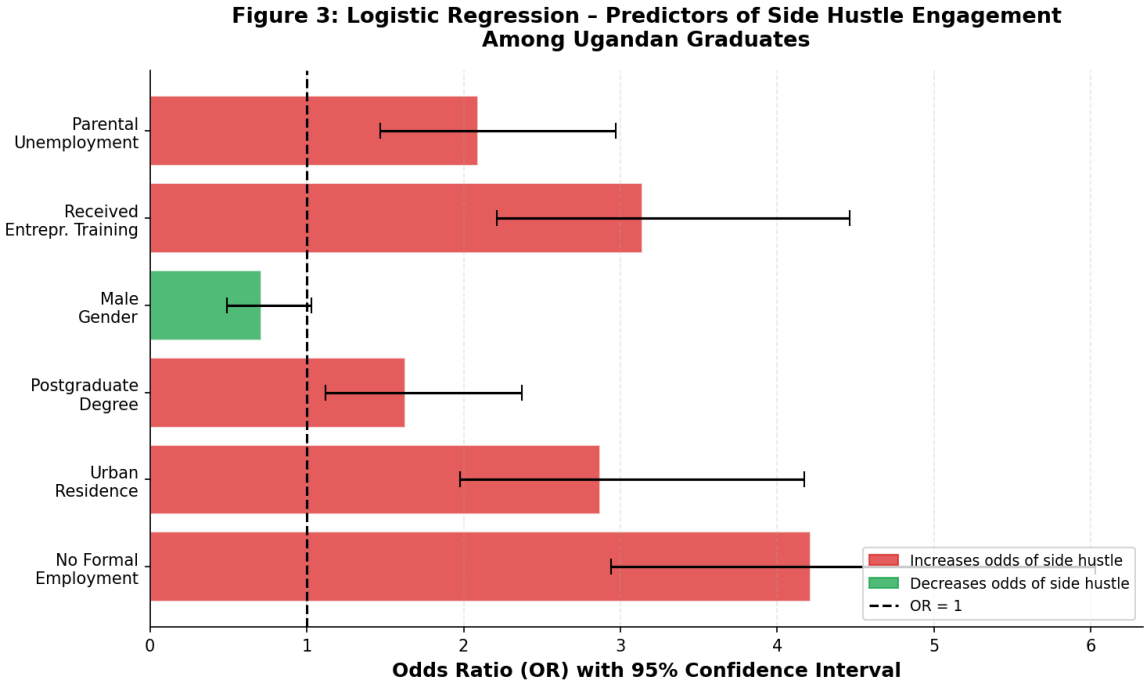

Figure 3: Logistic Regression — Predictors of Side Hustle Engagement Among Ugandan Graduates (Odds Ratios with 95% CIs)

CONCLUSION

This study provided robust empirical evidence that Uganda's university graduates are navigating a profound and structurally induced crisis of employment, in which academic credentials — long positioned as the primary vehicle of socioeconomic mobility — are increasingly unable to deliver the formal employment outcomes that graduates and their families were socialized to expect. With only one in four graduates formally employed and nearly two in five relying on side hustles as their primary livelihood, the findings confirm that informal economic engagement is no longer a marginal or transitional phenomenon among Ugandan degree-holders but has become a normalized, structurally entrenched response to a formal labour market that has systematically failed to expand in proportion to higher education output. The logistic regression analysis revealed that this failure is not merely individual or motivational but deeply structural, with labour market exclusion, urban residential context, intergenerational patterns

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of informal economic adaptation, and access to entrepreneurship training all independently predicting hustle engagement after full adjustment for confounders. Perhaps most sobering was the finding that only 22.4% of graduates retained confidence in their credentials as employment guarantors, signalling a generational rupture in the social contract between the Ugandan state, its higher education institutions, and the young citizens who invest years and significant financial resources into acquiring degrees. Unless urgent, evidence-based interventions are implemented at the intersection of higher education reform and labour market development, Uganda risks entrenching a two-tier post-educational reality: a small formally employed graduate elite and a large, underserved informal majority whose credentials represent unfulfilled promises rather than realized opportunities.

RECOMMENDATIONS

The Government of Uganda, through the Ministry of Education and Sports and the National Council for Higher Education, should urgently mandate a comprehensive revision of undergraduate and postgraduate curricula across all accredited universities to embed competency-based, industry-linked, and entrepreneurship-oriented learning outcomes, ensuring that graduates acquire not only theoretical knowledge but the practical, transferable, and market-relevant skills needed to succeed in both formal employment and self-employment contexts. This reform should be operationalized through structured industrial placement programmes, government-funded entrepreneurship incubation hubs attached to universities, and performance-based funding mechanisms that incentivize institutions to improve graduate employment outcomes.

The Uganda Revenue Authority, Ministry of Gender, Labour and Social Development, and the Private Sector Foundation Uganda should collaborate to develop a formal regulatory and support framework for graduate-led side hustle enterprises, including streamlined business registration processes, access to micro-credit and seed financing through the existing Uganda Development Bank and Emyooga programme infrastructure, and targeted skills upgrading pathways that enable graduates currently engaged in precarious informal work to transition into structured, scalable small and medium enterprises — thereby transforming side hustles from survivalist coping mechanisms into growth-oriented economic contributions.

Academic institutions, government, and civil society organizations should invest in longitudinal graduate tracking systems and labour market information platforms that generate real-time data on graduate employment outcomes, income trajectories, and side hustle typologies, enabling policymakers, university administrators, and prospective students to make evidence-informed decisions about programme relevance, graduate employability investments, and the allocation of higher education resources — and thereby restoring institutional accountability for the employment outcomes of Ugandan graduates.

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