

Home Depot Penny Items: A Comprehensive Guide for Savvy Shoppers

Source: Home Depot One Cent Items Community

I. Introduction: What Are Penny Items?

At Home Depot, a "penny item" refers to merchandise that rings up at \$0.01 due to internal inventory clearance systems, not public promotions. These aren't sales. They are items that:

- Have been chosen for removal
- Are no longer intended for sale
- Still happen to be on shelves because of oversight or delays

This process is driven by Zero Markdown Authorization (ZMA), a financial mechanism that reduces an item's value in the system to nearly zero. While these items are meant to be removed, some stay on the floor and can still be bought.

Important: This guide is based on consistent community reports and retail logic, not official Home Depot policy. Practices may vary by store.

II. Understanding the Clearance Lifecycle: How Items Become Penny Priced

At Home Depot, clearance items follow a markdown sequence that may eventually lead to the \$0.01 "penny" status. While unofficial, two distinct markdown patterns or "Clearance Cadences" have been consistently seen by shoppers.

Crucial Rule: The Clearance Clock

The 7 and 13-week average markdown schedule starts counting on the date printed on the clearance tag. That date is Day One of the clearance cycle.

Cadence A (Approx. 13 Weeks)

Stage	Price Ending	Discount	Duration	Notes
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Stage	Price Ending	Discount	Duration	Notes
Initial Markdown	.00	-10-25% off	4 weeks (est.)	Enters clearance
Second Markdown	.06	-50% off	~6 weeks	Signals progression
Final Markdown	.03	-75% off	~3 weeks	Last stage before removal
System Update	N/A	\$0.01	Internal	System marks as penny item

Cadence B (Approx. 7 Weeks)

Stage	Price Ending	Discount	Duration	Notes
Initial Markdown	.00	-10-25% off	1-2 weeks	Starts clearance
Second Markdown	.04	-50% off	~4 weeks	Often missed by shoppers
Final Markdown	.02	-75% off	~2 weeks	High likelihood of penny pricing next
System Update	N/A	\$0.01	Internal	System triggers penny status

Real-World Example: Analyzing a Tag

- Current Price:** \$150.03
- Tag Date:** 01/14/25
- Analysis:** The price ends in .03, which places this item in the Final Markdown stage of Cadence A.
- Timeline:** While the full cycle is approx. 13 weeks, the clock starts on the tag date. Since it is already at the .03 stage (Final Markdown), it is expected to penny out roughly 3 weeks from the tag date, potentially around early February, though the full 13-week calculation from the start of the cycle might suggest a date closer to 4/15/25.
- Strategy:** Because it is already at .03, this item should be watched closely immediately.

Quick Reference: Price Ending Cheat Sheet

Price Ending	What It Means	Chance of Penny
00	First markdown, entering clearance	Low
04	Second markdown (Cadence B)	Medium
97 / 98	Regular sale price	Extremely Low
06	Second markdown (Cadence A)	Medium
03	Final markdown (Cadence A)	High
02	Final markdown (Cadence B)	High

Price Ending	What It Means	Chance of Penny
Others (e.g., .56)	Inconsistent meaning	Low (Speculative only)

III. Pre-Hunt Intelligence: Using Home Depot's Digital Tools

Before heading into a store, use Home Depot's app or website to scout items that might have reached penny status. It won't show you the \$0.01 price directly, but it can give you signals that an item has been marked internally.

Step 1: Set Your Store Location

In the app or online, set your specific store location. Inventory and pricing data is store-specific—wrong location = wrong info.

Step 2: Search by SKU (Stock Keeping Unit)

Find the SKU number on the product packaging or clearance tag. Use that number in the Home Depot app or site search.

Step 3: Interpret What You See

Online Status	What It Could Mean
In Stock + Clearance Price visible	Still in clearance cycle, not pennied yet
In Stock + Full Price	Still active inventory
Out of Stock / Unavailable / Ship to Store Only + Full Price	Strong penny candidate. System may have pennied it, but it hasn't been removed from shelves yet.
Clearance price still showing online	Not yet a penny item

Important: If the system shows a full price but no stock, it might have already hit \$0.01 internally and just hasn't been pulled.

Limitations to Keep in Mind

- Online data isn't real-time; there can be a delay of 1-2 days.
- The penny price (\$0.01) never shows online.
- You still need in-store confirmation to be sure—this is just a filtering step.

When to Go In-Store

Only go check in person if:

- You've found an item that shows no local stock but is still listed online.
- You're tracking the item based on its clearance cycle and tag date.
- You've seen reports in the Home Depot One Cent Items community about that item pennying out recently.

