

Uncle Sid Harkins

Ask yourself if you're being Reasonable

Sid was my Dad's oldest brother, and it came as a pleasant surprise to me to find that I could establish a man to man relationship with him, to an extent on the shared experience of being the oldest child in family. I'd always known him, but during my college days, he'd come to town with Aunt Mary Frances, and I'd go over and visit at their hotel, getting into pretty amazing conversations about life, politics and various other topics.

I'd known him all my life of course, but really had never known him as a person, a person with opinions, a person of some depth behind his sort of shallow role to me as an uncle only vaguely known. I'd been lucky enough to discover the same sort of thing with his mother, my grandmother, during her waning years, despite my wild looking, hippie appearance, since she didn't see too well. Sid and I sort of picked up where Grandmother and I had left off in some sense.

During one of these visits, I heard Sid tell about what it means to be a Harkins, certainly something I had never thought about. He told me that one of our family peculiarities was that as a group, "we're way too emotional." Boy, that set me back a bit, but I also knew instinctively (and instantly!) that somehow, that explained some things, both about me and about my Dad, that I hadn't had an intellectual handle on before.

Excitable, passionate, full of piss and vinegar. That's what he meant. Not always a nice sort of thing to see though, sometimes tending toward excess, extremely critical, maybe sarcastic bordering on cynical. Maybe verbally abusive, maybe mean. That's what it meant at worst, but either way, it explained some things, explains some tendencies.

That led into a story about how Sid had had to learn to control himself during stressful moments. As a rancher in West Texas, he hired many undocumented Mexican workers over the years, a practice that gave way eventually to more structured green card type aliens. As a group, they could seldom be faulted for work ethic, but it was not uncommon to give instructions that might involve a certain amount of thinking and initiative, qualities that were not always present.

It's a common trait amongst the Harkins men (of my Dad's generation and back then more than today) to be self employed, in control of one's own destiny more or less, but as a side effect, becoming an employer as well, due to the nature of the various enterprises (as a child, the brothers were variously: rancher, service station operator, Texaco wholesaler, dirt contractor, dry cleaner, grocer), which in turn put them into a position of control over other people's work lives.

Like the proverb says: Power corrupts. Absolute power corrupts absolutely. It's a tempting thing to exercise power once you have it, an exercise that is not always a nice thing to observe. Political "outs" becoming political "ins" after upset elections frequently display the same greed, avarice, stupidity, cupidity, basically the whole nasty litany of faults, that they'd previously decried in the incumbents. Human nature is quite a little trap that way. Being the

boss can bring out that side of a person's personality, and being the owner only accentuates it more.

Sid confessed that he'd had a history of getting all upset, tending to abuse "the men" as stupid, etc. and generally getting into a lather over whatever the screwup happened to be. He realized somewhere in there though, that he had to back up and ask himself (meanwhile taking a deep breath probably) if what he'd asked them to do was a reasonable request.

Did he have any place being upset with them, or should he be upset with himself for expecting too much?

He told how he'd decided that at least he had to ask himself that question, and try to be more rational about the situation instead of flying off the handle emotionally, which usually only made things worse.

As he talked, I was feeling like I understood all too well what he meant, since it not only struck home with me personally, but as a description of how I'd seen my Dad act. Monkey see, monkey do. Hmmm.

As a personal datum, I think I'm much better than I used to be in controlling my temper, at controlling hateful words, but I wouldn't really claim to be finished with the process of acquiring some degree of self control.

It's a curious thing that the Dale Carnegie organization is at least partly responsible for this lesson too. Sid had decided back in the '60's that it would be good for him and good for his son, Monty, to go off up to Midland to take the Carnegie course, which is perhaps best encapsulated in the classic "How to Win Friends and Influence People." Years later, in my own professional work life, I'd been judged guilty of being too much of a hard ass to one of my subordinates, and I'd been sent off to take the Carnegie course.

Learning that dealing with folks involves mostly shades of gray, rather than the stark black and white, either-or, type scenarios we are used to, is the hardest thing for techie type managers to learn. We are esteemed and rewarded for learning how to make computers and other machines behave in a predictable, desirable manner. That results in promotion to the point of responsibility for the work of others, others who by inference are not as able as yourself (since you got the supervisor job and they didn't). The skills that got you the job are not the skills needed to cope with managing other folks' work habits, work schedules, etc. though.

However, most novice technical managers are really not very good at it, and many should be sent back to the ranks instead of continuing to make a bad job of a new role poorly understood. By virtue of my boss, Bill Mandeville's, own interpersonal skills, and his personal regard for me, I was sent to the Carnegie charm school.

Learning how to get along with folks, learning that you can consciously do certain things to improve your relations with your co-workers, really with everyone you come in contact with, is an inspirational thing, and at best, is something that you can walk away with after Carnegie training. I think it had an effect on Sid, and I think it helped me. Many people take the course

to learn how to be better salesmen, and there is a certain cynical side to some of the tactics, but overall, it turned out to be a much more positive experience than I expected.

In any event, Sid managed to consolidate what he'd learned into a major lesson for himself, and ultimately, for me as well: "Ask yourself if what you're getting excited about is reasonable. Maybe you're expecting too much."

Keeping a lid on your temper is an inherently satisfying thing since it keeps your stress level down, maybe saves you an ulcer, and definitely makes it easier to get along with people.

Being civic minded

Later on I discovered that Sid had quietly been a pretty major benefactor in a number of local projects out in West Texas. About a year before he died, the town of Sanderson had a special day of appreciation for Sid and Mary Frances, which made clear the depth and range of his contributions. A couple of hundred people showed up, which probably surprised some, but not me.

