

Chapter 8

The Task—Your Hourly Rate

An essential component to The Task is your calculation and rationalization of your hourly rate. This is an important concept to any service provider.

Whether you are a contractor of full-time employee, or working for yourself in your own business, you can always calculate your hourly rate.

Let's say that you never worked in your life, graduated from high school, and immediately went to work as a plumber's apprentice. Those were the only services that you ever performed, and you never worked anywhere else. To determine your hourly rate, just take whatever your salary is (or actual hourly rate) and divide by the number of hours you work. Don't include travel time because we want your rate to be as high as possible! If the plumber apprentice were paid \$35,000 per year, then his hourly rate would be roughly \$17.50 per hour if he worked 2,000 hours per year.

Let's name the plumber Mario. Let's say that one time in high school Mario had a friend who hired him to be a DJ. Mario had control of the sound system, and did an OK job playing songs that everyone liked at his

friend's house party. At the end, Mario's friend gave him \$50 for two hours of work. That was the best hourly rate that Mario ever got, and the party was right next to his house. There wasn't even any travel time to consider. In this case, for the purpose of The Task, I want Mario to say that his rate is \$25 per hour (instead of \$17.50), and I would pay him \$125 dollars unconditionally just to perform The Task for himself. I would give him my feedback for free.

The \$25 per hour represents his true potential, right? The one thing that Mario should do is remember that this is his potential, and if he wants more money and more time like most people, all things being equal, maximizing his hourly rate is in his best interests. Does this mean he should quit plumbing and be a full time DJ? Before making that decision, I would counsel Mario to carefully count the costs and make sure that he will work a sufficient number of hours per year in his new career as a DJ.

As I have discussed this with my friends, they understandably and inevitably make jokes about the world's oldest profession. (Both prostitutes and attorneys frequently bill by the hour. For this and other reasons, I have always thought the two professions were

similar.) Even there, the hourly rate achieved at what may otherwise be a demeaning and demoralizing profession might be that person's current highest economic potential, if not the highest representation of themselves as a human being or what they could achieve financially. Getting that rate maybe carry with it a high personal cost or maybe not. As the news informs us, the illegal prostitution industry is dangerous, filled with violence, exploitation, and child trafficking. The personal cost to working in that industry must be high, but possibly it can be mitigated in countries where morals and laws allow prostitution to be a profession that can be conducted legally and out in the open.

Without wanting to dwell on this too much, what I find typically when I talk with people about their hourly rate is that I can imagine what they do, their interests, and their skill set, and how those could be applied in different ways. I almost always think that their hourly rate should be higher than what they think it is initially. I want to encourage people to see their highest potential.

Let's be clear that I would never encourage someone to prostitution but bring that example up to note that The Offer can apply to everyone. Maybe in

jurisdictions where prostitution is not criminalized, we will have a Real Advisers representative who calls himself or herself the financial advisor to prostitutes. I am open to all possibilities.