IV. The Art of In-Store Penny Hunting: Strategies That Work

Once you're in the store, your goal is to find penny-priced items that haven't yet been pulled from the shelves. These are usually clearance items that slipped through the cracks.

Where to Look

Start with obvious zones, but don't stop there.

- **Primary Hotspots:** Clearance endcaps, aisles with yellow tags, seasonal sections (especially post-season).
- **Hidden Gems:** Bottom or top shelves in standard aisles, back corners or dusty areas, outdoor garden section (during seasonal changeovers), misplaced items left by customers.

What to Look For

Certain categories tend to hit penny status more often:

- Hardware (screws, nails, hooks)
- Lighting (bulbs, switches, fixtures)
- Electrical parts and Paint accessories
- Seasonal leftovers and Discontinued items
- **Tip:** Watch for "known penny items" discussed in the Home Depot One Cent Items community; these often go chain-wide.

How to Check the Price (Discreetly)

Best Method: Self-Checkout (SCO)

1. Go to a SCO terminal with the item in hand.

2. Scan the manufacturer's UPC barcode, not the yellow clearance sticker.
3. If it scans at \$0.01, pay at once and print your receipt.
4. Stay low-key—don't draw attention to the screen.

Warning: Scanning the clearance tag can freeze the terminal and flag an employee.

Backup Method: Ask for a Stock Check

If you must ask an employee:

- Look for one using a FIRST phone (orange handheld scanner).
- Say: "Can you do a stock check on this?" – not a price check.
- Watch the screen discreetly. If it shows \$0.01, "0" quantity, or an error, it's probably pennied.

Scenario: "Item Not Found"

Sometimes scanning an item results in an "Item Not Found" error.

- **What this means:** The item has likely been pennied for so long (typically many months) that it has dropped out of the system entirely.
- **Why:** It has "fallen off" the active database due to being discontinued or unsold for an extended period.
- **Result:** The item generally cannot be sold.

Overhead Items: High-Risk, Mixed Results

Customer Accessible Ladders (Yellow)

- The small yellow ladders (often in the paint section) are for customer use.
- You can use these to retrieve overhead items, but know that using them will draw attention.

Big Orange Ladders (Employee Only)

- These are strictly for employees.
- Using them is against store policy.
- Do not use these. It is a safety violation and can get you removed from the store.

Asking for Help (Roll the Dice)

You can ask an employee to retrieve an overhead item.

- **Risk:** There's a 50/50 chance they will scan it first.
- If it scans at \$0.01, they'll likely say, "This can't be sold" and remove it.
- **Pro Tip:** If you ask, be polite. If denied, let it go. Causing a scene alerts staff to penny activity.

V. The Checkout Challenge: How to Successfully Buy Penny Items

You found a penny item. Now comes the tricky part: getting it through checkout without issues.

Preferred Method: Self-Checkout (SCO)

This is your safest bet.

1. Have your payment ready before scanning.
2. Go to a self-checkout kiosk where the attendant is distracted or busy.
3. Scan only the UPC barcode on the item itself—not the yellow clearance tag.
4. Confirm it scans at \$0.01.
5. Pay immediately.
6. Print your receipt—this is your proof of purchase.
7. Exit calmly.

Optional Trick: Use a "Keeper Item"

Add a small, inexpensive item you plan to buy.

- Makes your transaction look more normal.
- Distracts attention from a suspicious \$0.01 item.

What If It's in a Locked Case or Cage?

1. Add a "keeper" item to your cart.
2. Ask a staff member to unlock the item.
3. Politely direct them toward self-checkout.
4. At SCO, scan the keeper item first, then the suspected penny item.
5. Pay and print your receipt as usual.

If You're Stopped by an Employee...

Despite all your efforts, you may get flagged.

- Stay calm and polite.
- Do not admit you were looking for penny items.
- If asked about the price, say: "That's just what it scanned for" or "I found it on the shelf and thought I'd buy it".

- Do not get angry or argue. It draws attention to the broader practice.

If They Demand the Item Back After Purchase:

- You can say, "I've completed the purchase and have my receipt. I'm not returning it".
- If pressed, calmly ask to speak with a manager.
- **Manager Interaction:** Some stores might honor it; others may confiscate it. If a manager insists you return the item, weigh your options. Is it worth risking being trespass? If denied, walk away quietly—your reputation matters.

VI. The Inside Scoop: How Home Depot Handles Penny Items Internally

Understanding Home Depot's internal operations will help you grasp why penny items exist and why staff act the way they do.

Penny Items = Not Meant for Sale

Home Depot doesn't price things at \$0.01 for customers; it's an internal accounting mechanism triggered by Zero Markdown Authorization (ZMA).

