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# THE WEEK

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VOLUME 9 • ISSUE

Briefing

**America's new ghost towns 11**

International

**Does Israel's army target civilians? 14**

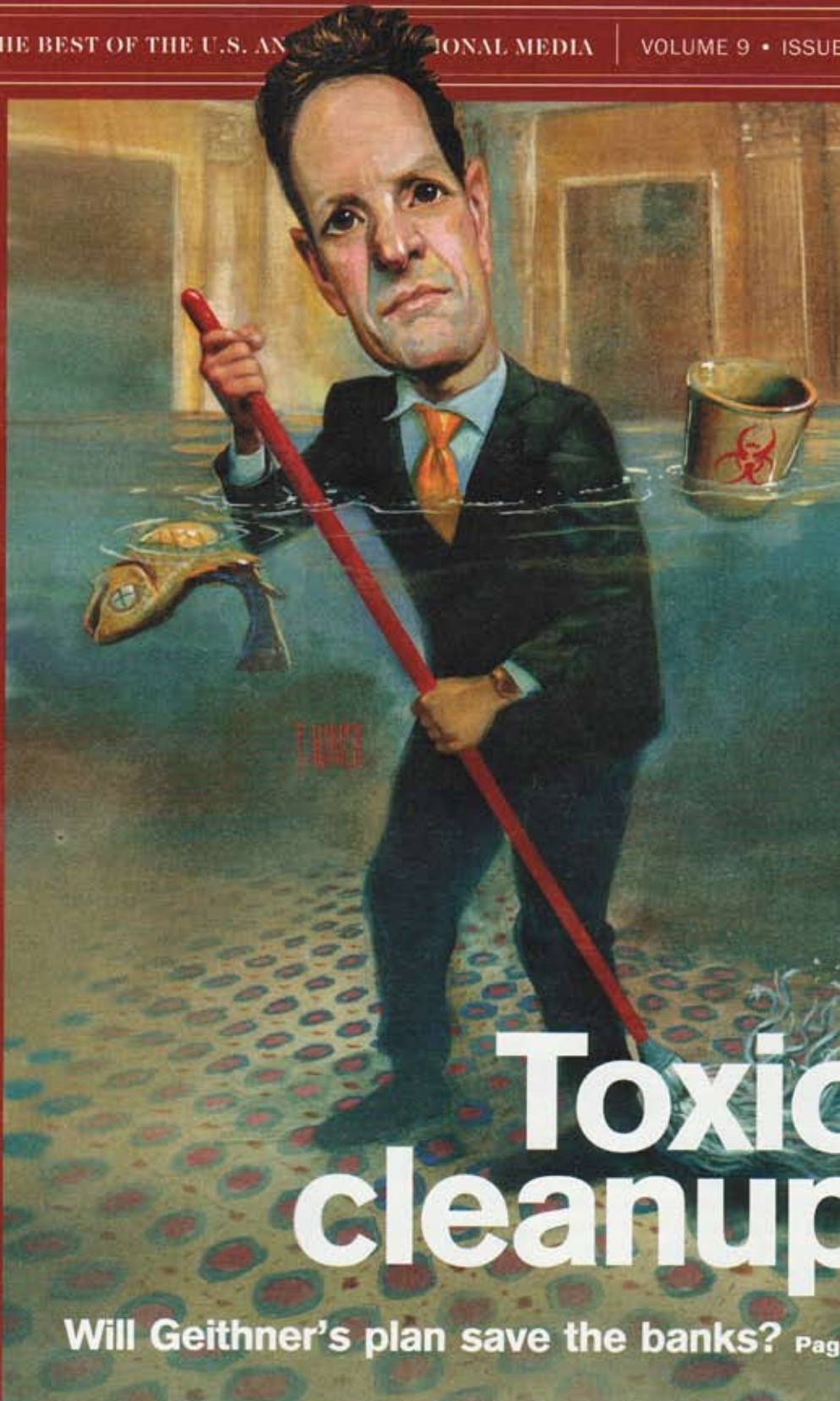
People



**Williams' life after Heath Ledger 8**

The last word

**The worst mistake a parent can make 40**



# Toxic cleanup

Will Geithner's plan save the banks? Page

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## Consumer goods: Haggling hits the big time

American consumers are driving a hard bargain these days, said Olivia Barker in *USA Today*, haggling over the price of everything from stainless-steel appliances to designer handbags. "It's basic bookkeeping: With the economy in dire straits, retailers have to move those refrigerators (and color TVs and sofa sets), which means that crafty consumers are getting their mattresses for something less than the sticker price—and their delivery for free." Tighter budgets are a big factor behind the question of "Can you do better?" But that's not the only reason sellers are behind the 8-ball. The Internet has made comparison shopping easy for anyone, and consumers have learned to shop around "thanks to years of comparing prices online on PriceGrabber and hunting bargains on Priceline and Craigslist."

