

## Rental Rip-off

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Why buy when you can rent? Furniture and appliances, that is.

Rental companies use that ploy - and enticingly cheap rates - to sucker consumers into leasing everything from sofas and bedroom sets to washers, refrigerators and televisions.

Their usual prey: lower-income people who don't have ready cash (credit is easy, the rental companies boast on their websites.) But now recession-hit middle income folks are turning to rentals too for many basic, big ticket

home items they would have previously bought.

With home foreclosures and unemployment so widespread, "there's a larger segment of people without other options," notes Drew White, chief financial officer of Sageworks, Inc., a financial forecasting firm.

Business is good for the rental companies. Sageworks says privately-held rental outfits posted revenue gains of more than 10 percent over the past 12 months. Meanwhile, sales are slumping at retailers who sell the same merchandise.

Renting in the short term can make sense -- for example, renting a large flat screen tv for an Oscars party or during play-off season can be cheaper than going out and buying a brand new model that you can't afford. But long term, renting is typically going to cost you more.

It can also be a downright rip-off. A recent report in the NY Daily News noted that a lease on a 37-inch television rented for 104 weeks at \$31.99 a week at Rent-A-Center, one of the biggest operators, would cost a total of \$3,326.96.

You could get the same tv at Best Buy for \$850, according to the News.

Or, try eBay or other used marketplaces.

The rent-to-own companies argue that higher prices are justified because they take on greater risk. But rentals are sadly still the credit of last resort for many who are in financial trouble, or who have lost their homes and credit standing. ("Despite my credit history, I still got a living room!" a smiling customer on the Rent-A-Center web site is shown saying.)

This year, the New York state legislature *almost* passed a law to protect consumers against rental rip-offs. Maybe next year. In the meantime, renter beware.