

EPISODE 544

[INTRODUCTION]

[0:00:36.5]

FT: Welcome back to So Money everyone. I'm your host Farnoosh Torabi. Question for you, is this the year that you want to earn more money? It's no secret that I'm a huge fan of making as much money as you can and want and for me and others, leveraging a side hustle to boost income is sometimes the best way to do it.

Today's guest, Jeff Tennery, is the founder of Moonlighting and it is the first nationwide mobile marketplace where anyone can hire or be hired in any community in the country. Jeff is a recognized expert on the gig economy and he's been featured on many news outlets including CNBC, the Wall Street Journal, Huffington Post. Before founding the company, Jeff spent over 25 years in senior executive leadership roles at Verizon, AT&T Wireless and he's also got a great big family; five kids.

We're going to talk about how Jeff of course founded the company, why it's different than TaskRabbit and all the other sites out there. How he transition from corporate America to launching his own business. How he and his wife manage money in their fabulously large family of seven, and where does he see this gig economy going? What are the top opportunities in the future?

Here is Jeff Tennery.

[INTERVIEW]

[0:01:57.1]

FT: Jeff Tennery, welcome to So Money. You're going to help us all make more money right?

[0:02:02.6]

JT: Show me the money right?

[0:02:05.0]

FT: Show me the money, let's make the money. Tell me about Moonlighting, it's one of the newest technologies out there, apps to help us fill the gap, right? Fill that wage gap as many of us are trying to put together a living. Whether we have that full-time job, we have six jobs, this is not just the future, this is the now. We need to start to really look at ways to piece together our income and so how does Moonlighting, how does it fit in that mold?

[0:02:35.0]

JT: You know, a couple of years ago, we started out very much wanting to help people supplement income, a lot of folks looked at moonlighting and a lot of actually companies looked at moonlighting as like, "I don't want my employees moonlighting, I want the focused in on my job and my work."

What's happened over the last 20 years has been so much wage stagnation, not enough wages and salary growth that people have to go out and find ways to supplement that income. With moonlighting, we fill that gap for people that want to work on the side. There is a lot of expenses in people's lives that they're trying to overcome and one of the things that kind of drove me is I have five children and education bills and ways for people to save for college. So I was motivated very much by helping people make extra money to be able to save and really get by.

[0:03:23.4]

FT: What kinds of jobs are we talking about in Moonlighting and what are some of the qualifications? If someone's listening to the show right now, "Okay, I'm going to go start doing some side work through Moonlighting," how will they know if they're really right for it?

[0:03:36.9]

JT: Well you know what we did, again, kind of cutting against the grain, you see a lot of this market places for freelancers, very much focused in on one particular genre, one particular vertical. With moonlighting, we purposely wanted it to be open and very personal to what are the types of services that you wanted to offer.

So we have everything from a fire jugglers and stilt walkers from the circus that are working on the side from an entertainment perspective, all the way through web and tech designers and data scientists. It's really taking a little slice of your time, idle time that a lot of folks have outside of that 40th hour of the work week and putting it really towards themselves and working and creating more of a life independence on the work side.

[0:04:20.9]

FT: Many of the sites like yours that are now in existence, there's TaskRabbit, Fiverr, Elance, which I think has changed its name like four times. I don't know what it's called now, but a lot of these sites were born or were grown really experience a growth spurt during the recession, which makes sense, right? People were losing their jobs, they needed to make money quickly.

We are now 10 years out from that recession; what's changed? What stayed the same? Because clearly this was not just a trend, this is kind of the way of the future.

[0:04:55.5]

JT: Well you know, going back and looking at 2008 when the market did crash and things corrected there, there was so many millennials that were caught in a really weird spot. They weren't able to come out, graduate, and get jobs, the full-time job market. Even though the economy's recovered and the stock markets recovered, full-time jobs contrary to what I think people look at the jobs reports, so many people have dropped out and that's where freelancing really was born.

Some of the contemporaries that you just mentioned like TaskRabbit, Handy, and UpWork, they've done a nice job of filling the gap very much for the tech group or somebody who wants to run errands. But when you think about people's talents and all the skills that they have,

especially millennials that got caught up in this grind on the employment marketplace, they didn't have a place to go.

And that's why you're seeing so many millennials driving the gig economy because they are not fearful of being an entrepreneur or going out on their own and they also like it from a work life balance and being able to do things outside of work and work on multiple projects and it very much fits that millennial build.

[0:06:08.3]

FT: Your background is in corporate America, you had leadership roles at Verizon and AT&T Wireless. So what brought you to entrepreneurship? Did you always have the bug, or what was the transition like?

