



## Start a Side Hustle with Nick Loper of Side Hustle Nation (*Transcript*)

**PT:** Nick, welcome to the show.

**Nick:** PT, thanks for having me.

**PT:** We've known each other online for a few years now or maybe even longer and in real face-to-face too. We've met at a few events. You've spoken at FINCON, of course. I'm looking forward to learning more about your financial background and financial journey up to this point. The first question is what's the one thing you do that maybe others may not do that's been the number one contributor to your financial success so far?

**Nick:** It's probably spending less than I make. Beyond that, it's not thinking that a dollar today is going to equate, automatically, to a dollar tomorrow in not letting spending creep up to match income level, like, "Look, I've been happy with this amount of stuff in my life, with this big a house to call home so why do we need to upgrade that?" Is it just because we can? Just because we can, doesn't necessarily mean you should.

**PT:** Yes. What has helped you stay in that mindset? Have you always been that way or was it something you read, learned or were taught to be more like that? Or is that just naturally who you are?

**Nick:** Well, we grew up pretty frugal. Looking back, I think my parents were doing better than they probably let on when we were kids. I think that rubbed off—not spending money just because you have it. Recently, I think that mindset has kind of accelerated. We were kind of caught up in the real estate crash here in California, where we had bought a townhouse just—right past the peak. Things had come down a little bit and weren't as expensive as it was so we said, "Let's go." Within 18 months it had dropped another 60 percent of its value and that really put a strain on my wife and mine's relationship. It was also a strain on a lot of friendships we had because now our friends, who didn't have their act together in time to buy then, now were getting stuff for half-off. It was just kind of a stressful time, you know, losing the house. We eventually ended up

doing a short sale. But, it's only money. We're still going to be okay. Then I discovered the Mr. Money Mustache blog which kind of gave you a goal or end-point to being smart and frugal with your money more-so than just pinching pennies for penny sake.

**PT:** Up until that point, if it wasn't for this end-goal, what was it about? It sounds like you were naturally frugal but it wasn't really about an end-goal yet. It was just generally staying within your means?

**Nick:** Yeah. That was really helpful too because that was the first time I had heard about the 4-percent rule. All of a sudden there was a target, a very tangible thing, which I think was really helpful. But I was upset. Why didn't anyone teach us this in high school? You think about the 10 years prior to this. What decisions would you make differently? I moved from Seattle to the Washington DC area right after school and was very convinced I was a grownup with a real job. I wanted my own place but rent was expensive. I could have had roommates and could have had more fun and saved some money in the process. You kind of look back at these different decisions under the lens of Mr. Money Mustache and wonder how you would have done things different.

**PT:** Okay. So, talk about the 4-percent rule for folks who may not realize what that is. What is that?

**Nick:** This is based on some historical stock market data. Basically, if you have a portfolio of \$1 million and you live on \$40,000 a year, that money will last you, in perpetuity, 96 percent of the time. The advantage of that, in theory, is that now you have 40 hours a week to do whatever you want, like make more money. If things go down you can adjust your spending accordingly. That's what I learned from Jeremy at Go Curry Cracker who said, "Look, if the market takes a downturn, we can go to Mexico where it's cheaper or to Asia where it's cheaper. We don't always have to spend time in Europe or the United States." It made a lot of sense.

**PT:** Yeah, the early retirement or financial independence concept has really taken a hold in the personal finance sphere and that concept, I think, has given a lot of people the 'why' behind handling their money, like you said. What year was it that you discovered Mr. Money Mustache and decided to start treating things a little bit differently?

**Nick:** That was probably around 2013 or 2014. I was trying to share this with my friends— have you heard of this guy? Apparently he already had millions of followers but my friends said they hadn't heard of him.

**PT:** Okay, so you were already married at the time and had done the short sale with your wife before that point. What were you doing for work and what was your wife

doing?

