

Sharing Economy Fuels Profits for 50+ Workers - AARP

Share the Wealth

People over 50 are profiting from a boom in the sharing economy

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When Charlotte Bell first heard about the home-sharing service Airbnb, she liked that hosts don't have to pay any upfront fees to list their [properties](#). As a professional photographer, she had been supplementing her income by renting out properties in Mexico and Austin, Texas, for years. But as soon as she signed up to be an Airbnb host, she noticed an uptick in interest — and income — for the Austin property. "They've put together an amazing system. I use it for traveling for myself, too," she says.

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Bell, 67, says about a quarter of her rental income now comes from her Airbnb rentals. "My husband and I have been self-employed artists for 40 years and we don't have retirement accounts, so this is going to take care of us as we get older," she says.

Bell, of Austin, is part of a growing cadre of older adults who are leveraging the sharing economy by renting out their assets, including time and skills, to boost their income. A study released in 2015 by the professional services firm PwC found 19 percent of U.S. adults have engaged in the sharing economy as either a buyer or a seller. Among sellers, about 1 in 4 are over 55. PwC estimates the size of the sharing economy to be \$15 billion, and expects it to grow to \$335 billion by 2025.

There are some risks to participating. Reid Cramer, director of the Asset Building Program at the nonprofit New America, based in Washington, D.C., says Airbnb hosts and Uber taxi drivers take on many of the costs of ownership that would normally be handled by a company, including wear and tear on their homes and cars. The jobs also lack health insurance and other benefits. "A lot of the risk is being transferred from large employers to the individual," he says.

But there can be advantages. "As a way to create some cash flow and participate in the economy on a part-time basis, the gig could have a real upside for people who want to work longer," Cramer says.

Here are seven popular services you may want to consider.

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Airbnb

One of the biggest engines of the sharing economy with more than 40 million users, [Airbnb](#) makes it easy to open your home to strangers for a profit. If you have a spare bedroom or a vacation home, or are just going to be away from home for a short time, you can sign up to host guests through the website. Once your space is listed along with photos and an accurate description, travelers can contact you to book dates.

About 1 in 4 hosts in the U.S. are over age 50, says Anita Roth, head of policy research at San Francisco-based Airbnb. "It's a draw for all ages, but specifically the over-50 crowd, where people are starting to become empty nesters and transition to fixed income," she says. A recent company survey found that among the hosts who are 50-plus, about half of them rely on their Airbnb income to make ends meet, and more than 30 percent say hosting helps them afford to stay in their homes.

The hosts set their own rates. The typical hosts over age 50 earn about \$7,500 a year from renting out their property through the site.

Jackie French, 78, of San Francisco, rents her one-bedroom home through Airbnb when she travels to visit her children and grandchildren.

"Usually that will pay for most if not all of my trip," she says, adding that she's had only positive experiences with her guests. Other than her Airbnb income, she lives off her Social Security check.

What to Watch For: There's always a risk when you invite strangers into your home; they might be messy or they could even cause damage. Roth says those instances are rare and, when they do occur, the company offers hosts automatic coverage of up to \$1 million as well as liability coverage. To limit any personal safety risk, you can opt to host people in your home only when you are away.



Jerry McLeod uses his Uber driver earnings to pay for travel with his wife. — Gregg Segal

Uber

The largest of the popular ride-sharing services, [Uber](#) estimates that about 1 in 4 drivers are age 50 or over and 61 percent of all its drivers have no prior professional driving experience. To sign up, drivers must have a valid driver's license, car insurance and a clean driving record, and they must pass a background check.

Jerry McLeod, a 69-year-old Uber driver in Scottsdale, Ariz., signed up for the ride-sharing service after retiring from his career as a service adviser in a car dealership 21/2 years ago. "The best part is that you have flexibility to work when you want. I can drive in the morning and then go home, eat lunch and see my grandchildren," he says. He works 30 to 40 hours a week, earning \$18 to \$24 an hour. (Note: Uber offers a special incentive to AARP members who want to become drivers. Members earn a special \$35 incentive as Uber drivers after completing 10 rides when they [sign up](#).)

What to Watch For: As with Airbnb, close proximity with strangers can always bring some level of risk. Uber says it minimizes those risks to drivers since they don't carry cash (fares are collected via the Uber app) and riders aren't anonymous, so there is a record of every trip. Drivers also rate riders, so any inappropriate behavior can be recorded. Also, lawmakers in some local areas are trying to limit its use.

