

EPISODE 743

[ASK FARNOOSH]

[0:00:35.6]

FT: You're listening to So Money everyone. Welcome back. It is June 15th, Ask Farnoosh time, it is almost the official beginning of summer, June 15th. Hope you're all having a great kickoff to your weekend, Father's Day is this weekend and our special cohost today is a new father, I'll introduce him in a minute.

But wanted to also remind you, if you haven't listened to this week's episodes, please go back and do so because there are just really insightful and interesting, we had Pete Chatmon on Monday who is a – gosh, he wears so many hats but he's really an accomplished filmmaker in so many ways.

Producer, director, writer, documentarian, he does episodic work, he's done films and he's young. He's got a lot to talk about with regards to the business of film making, how do you break in to the industry, how to find your way. Also, how to find your way in Hollywood which can be a whole other bag of complexities and it was just really lovely to get to hear him talk about how he's navigated his career.

You know, this isn't somebody who is making films when he was four years old like Steven Spielberg. He kind of fell in love with it towards the end of high school and fortunately had some good people around him who identified his talents and nurtured his skills and he went on to do great things.

You know, he had to start small and so he really talks about that, building out that business. Yeah, go and check that out, I want to get to our cohost sooner than later, going to quit the chit chat on my end and I want to introduce Harry Campbell or rather, reintroduce Harry Campbell.

You may remember him, The Rideshare Guy from about a couple of years ago, he was on so money and he is back with Ask Farnoosh because I wanted him to come on and, well, help me

sift through your questions but he's got a great new book out. He has since built out this platform, rideshareguy.com is now a podcast YouTube channel, multiple products, a book, and Harry, you're a dad now.

Lots of things to catch up on. Welcome to So Money.

[0:02:49.3]

HC: Thanks for having me on and yeah, I think the business has grown a lot but definitely grown a lot but definitely becoming a new dad is probably my best accomplishment for sure.

[0:02:56.6]

FT: Okay, how long ago did you become a dad?

[0:02:59.9]

HC: My baby was born in January so he's coming up on being six months old. I'm still learning the ropes but he definitely, he's starting to do a lot more and he's a lot of fun to be around.

[0:03:13.2]

FT: What's been the most challenging part?

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HC: The most challenging part is just the fact that it's the toughest job I ever had. I mean, it's 24/7 and you know, when you're working for yourself or building your own business especially, you can really – my goal is to design it in a way that I'm working on things that I like and doing things that I enjoy but with a baby, you don't always have that flexibility. I kind of like to call him the little dictator because he's really the boss.

When he wants to be fed, he gets to be fed, right? When he wants to sleep, he sleeps, I don't have a lot of control, I'm just along for the ride.

[0:03:41.9]

FT: That's a good way to put it, it's sort of like the first time in your life where you have this none negotiable partner in your life.

[0:03:48.4]

HC: Yes, totally. With your actual partner, you can negotiate with other people in your life and in your business, there's like finding common ground or making concessions or tradeoffs or being flexible. When it comes to babies, like, you're right, they got to be fed when they want to be fed, sleep when they want to sleep or not sleep when they don't want to sleep.

Which by the way, how's that been impacting your life? The lack of sleep?

[0:04:11.0]

FT: Yeah, you know, I think, my son, George, he's sleeping probably a little better than most babies, he's not quite sleeping through the night yet but he's waking up once or twice a night and sometimes, like today, he slept in 'till 9:00 and I actually had to wake him up to take him over to my mom's house so that I could do this interview on time.

[0:04:30.1]

HC: 9:00 - a six month old sleeping until 9:00 in the morning?

[0:04:35.2]

FT: He did get up twice in the middle of the night.

[0:04:37.0]

HC: All right.

[0:04:38.9]

FT: Thanks for keeping it honest but still, that's got to be nice to have your mornings to yourself a little bit. A little bit of time to catch up and thank you for making the arrangement so that you could be on the show.

We had you on the show a couple of years ago and that was sort of you know, early on in the launch of the Rideshare Guy which is a community that really services people who are in the rideshare community. Lyft, Uber, there's so many of them now.

I think that's also what's really evolved since we last spoke is like, first it was just Lyft and Uber. Now, how big is this world?