- **Why it happens:** Item is discontinued, damaged, expired, or no longer worth selling.
- **The Process:** Store uses ZMA to reduce its system value to \$0.01(effectively zero). The system flags it for removal, but sometimes it gets missed.

Employee Policy: Strict Rules on Penny Items

- Employees are forbidden from buying penny items. Doing so results in termination.
- **24-Hour Rule:** Staff often cannot buy newly marked-down clearance items until they have been on the floor for 24 hours to prevent hiding items for themselves.

FIRST Phones & the Clearance App

Home Depot associates use handheld devices called FIRST phones. The Clearance App on these devices allows staff to see lists of penny-priced items and flag them for removal. This tool helps them actively scrub the floor of the very items you are looking for.

Why Management Cares So Much

Managers are pressured to remove penny items because they:

- Hurt shrink metrics (loss due to theft, damage, system errors).
- Signal poor inventory control.
- Disrupt inventory accuracy for automation and reorders.

VII. Research Deep Dive: Sorting Fact from Fiction

Home Depot has never publicly confirmed the full clearance-to-penny process. Most of what we know comes from Home Depot One Cent Items community observations and shared receipts.

What the Website Says (and Doesn't Say)

- **Confirmed:** Clearance items are excluded from price matching. Penny items will never be price matched.
- **Missing:** There is no public documentation of markdown cycles or penny pricing.

Clearance Patterns: Do the Cadences Hold Up?

The two clearance cadences ending in .06/.03 and .04/.02 are widely reported across the community. These patterns align with typical retail markdown strategies (gradual price drops over 6-13 weeks). While not guaranteed, these models are accurate often enough to be a solid guide.

Takeaway: What's Real vs. Rumor

Claim	Reality
Items go to \$0.01	True via internal ZMA process
Price endings predict markdowns	True .06/.03 and .04/.02 are common sequences
Penny items are "secret sales"	False—they're not intended for sale at all
Home Depot honors the first scanned price	Sometimes—depends on the manager
Using ladders to get pennies is okay	Yellow ladder: Yes. Orange ladder: NO (Employee only/High risk)
Penny items show online	False—the \$0.01 price never appears in the app

VIII. Responsible Penny Hunting: Don't Ruin It for Everyone

Penny hunting thrives on community, strategy, and discretion. Acting irresponsibly not only gets you shut down—it can cause stores to crack down harder on everyone.

1. Be Respectful to Store Employees

Even if you're frustrated or denied a penny sale, stay calm and polite. Staff are following orders, not making personal decisions against you.

2. Don't Be Loud About Penny Finds

Getting loud, bragging at checkout, or filming inside the store draws unwanted attention. The more attention you bring, the more likely stores are to tighten enforcement.

3. Use Community Resources, Don't Abuse Them

If you're part of the Home Depot One Cent Items community:

- Share helpful info, like UPCs, tag dates, or clearance cycles.
- Post accurate finds, not rumors.
- Responsible sharing keeps these communities thriving and valuable.

4. Understand the Time Investment

This is not a get-rich-quick game. Penny hunting requires time, patience, and a lot of empty trips.

5. Be Realistic About Value

Penny items are often clearance leftovers. Some are useful; others are hard to resell. Don't "leave items for others"—the system will likely flag the item to be pulled and destroyed if you scan it and leave it.

6. Know When to Walk Away

If an employee or manager confronts you and denies the sale, just move on. It is better to lose one item than burn access to future deals.

IX. Conclusion: Tips for Success in the Penny Item World

Whether you're just starting out or you've been hunting for a while, here's what matters most: know the system, stay patient, play it smart, and stay respectful.

For Beginners: Start Here

- **Understand the Basics:** Penny items are the last stage in Home Depot's clearance cycle and exist due to oversight.
- **Use the App:** Look for items showing "Out of Stock" but listed at full price.
- **In-Store:** Go straight to clearance endcaps. Check price endings like .03/.02 and compare with the tag's effective date.

For Experienced Hunters: Refine Your Game

- **Master the Cadences:** Monitor tag endings (.03/.02) and dates closely to predict the next drop.
- **Look Beyond the Obvious:** Dig through misplaced inventory, dusty shelves, and garden centers.
- **Track Trends:** Watch the Home Depot One Cent Items community for confirmed penny items and validate with dates.

Final Mindset: It's not just about the deal—it's the thrill of the hunt and the satisfaction of outsmarting a system. But remember: one person's unruly behavior can ruin it for everyone. Stay sharp, stay respectful, and help keep the game alive.