

Home Depot Penny Items: A Comprehensive Guide for Savvy Shoppers

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're 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 Margin Adjustment (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.

Clearance Cadence A (Approx. 13 Weeks)

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	If not pulled, system marks as penny item

Clearance 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

Key Takeaways

- Price endings matter — they signal where an item is in its markdown lifecycle.
- Watch the clearance tag date — use it to estimate when the next drop may happen.
- Don't rely on fixed timing — while these cadences are common, store exceptions exist.

Quick Reference: Price Ending Cheat Sheet

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

Use the chart below to decode what the listing might mean:

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 penny shopping communities about that item pennied 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, brackets
- **Lighting:** bulbs, switches, fixtures
- Electrical parts
- Paint accessories
- Seasonal leftovers
- Discontinued items
- Brand transitions (when a supplier is pulled chain-wide)

Tip: Watch for "known penny items" discussed in online communities — these often go chain-wide. "Store-specific" pennies usually result from returns, overstock, or untracked markdowns.

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
- Give them the **SKU** or show the **UPC barcode**
- Watch the screen discreetly: if it shows **\$0.01**, "0" quantity, or an error — it's probably pennied

Note: Don't leave the item behind while you check. It could disappear or be pulled.

Overhead Items: High-Risk, Mixed Results

Items stored overhead (on top shelves) present a unique challenge — and some real risks.

Here's what you need to know:

Customer-Accessible Ladders

- The small yellow ladders (often in the paint section) *are* for customer use
- You can use these to retrieve overhead items — just know:
 - They're usually visible
 - Using them will draw attention
 - If you're trying to be discreet, this isn't ideal

Big Orange Ladders

- These are strictly for employees
- Using them as mē is against store policy
- If you decide to use one anyway:
 - Understand the risk: it's much more visible and potentially escalates quickly
 - Only do this as a last resort

Asking for Help (Roll the Dice)

- You can ask an employee to retrieve an overhead item
- BUT: There's a 50/50 chance they'll scan it first
- If it scans at \$0.01, they'll likely say: "This can't be sold"
- That item will now be removed from the floor entirely

Pro Tip: If you ask, be polite and casual. If it's denied — let it go. Causing a scene alerts staff to penny activity and can ruin your future hunts.

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.

Step-by-Step Process:

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. Act like it's just another item in your cart

Avoid scanning the yellow tag — it may freeze the terminal or flag staff.

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
- Useful when checking out with help or when retrieving items from locked displays

Multiple Penny Items? Know the Limit

- You can buy multiple units of the same penny SKU in one transaction
- Don't scan different SKUs together unless you want extra attention
- When in doubt: one penny SKU per checkout

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

Here's how to play it smart:

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 scan the suspected penny item
 - Staff may leave once the item is scanned
5. Pay and print your receipt as usual

This method makes your cart look intentional and reduces suspicion.

If You're Stopped by an Employee...

Despite all your efforts, you may get flagged.

Do This:

- Stay calm and polite
- Finish payment if possible and print your receipt
- If asked about the price, say something like:
 - "That's just what it scanned for."
 - "I found it on the shelf and thought I'd buy it."

Do Not:

- Admit you were looking for penny items

- Get angry or argue — that draws attention to the broader practice
- Cause a scene — it's not worth risking future visits

If They Demand the Item Back After Purchase:

You can try one of the following:

- "I've completed the purchase and have my receipt. I'm not returning it."
- If pressed, calmly ask: "Can I speak with a manager for clarification on store policy?"

Some stores might honor it, others may confiscate it. Reactions vary from store to store.

Manager Interaction Tips

- Stay respectful and avoid confrontation
- If a manager insists you return the item, weigh your options:
 - Is it worth pushing back?
 - Risking trespassed from the store?
- If needed, offer to return extra units and keep one
- If denied, walk away quietly — your reputation matters

Legal & Policy Considerations (Briefly)

- Home Depot reserves the right to correct pricing errors
- In some states, retailers must honor posted prices — but this varies
- There's anecdotal evidence of some managers choosing to honor a penny price to avoid conflict

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, why staff act the way they do, and how the system works behind the scenes.

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 Margin Adjustment (ZMA).

Why does it happen:

- Item is discontinued, damaged, expired, or no longer worth selling
- Store uses ZMA to reduce its system value to \$0.01 (effectively zero)
- System flags it for removal from shelves — but sometimes it gets missed

If it's still on the floor, it's likely due to oversight or staff backlog.

Employee Policy: Strict Rules on Penny Items

- Employees are forbidden from buying penny items
- Doing so results in termination.
- Many stores also enforce a "24-hour rule":
 - Staff can't buy any newly marked-down clearance item until it's been on the floor for 24+ hours
 - This prevents staff from hiding items for themselves

FIRST Phones & the Clearance App

Home Depot equips staff with handheld devices called FIRST phones. These are used for scanning, inventory, and price checks.

Key App: Clearance App

Used by associates to:

- See a list of clearance items, including penny-priced ones
- Filter by department, location, price, on-hand stock, and "no home" items
- Flag items for removal

This tool helps staff actively search for and remove penny items from the sales floor.

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
- Represent a financial loss (even at a penny, the system records a transaction)
- Disrupt inventory accuracy for automation and reorders

Stores are judged on these metrics, so managers actively try to stop penny sales from happening.

SOP Reality: Policy vs. Practice

Home Depot may have internal Standard Operating Procedures (SOPs) around penny items, but enforcement varies:

- Some managers will quietly honor the sale to avoid escalation
- Others will confiscate the item or cancel the transaction
- Some employees may even give it away as a "damaged out" freebie — rare, but it happens

It all depends on the manager, staff training, and store culture. Same store, different shifts = different outcomes.