**Nick:** My wife's mechanical engineer. She still has that job. My shoe business was my main source of income. It was my original side hustle— the vehicle that kind of let me quit my job. I was running that full-time. Like any entrepreneurial venture had lots of ups and downs. During that time it was kind of on a downward trend so I started a few different side-hustles to that business. Most of those flopped but a couple have done well. One of those that kind of took off was the whole side-hustle nation stuff. There were lots of people interested in making extra money.

**PT:** Oh, absolutely. It's one of my favorite sites. I love your podcast and I want to get into that at some point. But, what was your corporate career or previous career before the shoe company?

**Nick:** I was working for Ford Motor Company. The company makes money in three or four ways; they sell cars, they sell parts and they sell financing insurance on those cars. I was working on the parts and service side helping their dealers try to run a better retail business and serve their customers better with the end goal of selling more Ford parts through those channels.

**PT:** And you just get the job right out of college?

**Nick:** Yeah, that was my first and only real job.

**PT:** And what led you to doing the shoe business?

**Nick:** I had an internship while I was still in school with kind of one of these like pioneering online footwear retailers. That was my first exposure to the world of online business. My roommate pointed out this ad in the school newspaper classifieds for this internship so I went over there and they hired me. That was my first exposure to affiliate marketing, to Google Ad Words, to SEO and all the stuff that was really kind of a helpful turning point.

**PT:** What year was that?

**Nick:** That was 2004.

**PT:** So you had the internship. That gave you a taste. But then you still stayed the traditional route of looking for a standard corporate gig with Ford, assuming you were saving for your retirement and starting to pay off loans when you got the job with Ford?

**Nick:** Yeah, I was very fortunate to graduate without any debt so I kind of used the day job money almost as a silent partner to invest in this business.

**PT:** Oh, so you knew when you when you took the Ford job that you were already heading toward the shoe thing?

**Nick:** Yeah, pretty early on too. Even before starting work I had been kind of dabbling in the affiliate marketing space with some direct-link text ads. We would look for a specific model of shoes and say, “Here's a store that I think has probably the best deal on them this at the time,” and direct-link that on Google Ad Words with my affiliate link. We started this from the basement of our house in college. It was something like \$1 a day budget on Ad Words because you can get burned in a hurry. But, it kind of validated that it was good to fire bullets before firing cannon balls. Those little text ads were the little bullets. Once I started work and kind of had proven that concept a little bit the cannon ball was actually having the website built, which was a big investment especially in terms of percentage of net worth. It was a pretty big investment at that time but I was confident that it was going to work. If it didn't, I still had still had the day job.

**PT:** Okay, but why shoes? I'm just curious. My brother-in-law has a shoe fascination. He used to work for Foot Locker and he's collected hundreds of shoes. Were you sort of a shoe junkie too or is that literally just the business that popped up for you?

**Nick:** I just kind of had a little bit of an ‘in’ from the internship. I was probably my own worst customer. I only bought 3 pairs over the course of 10 years of running this thing. It's a product that has a pretty decent retail markup and they were paying decent commissions, especially for physical products. You would see between 10 and 20 percent commissions to an affiliate which over the years, decreased. That's one of the reasons the business eventually died. But, it's a healthy product and a lot of people were searching for random stuff so you could easily to create a catalog of ads based on these specific product names.

**PT:** You said you saved up money to invest in the business. Did you save up money before launching the business and taking that full-time, to sort of give yourself a little bit of a runway, personally?

**Nick:** Before I finally got up the nerve to tell my boss I was leaving, I wanted to see the revenue history— a track record of 6 months or 12 months—that it would at least be enough to cover our expenses. I probably stuck around a little bit longer than I needed to. I really didn't hate my day job. It was just a matter of timing. It was never going to be perfect so even though the business was making money, I wasn't sure this was allowed. Was it okay to do your own thing full-time? I'd never done it before.

**PT:** During this phase of taking on the business, said you left college without any student loans, was there any other debt in your life? I know eventually you got a mortgage but were there any other debt credit cards or other consumer debt?

