

Raj Bhaskar:

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James Robert Lay:

Greetings and hello. I am James Robert Lay and welcome to the 158th episode of the Banking on Digital Growth Podcast. And today's episode is part of the Exponential Insight Series. And I'm excited to welcome Raj Bhaskar to the show. Raj is the co-founder and CEO at Hurdlr, a smart mobile app for independent workers, freelancers, and solopreneurs to seamlessly manage their business finances in seconds. Not days, not hours, not even minutes, seconds.

James Robert Lay:

In fact, Hurdlr is a top 10 grossing financial app on Apple and Google with more than eight billion in finances tracked and more than 300 million in taxes saved. And I'm excited about this conversation because it continues to echo the importance focused around creating value for small business, even smaller than that. We'll call them the solopreneur working in the gig economy, working in the freelancer economy, working in the creator economy. Because it's in this sector we will continue to see explosive growth that has been fueled and really accelerated by the COVID pandemic. So with that, welcome to the show, Raj. It is so good to have you on today.

Raj Bhaskar:

Hey, thanks for having me, James Robert. It's a real pleasure to be on.

James Robert Lay:

Before we dive into what financial brands and fintech can do to create value for the solopreneur, the creator economy, the freelancer economy, however we want to slice that. I want to hear what is good for you. What's going well personally, professionally. It's always your pick to get started.

Raj Bhaskar:

Awesome. Yeah, I mean personally and professionally for me are very well mixed. Those are my two big buckets in life. Everything's going well. We're healthy, we had a great Thanksgiving, we had both sides of our family spend the night. So I think we did like six meals together all in the same household multi-generational. That was pretty cool because it's been a couple years since we did that. And then professionally there's a lot. I think we're going to talk about the growth of folks, ordinary people launching businesses from their homes...

James Robert Lay:

Massive.

Raj Bhaskar:

That got massive and it just grew even more through the pandemic. That happened in 2006, 2008 with the recessions. And so anytime these things are there, people have the need for multiple income streams. It's not necessarily out of, because I want, I'm just dying to start a business because they need the extra money. That's where most of it starts.

James Robert Lay:

Yeah. I agree with you. And it creates a level of some security because I have those multiple income streams and that then translates into a level of increased confidence because when one income stream maybe it putters out, it dries up. Well, then I got a couple of other of things to fall back on. I mean that in essence is what the gig economy is essentially all about, right?

Raj Bhaskar:

Yeah, definitely. And a lot of it in the past was glorified. And even today they talk about flexibility. But if you look at the real need for flexibility, it's for the ability to earn income in hours that you have available. And so a lot of the folks in gig economy are still working full-time jobs and they need the flexibility to go on the clock at night so they can make money whenever they're free.

James Robert Lay:

Right. And that's one of the things let's start here. What have been the big trends that you have seen unfold over the last 18, 24 months when it comes to the gig economy, the freelancer economy, perhaps even the creator economy. SignalFire reported that the creator economy now has over 50 million independent content, creators, curators, and community builders, including social media influencers, bloggers, videographers, and Yahoo. An article from Yahoo noted that the creator economy accounts for a market totaling more than 104 billion and is increasing daily globally. So what are you seeing through some of the research and trends on your side here?

Raj Bhaskar:

Yeah. So I think number one was the number of new business formations that occurred during the pandemic. It was almost double from the prior year. That's pretty significant. That's at a time when, publicly, like in the news you hear about businesses shutting down, particularly restaurants and local shops. So I think that's a key thing. And then I think the second thing is folks, what I'm seeing is people learning. I don't know if they know that it's leveraged, but they're basically leveraging their time. And I think remote really allowed that to happen. And I think everyone benefits from that. So I don't think that's harming, let's say the company they work for. I think folks are much more productive now.

James Robert Lay:

Absolutely. And so therefore we have new income streams, new revenue streams as individuals beyond just the "company" thinking about creating value for a solopreneur, someone working in the gig economy, the freelance economy, the creator economy, where might there currently be gaps in a traditional financial brand, say a bank or a credit union to serve and create value for these people here?

Raj Bhaskar:

Yeah. I think the way I look at it is that traditional banks are structured as consumer retail or business commercial...

James Robert Lay:

Very different.