DogVacay

[DogVacay](#) connects pet hosts with pet owners who need someone to care for their dogs while they're at work or traveling. Over 20,000 dog hosts have signed up in the U.S. and Canada, and about one-third are over age 50. "They're some of our best hosts," says Aaron Hirschhorn, CEO of the company.

Some retiree hosts earn six figures a year hosting dogs; the typical host earns closer to \$1,000 a month. "We have a lot of hosts who may be at a time in their lives where they don't feel comfortable getting a new dog, and this is a way of being in the company of animals," Hirschhorn says, adding that hosts have complete control over the type of dogs they host and the frequency. Hosts receive professional and liability insurance through the company, but they must go through a vetting process and have experience caring for dogs.

DogVacay host Sandra Tjader, 52, quit her [part-time job](#) as an office manager after she started earning enough money through DogVacay to fund her rural lifestyle in the Santa Cruz mountains outside San Francisco. She used to care for friends' and neighbors' dogs on a less formal basis, but sometimes found it challenging to collect payments. Payments are handled through DogVacay, which takes a 15 percent fee. "I stay booked if I say I'm available," she says. She typically hosts three to four boarders at a time, along with several dogs during the day while their owners work.

What to Watch For: Aggressive dogs could pose a risk, but the company emphasizes that hosts have complete control over which dogs they accept. Insurance coverage of up to \$2 million is automatically included.

Fiverr

[Fiverr](#) lets users sell their creative or professional services, ranging from graphic design to voice-overs. While gigs start at \$5 (and Fiverr takes a \$1 fee), sellers can charge more as they become more experienced on the site, adding custom orders or extras that are more time consuming.

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Brooke Folk, 67, started offering his custom short stories on the site for \$5 each in 2011. He now earns about \$10,000 a year selling his stories on Fiverr, including longer stories that sell for \$1,000 and up. "You need to have something of value to offer and share with people," says Folk, who lives in southwestern Pennsylvania.

What to Watch For: Since buyers and sellers don't meet in person, there's little personal risk, but sellers can still run across overly demanding customers or those that leave unwarranted negative reviews.

TaskRabbit

The [TaskRabbit](#) platform connects "taskers" — those willing to perform tasks, from yard work to hanging a photo on a wall to picking up an item at a store — with people willing to pay for their help.

On average, taskers earn \$35 an hour, says Jamie Viggiano, vice president of marketing for the company, which takes a 30 percent fee off the first client's fee and then 15 percent on subsequent tasks.

Most taskers, she says, generate enough income to pay two to three bills a month. "You have an asset that's latent — your time — and you share it," she says. Taskers with experience can command a higher price, she says, and should showcase that experience when pricing tasks. Taskers set their own prices and define their tasks and work schedules themselves, she adds.

What to Watch For: The company conducts identity and background checks on all taskers. It also offers up to \$1 million of insurance on every task. Still, there is always some degree of risk when you meet up with strangers or go into their homes.

RelayRides

Car owners can sign up to rent out their cars as long as their vehicles have less than 100,000 miles on them, and are worth less than \$75,000. The average active owner makes about \$475 per month. Every rental includes a \$1 million insurance policy, which protects the owner against claims related to injuries or property damage from their vehicle when driven by others. "We're helping people make use of idle assets," says Steve Webb, communications director for [RelayRides](#).

What to Watch For: The biggest risk is to owners' cars. To protect against damage, every rental includes a \$1 million insurance policy for the owner.

Vayable

Jamie Wong started [Vayable](#), a site that matches tourists with local guides. "I wanted to create a platform for the millions of people out there who could be potentially monetizing their time," she says. Anyone willing to be a local tour guide can sign up with the service and describe the local experience they want to offer. Guides set their prices and Vayable charges a 15 percent commission. Travelers also pay a 3 percent service charge to Vayable.

Wong says she's working on recruiting more retiree guides. "They are often the most knowledgeable in a community with the most stories to tell," she says. Her father, who recently retired at 67, offers a touring hike through the Berkeley Hills in California — the same one he takes every day — through Vayable. "The income is helpful, but in addition to that, it's something he's passionate about," Wong says.

What to Watch For: Activities generally take place in public settings, reducing risk that comes with meeting with strangers. The company screens all guides, and guests leave reviews.

Kimberly Palmer is a Washington-based editor and freelance writer and author of [The Economy of You: Discover Your Inner Entrepreneur and Recession-Proof Your Life](#).