**Nick:** No, I didn't have any of that. My folks were pretty good about encouraging responsible credit card usage early on. So, even as a teenager I had a credit card. It was my parents' card but it had my name on it. They told me it was for emergencies and if I spent anything else on it, I'd have to pay them back. As soon as I turned 18 and could open up my own credit, they encouraged me to do that. They believed it was important that I start building credit. Somebody in the FINCON group actually asked, "What was your first credit card?" Or, "What was your worst credit card signup bonus?" And I remember I got this stupid bucket hat. And now I'm all about travel hacking and about the tens of thousands of points and stuff. Their cost of acquisition was so low—

**PT:** Yeah, many of us have stories like that. I don't know about the bucket hat. I've never heard that one but I certainly have the college t- shirt to show for that first card. When I got my first card in college, and I was "responsible" but I didn't know that I needed to pay that off every month. Your parents just told you that you'd have to pay that off every month? Or did you, literally, just only using for it emergencies? How did you know to handle it a certain way?

**Nick:** It made sense to pay it off every month. I was afraid of getting interest charges.

**PT:** Yeah, that's sensible. I didn't learn that when I was in college. I just thought I could float it until I got a job that paid well. Or, at some point later on I would handle it. I just used it to kind of put off expenses 'til tomorrow. You didn't have that mentality?

**Nick:** The Ford job was kind of cool. Outside of rent, I had a company car for most of my tenure there and for probably half the time I was on the road three four days a week so it was pretty much for meals. You lived pretty cheaply for that. Plus, I was young, in my early 20s. You don't have that many expenses to begin.

**PT:** Talk about the year you bought the house. When was that?

**Nick:** That was 2007.

**PT:** That's when we bought our first one as well. I remember thinking at the time that it was a good time to buy. Did you guys put anything down on the house? How did that whole purchase work?

**Nick:** We put 10 percent down on our half-million dollar townhome. As the market was sinking we paid off our second note because it was at something like 8 percent so we could save an extra \$300 a month. We were just throwing more good money after bad at this point and did not see the writing on the wall—that this thing was not going up any time soon.

**PT:** When you finally made the decision to do the short sale that was what year?

**Nick:** It probably finalised around early 2013. It took probably 9 or 10 months to finally complete. That was really frustrating. As a business owner, trying to negotiate with Wells Fargo was difficult. Their behavior didn't make sense. They refuse to talk to you or do a review. And we could afford to continue paying but it didn't make sense to because we could move next door for half price. If this goes to foreclosure, this is what you're going to net. We still live here—we still live in the same neighborhood. We like living here. We would love to continue living. We said, "Let's make a deal." But they just were having none of it.

**PT:** Did you guys eventually buy in that same area? And are you renting now?

**Nick:** Yeah, we are renting now. Of course the market has rebounded so we've had to watch it go back up which has been kind of painful but we're happy where we're at. We kind of have some mobility. And thankfully (knock on wood) we haven't had our rent raised in awhile so we'll keep quiet.

**PT:** Discovering Mr. Money Mustache... I remember the first time I read him as well. It was early retirement extreme—some of those early sites on that topic with revealing, life-changing kind of material. What were some of the financial goals you set for yourself? And how did you go after those goals?

**Nick:** The way I would kind of structure it is— I'll call it the 3 tiers of financial independence. Tier one is where you have a job and you're just covering your expenses somehow. You're not reliant on your parents or anybody else. You are your own person and you can cover your bills. Tier two is where you have some system, like a business, that you control that's covering those expenses. That's kind of where we're at right now. And the third tier is living off your investments. You've escaped the Rich Dad, Poor Dad, rat race and now you're living off dividends and interest. Or, you might have outsourced your business to some other manager or something that is spinning off cash for you that could count as well. But, it's no longer directly relying on your time input. That's the third tier. Then, maybe a fourth tier could be called the "Bill Gates" tier where you can go out and cure malaria and all these other world problems.

**PT:** We'll come back to that third tier but let's camp out on the second tier for now. You made it to a point to where you're covering your expenses based on these assets on this business you've created that you're still working in but you're not relying on a third party necessarily to meet those expenses. How do you get to the point where you have a business that does that for you? I know that's a big question but—

**Nick:** Well, in all fairness some people will skip tier two entirely. If you have an incredible job an incredible savings, you could skip tier two entirely and go directly to tier three, living off dividends and interest.

