



Credit Counselling Service of Newfoundland and Labrador

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In our almost 24 years of helping people, we've talked finance with over 21,000 individuals or families. They have been from all parts of the province. St. John's in the east to Port-Aux-Basques in the west, from Lawn in the south to Nain in the north. Their financial plights have been many and varied and the planned resolutions our counsellors have introduced have on times, been almost as varied as the people themselves.

They've all had one single "trait" though. Well; maybe "all" is an overstatement, but "almost all" is not. What is the trait"? Almost all our clients don't understand food and the financial management that goes along with achieving the best value for their food dollar.

Now that I've either offended you or piqued your interest, let me explain. There are four points to be made here.

In our experience, the majority of the population views the purchase of food as anything but the big ticket item it in fact is. This is not an implication on my part that people generally do not understand the importance of being reflective in the purchase of a big- ticket item like a vehicle. They almost always are. Normally they would in fact carry out significant Internet research, visit numerous dealerships, test drive dozens of vehicles and seek the advice of existing owners of similar cars. They even search down the original owner of a used car. They understand the purchase to be a big deal, a "major purchase"; with 12 payments of \$400.00 in the next year, and the same for 4 more years. They take possession of an item which will cost them \$4,800.00 next year. On the way home in their newly acquired roadster, they pop into the supermarket and toss \$300.00 in what they believe is food into a cart in under 15 minutes with no though whatsoever. And they do this 3 times every month, spending \$10,800.00 a year.

So the first rule of shopping for food is to fully understand and embrace the notion that this stuff constitutes a "big ticket purchase". Therefore, it requires the reflective second thought of a "big ticket purchase".

Next, I need you to glance away from the newspaper for a moment, and in your minds eye, look into your last grocery cart. Look long and hard; take 30 or so seconds. Ask yourself if 100% of what you are looking at can be eaten. You see 100% of our food budget should be spent in edible things. So the other stuff; things we confuse with food; like sandwich bags, paper towels, oven cleaner, washing powder and heaven forbid, bathroom tissue to name just a few, are not food. I think what's happened, to be fair, is that we've confused "groceries"; i.e. things you get at the supermarket, with food, i.e. things you find in your pantry. It has been estimated that we spend 18% of our net income on food and foodstuff. So rule number 2 is recognizing the importance of separating food costs from household costs, like detergents, cleaners, etc and personal care things like body soap, hair-care products, and you guessed it bathroom tissue.

Just take a minute to ask yourself if the supermarket consumes all your food costs. Chances are you'll say definitely no; particularly if your really understood our rule number 2; food must be 100% edible. This means things like your work coffee fund is part of your food budget. The fast food you buy every payday is as well. I'll bet you thought this was the entertainment budget. Kids lunch breaks and yours be they "brought" or "bought" are all food expenses and so is the cost you incur throwing a dinner party on Saturday night. Therefore rule number 3 is, If you think beyond your obvious food costs you'll be surprised by what you see and learn.

I always save the toughest for last don't I, and rule number 4 sure is the toughest. Our biggest challenge in the area of helping people plan for food shopping, is getting them to buy into the notion that food purchases, like everything else we consume, has to be driven by our income; not our likes and dislikes and equally not by our family size. This a HUGE challenge, particularly for single parent households or for those with modest incomes. I become distressed when I find myself looking into the troubled eyes of a single mom as I tell her that she needs to try feeing her family of 3 children for \$234.00 per month from her \$1,300.00 income because that's what 18% of that net income equals. Mom is forced to purchase traditional vegetables and not the nouveau kind we see on T.V. Red meat is a treat for her household, and even then will likely be a cheaper cut. Beans, peas, eggs and peanut butter are suggested as cheaper protein options. She needs to become a baker and over time she needs to acquire a big old spice collection as a means of jazzing bland tasting things a little. Her milk is powdered or half regular milk and half powdered milk and her juice is watered down to the maximum and is frozen from concentrate. Everything, is spared and nursed along

Next week, we'll have 10 easy steps to help you shop for food for your family. And NO, none of the 10 involves driving to Clarendville because soup is on sale there this week!