May a Summer Camp Offer an Early Bird Discount?

Rabbi Daniel Dombroff

Question: At the time of this writing, it seems that some types of summer camps in the United States will be allowed to open this year, but it is not entirely which locations will allow and with what restrictions they will be allowed to open, due to the Covid-19 pandemic. It is nevertheless worthwhile to discuss a general halachic question related to early bird specials. Is it permitted for a camp to offer a cheaper price for the summer as part of an early bird special, or might such an option pose a problem of *ribbis* (forbidden interest)?

Answer: The Gemara in *Bava Metzia* (65a) discusses a scenario known as *tarsha*, where two potential prices are presented. One who pays earlier can pay a cheaper price, and one who pays later pays the higher price. In this case, the Gemara says that such a tactic will not violate *ribbis de'oraisa,* since the context is one of a sale rather than a loan. Nevertheless, it is still *assur derabanan* based on a concept known as *agar natar leh*, that one who holds onto his money longer and is then charged a greater price is considered similar to receiving a loan and then paying interest on it.

In contrast, it is permissible with regard to a rental to charge a lower price if one pays at the beginning of the rental period and charge a higher price if one pays at the end. The reason is that the operative principle regarding rentals is *ein sechirus mishtalemes ela l'basof*, a rental is only obligated to be paid at the conclusion of the rental period. Thus, it is not considered to be holding onto the money for a longer period (which resembles a loan) and then paying more. Rather, it is considered paying at the right time with the real price, even if an option is arranged for earlier payment.

On the other hand, though, one could argue that according to this, one who pays a lesser amount early may be considered as gaining from the arrangement, since he is now receiving more worth for his money. If so, perhaps this should be considered as if he is lending the owner money by paying him early and getting more worth for his money.

Rav Elchanan Wasserman (*Kovetz Shiurim, Bava Basra*) explains that there are two ways to approach a rental. One is that one pays for the service received at the end of the rental, and the other is that one is buying the rights for the service at the beginning. Either way, there is no problem of *ribbis* since in both approaches, one is considered to have paid at the proper time and immediately received the product – either he is considered to have received the services at the beginning when he pays or at the end when he pays. There is thus no period during which it is considered to be similar to *agar natar,* holding money like a loan. However, there is still an issue that it bears a Ribis appearance unless the work has already begun.

If we now turn to the question of paying an employee a cheaper price in advance, which is essentially the issue with regard to early bird discounts, it seems that this would not be permitted if the payment was delivered before the work was begun. At what point, though, is the work defined as "having begun?"

Most *poskim* hold that even if some work is performed earlier (e.g., work by the camp staff during the winter in preparation for the summer), the work is considered to have begun only when the consumer begins to benefit from the service. The preparation work prior is essentially for themselves and not for the customer. In this case, that would occur at the beginning of the camp season. If so, one who pays a cheaper price before the beginning of the camp season seems to be involved in a serious question of *ribbis.* There may be grounds for a *heter iska* in some cases, but one has to at least be aware of the question and ask a halachic *shailah* if necessary. (There is another angle that we would view the camp transaction as a sale and not as a worker since the director is not doing actual work for the customer. The analysis for this perspective is beyond the scope of this article.)