

# Bargains and how to find them

If you want to buy something when other people don't, you can often get away with paying a low price. Nobel laureate economist George Stigler used to say he liked to buy cars during a recession. This is a time when other people did not want to take

**Joe McGarrity**



out car loans. They feared the loan obligation would be a huge burden if they should lose their jobs. So, these other people did not buy cars. Dealerships saw their inventories grow. In response, they lowered their prices to get rid of their excess inventory. Stigler jumped on these low prices because his job was secure.

One of my former teachers would go down to a coastal town in North Carolina and buy beachfront property right after a hurricane hit the area. After the storm, some property owners became afraid that they would fare poorly in the next storm and decided they wanted to unload their properties. But, they couldn't. Potential buyers had images of hurricanes in their heads, so they were afraid to make purchases.

My former teacher made low bids on several properties and got them for bargain prices.

If these two economists were alive today, they would see bargain opportunities available during the pandemic. One such opportunity recently occurred to me. It might be a good time to buy a suit.

During the coronavirus pandemic, firms feared that their employees would infect each other at work. Not wanting to risk having a large percentage of their employees sick, firms allowed (or at times required) their employees to work from home. The new work environment was much more casual. People wore sweats and T-shirts while working because, well, these garments are way more comfortable than suits. As a result, few people wanted to buy new suits. They just did not need them.

Suits began to accumulate in stores during the pandemic, just like cars began to accumulate at dealerships during a recession. The clothing stores had too many suits. To get rid of this inventory, stores lowered the price of suits. According to CNN, seventeen months into the pandemic, men's suit prices decreased by 21.5 percent ( Women's dresses also decreased in price by 12.1 percent).

A person, who needs to buy a suit for when work environments return to normal, might want to consider buying it now – if they can still find a suit at a low price.

This person, who needs a new suit eventually, faces a situation similar to the one George Stigler faced when he needed a new car eventually. They both could make their purchases at abnormally low prices. They both did not have to fret about making big purchases that would put them in a difficult financial position should they lose their jobs. Why not? Because their jobs were secure. Stigler's job was secure because he was a famous economist, and any university would have loved to have him. The person who could buy a suit probably also has a secure job since firms are having a hard time getting enough workers. As a result, they are unlikely to release the workers they have.

The pandemic has been hard on almost everyone. It may lift some people's spirits to know that they can find some bargains during these times. You can search for other bargains yourself. Find something that people use less now because of the coronavirus and see if the prices have dropped. You should be able to find many bargains out there.