[0:06:21.5]

JT: Yeah I did. I really thought I was going to start my own company about 10 years ago and then as you mentioned earlier before the economy really wasn't conducive of that and I have five children and it was not really good timing for me.

So I got a chance to work with a company called Millennial Media in my last role and my friend started a company, we took it from zero to IPO in 2012 and so that gave me the background to learn and watch from an entrepreneur build a business, a very successful business.

What I did is I took copious notes, I was waiting and really I was inspired by Moonlighting in the recession as I looked at, "Boy, we need to create more ways for people to find jobs and create more of a market place that people can work on the things that they truly love working on."

[0:07:10.0]

FT: Okay. So Moonlighting.com, I would imagine, was already purchased maybe by the time you landed on, was there a bidding war for it?

[0:07:18.4]

JT: It's so funny, the story there is I thought a couple of investors that actually were very generous investors that were trying to buy it, moonlighting.com. We only acquired it just a few months ago, but one of our investors helped us kind of get that and it was really interesting because as you imagine, all of your Bruce Willis and your civil shepherds from the 80's.

But Moonlighting, I think it's becoming more and more of a popular term as people looking consider, not quite ready — I almost used the term “bridge”. They're not ready to jump in to the gig economy 100% because they've got a good paying job and something that's stable. It's really that auxiliary income that additional income, that gap there is really where they're struggling and then just general work happiness and being independent.

We have a lot of “moonlighting moms”, we call them, that liked the idea of working from home and balancing the homestead and making sure that everything is running smoothly there and they actually use Moonlighting not only to promote their services and skills but they use it and turn around and that's the interesting phenomenon about Moonlighting is our moonlighters and freelancers hire other fellow moonlighters and freelancers. It's a community effect to it and it's what helped us grow to over 300,000 users nationwide.

[0:08:38.6]

FT: The fees involved, tell us how Moonlighting makes money, how do the fees get exchanged, who's paying the fees?

[0:08:44.2]

JT: Yeah, that was the other thing too that we were interested in watching. As you can imagine, in the early days, we weren't monetizing at all, we're just interested in bringing people to the platform and helping people. We just introduced a new premium service. We have a very unique footprint in relationship around the internet and on mobile is that we have three of the largest local news media companies in Gannett, McClatchy, and tronc, where they're helping us market

our business, and what we're doing in turn is we're helping our moonlighters find new customers really quickly.

We have this really cool service that we charge only \$19.99 a month for, which basically promotes to put you in the gig economy. It puts freelancers and it gives them a chance to be discovered by potential hires, and that's how we're monetizing these days.

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FT: You had mentioned earlier that in the olden days, employers would probably look down upon their full-timers doing side gigs. Do you think that mentality is changing?

[0:09:46.3]

JT: I think it is not changing as fast as obviously a company like mine would like. But I do think there is so much employee dissatisfaction especially when you think about your larger corporations that are out there where the typical cost of living raise is not equivalent to the amount of hours that an employee works in corporate America and I have this theory I'm working on a book right now called *The 41st Hour*.

And the 41st hour is really the American worker taking back that request that comes to them and says, "Hey, can you work overtime? Can you work late tonight? Can you work over the weekends?" And they don't really get compensated for that and it's not commensurate with the type of hours they're putting in. And so I think it's still slow but it's moving in the right direction and I think freelancing is as a pull, it's pulling it in that direction.

Because the dollars and the opportunities are becoming more and more readily available and that's really what Moonlighting's number one mission is just to make and democratize and bring freelancing to everyone everywhere. A lot of the companies you mentioned before, they only work in New York or they only work in San Francisco or they only work in the top 20 cities, which you know, the population in the United States, 75% of the US lives outside of the top 10 to 15 markets. How do they participate in this whole freelance revolution? And that's one of our key missions.

[0:11:08.6]

FT: You bring up an interesting point because I do think that with the freelance economy. It has given workers some confidence to leave their jobs without another one lined up because they can always find side gigs. They can always find ways to make money quickly to keep the lights on, keep food on the table while they find their next sort of passion path. Maybe the Moonlighting gig turns into something entrepreneurial, which would be the best case scenario.

Jeff, tell me a little bit about yourself? You mentioned a couple of times you have five kids, you've worked in corporate America and now you're an entrepreneur, you're a dad. Given all of that context, what's your financial philosophy? Do you have a personal money mantra?