**PT:** Just like Mr. Money Mustache did.

**Nick:** Exactly. For me, it was the shoe business. That was the vehicle. Like I said, it kind of has died off now so I'm in a really cool position right now to have a handful of different income streams that kind of fall under the Side Hustle umbrella. Even though the shoe side is dead, I still have some other affiliate marketing sites bringing in some income. I've been playing around with self publishing, freelancing, teaching courses and selling stuff on Fiver and kind of playing around with Amazon FBA. All of these different side hustles kind of funnel up to make it. And, of course, now the Side Hustle Nation audience has grown to the point where that is bringing in significant income in terms of podcast sponsorship and affiliate income too.

**PT:** Do you have a membership site or anything?

**Nick:** I don't. I used to host a private mastermind site but I'm kind of taking a break from that. Our son was born this winter and the extra hour in the evening is a lot harder to part with now.

**PT:** I get it. I talk to a lot of entrepreneurs on the show and something I'm always interested in is how someone, like you, who has slowly built the business up and has income coming in from different places and multiple businesses. How do you handle things like insurance as well as retirement savings? How are you handling those two things?

**Nick:** Insurance, first, is easy. I'm on my wife's plan. If and when she eventually quits then we'll have that challenge—that's a kind of a big expense to bake into it. Before we were married I was buying my own insurance. A high-deductible plan. Young and healthy, it's something like \$50 a month. That same plan today would be \$250. It's just nuts how much it has gone up. On the retirement account side I have a self-employed 401k. What's cool about that is I can defer 25 percent of compensation up to \$18,000 or something like that for this year. And the best part is there's a company match so you can do profit sharing out of your own company. If you don't need that cash flow to live on you can end up deferring quite a bit of that, so that's kind of what our game plan is.

**PT:** Yeah, I love the solo 401k. My wife and I both have them for our businesses so they're huge. There are major tax deferrals there. I love it. That's a great vehicle for any entrepreneur, I think. Obviously, you do well, like you said, from the outset of spending within your means. Is there any type of budgeting tool or service you're using to track that or manage that? Or, is it how you're naturally flowing with your cash?

**Nick:** I've never used any formal budgeting tools or really even set up a budget. I just keep a mental tally of what's coming in and what's going out. I'll give you an example. In

the periods of time where the business was not doing well— Like, on my first day of retirement (or I should say my first day of self-employment) Google strikes me down. I lost 80 percent of my traffic and revenue overnight when Google said my site no longer met their quality guidelines for advertisers. I thought, what are you talking about? You had no problem with this for the last two years. You've got thousands of happy customers. What is the problem now? You go through all the anger and denial and all this nonsense then 3 months later they come back and say, "It looks like we made an error. You're good to go." But during those times when there's no money coming in, I will not spend anything. Well, I don't buy very many clothes or anything anyway, but I'd just be really, really tight with that because it's stressful thinking where's this coming from?

**PT:** Right. So, living lean on occasion and really being able to crank it back down and live really lean if you need to?

**Nick:** Yes.

**PT:** Obviously, you have rent now. What are the major expenses for you guys in your life?

**Nick:** Rent is the biggest. Daycare right now is pretty big. That's probably \$800 a month. On the business side, my biggest expense is A-Web or Podcast Editing Service. Over time it's kind of crept up. I was thinking about that while walking the dog this morning. The overhead for this thing has sort of crept up a little bit. It started at just \$10 a month to host the site and \$15 a month to host the podcast. So there has been some lifestyle creep in the business, that's for sure.

**PT:** Yeah, I know. I've experienced that too. Your wife obviously still works full-time and provides the insurance for you guys. How do you guys share the personal finances in your household? Is it mixed in or separate? How do you do it?