Raj Bhaskar:

And sometimes business... Yeah. And sometimes they talk about in business commercial, small business, but most of those small business customers that banks want they want a minimum of a million plus in revenue, that's the bare minimum. So when you look at that, those numbers and then consumer retail, there's this huge gap. And if I'm a Shopify store seller selling goods out of my home, where do I go? Do I go to commercial, do I go to a consumer and really I just need a little more horsepower from the

consumer operation because I'm not that million dollar, \$5 million seller that fits commercial. And also if you're a Shopify digital seller, you don't really want to hang out inside of a branch.

James Robert Lay:

Correct. And I think it's interesting too to see what, like you mentioned Shopify, what they're doing, they're now offering "financial" services, even lending products to someone working in this solopreneur gig economy, creator economy, freelance economy, what's a commonly held belief that others in the industry, maybe it's an incumbent bank credit union leader. They think about this freelancer. solopreneur, creator economy that you might just passionately disagree with. Where might they be able to transform some of their thinking here?

Raj Bhaskar:

I think I see a lot of them not necessarily believing that Shopify, Square and Stripe are their competitors. A lot of them still see them as complimentary, perhaps subconsciously. And...

James Robert Lay:

Why is that?

Raj Bhaskar:

That just doesn't make sense.

James Robert Lay:

Why is that, why do you think that is?

Raj Bhaskar:

I think they just view them as revenue generation platforms. We don't necessarily see that they're building out the rest of the stack.

James Robert Lay:

And a lot of that has been done "behind the scenes." It's almost like the ancient wisdom from Sun Tzu, know the enemy and know thyself, you need not fear the result of 100 battles. And so it's like we know what's going on, on this other side of the coin, this other side of the equation, but until it has become almost full public square, square and to see how they've continued to grow in this space, it was something that didn't happen overnight. But then when you're heads down focused on serving a particular market segment and the world continues to evolve and transform around you that's when you're like, "Oh, I wasn't exactly 100% aware of this." Thinking about your own journey here of growth, of creating value for those working in the gig, the freelance, the creator economy. How has your model changed over time with the work that you're doing?

Raj Bhaskar:

Yeah, that's a good question. We started off almost a decade ago as an API first company and these platforms didn't really, they weren't involved enough to leverage our features. And so we were forced to build a retail app. We ended up doing very well for five, six years, even today. It's an excellent proven app, excellent reviews. But then over the last few years, we finally started getting organic lead for other platforms, fintechs, even some banks, top five banks to use our features through our API as their own embedded in their offerings, because they see this gap. And so we're seeing now Hurdlr has the ability to power some of these folks with our proven features and really grow the impact that we wanted to have originally.

James Robert Lay:

I really appreciate this thinking and it's one that I'm hopeful more and more continue to explore because it looks at the idea of collaboration over competition that we can co-create value together almost like a best of breed. I'm curious to get your take on this. If you could go back in your own mind, like you said, 10 years of focusing on creating value for gig, freelance and creator economy workers, what's one thing that you would do differently knowing what you know now?

Raj Bhaskar:

One side of me says that maybe I should have, well I didn't know this at the time, of course, but first dive into retail rather than it being something that I discovered that we overshot the moon so that we're there quicker. And that's one side, the other flip side that I ponder is, should we have just continued doing API when there were no takers at the time. If you look at the evolution, a lot of times when trends start, it really takes 10 years for them to really hit.

James Robert Lay:

Yes, they do. Yes.

Raj Bhaskar:

And that's just a common thing. I mean, web services back in the day, they used to talk about it in 2000 and they started getting really used in 2010. And so I'm seeing that here because there have been a few rounds of gig economy. When Uber and Lyft started, my company put out a blog post at the top 100 on demand companies almost eight years ago. And at that time there was on demand for every single thing. Now there's five or six top platforms. It's consolidated.

James Robert Lay:

Well, and think about that for a minute because it's almost like a platform economy as well because you've got the Ubers and the Lyfts of the world, but then you layer on top of that food delivery. And grocery delivery and how it's almost, continuously you're stacking other levels of service on top of this initial foundation here. Running a business is hard, it's even harder when you are a solopreneur. I can think back to my early days being 19, 20 years old, getting this off the ground 20 years ago, it was a different time period. Thinking about what you've learned here, what are some of the big pain points that you are hearing from those working in the gig, the freelance, the creator economies today?