The most visible project that he'd had a hand in is the system of flood control dams around the town, which prevent a recurrence of a sudden flash flood like that in June 11, 1965, which killed 24 and caused major damage to the town.

Although Sid had only been a County Commissioner, he had always worked within the power structure of the state and national wool and mohair organizations, so he was on a first name basis with a governor or two, and had enough personal clout to get the dams funded. He certainly didn't do it alone, but it's probably true that his activity was the deciding factor in getting the state and federal money for the project.

Like Andrew Carnegie, Sid was a major benefactor to the local library, contributing books, money and fund raising energy.

As an active Presbyterian, I discovered that he was also one of the faithful few who maintained the church and the cemetery; in both, he's missed these days as the flock dwindles.

In all this kind of thing, the realization that came to me was that he was in all things a very modest man, never blew his own horn about any of his good works, and in the event of the special appreciation day, was genuinely embarrassed.

I think that's because he was not only modest, but really did not want everyone to know how generous he really was. He probably preferred to be known as the pugnacious character he put on, shrewd in his business dealings, so he could pick his charities himself rather than being the target for handouts he might have been.

Interest: Better to receive than to Pay

During one of our visits during his later years, I'd made the remark that when I was a kid, I thought that I could buy everything I wanted for about \$20,000, but that now, making a big city salary, I was paying more than that in taxes every year.

Sid deflated my notions of self importance by simply asking, “are you driving a car that’s paid for?” I had to admit that I wasn’t, but not long after that I was, and have ever since.

All the Harkins brothers probably would have told you that you should always save up to buy something, rather than buying it on time, but I think Sid probably was the most conservative of the lot, driving plain Ford sedans well up into his wealthy years. He loved to drive fast though, and later on had a hot little V8 Mustang as his personal car, while the family car was a big Lincoln.

Most people think of a car payment as a normal kind of household expense, but as Scott Burns (Dallas Morning News business advice columnist) points out, the single most important technique for building personal net worth is to NOT pay interest on a car, and to avoid the large, instant depreciation that new cars suffer the moment you take possession.

Since that little conversation some years back, I have taken the message to heart, and have a couple of pretty good examples: I drove a 1978 Scout about 60,000 miles for a net cost (original price less sale price at the end, a rather simplistic accounting method, but one that just washes out the normal costs of insurance, maintenance, etc., which may or may not be valid between any two car experiences) of \$2,000.

Another is a 1988 Thunderbird that I’m still driving, first cost was \$5,800, miles so far: 120,000; most major repair was a new paint job, which cost about what the car’s now worth, so as a rough indicator, neglecting that, we could say I have gotten 120,000 miles for about \$6,000, again a pretty good cost figure.

Not all of my cars have done so well, and you have to work at (i.e., check the Consumer Reports repair/reliability ratings) getting fundamentally sound cars in the first place. Your mileage (and costs) definitely “may vary”.

What won’t vary is the sure bet that the interest and depreciation on a new car is one major determinant in the cost side of the equation. In the two examples above, no interest is factored in since the cars were bought for cash, and, due to another little trick, depreciation is either ignored, or taken to be 100% as a worst case.

The way I have avoided a lot of the depreciation is to do two things: 1. buy a car that’s 3-5 years old, with no more than 10,000 miles per year on it (most of the depreciation is already taken at the 5 year point), and 2. by picking “near classic” cars, i.e., cars that have a good chance of becoming classics, possibly by the time I want to sell them, but in any case, for CASH.

That latter point is inherent in certain brands, such as Mercedes, but other picks among the lesser lights can demonstrate the same characteristic, e.g., a Mazda, Miata or the Chrysler PT Cruiser.

If you just can’t get that much money together, it’s “okay” to borrow to buy that nice used car, but it’s very important to work on the reliability part of the equation since you are inherently taking on more risk by not buying a new car. It’s a form of self insurance, which brings up the last advantage to driving a “paid for” car.

You only have to pay for liability insurance if there's no loan on the car, so that's an immediate monthly cost savings which can run into thousands a year. You have to take your own "reliability" as a driver into account though, since you would have to presume no need for collision or comprehensive insurance due to your own fault. Again, it means you are self insuring, but if the insurance company can make money insuring you, odds are YOU can too!

An example: after a New Year's Eve vandal broke two of my car windows (repair was about \$250, and I had only liability), I inquired about comprehensive insurance coverage. The quote I got was about \$350 a year. I immediately concluded that if I bought the comp coverage, I could count on being damaged, each year, to the tune of \$350 BY the insurance company, so I decided to continue self insuring (and I moved).

All of which allows you to hang on to some of your hard earned cash, which allows you to either invest it or get it earning interest for you, instead of you paying the other guy the interest. Each dollar you DON'T pay out is effectively worth MORE than \$2 to you, since you still have the dollar instead of spending it, and can earn interest on it.

About here, the magic of compound interest becomes the lesson: a truly minor amount of money, saved each week or month, can add up to a million plus over a working lifetime of 40 or so years, purely because of the compounding of the interest (i.e., the interest earned also earns interest). For all kinds of example scenarios, see Scott Burns' web site (scottburns.com).

In contrast, the money paid as interest turns the magic of compounding against you. Most consumer loans have ALL of the interest for the entire term of the loan loaded on top of the amount financed on the first day. Essentially, it's a deck stacked against the consumer. Notably, credit unions only charge interest on the unpaid balance, so if you really must finance a car, use a credit union.

At any rate, if you don't have the cash in the bank, in a CD or money market, you definitely won't be worrying about how much interest you are getting or how much it's compounding. That's the lesson I finally learned from Sid.