

# Car-sharing offers ways to profit from or ditch personal car

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In this Jan. 2, 2013, file photo a Zipcar is parked at a lot in New York. Companies such as Zipcar and car2go eliminate the need to stand in line at rental car counters while waiting for vehicles, instead using smartphone apps to connect drivers with cars in their neighborhoods or nearby. (AP Photo/Mark Lennihan, File)

While a growing number of Americans are struggling to make payments on their auto loans, a new crop of companies is offering alternative ways

for car owners to get rid of costly vehicles or earn money while their cars would normally sit idle.

Companies such as Turo and Getaround provide a platform for individual car owners to rent out their own personal vehicles to nearby drivers who find the cars using a smartphone. The idea behind peer-to-peer car-sharing is similar to Airbnb, where people rent out their homes to travelers.

"A car is a very expensive asset, and it starts depreciating in value the minute you buy it," said Sharon Feigon, founder and executive director of the Shared Use Mobility Center. "The average car sits for 95% of the time. It's really a waste when you think of it from that perspective."

## DITCHING A CAR TO SHARE ONE INSTEAD

Car-sharing offers an alternative to individual car ownership and traditional car rental companies which typically rent by the day, instead enabling customers to borrow vehicles by the hour for shorter trips around town. Companies such as Zipcar and car2go eliminate the need to stand in line at rental car counters while waiting for vehicles, instead using smartphone apps to connect drivers with cars in their neighborhoods or nearby.

The car-sharing model works best for people who live in dense areas, use [mass transit](#) or other modes of transportation, and sometimes—but not always—need a car, said Sabrina Sussman, manager of public partnerships at Zipcar, which operates in 500 cities and towns and operates its own fleet of cars.

Zipcar drivers pay a monthly fee and can book cars by the hour or day, and then pay an hourly rate that includes gas, insurance and maintenance. Drivers pick up and return cars from the same parking spot.

More than half of Zipcar members got rid of their personal car after becoming a member, 87% of its customers spend \$300 per month or less on transportation, and 40% of its customers have a [household income](#) that's below the U.S. median.



In this March 29, 2019, file photo motorists cross over the Brooklyn Bridge heading west into Manhattan in New York. While a growing number of Americans are struggling to make payments on their auto loans, a new crop of companies are offering alternative ways for car owners to get rid of costly vehicles or earn money while their cars would normally sit idle. (AP Photo/Julie Jacobson, File)

"In almost every market, we have a near-even spread across all income categories," said Sussman.

Maven, owned by General Motors, offers car-sharing for drivers borrowing cars for their personal use and those driving for delivery services or ride-hailing companies like Uber and Lyft. Some companies such as Envoy and AAA-owned Gig specialize in shared electric or hybrid vehicles.

## MAKING MONEY THROUGH CAR-SHARING

Even if you own a car, you can still benefit financially from the car-sharing economy. More than 7 million Americans were three months behind in their car payments at the end of 2018, according to the Federal Reserve Bank of New York. Some are renting out their cars when they're not using them to defray the cost.

On Turo.com, borrowers can choose from a wide range of vehicles from a BMW Z4 to a Dodge Ram Pickup, an environmentally friendly Toyota Prius, a 10-year-old Ford Focus for \$53 a day or an 8-year-old Lexus RX 350 for \$64 a day.

The average host earns \$629 a month, said Steve Webb, spokesman for Turo, which operates in 5,500 cities. "They're able to turn something that was depreciating and idle into something that's generating revenue," Webb said.

Earnings for hosts on Getaround, which operates in 140 cities, vary by car, location and availability, said spokeswoman Joan Wickham. With the Getaround platform, riders can unlock cars using the smartphone app.

Liz Tynan makes \$300 to \$900 per month renting out her 2017 Nissan Morano through Getaround and commutes to her telemarketing job on public transit.



In this Aug. 21, 2013, file photo Jennifer Sellers, sustainability coordinator at Coastal Carolina tries out a Zipcard in Conway, S.C. Companies such as Zipcar and car2go eliminate the need to stand in line at rental car counters while waiting for vehicles, instead using smartphone apps to connect drivers with cars in their neighborhoods or nearby. (Charles Slate/The Sun News via AP, File)

"It makes having a car more affordable for us," said Tynan, 34, of San Francisco. "It's giving us that luxury to have that flexibility, and I'm happier because I can go see my friends when I want or drive to work when I need to."

Some locations, such as New York, have laws prohibiting car-sharing services such as Turo and Getaround.

## WHAT ABOUT SAFETY?

For hosts renting out their cars car through Turo or Getaround, both companies offer up to \$1 million in liability insurance. Drivers are screened before they can take out a vehicle, and the companies offer 24-hour emergency assistance.

Even so, peer-to-peer car-sharing has been slower to take off than other alternative modes of transportation such as shared scooters, because some potential hosts worry about what would happen if a driver borrowing the car got a speeding ticket or used the car to commit a crime, said Steven Polzin, program director for mobility policy research at the Center for Urban Transportation Research, University of South Florida.

"I'm sure they all have language in the agreements, but those are the kinds of things that will make people scratch their heads and think twice about it," Polzin said.

## TAKING A TEST-DRIVE

The motley mix of cars on peer-to-peer car-sharing sites offers a way for car-shoppers to take vehicles on a longer test-drive than they might have through a dealership. For example, a driver could take out a Tesla Model 3 to see what it's like to drive an electric vehicle. Another side benefit: no pesky salesman will be along for the ride.

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