THE WEEK AHEAD

By Tom Hudson of the Nightly Business Report

What's in the cards for debit cards, 2E

CONSUMER TIP

By Nirvi Shah

NOT SO FLEXIBLE

Next year, you can't buy over-the-counter medicines with a flexible spending account, untaxed money set aside for healthcare expenses. If you haven't depleted this year's account, stock up. www.smartmoney.com/personal-finance/health-care/flexible-spending-accounts-are-becoming-stingier/

FLAMINGO INDEX

South Florida Lifestyle Costs

MOJITOS

$13.67 on Dec. 6

Average of three SoBe bars

COMING UP

BUSINESS MONDAY

- **Office life:** Holiday parties are back – but they're subdued affairs.
- **Law firms:** Gunster remains 'focused on Florida.'

MiamiHerald.com/business

Digital Dish: Bridget Carey looks back at 2010's best gadgets.

HOLIDAY BUSINESS

For some, money does grow on trees

Two-thirds of Americans plan to shell out money for holiday decorations this year, including Christmas trees, one survey said.

BY SARA K. CLARKE AND DOREEN HEMLOCK
Sun Sentinel

Consumers are shopping for bargains, even when it comes to Christmas trees.

There are signs that more trees will be sold this year than last, but not without some sacrifices.

"People are buying smaller trees. They are downsizing, just like with everything else in this economy," said Kathy Chefas, one of the owners of Hart-T-Tree Farms, which operates more than a dozen tree lots in Broward and Palm Beach counties.

According to the National Christmas Tree Association, which lobbies for live growers, more people have indicated they are going to buy a real tree this year. The group expects Americans to buy between 32 million and 38 million trees, compared with 28.2 million a year ago, based on its poll of consumers after the last holiday season.

"We'll see if they follow through," said Rick Dungey, an association spokesman. "That'd be a healthy year for our industry."

Sellers of artificial trees are optimistic as well. The American Christmas Tree Association says stores sold about 12 million fake trees in each of the past two years. This week, it said some of its members sold out by the Monday after Thanksgiving.

"Even in a difficult economy, consumers will still spend their hard-earned cash on the things that are very important to them and to their families, including Christmas trees," said Jami Warner, the group's executive director.

To adapt to the slow market, retailers are getting more aggressive with their marketing.

Hart-T offers 10 percent-off coupons for buyers on its website. And it's carefully managing inventory. John Chefas, Kathy Chefas' husband, stays at the family tree farm in North Caro-

• TURN TO TREES, 4C

THE ECONOMY

TALL ORDERS

A former writer for Newsweek magazine reports on the unemployment crisis – and this time it's personal.

BY CATHARINE SKIPP
Special to The Miami Herald

I wrote a front-page story in The New York Times last month, above the fold, no less. I'd worked on it for months between other assignments and was mightily pleased to see it at the top of the newspaper rack at my local Starbucks.

At the time, I was mopping the floor at the end of my 6:30-to-10:30 p.m. shift as a barista.

The week I was laid off in November 2009 as a senior reporter at Newsweek magazine, I joined more than 462,000 other pink-slipped U.S. workers. Florida's jobless rate had hit a 35-year high at 11.5 percent with 1,056,000 unemployed. The U.S. Bureau of Labor Statistics put the "underemployed" rate at 17.5 percent, the highest in 15 years. These were statistics that should have cured me of my news addiction and my mother's mantra, hands over ears, of "I'm not listening, I'm not listening; hahaha." But like rubbernecking, I just couldn't stop. Each grim and grimmer report was applied like a hair shirt of atonement to my own situation.

During this last year, I have collected jobs like lucky pennies on the sidewalk. I limped through last December — dearth-of-silence-times for job seekers — in a state of numb disbelief baking cakes for Books & Books and anyone else Jonesing for pure butter, whole eggs and imported dark chocolate. I baked under the *nom de boulanger* Sweetie Pie, from the name my mother applied to all warm-blooded occupants under our roof — child or pet.

There were reams of bedeviling applications to fill out — for unemployment, health insurance and my severance package. With a son in college in Maine and sharing a house with a sweetheart of a boyfriend who is an extremely talented but underemployed commercial photographer, money was going to be dear.