[0:11:50.2]

JT: I'd say my mantra has been kind of slow and steady when I think about what I've done over the last 15 years in my career is I've been fairly conservative to the point of starting this company. So I think the mantra for me is like, I feel like I did a nice job, I'm 48 years of age and I waited I think for the exact right time to kind of make this jump and take a chance and I'm hoping that what we're doing is going to help, like you're always kind of driven by what you do.

I'm hoping that we can help people be ready to make a really good, sound, financial decision when it comes to their career and I think having more choices is going to give people that confidence that they need to kind of do hopefully what I've done, which is look for that right time to take a chance.

[0:12:38.6]

FT: What made you think it was the right time? I mean, there's never any certainty when you're starting a business. Certainly when you're a household of seven — plus five kids — there are a lot of considerations to make. What signal to you that this was now or never, essentially?

[0:12:58.9]

JT: I had been for the seven years I was working for that startup that we took public, Millennial Media, I had been very careful with my finances. I didn't know if it was going to take me three, four, five years. In this case I actually worked there seven years, but I was just being meticulous with my savings and putting myself in a position where the trigger for me was I had dollars to be able to go do this because, as you know, as an entrepreneur, I'm not taking much of a salary from the company. I'm putting all the resources back into the company.

That's really what — it was just a savings plan that I had in my mind, I had to poster up in my office of Shawshank Redemption, which is another one of my favorite movies. There is that, the whole concept of being just patient and knowing about your moment, like the jail break scene right? It's the same thing for me as I was working hard in kind of putting myself in a position. I thought I'd do it earlier in my career and not waiting till I was 46, because Moonlighting's two years old now. I just really was just trying to be patient and pick my moment and opportunistic moment and that just happened to be 2014.

[0:14:07.8]

FT: What about growing up? Tell me a little bit about where you grew up and how that might have influenced your financial lens on things?

[0:14:14.1]

JT: Yeah, you know, I grew up in the New York metropolitan area. I was born in Manhattan, moved out to Long Island for my early years, and I did high school out in New Jersey. My dad was a long time telecommunications exec, so the apple did not fall far from the tree with me in my early years of working with Verizon and AT&T.

My father is a great inspiration to me, worked really hard, my mom worked at a hospital as a nurse and so it was really one of those kind of things where I was raised to work hard, definitely to save and be diligent and, you know, I think it's one of those things where I love growing up around the New York area, I'm in Virginia now so I miss not being out there.

But it's one of those things where I was just very grateful because I think one of the great things about growing up in that area is the amount of things you're exposed to. I think that's something I was just exposed to. Wireless communications and this whole technology. I climbed up the first cell towers back in the 80's as cellular just was being born and here I am on kind of this other back side of it, creating something in mobile that I think can make even further greater impact to people's lives.

[0:15:26.7]

FT: Absolutely. Yeah, who would have thought that we can just find a job using a device that's as big as a piece of meat? That was weird image. I'm really bad at the imagery.

[0:15:40.0]

JT: I remember testing like the first cellphones on the lawn of the Whitehouse back in the 80's and it was with a huge suitcase phone and dragging it around. Yeah, I've come kind of like — I've been able to see mobile kind of grow up and I was exposed to it early and thank god I appreciate my dad giving me that opportunity.

[0:15:58.2]

FT: What would you say is your So Money moment? Well let's do failure first, because why not? We're talking to an entrepreneur here, you're not afraid of failure. I want to know what is your biggest misstep either with your personal finances — which sounds like maybe there is not a big juicy story there if you've been always a saver — or your entrepreneurial endeavors?

[0:16:20.9]

JT: Yeah, this is my second entrepreneurial play, and again I was fortunate, my friend started the previous company so he carried the burden more than I did. But I would say kind of a failure perspective is I think in the 2000's I definitely got caught up in the investing in my house thing and I took out a second mortgage to do that and now I'm older and wiser and I reflect a little bit and said, "God I'm not sure — that wasn't the best investment to be made."

And I know a lot of people got caught up in that, the real estate mania in the 2000's and so I think I look back at that now and I think now that being an entrepreneur too I'm even more living more modestly and being careful with every nickel and I look back now a little bit ashamed at the times like, "Why did I think that way?" Or, "Why did I invest in that piece of materialistic thing that maybe I wish I wouldn't have?"

[0:17:16.1]

FT: What are the tough decisions that you have to make now with running the business? I mean really, you probably have to answer to a million questions a day but what keeps you up at night?

[0:17:26.6]

JT: I think the thing that keeps me up at night is like any entrepreneur is we have this moment in time where we've had great success in the first two years and you're like, okay what's — you feel like a bit of a magician like, "What's the next trick? What are you going to pull out? What's the next great thing that you're doing?" And so I think the thing that keeps me up at night is just what is that next — I am a fairly creative leader and I'm hoping that there's new ideas that are coming in.