Raj Bhaskar:

Yeah. Well first is knowing where they stand with their finances. Most folks, independent folks, everything's co-mingled, it's all over the place and that's part of that gap. Banks don't fear, Square, Stripe, and Shopify enough because they see that income flowing into their bank accounts. That's going to change one day. It's not going to flow into their bank accounts. It'll stay on those platforms.

James Robert Lay:

Correct.

Raj Bhaskar:

But basically connecting all these dots simply for these folks who are commingling, that's a big pain point. They don't actually know how much money they're making. They might see the income coming in, but as you know, income is not profit.

James Robert Lay:

Exactly. Exactly. And I think that's where you look at solving people's big problems when you put their pain at the center of your thinking of your doing to create what I call prescriptions or cure solutions, a path forward beyond the present moment to help others grow. In fact, there's a lot of, in my own mind ancient stoic wisdom that can guide some of this thinking. Seneca once said "He that does good to others, does good for himself." And to me that's where a lot of the opportunity is when it comes to thinking about creating value for gig, for freelance, for creator economies. What are some of the opportunities from your perspective for financial brands and maybe even fintechs to create value for people working in these different economies here?

Raj Bhaskar:

Yeah, I think it's... So there need to be more offerings that target these folks. First it shouldn't be a tough decision to figure out where within a bank I'm supposed to go if I'm a solopreneur or micro-business owner. So that's the first thing that should be simple. And then if you dive down deeper into that, it's those pain points. It starts with mapping all of their income, but then getting paid. And then the number two, a lot of the platforms are taking care of that very nicely, helping them earn revenue. But then the number two pain point is then tracking their expenses. And then third is taxes.

James Robert Lay:

Yes.

Raj Bhaskar:

And all of this is before they hire their first employee.

James Robert Lay:

Oh, taxes. You're giving me a little bit of PTSD here. Once again, going back 20 years because...

Raj Bhaskar:

Yeah, one more month to relax.

James Robert Lay:

I was a college student. I was a sophomore in college and had some early success and well, I thought you could make all the money and then you could spend all the money. I didn't know anything about this tax stuff and I'll never forget and it was because I just didn't know what I didn't know. Early on, probably the first 2, 3, 4 years of the business doing it on my own before I got some knowledge and wisdom and worked with an expert around this. I had like a six figure tax bill.

James Robert Lay:

And it was a bit stressful to try to claw out of that. And it wasn't intentional. It was just, I didn't know what, I didn't know. I think this is an important subject to really provide some education around back to your point, because if you think about a traditional financial brand, there have been historically either commercial focused or retail focused. This is what I would call the messy middle. But when we look at other research, 50% of the U.S workforce is projected to be part of this gig, freelance, creator economy by 2027. And so for the dear listener to provide a little bit of education, how might the needs of someone working in this new type of economy be different than that of say the traditional quote unquote small business owner. Where's the gap historically here?

Raj Bhaskar:

Yeah. I think the first thing to understand is most of these folks didn't even know they're on the hook for taxes. And so they're starting off tracking all of this stuff in their personal accounts. It's flowing through

their consumer retail accounts. And so how do you un-commingle all of that, help them do that? My company specializes in that, we have a lot of data around that, but that's the first thing is not mixing all this stuff together. And so really just helping them see that. And that's really the starting point I think.

James Robert Lay:

This would've saved me so much heartache and time.

James Robert Lay:

I'm telling you if we could go back, I asked you the question, what would you do different? This is something that I would do different starting this up. And fortunately it's been 20 years and it's been a lot of fun and we've got a lot of great people now supporting this journey and really this bigger purpose of getting a billion people beyond financial stress towards a bigger, better, brighter future. And so collaboratively thinking here, what are the collaborative opportunities between say some of the work that you're doing. Maybe it's a fintech, maybe it's a financial brand, a bank or credit where might those opportunities sit through your perspective?

Raj Bhaskar:

Sure. So if it's a fintech, other platform targeting creator economy, even traditional banks, they have their primary offering. Might be account, could be formation, forming a business, could be something around capital. And so they have their number one hook to acquire their customers. And what we're seeing is organically we're getting these platforms are reaching out to our company, say, "Hey, our customers are actually requesting these features that you provide in your API."