**Nick:** It's something that we're working on because right now we each maintain separate accounts and we have a joint account for our shared expenses like rent, child care, groceries and stuff like that. We've run it that way for the last 10 years. Although, I'm leaning more to where, this is a team sport so we should just combine everything for the sake of simplicity. But I think she likes it being separate. Her argument always is, "Well, what if I want to buy you a Christmas present? It shouldn't come out of this joint pool of money." I tell her that it's fine. It doesn't matter. But, that's where we're at still.

**PT:** I get it. And I like the fact that you have this separate but there is also a group pool too that you both can tap into.

**Nick:** Yeah, we're just slowly combining stuff.

**PT:** You are, obviously, someone who doesn't like to spend money. Are you both sort of bent that way or is there a spender in the family?

**Nick:** We are pretty much on the same page. I mean, she still likes her nice things and wants a nice place to live and stuff. I do too. I met a guy yesterday. He was at FINCON but I didn't meet him at FINCON but I talked to him yesterday and told me he off \$25,000 in 6 months by sleeping in the woods, in the winter.

**PT:** Oh, my goodness!

**Nick:** I said, "That sounds crazy, but good for you." What I mean is, it's nothing extreme but we're trying to look at every purchase. Our friends just bought an \$8,000 TV. And we thought, for less than that we spent 5 ½ weeks in Asia a few years ago. The way we see it is, what's going to bring you more joy?

**PT:** Yeah, yeah. I think the trip to Asia, for me, personally.

**Nick:** I mean, it's a big TV! It's nice to have friends who are going to go and watch some football... But it's just— I don't know.

**PT:** Right, right. Tell us about that trip to Asia. Obviously, travel is be a big thing for you and your wife so how do you afford to travel on a budget, or being careful to spend your money wisely when you travel?

**Nick:** We've been really fortunate to be able to do quite a bit of traveling and a lot of that is pieced together through credit card sign ups. It's almost more of a game at this point where I feel bad if I'm spending money that's not working towards a sign a bonus. I feel like that's wasted for some reason. We're on Companion Pass and we've had Companion Pass on Southwest for the last 3 years and we'll have it through 2017. With her doing the 50,000 point personal card and 50,000 point business card and then me doing the same—50,000 point personal and 50,000 point business, plus now you have 200,000 points to blow, so you end up getting a lot of domestic travel taken care of. For the international stuff we do Delta United and a lot of Air B&Bs abroad.

**PT:** Have you done Delta and United cards?

**Nick:** Yeah.

**PT:** I've never looked into those. We mostly use American Airlines hub out of here in Dallas. We mostly look at those.

**Nick:** That's true. There was an Amex deal where, if you had personal and business it was something like 60,000 or 70,000 on Delta. So, that got us to Europe this fall.

**Nick:** Has that ever proven to be a challenge as a business owner for you? Well, obviously, you've always treated your credit wisely, it sounds like. And you had credit early on in your life. But, have you ever had trouble as a business owner getting cards or getting access to credit like that?

**Nick:** That's why it pained me so much to go into default on the stupid townhouse loan.

**PT:** Oh, yeah.

**Nick:** I'm a Type-A person who's just clicking the button to turn off the auto payment. I was wondering what was going to happen to me. In the end, not much. It's kind of a weird thing how much this credit score meant to me beforehand and how little it means to me now. Because I'm still able to get pretty much everything that I apply for some.

**PT:** Why do you think?

**Nick:** Maybe they see I'm a better risk. May if they think they're more likely to make some money on me now. I don't know.

**PT:** Can you share the credit details? Would you mind sharing what it was before the sort sale, and after?

**Nick:** Yes, I probably saw high 700s. Around 780 before and then it probably dropped around 100 points to the high 600s after that. What we did to protect my wife's credit was, I assumed the note under my name and she was home free. To the bank, it may have looked like we were getting a divorce or something. Then it's probably rebounded another 50 points. I honestly haven't checked in awhile.

**PT:** But it hasn't prevented you from getting all the cards that you need?

**Nick:** Right. The only time I got rejected was because I had too many Capital One accounts or something like that.

**PT:** Gotcha. It wasn't based on scores. It was based on the volume of cards you had applied for. Some internal rule they had not some credit rule?