One of the things that we are contemplating now is a digital reality series that would feature the very users that are on our platform, the people that have the most interesting stories and so that is on the top of my mind right now. I love the concept of people being show cased that are real and we're calling it Moonlighting Real Tales from the Gig Economy and I think the idea of maybe star making a bit.

These people could become successful not only just as stars but really their business could take off the ground based on what we're doing. That is something that it's top of mind for me. I'm not sure it is keeping me up at night but it's the excitement and that being another evolution for Moonlighting I think is really exciting.

[0:18:38.0]

FT: All right, So Money moment; something you're super proud of? I'm sure your kids are getting quite the experience, like the front row to dad being entrepreneurial.

[0:18:49.4]

JT: Yeah, when we kicked off the company, when we actually launched it back in October of 2014, we had a big event here in Virginia and we had 250 people and I got a chance to get up there and give a speech and introduce the company and the news was there, media, it was nice. And so I have five kids, two were in college, one in high school and then two in the lower elementary side and it's just interesting when you can tell that your kids are looking at you and they're not thinking you're crazy.

And then there's times when your kids look at you and they're actually very proud and I think that probably was one of the shining moments where I was like for being so old on the entrepreneurial side of starting this for the first time and probably my kids hearing me talk about it for so many years too and not having done it, it was a sense of fulfillment that my kids were learning.

And since we started it all, my kids as you would have imagined, everything from babysitting and selling cookies and shoveling driveways, you name it. They have been moonlighting and so that's part of I guess being a Tennyson child, you have to contribute by moonlighting yourself.

[0:20:00.4]

FT: Absolutely. I mean that's one thing about being in college. There's never enough money, ever. And so have your kids take on some side gigs, to have them have jobs since they are younger, what kind of financial modelling have we done for them?

[0:20:17.2]

JT: Yeah, that's right. You know in my career, again going back to that I set up 529's very early and made a real commitment to the education very early in my parenting. So yeah, my kids all

have jobs, they work. My daughter is on the train right now working hard to get another job. She's coming up to New York for some interns for the summer and so yeah, there is a good work ethic.

I think too when you're part of a large family and then your dad becomes an entrepreneur I think they see how hard I'm working and they take after that and so yeah and Moonlighting is based in Charlottesville, Virginia where we are. University of Virginia, wonderful school that has a ton of students who are also, you know, we built the first application by using students to run around Charlottesville and do all sorts of different types of tasks. So yeah, it's a popular application for kids who are looking to supplement their beer and pizza money.

[0:21:18.4]

FT: Beer and pizza, oh man so much more. I don't miss college. Calling my parents at midnight for more money, that was when I learned to start making my own. I did actually love making my own money as a high school student but I think it was when I went abroad. Have any of your kids travelled overseas?

[0:21:38.0]

JT: They have. My oldest is actually a Spanish major and so she spent the summer in Spain last summer and fluent and very proud of her and she is pursuing Hispanic and bilingual opportunities for her and so yeah.

[0:21:55.1]

FT: Great, yeah. I was in Paris, and as one would be in Paris, the money escapes you all the time but I quickly learned. All right, let's talk about your habits Jeff, what are some things that you do habitually with your money to keep your finances in check?

[0:22:13.7]

JT: Well, I don't take out a lot of cash, and I don't know if that's good or bad, but I don't really — I am not fearful of being mugged but it's just so much of it is if I have cash whenever I have large and have in fast, it seems to go pretty quickly. So I am pretty anti-cash which I know a lot of people rely on plastic, which could be problematic at times. But my habit is consistently making sure that my income is always contributing to the overall family nut.

I don't splurge, I do like to go to dinner. I think if there's one thing that I do, I like to take, you know, whenever I'm out I always feel very uncomfortable if I'm not throwing the credit down for the room and I am always fighting for the check kind of thing. But I always try to — I probably have that as a bad habit where I like to buy people lunch or dinner or drinks.

[0:23:13.4]

FT: I'm sure your friends love this habit.

[0:23:15.0]

JT: They do, but my wife hates it so.

[0:23:18.2]

FT: Yeah, remind me to go out and eat with you next time. Well, I think that, going back to the whole anti-cash philosophy, I think there is some truth to that although there's been a lot of studies too that show how when we use credit cards we're more likely to spend more because it's not as painful. You're just swiping or dipping, as it is today.

Whereas cash especially those bigger bills like the 50's, the crisp \$50 bills or even a crisp 20 can sometimes make you think twice, three times before buying something arguably frivolous at the grocery store or at the mall. It's just one of those things. But now we do so much of our shopping online, I wonder how that statistic is really shaping up these days.