Raj Bhaskar:

Let's add this into their platforms, under their brand that's seamless, it's their stuff to help retain their customers because they're bringing them through. Now, after you acquire the customer, how do you hold onto them for the rest of life? Just like a traditional bank. I have my bank account, my personal bank account from like when I was a teenager. And it's gone through three or four acquisitions and it's still there because that's where all my money goes into. So how do you just more value there so I don't need to leave and find something else.

James Robert Lay:

That's a great point, it's continued value creation. It's going in and I would even say some of the conversations that I've recently had, like doing a listening tour of sorts. Listening, just asking questions would be another good place to start. I want to look ahead towards the future here for a moment. Like I said 2027, it's projected that 50% of the U.S Workforce is going to be a part of this independent contractor, freelancer, solopreneur, creator economy. What are you most hopeful about in this new type of a model when you look ahead towards the future?

Raj Bhaskar:

It's interesting. So a lot of those stats were put out a handful of years ago. And I would say that that did not predict a pandemic. And what we're seeing in the pandemic I think it's accelerating getting folks to that point, but probably there's a case to be made that it'll exceed that because those studies didn't take into account the pandemic and in the pandemic people are moving all about and their own video. And they can really leverage their time. And I see a lot of professionals doing arbitrage, like working in the... They moved out of major cities into the Midwest, but they're still getting compensated at the major city rates, which is, I think that's good. And I think over time it balances out.

James Robert Lay:

Sure.

Raj Bhaskar:

So I think there's no reason why everyone should not have independent income. If you think of a normal, just a normal consumer, a lot of folks aspire to own a rental property.

James Robert Lay:

Yes.

Raj Bhaskar:

They're not necessarily considered part of the creator economy, but that's independent income.

James Robert Lay:

Absolutely.

Raj Bhaskar:

That's an additional income stream. So everyone should have independent income even if it's investment related, it's needed. We know that X percentage of the country doesn't have any investments. So this is what brings everybody up. And when you do that, I think this stuff needs to be part of our education latest high school. They teach us things in high school that we don't necessarily use right now. I think finance, they need to do more financial education in high school. So people are better off because you're going to have more folks doing vocational things, not necessarily being able to commit to the four year investment of a traditional college or university. And there's so many successful people now online that are passing on that because it creates so much burden. So I think this really lifts everyone up.

James Robert Lay:

I can't help but think going back to episode 135 with Scott Donnell, who's the founder of GravyStack, really talking about this idea of building this into the curriculum, not just financial education or financial literacy, but I'd even take it a step further and add entrepreneurialism into this type of thinking. Because for me, I remember being in an executive coaching program, strategic coach, Dan Sullivan. He's been a guest on here a couple times. He's been coaching entrepreneurs for 40 years. And one of the very first things that I did after my first session was, go to my kid's school and volunteer as what is known as a watch dog, dads of great students. And then I got in, I started talking to the counselor, they had a career day and they would always have, for example someone from the fire department, the police department come, they'd have a teacher, they'd have someone from the bank come they'd... But they never had an entrepreneur there.

James Robert Lay:

And so I was able to go in and did this for a good three or four years before the pandemic. And I'm looking forward to getting back into it again, because I would ask the kids like, do you know Jay-Z, do you know, like LeBron James? And everyone's like, yeah, yeah. But then I'm like, what about like Elon Musk, do you know all these other entrepreneurs? And they're like, no. And so I'm like you have a much better chance of "making it big" through an entrepreneurial path than say, going to play in the NBA or... But now creator economy you can build your own audience too.

James Robert Lay:

And that's a whole different type of a perspective. So because this is such a broad market, you talk Shopify, we've talked influencer where might there be opportunities to focus on niches. Because if you

kind of take a broad path, I'm a big believer. If you can focus and carve out a specific niche, you build expertise around a specific niche, you empower a specific niche where might there be some sub segments of the gig, freelancer, creator economies, financial brands can be thinking about here?

Raj Bhaskar:

They, yeah. I mean, there's so many, and that's why our strategy is transitioning back to API first because it's fragmented. It's so fragmented and it's not a winner takes all it's like, you talk about the collaborative approach. That's really, it's not like one winner's going to capture the entire country.

James Robert Lay:

No.

Raj Bhaskar:

We have to partner together to help folks. They talk about meet the customer where they're at. So there's some pretty interesting like [inaudible 00:24:07] pro doing banking, niche banking for musicians.

James Robert Lay:

Musicians.