[0:05:14.0]

HC: Well, I mean, I think that Uber and Lyft are definitely sort of the biggest players and most people have heard of Uber and a lot of people have heard of Lyft by now and there's a few smaller rideshare companies in places like New York, Juno and Via. You know, now what we're seeing is that a lot of the food delivery services are becoming really popular.

Even Amazon is getting into the game with Amazon Flex. You can deliver packages or food for Amazon and a cool one that I'm actually in the midst of trying out right now is for a new electric scooter company, they're sort of like the old razor scooters that I rode when I was a kid but now they're electrified and this company, Bird is launching all over the country, new city every week it seems like and they're actually hiring workers to go out and charge these scooters overnight you pick them up and then bring them to your house and charge them and drop them off in the morning. It's crazy, all the number of different kind of work opportunities and the sort of ride sharing and gig economy.

[0:06:04.1]

FT: Yeah, that's kind of your thing is like, you test out all of these services and you came to this with a background in aerospace engineering and people, if you want to listen to Harry talk about that transition, I encourage you to go back and check out, I think it was – I'm looking it up.

Episode 377.

Yeah, you made that shift and I'll have to ask you though, what is happening now or what is going to happen with the advances in self-driving cars?

[0:06:34.5]

HC: Yeah, I mean, I think that's a big question that's on the mind of a lot of people in the media and a lot of these big companies, these auto makers and you know, really a lot of different industries, that are involved in technology.

Apple, Google. All of these companies, they see this future where you can imagine every car on the road is self-driving and everyone can live further away and you can work in the back of your car since you don't have to drive anymore and you kind of see this cool utopian, self-driving world.

But, I think what we're seeing is that getting to that point is going to be a lot more challenging than most people think. I think the timeline is probably at least 10 to 20 years off. I think there's going to be a lot of good jobs for drivers in the meantime and to be honest, even at that point when self-driving cars start to come on to the road, it's going to be a mix, it's going to be a hybrid fleet of self-driving cars, human drivers.

There will still be jobs for drivers and I think some people, especially even at Uber and Lyft have said that in the future, when self-driving cars, you know, since there's no driver and the vehicles will also all be electric. Maintenance cost will be a lot cheaper and the cost of taking an Uber, a self-driving Uber is going to be significantly lower.

Which may even increase demand and cause them to need more human drivers before the need less just because it's going to be so long for them to kind of balance the supply.

[0:07:50.6]

FT: How might that impact your business. I mean, I guess you're going to go with the flow or you got maybe an exit strategy around the time when you went to ride – sort of self-driving cars taking over?

[0:08:02.4]

HC: Yeah, well, I mean, I've been doing my site now for close to five years so if I'm doing it another 15 to 20 years, I'll be surprised but also probably things will be going well and I'll be very grateful I'm sure but you know, I think really what I'm working on right now with my business -

A lot of the front facing things that we do, the content we create, that's how people know us and that's how drivers come to our site and how we interact with media and people with these companies is they see the content we're creating, whether it's on YouTube or the blog or now the book about driving for Uber and Lyft and other companies.

But behind the scenes, I found that there's really a lot of opportunity in kind of the mobility space. I'm not an expert in self-driving cars. I'm not an expert in scooters but I am – you know, since I've studied this industry for four, five years, talked to tens of thousands of drivers. I am an expert I feel like at this point. I can say in the rideshare component and Uber and Lyft is rideshare component is really starting to intercept with a lot of these other areas of mobility, right? Self-driving cars, public transportation, you know, even the kind of personal mobility space, the scooters, the electric bikes that we're seeing all over the place. In those intersection points, that's how I'm starting to now work with a lot of these other industries and businesses.

[0:09:10.5]

FT: That's smart, yeah, there's a lot of tangential stuff you can tap into and that's probably a smart way to grow the business. You talk about in your book, *The Rideshare Guide* which is great. This is really probably something your community had been asking you to write and one

of the things that caught my eye. Didn't read the whole book and really, I'm not the audience I suppose.

You do talk about something that did kind of spark my attention which was diversifying your rideshare income. Walk us through that, what does that mean and how do you do that?

