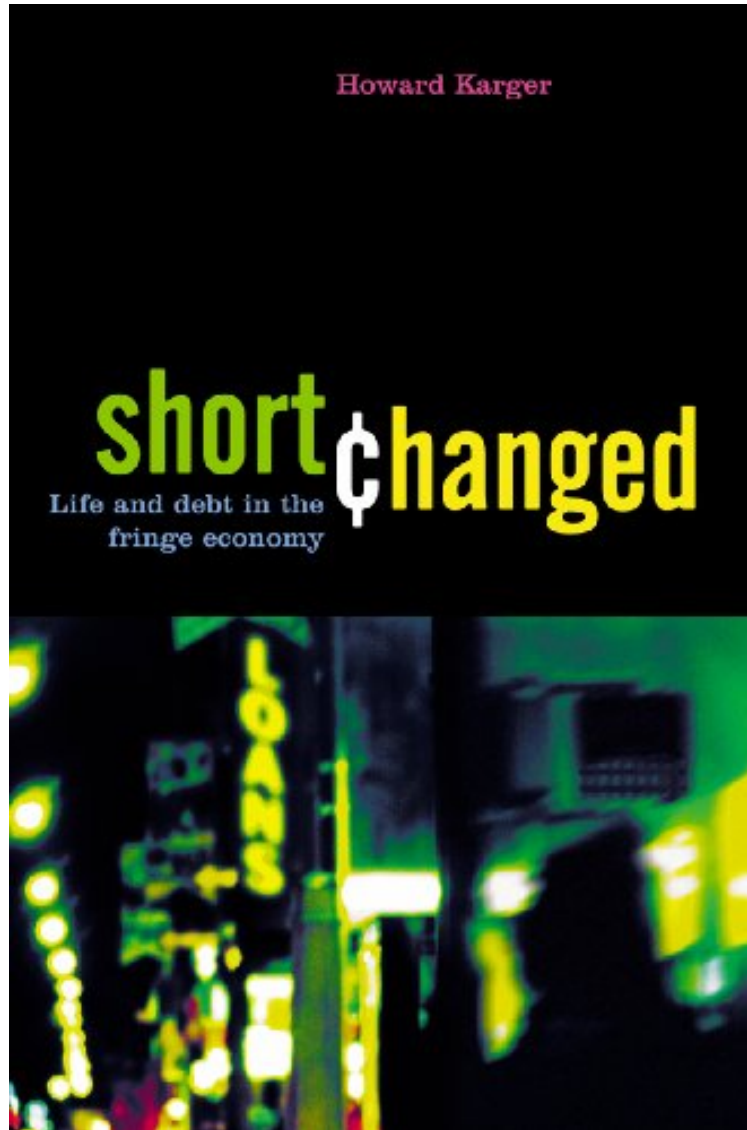


(Download) Shortchanged: Life and Debt in the Fringe Economy

Shortchanged: Life and Debt in the Fringe Economy

Howard Jacob Karger

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Howard Jacob Karger : Shortchanged: Life and Debt in the Fringe Economy before purchasing it in order to gauge whether or not it would be worth my time, and all praised Shortchanged: Life and Debt in the Fringe Economy:

0 of 0 people found the following review helpful. Five StarsBy Tom NelsonExcellent condition.1 of 1 people found the following review helpful. ShortchangedBy cozmik cowgirlThis book is a well-organized, comprehensive treatment of America's "shadow economy". The author provides facts and figures, along with his well-researched topics, which range from payday loans to predatory mortgages.2 of 2 people found the following review helpful. the underbelly of a modern economyBy W BoudvilleKarger reveals what he accurately terms the "fringe economy". Something possibly unknown to those safely ensconced in the American middle class. This fringe is inhabited by working class people,

which might have experienced a bout of bad luck. This can come in the form of losing a job, or having a very low paying one. Or perhaps a chronic illness, that severely restricts what types of jobs one can get. Within the fringe economy, the book shows a range of companies that might be accurately described as predatory. Offering short term payroll loans that amount to over 100% interest on an annualised basis. Or for those unable to buy furniture, these are made available on a rental basis. Again, typically at an annual rate of over 100%. Such techniques might perhaps be aimed at those who exhibit poor personal money management. The deservedly imprudent, if you will. But the techniques also take aim at those who carefully count every dollar, and who do not squander what little they have.

Drive through just about any low-income neighborhood and you're sure to see streets lined with pawnshops, check cashers, rent-to-own stores, payday and tax refund lenders, auto title pawns, and buy-here-pay-here used car lots. We're awash in "alternative financial services" directed at the poor and those with credit problems. Howard Karger describes this world as an economic Wild West, where just about any financial scheme that's not patently illegal is tolerated. Taking a hard look at this fringe economy, Karger shows that what seem to be small, independent storefront operations are actually part of a fully-formed parallel economy dominated by a handful of well-financed corporations, subject to little or no oversight, with increasingly strong ties to mainstream financial institutions. "It is a hidden world," Karger writes, "where a customer's economic fate is sealed with a handshake, a smile, and a stack of fine print documents that would befuddle many attorneys." Filled with heartbreaking stories of real people trapped in perpetual debt, *Shortchanged* exposes the deceptive practices that allow these businesses to prey on people when they are most vulnerable. Karger reveals the many ways this industry has run amok, ruining countless people's lives, and shows that it's not just the poor but, more and more, maxed-out middle class consumers who fall prey to these devious schemes. Balancing compassion with a realistic awareness of the risks any business faces in working with an economically distressed clientele, Karger details hard headed, practical recommendations for reforming this predatory industry.

From Publishers Weekly Starred . Low-income consumers-and, increasingly, the financially strapped middle class-serve as prey in the predatory economic food chain of what Karger coins the "fringe economy." (Buy-here-pay-here outlets, check cashers, payday loan businesses, credit card companies and pawn shops that charge excessive interest rates, high fees, or inflated prices.) Unable to buy outright or qualify for reasonable lending terms, poor consumers fall into exploitative lease-to-own or subprime financing schemes that end up costing them vastly more than the fair market values of the goods and services financed. The lenders, increasingly partnered with mainstream banks, commonly charging triple-digit interest rates and pile on hidden or unnecessary fees. Because of their historically low-rent image, such businesses have long stayed beneath the radar, but the fringe economy's explosive growth and entrance into mainstream America (most notably with pre-paid cell phone plans and the appearance of check cashing services at well-known retailers such as Wal-Mart) have prompted consumer groups to call for reform. With rationality and calm restraint, Karger argues for responsible government regulation and stricter enforcement of usury laws, but concedes the "marketplace that has lost its moral center" can't be reformed by regulation alone. An eye-opening read in the school of Barbara Ehrenreich's *Nickel and Dimed*, Karger's book shines a bright light on the economy's darker side. Copyright copy; Reed Business Information, a division of Reed Elsevier Inc. All rights reserved. A must-read for anyone who wants to understand the impact of predatory economic practices on the poor and credit-challenged. -- Jody Williams, Nobel Laureate for Peace (1997) About the Author Howard Karger is Professor of Social Policy at the University of Houston. In 2001 he helped found policyAmerica, a nonprofit organisation dedicated to disseminating innovations in social policy. In addition to five editions of his best-selling *American Social Welfare Policy*, Howard has authored or coauthored other titles including: *Controversial Issues in Social Policy* and *Social Work and Community in a Private World*