Raj Bhaskar:

Yeah. I mean really awesome stuff that those guys are doing. That's one that comes to mind. One of our clients is [inaudible 00:24:21], they focus on photographers and other creative professionals. And there are some new fintechs that are focused on the freelancer segment, but everyone still, if they allow you to dive deeper, they're focused on certain niches.

Raj Bhaskar:

So even though you have the Shopifys of the world, you actually have some of these other platforms who are targeting Shopify sellers or the Stripe e-commerce entrepreneurs. But I think musicians, photographers are pretty good niches. If you're a bank or a fintech, I think first you want to figure out what income level you're really looking to support. Because I think all your economics of your business, you're going to coalesce around that. And so I think like when you're talking about gig economy, gig economy folks, typically people are referring to Uber drivers and the like, and that income level or income earned from those platforms is a lower level than creative professional. So I think it also depends on the product offering you're looking at.

James Robert Lay:

One of the things I also was thinking about as you're going through is Studio bank out of Nashville. There are niche bank for the creative economy where brick and mortar combines seamlessly with a great digital experience. I'm so fascinated with a lot of the opportunities here. On the flip side of the equation, I'm listening to this, I'm a financial brand leader. Maybe I'm in fintech. What are some of the roadblocks, the challenges that could hold me back from moving forward and creating value for people in the gig, freelance, creator economy?

Raj Bhaskar:

I think the number one thing is not really understanding their needs. Most of the folks in the gig economy, the traditional gig economy, the Uber drivers of the world, they need the additional income. I think that's the first thing to recognize versus... Years ago they put out that story about the six figure Uber driver in the wall street journal. And that's not the norm. People go to Uber to make additional money because they need the money. I've only once met someone when riding that was doing it

specifically to save up for an additional vacation, that was pretty rare. And that was a husband and wife team.

James Robert Lay:

Yeah. And I think you mentioned Uber, I'm thinking about Lyft too, because I know Lyft for example is, building financial services into their offering, they have rewards, getting cash back on gas, on dining, getting paid faster, integrating into other areas of life. So that's just something else to consider and think about here. I want to get real practicals as we start to wrap up because there's so much opportunity to create, to capture, to collaborate around. It can feel a little bit overwhelming, and I'm a big believer that all growth, all transformation begins with a very small, simple step forward, something practical. What would be the next best step for someone who is listening to move forward with courage, to move forward with confidence, to create value for those working as a solopreneur in the gig, freelancer, creator economy, what would that be?

Raj Bhaskar:

I think it's very simple. I think it's hard not to agree with the growth. I mean, all the numbers are there. Then you just have to create a simple offering to help these folks see what I'll call their business finances in quotes within their consumer retail account. It's very simple. So just pulling out those numbers and displaying it for them. So they don't have to go through every single transaction on their own.

James Robert Lay:

That's a great... And it's about simplification. It's also about providing clarity as well. And through that clarity, it's going to help to build their confidence. I think another opportunity too as you're sharing that is there's a community aspect and element that could be baked into this to almost play the role of a facilitator, bringing together a niche, whatever it might be, a subset and then facilitating other types of content events that really empower them to do more around whatever it is that they're doing here. What are your thoughts on that?

Raj Bhaskar:

Absolutely. I think that's important and that can include education as well. I think that's especially for local institutions. That's a main draw.

James Robert Lay:

Yes. Yes. When you look at the collaboration opportunities, what's the best way for someone to reach out, say hello to you, continue the conversation, maybe even collaborate with you because it's been a great conversation with you today, raj.

Raj Bhaskar:

I appreciate it James Robert. I'd say best way to reach me is to email me. It's just raj@hurdlr.com or Hudlr.com, happy to help out in any way that we can. And I'm pretty good about it. If we can't, I'll try to point them in the right direction or make an intro to some other partners that would be good fits for them. This opportunity is huge. The impact can be even bigger. So it's going to require a lot of companies to work together to really help everybody.

James Robert Lay:

It definitely will. And I appreciate that because it's just about, we're all working a rising tide, lifts all boats in the bay. And I appreciate the knowledge, the insight, the passion that you've shared here today Raj, thank you so much for joining me on another episode of Banking on Digital Growth.

Raj Bhaskar:

And thanks for having me, a real pleasure.

James Robert Lay:

Until next time and as always be well, do good and make your bed.