[0:24:02.7]

JT: Yeah, I think the other thing too is that when we're not indulging out, eating with the family, we do a lot of meals at home and do your Mac and Cheese and things that offset the more luxurious meal that you have to try to get by.

[0:24:17.2]

FT: Yes. All right let's do some So Money fill-in-the-blanks Jeff, are you ready? This is where you finish the sentence that I start but don't over think it. Sometimes guests get stumped because they want to give the perfect answer and that's not the point. We want to know what's really going on in your brain.

[0:24:32.3]

JT: You got it.

[0:24:33.1]

FT: If I won the lottery tomorrow the first thing I would do is _____.

[0:24:39.0]

JT: If I won the lottery I would love to teach. If I wasn't out chasing the dollar and keeping the family unit running, I would love to and sadly teachers are not paid enough but I would love to teach. I love to work with young people and teach. So that's something that I would love to do that I know I can afford to do as opposed to now.

[0:25:01.8]

FT: What would you teach?

[0:25:02.9]

JT: I would love to teach an entrepreneurial class, to teach people that have the nerve and the guts to go for it.

[0:25:10.2]

FT: Nice, we need more of that for sure. I didn't get that training in school.

[0:25:13.8]

JT: Yeah.

[0:25:15.1]

FT: When I spend money to make my life easier or better, the first thing I spend on is _____.

[0:25:21.5]

JT: I'm quick to — I'll probably eat, that going back to eating out thing. Probably for me it's just easier for me although I could be packing lunches and doing things that are probably more fiscally responsible, but I love to indulge that way.

[0:25:37.8]

FT: I guess that is also your splurge, right?

[0:25:39.6]

JT: That's right.

[0:25:41.4]

FT: Cool. One thing I wish I had learned about money growing up is _____.

[0:25:45.6]

JT: I thought, and made an interesting mistake, but I thought I made a lot of money back in the early 2000's and I laugh about it now because it was not a lot money but it was a lot of money to me at the time. So I thought, "If I just put that money away and don't touch it," — because that is always a hard thing to do too when you have a big family.

So yeah, I would say that I made the mistake of assuming that a certain dollar amount would actually carry me into some of these bigger — I still have wedding to go and other things of that nature to save for. So yeah, I think probably that that would be my approach.

[0:26:25.8]

FT: And then, when I donate I like to give to _____ because _____.

[0:26:32.2]

JT: I would say that I have donated jut a lot to Goodwill. One of the things too about having such a large family consumption, as you imagine, is that I always make sure that the stuff that we are not using gets to Goodwill. So I spend a lot of time to Goodwill.

[0:26:50.1]

FT: Goodwill can be such a treasure hunt, right?

[0:26:54.7]

JT: It is. It's funny, you can go in and look at stuff and go, "Wow I was supposed to kind of be relinquishing things." There are some very cool things that you're like, "I could use that," especially when you are doing the drop off for sure.

[0:27:04.5]

FT: We did on a piece on this guy, he's called the Garage Sale Millionaire. I've actually had him on the show before, Aaron LaPedis, and he has quite the eye for other people's junk turning them to treasure. He and I went into a Goodwill, I think it was Goodwill and he said, "You know this particular piece of glass," — he knew immediately like it was hand blown and it was \$3 and he was like, "I think you could sell this on eBay for \$46 to \$45," and you've got to be around those people whenever you're at these second hand stores.

[0:27:39.5]

JT: That's right.

[0:27:41.2]

FT: Go to Goodwill, donate some stuff, get your tax write off but then also make some money out of that place. All right, last but not the least I'm Jeff Tennery, I'm So Money because _____.

[0:27:54.1]

JT: I'm So Money because I am truly dedicated to trying to help people make money and move their lives forward in a way that they don't need to rely on a big company or a corporation. I think that being self-employed and independent, it's been hard to do that for a lot of folks and I'm really hoping that we can change that.

[0:28:19.5]

FT: I love that goal. We talk about it a lot on this show that saving is important, budgeting is important, tracking your money is important. But after a certain point if your employer is not paying you enough and you've asked for the raise more than once, then you have to take matters into your own hand.

Fortunately we have this growing, expanding, robust gig economy thanks to sites like yours that are helping us tap into income and interesting jobs at basically at a tap of a finger. So love it,

keep it going, we look forward to seeing how the site blossoms, continues to grow, and wishing you a great 2017, Jeff.

[0:28:58.5]

JT: Great, thank you so much for having me.

[END]