These days, you can negotiate just about anywhere, said Kristi L. Gustafson in the Albany, N.Y., *Times Union*. The key to "haggling with confidence" is knowing exactly how much the item fetches else-



threatening to leave—has control of the situation." Another bargaining chip: cash. "Companies pay a fee to the credit card companies every time your plastic is swiped. Offering to pay in cash saves them this fee—and can save you a few bucks."

Haggling is as much about human nature as it is about economics, said Jennifer Davies in *The San Diego Union-Tribune*. You're more likely to snag a bargain when you have a good rapport with the salesperson in the first place. "If you go into a store where the clerks are all over you, you have a good chance to haggle versus a store where no one will give you the time of day," says Steven P. Cohen, president of the Negotiation Skills Company.

When you're ready to dicker, tactfully ask whether the salesperson can discuss price. If he can't, politely ask to speak someone who can. You want to be persistent. "But you also don't want to be a boorish brute."

where and how long that particular model has been sitting on the sales floor. It also helps to have a take-it-or-leave-it attitude. "Someone who is willing to walk away—and that means actually walking, not just

### What the experts say

#### The case for junk bonds

High-yield corporate bonds might seem a scary place to invest just now, said Jeffrey R. Kosnett in *Kiplinger's Personal Finance*. That's why they deserve a second look. "The time to pounce on any beaten-down investment is when the news is still lousy but no longer terrifying." Although junk bonds are risky, "they're not nearly as dangerous as stocks." On average, junk bonds lost only half as much as stocks last year. To minimize risk, stick with funds, and ones that don't venture too high up the yield curve; too much yield means too much risk. That said, most of the default risk for the near future is concentrated in a few areas—retailing, home building, and auto parts. "Most intelligent fund managers know this and have already shed bonds from these sectors." Two good no-load funds are SSgA High Yield Bond and Payden High Income.

#### Tax help for procrastinators

If you're still a long way from doing your taxes, consider a backup plan, said Bill Bischoff in *SmartMoney*. "The paperwork for filing an extension is simple, and it will keep the feds off your back all the way until Oct. 15, 2009." But a delay in paying your taxes isn't a complete reprieve. Before April, you'll still need to estimate your

total tax bill for 2008, calculate exactly how much you've already paid, and pay what you think you owe. Be realistic: If your estimate turns out to be less than you actually owe, you'll eventually have to pay interest on the balance, and Uncle Sam can tack on additional penalties for larger discrepancies. "For some folks, once you've completed the exercise of coming up with an estimate, you might as well just go ahead and file your taxes."

#### Why homeowners walk away

Giving a house back to the bank should be a last resort, said Ron Lieber in *The New York Times*. But the consequences of mailing in the keys actually aren't as severe as they were just a few years ago. In the worst-case scenario, a lender will sue the homeowners for what's still owed. Yet some states prohibit lenders from going after down-and-out borrowers, so many lenders don't bother. Such "forgiven" debt is typically considered taxable income—a big hit that most homeowners can't afford to incur—but recent federal legislation has waived taxes on uncollected debt tied to a primary mortgage. So the only lasting "black mark" is on the homeowner's credit rating: "A short sale, deed in lieu, or foreclosure itself will almost certainly damage" credit scores, for as long as seven years. Many strapped homeowners have decided to take that risk.

### Workplace

#### At work but checked out

Even those workers lucky enough to still have a job aren't immune to economic angst, said Ellen Wulforst in Reuters. One in five U.S. workers surveyed by staffing agency Adecco USA say the recession is affecting their emotional health "as they battle anxiety and fear over the potential loss of their jobs." Yet, letting stress get the best of you—or of your employees—will only make matters worse. "It starts to become a downward spiral," says Elisha Goldstein, a Los Angeles-based psychologist who specializes in stress issues. "An economic recession starts to become more of an emotional and mental recession."

No one wants to work in a place where people only show up because they wouldn't "dare call in sick" or take a personal day, said Gail Rosenblum in the *Minneapolis Star Tribune*. How can listless clock-punchers get over the bad-news blahs and actually get some work done? Take baby steps, says Mark Meier, a clinical social worker who specializes in workplace issues. "Say, 'I'm going to answer seven e-mails today and get this report written,'" he says. When you do need a distraction, at least try to focus on something that will improve your mood, not make it worse.