The Magazine

Save Money

Pay Less for Anything

Fork over full price? Never.

by: Jeff Yeager | from: AARP The Magazine | January/February 2009 issue

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When Glyndalyn Willard's beloved and much-used sewing machine stitched its last seam, she started calling around to find out what a replacement would cost. The Nashville-area resident went to a store and made a cash offer $200 less than the listed price. "They agreed so quickly," she says. "I wish I'd offered less."

Willard did something most of us wouldn't even think of doing—she negotiated a discount. Most Americans don't bargain when they buy, and that's too bad. It can be fun and a real money saver.

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If you've never asked for a lower price, now is a good time to start, because in the current economic climate retailers and service firms are willing to shave a little off their profit to make a sale. I know: I was dubbed the Ultimate Cheapskate by Matt Lauer of the *Today* show, a program where I often report on ways to live the good life on a limited budget. My full-time job is exploring, writing, and speaking about ways to save money. Bargaining is one of them, and it isn't hard; it just takes persistence and know-how.

The first thing I do when I'm negotiating for a discount is speak with someone who has the authority to make a deal. I come in knowing the range of pricing on the item I'm bargaining for. And, very important, I'm always friendly.

With these basic negotiating techniques in mind, I asked my Miser Advisers—a nationwide network of 300-plus bargain hunters and negotiators with whom I regularly consult—to contribute to the following list of unlikely expenses for which negotiating is almost guaranteed to pay off. You've got nothing to lose, and much to gain, by giving it a shot.

1. MEDICAL COSTS

Most doctors don't make house calls, but they may make a deal—if you ask. Talk to your physician as well as your dentist, chiropractor, acupuncturist, or other medical professional about fee reductions. Roger Sayre of Jersey City did just that, and his doc agreed to cut 30 percent off the cost of Sayre's office visits, which weren't covered by his insurance. Also, always ask for prescription samples. And while we're on the subject of doctors, don't forget veterinarians. When there's a genuine financial hardship, many vets are willing to reduce or waive some of their fees.

2. BANK FEES

Banking is a highly competitive service industry, and most banks recognize the need to keep their customers happy. Miser Advisers note that they routinely get check-printing charges, late fees, and other costs waived just by asking. For instance, after Barbie King of Dunedin, Florida, questioned a hefty $39 fee, a friendly bank clerk made it disappear. Customer-service reps, both in the branch and over the phone, typically have the authority to make these decisions. If they say no, ask to speak to a manager.

3. ELECTRONICS

Repeat after me: Never, ever pay the advertised price for consumer electronics. This market is so fluid and competitive that even novice negotiators should be able to walk away with at least a 10 percent discount off listed prices. All Natalie Cunha of Springfield, Oregon, had to do to get 10 percent off of a new digital camera at one major electronics store was to mention she was going to check the same item at a competitor's outlet. Then she negotiated a free service plan in exchange for paying cash. Offering to pay cash is a great negotiating tactic, since credit card companies typically charge merchants processing fees.

4. GROCERIES

The supermarket is probably the last place you'd think you could negotiate for lower prices, right? But go ahead. Ask the manager for a markdown on meat, dairy items, baked goods, or other products that are near their expiration dates. Just make sure to check whether it says "Sell by" or "Use by." It makes a difference. And if you just missed last week's big rump-roast sale, do as Ralph Huber of Washington, D.C., does and ask the store manager to grandfather your rump (I couldn't resist) and give you the sale price. Farmers' markets are also fertile ground for haggling, particularly for larger quantities and late in the day.

5. HAIR SALONS

A Chicago Miser Adviser who prefers to go nameless confessed to her hairstylist that money was a little tight after she retired. She now gets her do done for half price. How? She agreed to schedule her appointments when the shop wasn't busy. Another tip: Stylists who move to other salons are often willing to give discounted fees to loyal customers who follow them.

6. INSURANCE

Every April 1 (a.k.a. "I Ain't No Fool Day") I call my insurance company and ask for lower premiums on my package policy, which includes home, auto, and other coverage. And almost without fail, I get it. I may agree to some adjustments, like a higher deductible for property damage, or collision-only coverage for an aging car. And sometimes the agent discovers a new discount I just became eligible for (no traffic tickets, new car alarm, etc). The key is to keep your agent alert by regularly asking about discounts. And check with other insurers to compare. If you do find less-expensive coverage, let your agent know.

7. RENT

I'm a landlord, and I can tell you from experience that landlords hate vacancies almost as much as they hate tenants who don't pay their rent. If you can move into a property right away or prepay your rent for a couple of months, use that to bargain for a cheaper rent.

8. SUBSCRIPTIONS

"It's simple," says John L. Hoh Jr. from Milwaukee. "Publishers don't normally make money on subscriptions. They make money on ads, which are based on subscription numbers. They need you more than you need them." Hoh says he regularly negotiates two thirds or more off normal renewal offers on newspapers and magazines by calling their circulation departments and telling them he's going to cancel unless they can give him a discount.Membership – Join, renew, or learn about exclusive AARP member benefits.

9. REPAIRS AND REPLACEMENTS

If you want to haggle for automotive repairs, a new roof, plumbing work, or the like, always choose independent businesses over national chains. They have more flexibility to negotiate. First, get several estimates. Then let the haggling

begin. Brandan DuChateau, who lives in Scandinavia, Wisconsin, started a bidding war between three auto shops in her area when she needed new tires. She ended up driving away with a savings of $100.

10. CATALOGS

Andrea Bahr of St. Louis works for a catalog company. Her advice: Always ask if there's a promotional discount on the product you're ordering. Often there's some advertised discount out there that you might not know about, she says, and operators aren't allowed to give it to you unless you ask. Also ask for a discount on shipping charges. If an item is back ordered and you're not in a hurry to get it, say you'd be willing to wait—if you get a price cut.

Jeff Yeager (www.ultimatecheapskate.com) wrote The Ultimate Cheapskate's Road Map to True Riches *(Broadway, 2008).*