

Cash in those gift cards early

It's no secret that I have fought for statutory consumer protections on gift cards.

What's a gift card, you ask?

The old term is "gift certificate," the old, stand-by plastic card that represents a certain amount of merchandise at a particular store, or any store.

Let me make one thing clear. Gift cards are not evil. They are perfectly reasonable, legitimate gifts, particularly when you don't know what to buy someone.

But they arrive with certain conditions with which not everyone is aware. "Dormancy fees" eat away at a card's value over time. Many cards expire after a certain period.

I'm not writing this to announce another legislative attempt at limiting gift card restrictions. As president of the National Association of Unclaimed Property Administrators, I'm hopeful that some piece of federal law will eventually address, on a uniform basis, such concerns across the country.

YOUR MONEY



John Perdue

Short of drumming up support for any specific proposal, let me urge any one of you to **GO SPEND THAT CARD!** Do not let any gift card — be it one issued by a specific store, mall or bank — hang around for long.

The sooner you spend the amount of the card, the better. Spend it the next day if you can. Let's face it, most of us don't open a gift card and immediately wonder when it will expire or begin to lose value.

This is particularly true during the rush of special occasions. If you're like me, it's difficult to find half the things you received, much less have the presence of mind to read any fine print associated with anything.

Beckley
Register-Herald
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It's hard to tell when, or if, any meaningful laws will be passed regarding gift cards. Powerful business lobbies are hard to beat, especially when millions of dollars are at stake. Any value lost off a card, through dormancy fees or expirations, wind up in the hands of those who issued you the card.

For instance:

■ The overall market for gift cards is projected to grow to nearly \$88 billion in 2008, with the fastest growth occurring in corporate purchases of gift cards for employees and customers, and in "open" gift cards — like the American Express Gift Card that can be redeemed at multiple merchants, according to The Mercator Advisory Group, an independent research and advisory services firm exclusively focused on the payments industry. Corporate purchases will rise 72 percent from 2005 to 2008, growing from \$9 billion to \$15.5 billion. Open gift card sales are expected to almost quadruple from 2005 to 2008, growing from \$1.3 billion to \$5 billion, according to Mercator.

■ U.S. shoppers are expected to spend as much as \$72.8 billion in 2006 on gift cards. But only in three states can consumers be guaranteed that their gift cards will be worth full value when they go to spend them at a store, restaurant or online.

■ Unredeemed cards can add up to a lot of pure profit: Home Depot, the nation's second-largest retailer, announced in 2005 it had made \$43 million from gift cards it didn't expect to be redeemed. About 10 percent of the value of gift cards in the United States goes unredeemed each year, said Dennis Moroney, an analyst with the financial research firm Tower Group.

So if you don't remember anything else after reading this, do this — spend your gift cards!

In this case, good things don't always come to those who wait.

— Perdue is
West Virginia's treasurer.