[0:09:45.9]

HC: Yeah, I mean, I think one of the thing that's great about driving for Uber and Lyft. I mean, first, I should say, you know, the job isn't perfect, right? Just like anything there in life, really, there's positives and negatives and my book and my site, my business in general is really about the people who want to do this, I'm going to try and help them to do it the best that they can to make the most money possible, to have the best experience.

I should definitely preface it with that because it's not perfect for everyone. A lot of people get into driving for Uber and Lyft or these other jobs looking to make a few hundred bucks a week. They start doing it and they realize, hey this isn't rocket science and I used to be a rocket scientist sort of, since I intern once summer at JPL so I think I can say that but you know, it's not the most complex job in the world.

But it is a little bit more challenging than you might think, right? It's the ultimate combination of customer service, you know, dealing with passengers, sometimes who are drunk, they get to rate you at the end of every trip, safe driving too.

Then, also, just running your own business. I think that as any good business owner can tell you, as you yourself Farnoosh or me or the audience – the listeners right now that are owning a business, you understand right? If you're very reliant on only Uber for your income, there are times where you might accidentally get deactivated by Uber and maybe one of your documents expire and if you're relying on this income, you need to have a backup plan, you need to also be driving for Lyft and since drivers are independent contractors, that's one of the nice things.

You can work for multiple services and even though most people are out there doing it mainly for the money, there are lots of other sort of similarly tangential opportunities, right? To work on

your conversation skills, I know people – I feature a couple of stories in the book of people who sort of have side hustles, I think one of them was a masseuse and she goes around and you know, whenever passengers ask her what else she does, she says, “I’m a masseuse.”

Around Christmas time, she puts a little sign up in her car that says hey, need a good idea for a Christmas gift, right? That’s all she says and then people ask her about the sign, she goes, “I do – I’m a masseuse and I can give you a gift certificate for a massage for whatever.”

50 or \$75 or however much she charges, right? Lots of those kind of cool different diversification options.

[0:11:52.7]

FT: That’s a great idea. Yeah, I mean, obviously, diversifying your income through working for the multitude of car sharing companies.

[0:12:01.2]

HC: Right.

[0:12:02.6]

FT: That’s a good idea too is like, having conversations, you never know, I mean, I love – I just love sometimes when I get a driver who is interesting, usually they’re the ones listening to NPR. They say hello and how are you and you know, like basic stuff but at sometimes, especially because in New York, we’re so used to – before Uber and all the other services, it was cabs and that’s all we kind of had.

That was not a subway and I think that the relationship between passengers and cabbies sometimes wouldn’t be the friendliest and so it was kind of refreshing for Uber and Lyft to enter into the market because you don’t always get it. But when you do, it’s always nice to have a driver that you know, wants to have – just a friendly conversation and I have the number of people that I’ve met through these experiences that later I go home and tell my husband, “You’ll

never believe my Uber driver today.” Or, “You’ll never believe my lift driver today, you know, she’s putting herself through her PHD program or he actually was on his way to his full time job at Verizon and this is his side hustle so he can get his fashion company off the ground.”

I’m not even making this stuff up, it’s really amazing and actually, the other day I was – got a lift to go to my Book to Brand workshop and – which I don’t know, people who listen probably know, it’s this workshop I do in New York, it’s live, two days, it’s helping entrepreneurs launch books.

He asked me, where are we going? The address was sort of obscure and I was like, it’s this event space in Manhattan, I have a workshop there and he goes, do you mind if I ask what it’s about? I told him, he goes, “That’s dope.”

Yeah, which is I love that. I’m borrowing that, I’m going to make that part of the branding now. He was like “Do you mind if I look it up and maybe I’ll apply?” I’m like “Absolutely.” It works both ways.

[0:14:00.3]

HC: Yeah, definitely, no, I think that once you start doing it, you see that, you know, at the end of the day, most people are driving for Uber and Lyft because they need the money or they want the money but there are a lot of cool side benefits, tangential experiences that you can have.

I mean, I know in one of your past episodes, a reader was asking about getting a job or you know, switching industries or something like that. I know of drivers who literally are in San Francisco and they want to get hired at a tech firm and so they go wait outside of Google for example at 5 PM when everyone is taking Uber and Lyft home and they just try to network and meet as many different people as possible when they can kind of target.

