

## LET'S MAKE A DEAL

### In slow economy, people are bartering for things they want

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For a growing number of Americans, caught in the icy grip of the economy and strapped for cash, there's just one question.

Wanna trade?

It's an ancient concept that's returning to favor with some help from the Internet. Everyday people are using the Web to try and barter goods or services in order to save some much-needed greenbacks.

Why pay for an Xbox when you can get one in exchange for those tools in your basement that you never use? Why pay to have your hair cut when you can get it in exchange for mowing someone's lawn?

That's exactly what Jennifer Beaver was thinking when she recently made a post on the Web site Craigslist.com offering to trade her professional services as a portrait and wedding photographer for a central air unit, shed, outdoor furniture, kitchen cabinets, or other items.

"I wish more people would do it," said Mrs. Beaver, 32, of Holland. "If there's somebody out there who has a business of their own who can trade out services, it's less cash that they have to use."

That's a big help during an economic downturn, which is why the timing of this trend is no surprise to Mike Dowd, chairman of the economics department at the University of Toledo.

"The informal markets will spring up whenever money gets tight," he said. "Bartering will come about whenever anyone's trying to save money and they can work out a deal."

Figuring out that last part can be tricky, though, because of what's called the double coincidence of want. It means that any trade requires that each party has what the other wants and that the two things are of similar value. Finding the right person to trade with can take a lot of effort.

"It is so time-consuming. That's the reason why we have money," Mr. Dowd said.

Enter the Internet to the rescue, as usual. Web sites such as the online bulletin board Craigslist and uSwapIt.com help connect would-be traders.

Co-founded by Milan, Mich., native Nathan Dupuis, uSwapIt.com aspires to do for bartering what eBay did for auctions. Members list what they'd like to trade, search for items offered by others, and the site puts the two sides in touch to facilitate a swap.

"In this [economic] state right now, people are having to hold back a little bit, but it doesn't mean you can't get what you want. You certainly can put things up in trades," said Mr. Dupuis, who now lives in Atlanta.

Leslie Lisker, 31, of Monroe, used the site to work out a deal to trade some of her 17-month-old twins' infant toys for toddler ones that they can use now. Not only does it save her money, she said, but it is more environmentally friendly because it reuses products.

It helps that the options for trading on the site seem endless.



Jim Duvall, a carpenter, on the deck he built through bartering. (THE BLADE/AMY E. VOIGT)

"You can work out deals with just about anybody for anything," she said.

Well ... almost.

"I think now there's a guy who's looking to trade his plane for a boat," Ms. Lisker said. "I can't help him out on that one."

Those who successfully swap may save money and even the environment, but they're not off the hook when it comes to the Internal Revenue Service.

"Bartering transactions are still a sale," said Eulan Tucker, a certified public accountant with offices in Oregon and Toledo. "That is reportable income. If you're providing one service and I'm providing a service, whatever I would bill somebody else for it would be the value."

Businesses have been doing this sort of thing for decades through trade exchanges. They include hundreds of thousands of companies in North America that do between \$3.5 and \$4.3 billion a year in barter transactions, according to the National Association of Trade Exchanges, based in Mentor, Ohio.

Locally, TradeFirst.com, which has offices in Toledo, Detroit, and Fort Lauderdale, maintains a network of 5,000 businesses. John Linder, vice president of marketing, said bartering has long been a solid business practice.

"If companies can acquire a product or service by trading their own product or service, their out-of-pocket expense is far lower than buying that product or service with cash," he said.

It's been much slower to catch on among individuals, even with sites like Craigslist, because of how difficult it remains to match one's needs with what someone else has to offer.

Jim Duvall, 37, knows all about that. He posted on Craigslist earlier this month offering to trade his services as a carpenter for "some new fun toys or parts for my Camaro." It was his best alternative given a lack of extra spending money.

"I get by enough to pay my bills and that's about it," the Temperance, Mich. man said.

Last year, he successfully traded services with another local carpenter to help remodel his home. So far, though, he hasn't been able to strike a deal on his most recent proposal.

"I've had a couple of calls," he said. "One guy wanted to give me a go-kart to build him a 100-square-foot deck."

The problem: The deck would have had a value of \$1,800 while he estimated the go-kart was worth a few hundred dollars. Nevertheless, he remains optimistic that something will turn up eventually.

"With the amount of people that go through Craigslist, I don't think it will be too hard [to find] a deal," he said.

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