

Issue of the week: Debit-card fees

Regrettably, Round 1 on debit-card fees goes to the government, said **Bloomberg.com** in an editorial. Despite an “elaborate, expensive, and sometimes disingenuous” lobbying campaign, the banking industry couldn’t convince the Senate last week to turn back a key provision of last year’s Dodd-Frank financial reform law. As of July 21, the Federal Reserve will start capping transaction fees at 12 cents, down from an average now of 44 cents per sale. “Their shenanigans aside,” the big banks were right to oppose the measure. “Why in the world should the government set the price for using a debit card?” We usually let the market itself set prices—“an arrangement that works pretty well.” But instead of just making that “honest argument,” the banks conjured up “plagues of locusts” and lost.

Just don’t think they’ve actually given up, said **David Benoit** in **WSJ.com**. Last week, the industry said it would probably take its battle to the courts. There its lawyers will argue that the Fed has misinterpreted the law by applying “a hard cap on fees,” and that the cap it imposed is “illegally low.” The banks can expect the same vigorous opposition from the retail lobby that



Who will get the bill for lower transaction fees?

stands to pocket \$35 million a year.

But what about the rest of us? asked **Blake Jones** in the Glens Falls, N.Y., **Post Star**. “The vote was a win for retailers, but it’s less clear what the impact will be for consumers.” Sure, maybe retailers will pass along some of their windfall, but banks are almost certain to look for new ways to make up for the drop-off in debit-transaction revenue. “Free checking accounts may be one step closer to extinction,” said **Candice Choi** in the **Associated Press**. Some other possible results: higher ATM fees, fewer debit-card rewards, even caps on debit-card transactions. In other words, the consumer could be the loser after all.

they faced in the Senate, said **Edward Wyatt** in **The New York Times**. Retailers paid more than \$20 billion last year to the largest debit-card networks, Visa and MasterCard, and are happy to be rid of that burden. Just as the banks claimed the new rules would harm little banks and bolster giant retail companies, “retailers framed the debate as pitting JPMorgan Chase, Bank of America, and Wells Fargo against mom-and-pop” stores. It’s not clear how much Main Street storefronts will save from the new law, but Home Depot

Making money: What the experts say

The right card to take overseas

With the dollar worth only about 0.69 euro—a three-year low—it’s “ever more important for people to be careful about how they spend money abroad,” said **Odysseas Papadimitriou** in **CNBC.com**. Credit cards are generally a better deal than traveler’s checks and cash, but not all cards are created equal. The ideal card won’t charge a foreign-transaction fee, which can go as high as 3 percent, and will offer rock-bottom exchange rates. All of Capital One’s cards meet those benchmarks, while only a handful of Chase, Citi, and American Express cards are fee-free. Travelers abroad should never sign a bill expressed in dollars—sometimes offered “to simplify things for American customers”—since the merchant is really out to profit from a jacked-up exchange rate. And bring your passport when shopping with a credit card abroad; many merchants won’t do business without one.

Newspaper stocks worth buying

The idea of an attractive newspaper stock sounds counterintuitive, said **Andrew Bary** in **SmartMoney.com**. After all, newspapers are “one of the market’s most hated industry groups” because of their “steady advertising and circulation losses.” But many newspaper

companies also own television and Internet assets that Wall Street is undervaluing. Take **Gannett**, with 23 TV stations and a majority stake in help-wanted site **CareerBuilder**; or **New York Times Co.**, which is rapidly developing an online profit center; or **Washington Post Co.**, which owns the “eroding but still profitable” **Kaplan** test-prep service. All of them “look appealing based on a sum-of-the-parts analysis.”

You’re retired. Now what?

With the exceptions of **Michael Jordan**, **Brett Favre**, and most boxers, people usually retire only once, said **Paul Keegan** in **Fortune.com**. So it’s important to do it right. That’s why many retirees—especially former executives—are hiring retirement coaches. **Bud Robertson**, 62, chief financial officer of a software company, hired one after realizing that besides work, “he has never been terribly interested in much else except for his sports cars and a little golf.” His coach, **Mike Jeans** of **New Directions** in Boston, encouraged him to reach out to 200 business contacts “to get on a board of directors and stay on people’s radar screens.” **Robertson** hasn’t figured out his next move, but says having **Jeans** lead him through the search process “helps a lot for somebody who is used to the structure of a job.”

Charity of the week



National Transplant Assistance Fund (ntafund.org) works to help transplant and catastrophic-injury patients afford critical but uninsured medically related expenses through fund-raising guidance, patient support and resources, and financial assistance. NTAF is proud to have administered over 3,700 patient campaigns; generated more than \$57 million in funds for patients; provided direct financial assistance to 3,197 patients; opened patient campaigns in all 50 states; provided information, education, and referrals to 16,966 families; built an excellent reputation in the transplant community; conducted public education campaigns on the importance of organ donation; and distributed more than 600,000 organ donor cards and tens of thousands of brochures.

Each charity we feature has earned a four-star overall rating from **Charity Navigator**. **Charity Navigator** ranks not-for-profit organizations on the effectiveness of their programs, their control of administrative and fund-raising expenses, and the transparency of their operations. **Four stars** is the group’s highest ranking.