You know, obviously, they’re picking up mainly these Google employees and they’re trying to basically get in that way instead of just applying through the front door.

[0:14:42.2]

FT: Lots of questions I'm sure listeners have about how much money can you make, really, at the end of the day and what are the best ways to sort of hack the job so that you end up kind of making the most money.

I want to encourage you that you answered all of those questions back on Episode 377. Go back and listen to Harry on So Money, Episode 377. He goes through all of that.

And so I want to know take the time to answer your money questions because it's Ask Farnoosh time and we have a number of questions through Instagram and other places, I want to ask you though Harry, is there a big money question that your audience often asks you or the community?

[0:15:26.9]

HC: You know, I think that as far as what my audience is asking, they're typically asking for how do they, you know, they're really big on sort of ways to make more money. You know, I think like everyone, you know, drivers, they're always looking for ways to maximize their profits and you know, I think specifically, you know, what I typically tell them is to look for these new services that are popping up.

You know, I think also, there's a lot of opportunity with these companies when they're first launching or when they're expanding or you know, kind of understand that you know, you – I think a lot of people tend to maybe be loyal to one company or one brand when they're working for someone.

But I think you have to understand, you can't be afraid of switching to someone else or working for someone else or understanding your value and that's typically what I tell them.

[0:16:07.9]

FT: Great. All right Chase on Instagram writes to me. He says, "My wife is a teacher and we live in Utah. She has an option for a 401(k) or a pension. My question is can we really trust the state pension long term?"

This is a valid question. I think it used to be that pensions were the only way to invest for your retirement, companies would take part of your paycheck put it into this pension and when you're retired it was guaranteed income more or less.

Though in modern days, not only do we have other options like 401(k)s and IRAs but state funded pensions or other types of pensions, you know they are still risky. It is not a guarantee. I am not the pension expert but I know enough to say that they're not bulletproof and the 401(k) is not bulletproof either. It is tied to the market. If you have the opportunity to invest in the pension as well, I wouldn't put all of the money that you have in there.

It is again important to diversify just like you would diversify within a fund to diversify in all the ways that you are investing for your future. So maybe also have a Roth IRA or a traditional IRA as well as a 401(k) as well as maybe putting some money into this pension.

When you were working full time, Harry, what was your way of saving for retirement?

[0:17:33.9]

HC: So I had the option of a 401(k) and I think my company also offered an employee stock purchase plan which was a great deal and it took me a while before I ever figured out that I should be maxing it out since I gave you a discount on the price of the stock either at the beginning or end of the year but I think in this case, for sure I agree with the nail on the head with the diversification aspect.

I think pensions are pretty rare these days so it is almost you can look at it as an opportunity or an advantage that you might have to put a little bit of money into a pension and there is obviously risk there. So I wouldn't put everything in there but I think definitely, having that sort of fixed stable income. I mean there are a lot of people who end up that I work with in the rideshare community that depend on their social security and they need a little bit on top of that.

And so I start to look at the pension as a combination or as a benefit that you could take advantage of for sure.

[0:18:22.7]

FT: Yeah, I mean I think that even if the state does lose resources, goes bankrupt, I think that there is going to be a priority in terms of what they do fund and pensions are pretty high up there because that is kind of the promise that you are going to arrive at retirement. They have been contributing to it all these years. It's like social security, people say, "Well what's going to happen?"

I say, well look, it may not be around but I think that if you have been paying into it, you're obligated to some extent to get that money back or get some sort of fixed income in retirement. It's more of a question for the future of that generation, will they even have access to something like social security which is a valid question. Good luck Chase.

Next question is from Jess on Instagram and she says, "I am going to be going into my last year at school," Harry and she's been fortunate because her parents have been paying for college up to this point but it is her last semester and now her parents are saying, "You're on your own," so she's going to have to pay for it herself roughly \$20,000 in tuition. So she wanted to ask us, "What is our opinion on taking out loans?"