Bottom Line: Stay Under the Radar

- Penny items aren't supposed to be sold

- Stores are trained to remove them fast
- If you manage to buy one, it's often due to a gap in the system

VII. Research Deep Dive: Sorting Fact from Fiction

Despite how widespread penny hunting has become, Home Depot has never publicly confirmed the full clearance-to-penny process. Most of what we know comes from:

- Community observations
- Shared screenshots and receipts
- Logical deductions from how retail clearance cycles work

What the Website Says (and Doesn't Say)

What's Confirmed:

- Clearance and closeout items are excluded from price matching and adjustments So penny items will never be eligible for a price match
- The return policy is standard (most items returnable within 90 days with receipt)
- Terms of Use state Home Depot can correct pricing errors at any time

What's Missing:

- No mention of penny pricing
- No breakdown of the clearance process
- No public documentation of markdown cycles or price endings

The official site avoids the topic entirely. This leaves shoppers to rely on community findings and indirect clues.

What the Inventory System Looks Like Internally

Home Depot uses a sophisticated inventory system with:

- Barcodes for product tracking
- Automation to reorder and restock
- ZMA (Zero Margin Adjustment) to write off inventory

When an item hits \$0.01, it's:

- Marked as financially worthless
- Flagged for removal, disposal, or liquidation
- No longer counted toward store sales or stock

If you see a \$0.01 item, it means the system is done with it — it just hasn't been pulled yet.

Clearance Patterns: Do the Cadences Hold Up?

The two clearance cadences — ending in .06/.03 and .04/.02 — are widely reported across:

- Reddit threads
- YouTube penny hunter videos
- Penny-shopping Facebook groups
- Reseller communities

These patterns align with:

- Typical retail markdown strategies (gradual price drops over 6–13 weeks)
- Observed timeframes (around 2–3 weeks between markdowns)
- Actual receipts showing price progressions

While not guaranteed, these models are accurate often enough to be a solid guide.

How Dependable Is Community Intel?

Very — but with a few caveats:

- National penny items (brand-wide markdowns) are dependable across many stores
- Store-specific pennies (returns, damaged goods, unpulled clearance) are hit-or-miss
- Community screenshots and shared receipts are gold — but dates matter

Always check timestamps on community posts. A penny item from 4 weeks ago may already be pulled or long gone.

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
Employees buy penny items	False — it's against policy and grounds for termination
Using ladders to get pennies is okay	Yellow ladder: yes. Orange ladder: employee-only (high risk)
Stores will always sell penny items	False — many will cancel the sale or remove the item
Penny items show online	False — the \$0.01 price never appears in the app or on the website

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.

Here's how to do it right.

1. Be Respectful to Store Employees

Even if you're frustrated, caught off-guard, or denied a penny sale:

- Stay calm
- Stay polite
- Avoid confrontations or lectures

Staff are following orders — not making personal decisions against you.

2. Don't Be Loud About Penny Finds

Getting loud, excited, or bragging at checkout draws attention. So, does:

- Showing your receipt to other customers
- Telling staff "You just scored a penny item"
- Filming inside the store

The more attention you bring, the more likely stores are to tighten enforcement or train employees to spot penny hunters.

3. Use Community Resources, Don't Abuse Them

If you're part of a penny shopping Facebook group, forum, or Discord:

- Share helpful info, like UPCs, tag dates, or clearance cycles
- Post accurate finds — not rumors
- Don't flood the group with repeat questions or off-topic posts

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
- You might check 3 stores and find nothing
- Don't expect huge savings every time — it's about the long game

5. Be Realistic About Value

- Penny items are often clearance leftovers or oddball stock
- Some are useful, others are niche or hard to resell
- Don't "leave items for others" as the system will flag the item to be pulled and destroyed.

6. Know When to Walk Away

- If an employee or manager confronts you and denies the sale, just move on
- It's not worth getting banned from the store
- 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

If you're new to penny shopping at Home Depot:

Understand the Basics

- Penny items are the last stage in Home Depot's clearance cycle
- They're not meant for sale — they exist due to oversight or delays in inventory removal

Use the App and Website

- Set your store location before searching
- Look for items showing as "Out of Stock" but still listed at full price — these might be pennied
- Search by SKU or UPC when possible

In-Store Tips

- Go straight to clearance endcaps and seasonal sections
- Check price endings like .03 / .02 and compare with the tag's effective date
- Use self-checkout, scan the UPC, and print your receipt
- Don't scan the clearance tag — it can freeze the register

For Experienced Hunters: Refine Your Game

If you've done this before and want to improve your results:

Know the Clearance Cadences

Cadence A	Cadence B
.00 → .06 → .03 → penny	.00 → .04 → .02 → penny

- Items usually follow these patterns over 7–13 weeks
- Monitor tag endings and dates to predict next drops

Look Beyond the Obvious

- Dig through misplaced inventory and dusty shelves
- Don't ignore garden centers, paint, or seasonal aisles
- Learn to spot patterns when product lines get pulled or replaced storewide

Track Community Trends

- Watch social media groups and forums for confirmed penny items
- Validate with dates and store locations
- Avoid spreading unconfirmed rumors — they waste everyone's time

Final Mindset: It's Not Just About the Deal

Many hunters enjoy this for more than the savings:

- It's the thrill of the hunt
- The satisfaction of outsmarting a system
- The camaraderie of a tight-knit, info-sharing community

But remember: one person's unruly behavior can ruin it for everyone. Stay sharp, stay respectful, and help keep the game alive.

Penny hunting is part luck, part hustle, and all strategy. Treat it like a skill — not a shortcut.