**Nick:** Yeah.

**PT:** Cool. So, traveling is fun. And, now you got the new baby. Any other personal finance expenses? Obviously, \$800 a month in child care is a big expense going out, but did you guys prepare financially for the little one? And, or how has that changed things for you guys?

**Nick:** Outside of daycare, doctor visits and hospital visits he isn't too expensive yet. I mean, we spend some money on diapers and now he's starting to eat a little bit of

grown up food so we're buying him apples, pears and banana and all that stuff.

**PT:** Stuff you should be eating too.

**Nick:** Right, so, I'll have his leftovers. I was asking around in the FINCON community about setting up a college savings account, a 529 account and the responses were unanimous— yes, you need to set this up. It's a no-brainer. It's tax-deferred money or it grows tax-free. But I was more debating... Okay, in 18 years is college going to be obsolete? Is the value still going to be there? If tuition continues to rise at the rate that it has, the value of that degree is arguably, less and less and less. There's weird trade-offs where people are graduating and not getting the jobs they want. And companies like Google and stuff are saying, "Hey, we don't care. If you do the work we don't care where you graduated from." We're kind on in this weird hedge. Are we going to fund this so that was it we're kind of in this weird head like OK we're going to fund this as a "just in case" and if he doesn't go to school or whatever we'll take the penalty or whatever?

**PT:** The wife and I take a somewhat similar passive approach. We have three kids but what we do is just a simple \$25 a month for each of them, and if the grandparents were to throw money into that, we're grateful and for thankful for it. But ultimately, I respect the degrees that we got; education and accounting. I think those are two solid degrees still. We did take out student loans but those didn't cripple us. Granted, I know we went into a different job market than our kids will probably go to. But to make a long story short, we're hedging too. We're going to save probably what will end up being enough for a semester or two for each of our kids going.

**Nick:** Yeah, but it's going to be \$300,000 a semester or something like that.

**PT:** Well, if they want to use it they can and if not we'll pass it on to the next kid. That's kind of how we see it. And, if they want an education bad enough, they'll pay for some of themselves. So that's good, man. Congrats on the little guy. I feel like I'm burying the lead with you because you are the Side Hustle guy now. That's obviously what you are an expert in, so a lot of people who may be listening might want to look at the idea of doing something on the side other than what their main gig is, to help them with their finances. Talk about some of the ways people can dip their toes into this world of having a "side hustle" that might help them either pay down debt quicker or build up savings faster. And, talk about the early stages of getting into something on the side.

**Nick:** You bet. It's kind of fun to talk about this other stuff. I don't get to talk about these philosophical money conversations that often, but let's talk about side households. Let's go through three (what we call, gateway drugs) to starting a side hustle. First, is tapping into the renaissance of peer-to-peer commerce. Call it the sharing economy. We're talking about the Uber's of the world, the Air B&Bs of the world or dog vacations of the

