



Cornell Professor Wants to End Black Friday Madness by Taxing It

His first complaint was about the unreasonable hours that stores were opening in an effort to respond to consumer demand: "For many years, stores opened at reasonable hours. Then, some started opening at 5 a.m., prompting complaints from employees about having to go to sleep early on Thanksgiving and miss out on time with their families. But retailers ignored those complaints, because their earlier start time proved so successful in luring customers away from rival outlets."

He then iterated the now-familiar theme of major retailers opening earlier and earlier, also in response to consumer demand. He said it was thoughtless of those greedy merchants to make such demands on their employees: "The costs to store owners and their employees are enormous: millions must now spend time away from home on the one occasion that all Americans, regardless of religion or cultural background, share as a family holiday."



He concluded that "few people actually want to shop in the wee hours, and the purchases that do occur are presumably offset ... by reduced sales during normal business hours."

Something must be done! It's a scandal! Merchants forcing their employees to come in early and stay late serving those silly customers who don't know better! He concluded: "We can start thinking about what must be done to protect our future Thanksgivings." He has a plan! Calling it his 6-6-6 plan (playing off presidential candidate Herman Cain's 9-9-9 plan), Frank wants "an across-the-board 6 percent national sales tax [taking] effect starting at 6:00 p.m. on Thanksgiving Day and ending at 6 a.m. Friday morning."

This plan would leave both stores and consumers free to decide for themselves whether middle-of-the-night shopping is worth it. Even if some retailers decided to stick with the early openings and even if some shoppers showed up, the country would reap a significant benefit. As every mature adult realizes, we have to tax something, and the revenue from my 6-6-6 plan would make it possible to reduce taxes on other activities that are actually useful. Best of all, it would encourage Americans to spend Thanksgiving night where they really want to — in bed.

At first glance Frank's article appeared to be a humorous rant on a silly subject — a frivolous commentary on an increasingly popular pastime: getting up early to shop for bargains in crowded



Written by **Bob Adelmann** on November 30, 2011



stores. But no, the man is serious. After all, "we have to tax something," and so why not this?

Here's why not. First of all, 28.7 million people showed up on Black Friday to do some shopping, up from 22.2 million last year. Secondly, they spent \$11.4 billion, the most since before the recession. All told, over Black Friday and Saturday and Sunday, 226 million people braved the crowds, and spent a total of \$52.4 billion.

Retailers generate an estimated 40 percent of their gross revenues in the period between Thanksgiving and Christmas — many of them depending on that period to make or break their year. So they naturally would want to take advantage of any edge. Best Buy CEO Brian Dunn said: "It's become this amazing social phenomenon." His stores usually would open at 5:00 a.m. on Friday but the "market moved to midnight" and so his stores moved to midnight as well. Customers, he said, "clearly showed up en masse and said, 'This is the time we want to shop.'"

Toys R Us opened at 10:00 p.m. last Thanksgiving but moved it to 9:00 p.m. this year, based on customer requests, said CEO Jerry Storch. "They said, 'When we're done with our Thanksgiving dinner and watched enough football, we want to shop.' Our customers were thrilled."

Macy's responded to consumer demand and opened all its stores at midnight after a trial run last year in a dozen stores proved successful. In fact, said CEO Terry Lundgren, "It was so successful and so positive that we decided to open all of our stores [at midnight] this year."

And 9,000 people showed up at Macy's flagship store in New York City's Herald Square at midnight while another 4,000 were in line at midnight waiting for the Macy's store to open at the Sun Valley Mall in Concord, California.

And what about Frank's perceived complaint that the employees were being taken advantage of, that they'd rather be at home with their families, or in bed? Macy's made no such demand, but offered the employees the opportunity to come in early to help out, if they wanted to. Sixty percent of those employees, including 78,000 seasonal hires, agreed to come in at midnight.

Of course, there was some backlash, according to *USA Today*. A Target employee, Anthony Hardwick, started a campaign against his store's decision to open at midnight, and he garnered 200,000 signatures on a petition. But it went nowhere as his efforts were overwhelmed by wave after wave of customers seeking deals.

That's the great thing about the free market. When the market "moves," business owners move with it, or get left behind. And who benefits? The customers take advantage of excellent, sometimes outrageous, deals. The retailers see a huge spike in traffic. The economy in general benefits. Governments — federal, state and local — enjoy increased revenues. Workers have jobs, the list goes on.

The good professor from Cornell probably slept in on Friday, and missed the action in the market: Millions came. They shopped. They bought.





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