12 ways to keep food costs from gobbling your budget

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There is plenty of room for savings in the typical family food budget that can more than offset recent upswings in prices. It just takes a little planning. Here are some ideas to put your grocery bills on a diet:

1. Waste less. Today’s households toss 14 percent of food purchased, about double what we threw out 20 years ago. Tim Jones, an anthropologist at University of Arizona, estimates the average family of four tosses $590 per year just in meat, fruits, vegetables and grain products. Fifteen percent of what is tossed is unopened and within its expiration date.

2. Be picky about convenience. Convenience foods can be a lifesaver, even pricey ones like grab-and-go soups if they save you from a more expensive meal on the road. A few, like mashed potato flakes, are even cheaper than fresh-made. But many times the convenience comes at a high markup, and some don’t even save time. For example, ready-to-pour juice costs 60 percent more than frozen concentrate. A costlier marinated pork tenderloin or chicken breast takes the same amount of time to cook as one you season yourself.

3. Use unit pricing. Big packages are often more economical, but not always. In fact, bigger is more expensive about 25 percent of the time. Toilet paper, frozen orange juice and canned tuna are among items that frequently cost more in larger sizes. Comparing unit prices is especially important when one size is on sale. Take a calculator because sale tags often do not re-compute the unit price.

4. Try store brands. Store brands average 26 percent to 28 percent cheaper than nationally advertised brands. Sometimes savings are even 50 percent. In a 2006 Consumer Reports test of 65 products, many scored at least as high in quality as the nationals. In fact, many are made by the same companies.

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In 1652, Nicholas Culpeper wrote *The English Physician*, which combined the folklore and traditional medicine that surrounded herbal usage during that time. Colonists in North America consulted this book as a medical reference. Herbs served a variety of functions in the pioneer home, including curing illness and disease, dyeing fabric and repelling insects.

Today, consumers are turning to herbs for increased health and vitality, as well as for more domesticated duties such as decorating and cooking. A perfect way to get the taste of summer is by growing herbs indoors during the cold months. Here are a few tips if you’d like to grow your own herb supply:

- **Light source.** Perhaps the greatest challenge when growing herbs indoors is providing them with sufficient sunlight. Herbs do best when grown in a very sunny window that receives between six and eight hours of direct sunlight each day (typically a southern or southwestern exposure). When growing herbs under natural light, be certain to rotate the pot every three to four days to ensure uniform growth of the plant.

  If your most convenient window location does not have enough sunlight, you can supplement natural lighting with fluorescent light. In general, for every hour of required sunlight, expose the plants to two hours of fluorescent light. Herbs grown entirely under fluorescent lights will require between 14 to 16 hours of artificial lighting. Place herb plants no closer than five or six inches and no farther than 15 inches from the light source.

- **Drainage.** Herbs demand good drainage for healthy growth. A potting mix of equal parts sand, commercial potting mix, peat moss and perlite will provide an excellent medium for growing herbs indoors. When potting your herbs, choose clay pots. They are more porous than plastic pots, allowing for better soil drainage.

- **Temperature.** Be certain not to locate your indoor herb garden near a heat source, such as a radiator or heat vent. Herbs prefer temperatures below 70 degrees. If the air is dry in your home, place the herb pots in a tray of stones and keep the tray filled with water just up to the bottom of the pot. Providing ample humidity will promote good herbal growth while keeping the foliage succulent and tasty.

- **Fertilizer.** When grown in containers, most herbs will benefit from occasional feeding with a liquid fertilizer, such as fish emulsion, seaweed or a general-purpose, water-soluble fertilizer. In general, feed herbs every two weeks according to the manufacturer’s instructions. Be certain not to overfeed your herbs. Too much fertilizer is far more likely to damage your herbs than too little.

- **Herb types and use.** Chives, Thyme, Basil, Parsley, Rosemary, Sage, Oregano and Mints all do well indoors. Use them regularly to keep them trimmed back and prevent flowering, which will reduce the plant’s longevity.

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**Growing herbs indoors**

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Setting SMART financial goals for the New Year

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If you're like many people, you probably have some resolutions for the New Year: pay down debt, save for retirement or increase your retirement savings, create or increase an emergency fund, save for college, reduce spending, etc.

In a Money Magazine poll, only 24 percent of those polled had kept New Year's resolutions on their financial goals. The likely reasons are because the goals may not be realistic, or people tried to do too much at once. Most likely, however, it's because they did not create a plan for how to achieve their goals.