world for example. All these different opportunities to connect and do business with your neighbors are powered by these apps. If you think about renting out a spare room in your house and what that might be worth, back 15 or 20 years ago how would you advertise that? A sign in the yard or an ad in the paper. Now, Air B&B has opened up this really global marketplace of demand. I met some folks researching for the, Buy Buttons, book. The guy, who was from New York, was curious saying, "My girlfriend and I were just curious as to what the demand really is like. So, he put an air mattress in the living room of his one-bedroom apartment in Manhattan. Eighty bucks a night. If you want to come and stay in my living room, fine. He, honestly, didn't expect to be booked almost all the time. And he was just blown away and most of those were international visitors. For him, the side benefit is that he's got friends all over the world. So that's kind of cool. But eventually it got weird and got to be too much so they only do it now while they're on vacation. They have a safe deposit box they put all the valuables and important stuff in and they're off to Costa Rica for a couple weeks. It's like the apartment is paying for their entire trip during those times. I really like those "sharing economy" apps and marketplace. There are hundreds of them for just about every niche or asset imaginable where there is a very low barrier to entry. I had an Uber driver in Chicago who just said, "Hey, look, when I want to make money, I just turn on the app." It's that simple. He was in a position of being between jobs and this was a way he could be proactive in making ends meet in the meantime. Tier two would be to go out and sell some skill you have. If you've had any job (and by definition that's some skill that somebody thought was worth paying for) to continue the peer-to-peer theme, there's marketplaces like UpWork or Fiverr. Marketplaces like Wyzant for tutoring. Marketplaces like Voices.com for voiceover work. Again, for every niche imaginable and whatever your skill is. It's really exciting because for services like InstaCard or Uber, there is this downward pressure on price because anybody can do it. Anybody can go deliver your groceries. There's no special skill. If you're more highly specialized or skilled, that's where you can kind of improve your hourly rate. When we had Kerry Olson on the podcast talking about voiceover work, I asked what the best gig she ever had was and she said, "Well, one time (and this is not typical one time) I had a \$3,000 gig that took only 45 minutes to knock out. And I was shocked. That was like \$3,000 an hour. It just goes to show that she's not going to make that kind of money driving Uber. She has this unique skill. And I said, "I can read. I can talk. I've got a microphone." And she said, "It is acting, Nick!" So, tier three, the third different gateway into side hustling is the age-old business model of, buy low and sell high. It's the same business model that Wal-Mart uses, that Amazon uses, that every store in history of stores uses. I met some really interesting characters in this field. One of them calls himself the Flea Market Flipper. You'll find him at the Orlando Florida flea market every weekend looking for odd items. He gave me the example of finding a prosthetic leg that he scored for \$40 and turned around and eBay for \$1,000 the next day. And finding a fancy espresso

machine—just weird one-off stuff like that. He says the more rare it is, the more specialized it is, the more opportunity there is to make a big markup. He gave another example of some physical therapy exercise bikes he sold for \$2,000 each. He picked them up for \$200 or \$300. You just never know what's out there. So that was kind of an interesting one. The way I have been implementing this is actually through the Amazon FBA program Amazon— fulfillment by Amazon. What I've learned was that close to half the inventory on Amazon isn't owned by Amazon. It's one big consignment store that's owned by small business owners like you or me. What you can do on a very simple basis is, while you're out running errands, create a free Amazon seller account and download the free Amazon seller app. That way you can scan the barcode of stuff that's on clearance at your store and see what the item is going for online. My general rule is, if I can double my money and if the sales rank is under 100,000 in that category that gives you an indicator of how fast it's going to turn. So I'll scoop that up and send that in to Amazon to sell on my behalf. It's really pretty straightforward and a fun way to turn shopping into a scavenger hunt. But I really like that, buy low, sell high. I still see people doing well with that. Even today, when it seems like markets should be more efficient than they are.

**PT:** I love it, I love it. Thinking about those three concepts, you know what I love about that, is people are listening to that. I'm sure there are times they're saying, "Oh, that's not for me." But there is something in there that you maybe want to give a try. What I've found, as an entrepreneur, is that once you get just a taste of it and sort of thinking about the world more entrepreneurially and thinking about the world as being sort of a buy low, sell high environment, it leads to other ideas. Doing some of those things only leads to bigger ideas within you. Just participating in that economy, I think, leads to breathe more income into your life somehow.

**Nick:** Yeah, more income and more creativity. I met a guy who actually made a full time living just buying and selling stuff on Craigslist, who supports a family of seven doing it. He specializes in appliances. Can you think of something bulky or harder to move back and forth? But, that was his niche. He told me, "Look. You know the best opportunities aren't visible until you're already in motion." And at the time, I thought that was pretty deep but it's been a couple years since that conversation and I've absolutely found it to be true even in failed projects. I was working on a wine-related niche site for no good reason. We live in wine country but I know nothing about wine so there was no real reason for anybody to visit the site. But, during my research for that, I found another wine site that had a pretty cool business model and I was wondering how I could pivot this to a different niche. And that's turned out to be one of my more successful side hustles. Once you're out there starting to publish content and doing podcasts, there are a lot of ways of connecting with people. You never know what kind of ideas a

conversation is going to spark and I have absolutely found that to be true.

