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For Immediate Release

Shortchanged
Life and Debt in the Fringe Economy
by Howard Karger
Winner of the 2006 Independent Publisher Book Awards
in the category of "Finance/Investment/Economics"

In the groundbreaking bestseller *Nickel and Dime*, Barbara Ehrenreich exposed how the dangerous combination of stagnant pay with rising costs of living is driving the working class into a situation where they can no longer make ends meet. As a result, the “Main Streets” of America are crowded with pawnshops, payday lenders, check cashiers, rent-to-own stores, and “buy here-pay here” car lots that entice consumers with promises to alleviate their monetary woes and help them gain a piece of the American Dream. However, as Howard Karger explains in ***Shortchanged: Life and Debt in the Fringe Economy***, consumers who patronize these types of businesses are likely to be caught up in an economic netherworld of spiraling, sky-high triple digit interest rates and steadily increasing debts from which escape is all but impossible.

This dark and shadowy sector of the American economy—which most people don’t give more than a second glance—appears to be made of small, independent storefront operations. In reality, many of these stores are part of a multi-billion dollar parallel economy dominated by a handful of corporations, subject to little or no oversight, with increasingly strong ties to mainstream financial institutions. Karger describes in detail the deceptive practices that allow businesses to prey on people at their most vulnerable moments. These businesses include:

- The Credit Card Industry
- Storefront Loans: Pawnshops, Payday Loans and Tax Refund Leaders
- Alternative Services: Check-Cashers, the Rent-to-Own Industry, and Telecommunications
- Real Estate Speculation and Foreclosure

With the passage and signing of the new bankruptcy bill in April 2005, Congress has strangled one of the few opportunities for the working class to escape the cycle of debt, making it even easier for companies to prey on the poor. In ***Shortchanged***, Karger provides a blueprint for improving fringe economy practices in ways that balance compassion with a realistic awareness of the risks any business faces in working with an economically distressed clientele. Powerful analysis combined with moving personal stories and thoughtful recommendations make ***Shortchanged*** a compelling look at the sinister side of the American economy.

More...

“Despite its wealth, the United States, as a percentage of its population, has the smallest middle class and the greatest gap between rich and poor of any industrial nation. As more and more Americans fall through the cracks into privation and poverty, they also fall prey to the predatory economic institutions that Howard Karger examines so thoroughly and powerfully in Shortchanged. Like such classics as Nickel and Dimed, this book is a wakeup call for action to redirect our economy towards fairness and ethics.”

—John de Graaf, coauthor of *Affluenza: the All-Consuming Epidemic*, and National Coordinator, Take Back Your Time

“Shortchanged charts the perfect economic storm—a product of financial re-regulation, predatory companies, and consumer vulnerability. The subterranean economy bleeds billions in capital from struggling Americans and their communities. Karger's work not only details the scams and rip-offs that afflict low-income and middle-class households alike, but he proposes realistic solutions as well. Shortchanged is required reading for anyone concerned about economic justice in America.”

—David Stoesz, Ph.D., Director, policyAmerica

“If you think you know all about the credit industry and how the poor are getting ripped off, think again. Howard Karger's masterful new book shows how the poor and the middle class are being conned by increasingly clever scams which are both subtle and bold. Karger takes apart the credit card industry, with its increasingly usurious business practices, as well as pawnshops, and the rent-to-own industry. He shows how these industries operate and profit, and how people with limited economic means are victimized by their lack of resources and knowledge. They are taken in by the netherworld economy of contemporary America. Karger's suggestions for reform are to be taken seriously if we are to achieve a just society. This book is highly recommended to all those who care about social justice, and who aim to curtail unethical business practices which are becoming more widespread.”

—Steven Rose, Ph.D., Professor of Social Work, George Mason University

“Howard Karger's new book exposes a side of American economic life that would appall even the most cynical observers. Its incisive analysis offers powerful and somber insights into the underworld of predatory finance capitalism. This is a book of serious scholarship. It is rich in detail, eloquent and steadfast in its commitment to change. It deserves to be widely read.”

—James Midgley, Specht Professor and Dean, School of Social Welfare, University of California, Berkeley

“Shortchanged is a must-read for anyone who wants to understand the impact of predatory economic practices on the poor and credit-challenged in the U.S. As the gap between the haves and the have-nots in the country continues to grow, many of us recognize that events we cannot control could propel us into that economic abyss. Social and economic justice is only possible if we understand the workings of the fringe economy that exploits the poor in America. Read Karger's book.”

—Jody Williams, Nobel Laureate for Peace (1997)

Howard Karger is Professor of Social Policy at the University of Houston and a two-time Senior Fulbright Scholar. In 2001, he helped found policyAmerica, a non-profit organization dedicated to disseminating innovations in social policy. In addition to five editions of his bestselling textbook *American Social Welfare Policy* (with David Stoesz), Karger has authored or coauthored nine books, and his articles have appeared in numerous publications, including *The Washington Monthly*, *The Jerusalem Report*, and *Tikkun*.

BK Currents titles advance social and economic justice by exploring the critical intersections between business and society. Offering a unique combination of thoughtful analysis and progressive alternatives, BK Currents titles promote positive change at the national and global levels.

Shortchanged: Life and Debt in the Fringe Economy

By Howard Karger

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