She was thinking that she could probably pay herself with the money that she's saved up over the years doing internships but kind of was wondering maybe she should do a combination of cash and loan. So if it is a \$20,000 bill, maybe she would pay most of it in cash and then take out five or \$10,000 in loans because one, she thinks that it could help her build credit and the other thing that she is hoping for is that when she graduates, she'll work for a company where there is a loan assistance program for grads. She's actually in talks with the company that offers this so that's a likelihood.

Look, five or \$10,000 in student loans I don't think is like super terrible. I think in the grand scheme of the student loan debacle that our country is facing that is pennies and if she has the money to pay for that whether that is right after she graduates or soon after whether that is through her assistance program in her company or just through her own paycheck, it's totally doable.

And it would help you build credit and I don't mind that she would want to do this even though it is not necessary. She's got the cash but she's like, "You know what? Maybe I'll just get the loan and pay it off quickly," not a bad idea.

[0:20:47.5]

HC: Yeah, I know. I think this somewhat mirrors my situation when I was in college. It was a combination of my parents paying for some of it, I got some financial aid and then I also worked during college so I paid for some of it. So I came out with pretty minimal debt. I think it was around \$20,000 and I don't think it has to be all or nothing right? You don't have to pay it all off or take out a \$20,000 loan.

I think a mix or a hybrid approach to paying some or half and then keeping a little bit of flexibility cash but like you said, over all in the grand scheme being five to \$10,000 in debt with student loan when you graduate and having job prospects I think is pretty good, an enviable position to be in.

[0:21:24.7]

FT: Yeah, I agree and there is going to be a likely grace period from when you graduate and when these student loans would come due and it's usually a six month grace period. So within those six months you could if you are just taking out \$5,000 realistically you could get that \$5,000 either through just saving over the six months or maybe taking your starting bonus or maybe you work the summer before and you shore up that cash.

And so when the loan comes due, you just pay it all off in one payment and that way you avoid the interest burden or paying as much in interest. So I am for doing a little bit of a hybrid. I am with you Harry on this and good luck Jess and congrats on almost graduating.

I also like that her parents are making her have some skin in the game just before I wrap that one up. It sounds like she always knew this was going to be the case. It has instilled in her this

savings discipline because she has saved money from those internships. She knew this was going to happen and so I am giving props to her parents for putting this discipline in place.

[0:22:34.0]

HC: Yeah, I really like that.

[0:22:36.1]

FT: Yeah, something to think about. We're not there yet but something to definitely think about when our kids head to school.

And then we have a question from Payal. I don't remember how this question came. It might have been through Instagram, it could have been in any number of directions, So Money Podcast, Facebook. She says, "I recently got a job offer and I am trying to see what the proper terms are to make a counter".

She says, "I will be making way less money at this new job than my old job. I don't want to come off money hungry. What should I say to HR?" Well, before she says anything to HR I hope she does a lot of research, right Harry? I mean she has to know what the market would pay for this job.

[0:23:18.4]

HC: Yeah, I mean I really like this question to be honest because I think it goes back to understanding your value and I am a little biased since I left the corporate world to become an entrepreneur and I think at that point, you really value yourself because you're the only one doing things and you know I think it sounds like if she's going to be or she's even considering this new job and it pays a lot less, I am assuming it's something she is much more passionate about or a much more exciting or interesting job.

So it sounds like she's at least willing take somewhat of a pay cut but maybe not 30, 40, 50% and she is stuck in that situation and I definitely agree with you. There is a ton resources online,

Glassdoor, a lot of salary review type places. If you are in that sort of technology space, there is an app called Blind where a lot of people will talk about their offers that they are getting and as the name implies, it's all anonymous and so you can compare offers.

And if they are offering in tech offering shares is big so they compare all of those numbers and really just getting more information to see what is available and what is out there.

[0:24:19.9]

FT: Yeah and I would say Payal, one really good question to ask HR as you're perhaps countering is to say, "What is the salary range for my position?" A lot of companies do have in writing a bit of a range for each job and it is not small companies or startups. It's more the mid to larger size companies with robust staffing and HR services and they actually have this range and what is this?

It is basically what the company has budgeted for your position and it's a range. You're probably going to get an offer that is at the very beginning of that range and then the more experience you bring to the table, the more years you work there as you negotiate. You have some playing field and it could be say from \$50,000 up to \$80,000. That is really helpful information to get, to extract. They have to tell you if you ask.