**PT:** Love it. Let's get back to the finances. What's one area of your personal finances that you're still just struggling with, something you're still not good at?

**Nick:** What I really struggle with is idle cash. I look at the market and I see it's going up so I don't want to buy now because it's too high. I decide to wait for the next crash and then it continues to go up and up and up.

**PT:** Okay, so, a short-term approach when it comes to your cash. What do you do with your cash? How do you get interest off of it? How are you making money off of your money?

**Nick:** Mostly it's sitting in Capital One 360. Once you have whatever you're comfortable with in terms of a safety net—I'm trying to play around a bit with different cash flows. I mean, everybody's looking for yield right now so we're playing around with Prosper.com. I've been a lender on there for almost 6 years now and I've been playing around with some of the newer crowd-sourcing real estate ones. I've been playing around those so we'll see what happens with that. I've dumped some money into a company called, Kick Further, which allows you to support small businesses in ordering their inventory and getting paid back when that inventory sells. You don't really want to talk to them. They kind of shy away from the investment terminology but essentially they say they're going to pay your 10 percent return in 6 months. That's their projection so I can extrapolate that at a 20 percent return. You seem like a legit company and you have a purchase order so, let's see what happens.

**PT:** Nice. And that's worked out so far?

**Nick:** I got my first payment back today so, we'll see. It's not a huge percentage of net worth playing with it. But it's small money. We'll see what happens.

**PT:** Yeah. I'm assuming you're hesitant to get into the market? Does this affect your retirement savings?

**Nick:** I'm still paying myself and still dumping that money into an account in the calendar year. Whether I pull the trigger and buy the funds or buy ETFs, I don't know. I'm not sure yet. Actually, one thing that helped was a post on dividend growth investing. I don't care if the stock is going up or down, I'm buying it for the cash flow. I'm buying this for the 3 or 4 percent yield and that's what I'm after. That's kind of helped allocate some of that money. In other words, I'm going to buy this income stream versus buying this and hoping it goes up.

**PT:** Okay, so instead of buying index funds, you've looked for dividend funds to

purchase?

**Nick:** Yeah. I'm looking at the dividend aristocrats and seeing which one of those might have historically attractive PE and going on from there.

**PT:** Okay. I've kept you on a long time here. Let's quickly get to the future. Let's talk about getting to the third tier we referenced awhile back. Are there any other financial goals that you have for yourself right now, going into the future? Or is there anyone you want to dial into and share with us, then talk to us about how you going to get there?

**Nick:** Well, I would love for my wife to be able to retire and quit her job. Realistically, she can. But now the question is, how are you going to spend your time? She still enjoys the challenge of engineering and her side hustle is in photography. But, that's during the nights and weekends. What are you going to do during the day? That's the question you have to answer over time. And this was another article I found recently. It's not retiring from something, it's retiring to something. How are you going to spend your time differently? And how is that going to make you happier? If you don't hate work, you might as well keep doing it.

**PT:** Right. So Looking back over the several years since the short sale, discovering Mr. Money Mustache and deciding to become a master of your own money, looking back on it all now—the ups and downs, how do you feel about it now?

**Nick:** We're in a very fortunate place right now, I think. That's kind of the cumulative effect of living within our means for a lot of years. And, hopefully that continues. I guess we're in a position now to be 'location independent.' At least my income is. So, if things get crazy in California or things get crazy in the US, we don't have to be here. That's kind of empowering. I'm really grateful to be in that position.

**PT:** And I'm grateful to have had you on the show. I'm a big fan of all your work. It's been a pleasure to have you on the show today. Where can folks find out more about you and what all you have going on?

**Nick:** Sidehustlenation.com side is the home base. Of course, we'd love to have you tune in to the side hustle show for different part-time business ideas every week. And the book that we reference called, Buy Buttons, is available through buybuttons.com.

**PT:** Nick, thanks for being on, man.

**Nick:** Thanks for having me.