5 things worth haggling over

By Liz Weston, MSN Money

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They cost a lot of money, and most are necessities, but many people routinely pay too much for them. Don't be one of the pushovers. Do some negotiating.

Americans, it's been said, don't have a "bazaar" culture. We know we should haggle over homes and cars, but otherwise we're supposed to be accustomed to paying retail.

Except that's not really true. A Consumer Reports survey in 2009 reported that two-thirds of Americans had tried to haggle for better prices in the previous six months, and most were successful in winning discounts on stuff like hotel rates, cell phone bills, clothing, electronics and furniture.

In truth, many prices aren't set in concrete. Tough economic times may make more retailers, vendors and service providers willing to cut you a break to get your business. Here are just five areas where negotiating can pay off:

1. Home repairs

Freelance writer Jen Miller of New Jersey said she'd never haggled over a price until recently, when she called in a rooter service to deal with an extremely clogged shower drain.

"He looked at it, took some of it apart, and said he could snake the drain but it might not work. To do that, it would cost $395," Miller wrote me. "I was expecting to pay, at most, $200. So I said I couldn't do that, offered to pay him a consult fee or something, but there was no way I could afford $395."

The rooter guy told Miller she could go online to get a $40 coupon. She said that was still too much. He then knocked the price down to around $295.

"I said it was still too much and said, 'I'm sorry, but I can't hire you for that much,' " Miller recalled. "He said, 'Maybe I can get it down to $200. Let me call my manager.' Which he did. I paid $205."

Miller said a few things worked in her favor. She had a price in mind that she was comfortable paying. She also had an alternative. "I could have called a relative who works in construction to do it," she said.

Ultimately, being able to say no gives you a lot of leverage when you haggle. People who can walk away from the negotiating process often get called back with a better deal than those who feel (rightly or wrongly) that they have no other option. It's also important not to accept the first discount offered if it isn't what you want -- silence, waiting or just saying no can produce a better deal.

Laurie Hunter Frick, one of my Facebook fans who also lives in New Jersey, discovered this when she called three companies for estimates for basement waterproofing. The bids ranged from $4,500 to $6,000.

"We couldn't afford it," Frick wrote, but one company continued to call to ask if she was ready to do the work. A year later, during a dry spell when "they must have been hurting for work," the company called again.

"We said we could afford $3,000 to have it waterproofed. They said, if you do it in the next week, we'll agree to it," Frick recalled. "So we did, and they did a fantastic job. (We've) never had water in our basement again."
2. Auto repairs

Finding a mechanic you can trust is a key ingredient to keeping your car well-maintained and reliable. But that doesn't mean you have to pay whatever the mechanic wants to charge.

If the car's running, you can take it to competing shops for estimates. (I recently knocked $800 off a big repair this way, by taking the other shops' bids back to the dealership's mechanic and getting him to match them.) Even if your car is dead on arrival, you can check RepairPal to see how much a repair should cost and pay to tow it to another mechanic if the quoted price is out of that range.

You can haggle for discounts even on smaller charges. Robert Clark of Pennsylvania used common sense to push back against the $100 a repair shop tried to charge him for connecting a laptop to his car's computer to read an emission code indicating what was wrong with his vehicle.

"I stood firm and argued that charging $100 for reading data on a laptop that took less than three minutes was unethical and wrong," Clark wrote on my Facebook page. "I told them I was coming to get the car. A few minutes later, I received a call informing me that they were waiving the $100 laptop data reading charge."

3. Medical bills

A young newlywed on his honeymoon was bitten by a rattlesnake and wound up with a $20,000 hospital bill. When the uninsured man talked to a hospital representative about it, she told him the only alternatives were to pay in full and get a 10% discount, agree to a $550-a-month payment plan for the next three years (which he and his wife couldn't afford, given their $24,000 annual income), or file for bankruptcy.

In fact, I told him, he probably had several other options, because medical bills are a lot like sticker prices for cars. Few people pay the posted prices.

If you're low-income and have a hospital bill, you should ask to speak to the hospital's financial counselor. Many hospitals and other medical providers have charity programs that provide discounts for people making up to 300% of the federal poverty level. Since that level is about $14,000 for a family of two, a couple making up to $42,000 might qualify for some kind of break.

Another option is to ask for the same discounts the medical provider gives major health insurers. These big insurers negotiate substantially lower prices -- 30% to 70% off the sticker prices.

You also should scan any hospital or medical bill for mistakes. People regularly get charged for drugs, treatments and procedures they didn't receive, often at highly inflated prices. Medical Billing Advocates of America, whose members help patients review their bills, says 80% of medical bills contain errors. Consumer Reports offers more details about what you should look for.

Finally, avoid taking out a loan or using a credit card to pay medical bills. Once you've done that, you've lost all negotiating leverage, since the provider has its money. If you can't pay all at once, ask for a payment plan. Many providers offer these at zero interest, while loans from other sources can carry sky-high rates.
4. Mattresses

Shopping for a car is easy compared with shopping for a mattress. The same model car doesn't go by different names with slightly different features at different dealerships, but mattresses typically do. Manufacturers and retailers deliberately obscure the information you'd need to compare apples to apples.

Consumer Reports, which provides tons of research on cars, doesn't venture to provide ratings for mattresses "because of the role played by personal preference and the fact that different store chains typically do not have the same models," according to its website.

So that means you have to do a lot of schlepping around from store to store and lie on a lot of beds to figure out which one works for you. But you should know that Consumer Reports typically paid half or less of the list price for most of the mattresses it bought for testing (and dissection). The exceptions were a Select Comfort Sleep Number bed, on which it wrangled just a 12.5% discount, and a Tempur-Pedic bed, which typically offers no discount but may offer some freebies, such as free delivery or a free pillow.

5. Jewelry

Markups of 100% or more are common in the jewelry trade, and even national chains have some wiggle room in their prices -- although you probably can bargain harder with independent stores.

Last year while on vacation, I spotted a lovely sapphire-and-diamond ring in a shop that sold estate jewelry. The smart saleswoman had me put it on; she knew that once you touch something, you're more likely to buy it.

I offered half the amount on the price tag, and we started bargaining from there. I kept taking off the ring and saying it was too expensive; she kept urging me to put it back on. Eventually, we agreed to a price that was a little less than halfway between the original price tag and what I offered to pay.

And I overpaid, according to a later appraisal that put its value at 61% of the sticker price. If I had to do the negotiations again, I'd start lower -- maybe 35% or 40% of the list price, and go from there.

I also should have left the shop at some point. As with a home or a car, you'll often get the best deal if you're willing to walk away.

Liz Weston is the Web's most-read personal-finance writer. She is the author of several books, most recently "The 10 Commandments of Money: Survive and Thrive in the New Economy." Weston's award-winning columns appear every Monday and Thursday, exclusively on MSN Money. Click here to find Weston's most recent articles and blog posts.