They are not going to just offer the information over to you unsolicited but if you ask and you explain why like, "You know I really love to know, what is the company's budget for my role, I understand that I am new hire and I am not going to make it at the top of this range but it would be really helpful for me to have an expectation of how far I can reach financially?" And that I think could give you a lot of perspective as far as where they're meeting you in this negotiation.

If they're just giving you the very bottom of that range or the beginning of that range, I think that that tells you that you know what? You probably could ask for five or 10,000 more or five or 10% more.

Back in the day, I was trying to get a raise at my news station job and I just kept hitting the wall with my station manager. So my father actually said, "Go to HR and ask them about your salary range just to give you some perspective. Maybe there's not much money left."

And so I went and they told me that my salary range was between 45 and \$85,000 and I was making \$47,000 and I have been there for two and a half years. Yeah, who is the dum-dum? Me. So well I went back to my manager and I told her what I discovered and she was surprised nonetheless to not give me a raise and that's when I know I had to leave. So sometimes it is not going to win, you're not in a win situation at the company.

But guess what? When I switched jobs and when I went to negotiate at the next company, I kept that range in mind and I figured it was kind of a standard or not standard but it was probably something that would have floated in the market elsewhere and when I got to thestreet.com, they asked me what I wanted to make and I said I would like to make, this was ambitious but I said I love to double my salary and make a \$100,000.

And they said, "Well we can't do that," and I go, "All right, well how about 85?" And I said, "How about 90?" And they said, "Deal," and you know thankfully I knew what I was worth. I think was pulling an \$85,000 a year work back at the station. You know going into the new job, I had a better sense of what my worth was in the market place and I ask for it and I pretty much got it. So that is something else to think about.

I am getting ahead with that tip but I think that it is still good to know where you fall in this offer. All right, I think that's a wrap Harry, what do you say? What are your plans for the weekend?

[0:27:59.7]

HC: I think my plans for the weekend are going to be, you know, my wife, she's a busy medical resident. I usually have my son for – yeah, I usually have my son at least one day on the weekends by myself and then usually Fridays too.

I usually have them two to three days a week all by myself and luckily running my business, I can work really hard on the other days and then hang out with him and have one day with my wife but we'll probably do some baby friendly activities.

[0:28:24.4]

FT: Living the life, it sounds like you guys have really figured it out and it sounds hard too though. I will give you that credit.

[0:28:32.1]

HC: It's definitely a little funny when I go to the park and it's all of the, mainly, I would say, almost 90% probably mothers and nannies and then me. You know, I kind of have always been a little bit of iconoclast so I like kind of being in that position and you know, for me, it's all about what are the things that I care most about and you know, putting myself –

I love spending two to three days a week all day with my son, seven days a week might be a little intense to be frank.

[0:28:57.1]

FT: No, that's not healthy. For either one of you.

Thank you so much Harry, that's a cute story and we really appreciate you, all that you were doing for this community and the advice that you're sharing and really, so impressive how much you have built this platform and this business for yourself and it sounds like you're having it all. I dare say.

[0:29:18.5]

HC: Yeah, no. I mean, I think that I feel very fortunate that I started my site, really the timing was great when Uber and Lyft were just getting big and getting popular and I think for me, whenever I'm taking on any type of projects and I'm always looking for a few different things. Something

that's interesting and exciting to me, something that's a business opportunity and something that I can help people and it's been cool to see through content, you know, I mean, readers, I'm sure that your listeners –

I'm sure you've gotten very nice emails or very nice thank you's and it always feels cool to create something like a book and then people email you or let you know that, hey, this was so helpful, this was super helpful. I really appreciate the work that you're doing and they're paying me at the same time.

It's all – I feel like it's a win/win/win for everyone.

[0:29:57.6]

FT: Yes, and I do have the best audience and they do keep me on my toes and they give me feedback and I couldn't do this job without them so thank you to all listeners out there. Harry's new book is called *The Rideshare Guide*. Everything you need to know about driving for Uber, Lift, and other ride sharing companies. Congrats again on that.

Everybody, hope your weekend is So Money.

[END]