With Florida and Miami unemployment rates well above the national average and weekly unemployment checks under $300 a week, there

• TURN TO JOBLESS, 4C

CARL JUSTE/MIAMI HERALD STAFF

THE BARISTA: Catharine Skipp works at a Starbucks so she can receive some benefits as she pursues freelance writing jobs.

CONSUMER ISSUES

Make sure the register rings true

Lured by the sale price? Make sure it checks out at the register, the Florida Department of Agriculture and Consumer Affairs warned following its annual sweep of store scanners.

BY NIRVI SHAH
nshah@MiamiHerald.com

At a Navarro's Discount Pharmacy location in Hialeah, blush rang up 60 cents more than the price listed on the shelf. At a Southwest Miami-Dade Bloomingdale's, a toaster listed for $59 cost $75 at the checkout.

These and other incorrect charges were found during a recent sweep of dozens of stores by the Florida Department of Agriculture and Consumer Affairs. Bloomingdale's, Navarro and a JCPenney in Dadeland were issued warning letters from the Department for their misfiring registers — which also made errors in customers' favor, on occasion, the agency said Friday.

The annual exercise is intended to serve as warning to shoppers swarming stores during retailers' most active season.

State inspectors visited 52 stores in 24 cities, checking prices for nearly 3,000 items. Most prices were accurate: Just 54 items in all rang up more or less than the advertised price or what was listed on the shelf. About half of those products cost more at the register than expected. The state requires that at least 98 percent of items ring up correctly or a store will be cited. Twelve percent of items checked at the Bloomingdale's location rang up wrong, along with 4 percent at JCPenney and 13 percent at Navarro.

Most of the time, the incorrect prices are the result of a store's computer database being more up-to-date than the cost posted on a shelf, said Max Gray, chief of the Bureau of Weights and Measures. He said it is rare for the Bureau to visit a store and find the same problems a second time.

• TURN TO SCANS, 4C

INVESTING

Hot TIPS: Strategies for diversifying your portfolio

BY ANDREW MENACHEM
Special to The Miami Herald

It's exciting to get a new car, a diamond ring or a hug from a loved one. Your adrenaline starts to flow, your heart beats faster and the future looks bright. But there are other necessities of life that are also important, even if they're a lot less exciting. Home repairs and a trip to the dentist are just a couple that come to mind.

MENACHEM

There's another example in the financial world: TIPS (Treasury Inflation-Protected Securities). Issued by the U.S. Treasury, these securities are one of the safest investments in the financial marketplace. They can help diversify and stabilize your investment portfolio.

While TIPS were first auctioned by the U.S. Treasury in 1997, some investors don't understand the inflation-linked concept, and consider these securities to be a variation of Treasury bills or bonds.

Like Treasuries, interest income is paid every six months. They are non-callable, so you can hold on to your investment until maturity. In addition, your principal is guaranteed to be repaid at maturity, even if the stock and bond markets falter, as TIPS are backed by the "full faith and credit of the U.S. Government."

TIPS have another big advantage for investors. Unlike Treasuries, CDs, municipal bonds, or corporate bonds, TIPS provide protection against inflation, as measured by the change in the nation's Consumer Price Index (CPI). In fact, TIPS have the potential to generate double-digit returns if inflation soars. So, just because TIPS are safe doesn't mean they can't be profitable as well. Also, TIPS principal is adjusted on a semiannual basis to reflect the rate of inflation. At maturity, they return either the adjusted principal or the original face value, whichever is greater. TIPS interest rate is applied to the adjusted principal; thus, as inflation increases, interest payments increase proportionately and in a deflationary environment, interest payments would fall accordingly.

Remember that inflation is one the risks facing investors. While some people worry about loss of principal — a drop in value of their current holdings — they should realize that inflation reduces purchasing power. Instead of spending $25 a week to fill up in your car, for instance, you suddenly have to spend $30 or $35 on gas.

Right now, the nation's inflation rate is the lowest in more than a decade, and most prices are stable, or even falling in some circumstances. But, buying TIPS is like purchasing life insurance: the right time to buy protection is when you don't need it. Then, you'll have an important component of your portfolio already in place if and

• TURN TO TIPS, 4C