As the adage goes, if you fail to plan, plan to fail.

To help you achieve your resolutions, write them down and set SMART goals.

**S** - Specific. What are you going to do and why? How much does it cost? Create a written plan of how to achieve your goal. Don't just say, "I want to save more." Decide what you're saving for and why -- emergency fund, trip, retirement, all of the above.

**M** - Measurable. How much are you going to save per week, per month and, if it's a long-term goal, per year. Use direct deposit or automatic transfers to make saving easy and to move money out of your checking account into a separate savings account. Pay yourself first! If you're looking for online calculators to help you determine how much to save or how much you need, check out extension.missouri.edu/wfes and choose the topic area you're interested in to find calculators or tips.

**A** - Attainable and Action-oriented. Dare to dream, but have a plan. Although goals should push your limits and abilities, goals still need to be within reach and "do-able." Make sure you include smaller, actionable steps along the way in your plan. Having small, but regular, successes will help you stay motivated. For example, kick or reduce one spending habit this month, then next month start contributing that amount to your 401k.

**R** - Realistic. Make sure you have the skills and resources available to achieve your goal, or that you can develop the skills or resources needed. Finding balance is often an important component to being realistic. For example, you may want to increase your savings, but make sure you still have spending money so you have some current enjoyment from your money. No plan should be a straitjacket. You may also need to take baby steps to try to reach your goals. Don't try to do it all at once, or you set yourself up for failure. For example, if you're trying to cut back on spending, don't try to quit or reduce all your spending cold turkey. Try to cut back or reduce one spending habit at a time. Once you master the first habit, go on to the next.

**T** - Timely. Set a time frame to achieve your goal. Make sure any longer term goals have short-term and intermediate steps so you can measure your successes along the way. Review your goals periodically to make sure they're still timely and on track, or whether they should be revised or eliminated.

Here are a few tips of important financial goals people often forget:

- Create a financial notebook or folder for the person in your household who doesn't manage the finances, including location of documents and emergency contact information.
- Review wills, trusts and advance directives and update as needed.

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5. **Stockpile sale items.** Most regular supermarkets feature loss leaders each week. These are items sold below cost while other items are marked up to cover the shortfall. Different sections of the store are featured each week in rotation. So learn the pattern and stock up on each week’s loss leaders, especially staples like cereals, juice, paper towels. Not even warehouse clubs can usually match these prices. Next week different sections of the store will be featured so you can save on different items.

6. **Reach up and bend down.** Companies pay a premium for shelf placement. Higher profit items will be beckoning you at eye level. Bargains reside on the top and bottom shelves.

7. **Beware of sneaky signs.** Ten for $10 does not mean you have to buy 10 to get the discount. Stores are just planting a number in your head to get you to buy more.

8. **Use coupons.** In 2005, savings averaged 89 cents per item, according to NCH Marketing, a coupon-processing firm. Motivated coupon users match coupons to sales to bring down costs even more. Don’t let coupons entice you to buy products you wouldn’t ordinarily buy.

9. **Get in and get out.** Food Marketing Institute reports that supermarkets generate about $130 in sales per labor hour. That means for every minute we are in the store, we spend about $2.17. Go in armed with a list, shop alone if possible and try shopping when the stores are less crowded to reduce time in the store.

10. **Cut back on foods with no nutritional value.** On average we spend about 12 per cent of our food dollar ($210 per year per person) on things like cookies, chips, donuts and soft drinks. Limiting these will leave more dollars for healthier fruits, vegetables and whole grains.

11. **Purchase non-food items from discount stores.** Mark-up is generally high in grocery stores for pet food, cleaning supplies and personal care products.

12. **Cook more, eat out less.** We spend almost as much on food away from home as we do on groceries. In 2005, the average household spent an average of $3297 on groceries at home and $2634 away from home, totaling 12.8 percent of their income.

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**Setting SMART financial goals for the New Year**  
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- Review insurance policies.
- Review your investments. Is the investment allocation still right for you?
- Review beneficiaries on insurance, bank/investment accounts, retirement accounts, etc.
- Build up your emergency fund.
- Make sure you have a financial emergency kit, including copies of important documents in case you need to leave home on short notice.
- Create or update your household inventory list/video.
- Make your home more energy efficient to reduce spending.

Implementing these ideas may take time, but not always as much money. Give yourself and your family a gift: Get them done!