

THE HIGH ART OF REGIFTING

by [Steve Brown](#)

With just a couple of days to go until the holiday gifting season ends, we thought a quick reminder on the etiquette of regifting might be in order. While some may frown on the practice, we believe that if you are going to be thoughtless, then at least put some thought into it. Regifting is a practice that occurs when a person transfers an unwanted gift to another. Believe it or not, a recent survey found that 25% of Americans practice regifting. Even more startling perhaps, nearly 36% of households with incomes ranging from \$100k to \$150k do so. Given the prevalence of this practice and the time of year, we thought a few tips might be in order for some of those bankers who may end up regifting.

The first and most obvious thing any self-respecting banker will do when preparing to regift is to thoroughly examine the gift for any signs it had been previously received. Any gift cards, written comments, and left over scraps of wrapping paper must be removed before a proper regifting can occur. Second, bankers must be careful to regift in a timely manner. Rumors abound of the banker who received a gift, forgot who gave it to them and ended up regifting it to a fellow employee, only to have them say "this looks exactly like the one I gave you." Rather than spend the 1Q cleaning such a large amount of egg from one's face, it is prudent to move swiftly in the regifting process to avoid such an experience. Third, while not truly a regift, bankers must never, ever give away the freebies stacked in their branches. Coffee cups, pens, pencils and paper with the bank logo on them will rarely achieve a happy response from the regiftee - even if that person is your paper boy. Fourth, bankers should never attempt to regift hand-me-downs. After you have worn that golf shirt (with the logo from the last conference you attended) or used that Cross pen, they should no longer be considered regift inventory. Just as there is honor among thieves, regifters must have some moral standards. Fifth, because you are a banker and economics is your business, regifted presents must go to the highest and best use. If that is making your neighbor happy, so be it. However, if you can create more utility by donating the item to charity and taking a tax write off (or selling it on e-Bay and recording it as income), then the choice should be clear. Finally, bankers must be careful to consider the recipient when regifting. It is probably best not to give one's mother-in-law a power drill, just because it was sitting there and already wrapped.

The look on the recipient's face after opening such a gift should be monitored, as this is the first sign that the regifting process has gone awry. If normal gift emotion is displayed, then the regift was a success. This rule still applies even though you know the receiver is lying through their teeth. Just like regifting is almost like gifting, false emotion is almost as good as real emotion. Remember, when it comes to regifting, it is not the thought that counts, but the thought that goes into the lack of thought. By following these few simple hints, hopefully we have made even the lack of thought, that much easier. To everyone on our distribution list, we wish you all a very Merry Christmas, a happy holiday and hope that you get everything you desire (even if it has been regifted).

BANK NEWS

Investment Spree

The Treasury announced that it has now used up \$350B, or half of the Congressionally approved \$700B. In the 77 days since approval, 36% of the \$700B has gone to banks so far.

CIT

The finance company got approved to convert its industrial loan corporation to a financial holding company.

Corporate Stress

About 10% of S&P 500 companies have already announced dividend cuts this year, the highest level since 1958. About 33% of stock return over the past 50Ys has come from dividends.

Recession Projection

A survey of CFOs around the world by Duke University finds 81% are pessimistic about the economy, 70% are concerned about the health of their primary bank and 60% do not expect the economy to rebound until 4Q 2009 or later. In addition, the group projects employment at their company will be cut by 5% and capital spending will be reduced 10%. Meanwhile, another projection by Chapman University predicts the economy won't recover until 2010 as the unemployment rate climbs to 7.8%.

Home Foreclosure

Since last year, lenders have foreclosed on 1.3mm loans and put another 2.2mm through the process. Experts predict that a 15% drop in home prices and unemployment above 7% could push another 6.5mm homes into foreclosure by 2010.

Internal Theft

According to a survey conducted last month of nearly 400 US corporations, approximately 20% of employers find workplace theft has become a big problem. In all, 18% had noticed a rise in monetary theft, while 24% said they had seen an increase in stolen office supplies.

Talent Crunch

An estimated 60% of bank CEOs will retire in the next 8Ys. Maybe more if the 2009 doesn't turn around.

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