

# Stretching Your Food Dollar

Good management of food spending and food waste can make our other needs more palatable.

## Costs Over Time:

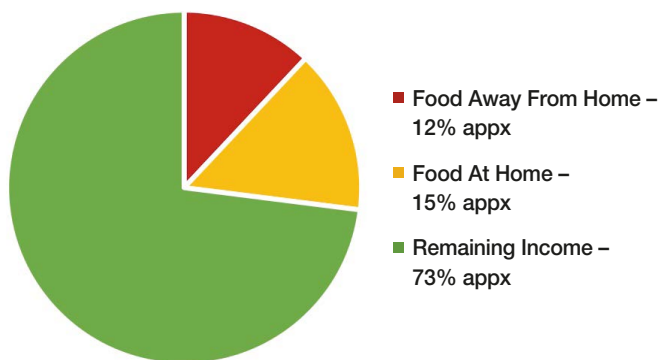
As it is with most commodities, the cost of food in America has varied throughout our history. Progressing changes in factors like farming, supply chain infrastructure, tax policies, and good, old-fashioned supply and demand all have played a part in our varying costs over time. It's also important to consider that while the cost of food seems to only increase through the years, the same dynamic is mostly true for our other necessities such as housing, clothing, etc. Despite how unpredictable and uncontrollable this type of economic inflation can seem, there are things we can do to make sure our costs of living are under control.

## Americans On Average

While our different lifestyles lead us to different experiences with money and budgeting, it can be helpful to compare our performance to the average American. Seeing statistics of the average person can give us a helpful benchmark for comparison in many contexts. Note these statistics reported from government agencies:

- Average spent on “food at home” in 2018
  - \$4,464 per adult
  - US Bureau of Labor Statistics
- Average spent on “food away from home” in 2018
  - \$3,459 per adult
  - US Bureau of Labor Statistics
- Average national salary in 2018
  - \$29,456 per worker
  - 2018 US Census

Average Food Costs From Average Income



By these numbers in 2018, someone who earned an average salary and spent money on food like an average American would have spent nearly 27% of their income on their personal diet alone. While that percentage may seem larger to some than others, it can certainly be seen as a concerning stat for all of us when thinking about the family dynamics of income and how food costs fluctuate in time.

In 1913, the U.S. Department of Labor (USDL) was formed and later tasked it's Bureau of Labor Statistics (BLS) with tracking/reporting certain economic data– including consumer food cost statistics. In January of that year, the average national cost of a pound of potatoes was \$0.016. Fast-forward to November 2020, the average cost of a pound of potatoes was \$0.756. What will the cost of potatoes be next year? How much will they cost in the year after you retire?

## At Home VS. Away From Home

What might be obvious, BLS data largely confirms that the average costs for food we cook/prepare ourselves (“food at home”) are more affordable than the price we pay for the food we get “away from home”. It's not hard to realize and experience this especially when considering the many overhead costs that restaurants account for when marking-up food prices for profit. While our bills are likely to back the data, remember that there is some caveat to the rule.

Just as some restaurants offer more value than others, some food at home habits can be harmful to our bottom line. The money we mean to save by cooking meals can be lost in many forms such as food waste and expensive ingredients. Taking an honest review of how we plan our overall food expenses and how we perform can show us where the real improvement can be made. Consider the tips here!

## Budgeting and Planning

Especially for those new to formal budgeting, designing a more structured food plan or food budget can be a big help in curbing inefficiency. Our emphasis in planning isn't necessarily that we should always cook and never enjoy a professionally cooked meal. The real objective of our food planning should be the same as our overall budget: to achieve the best balance possible so that our income is prioritized to our life goals more properly. A new approach to how/where we eat, which stores we buy ingredients from, and how we plan out our dollars can all help make it easier to feed the goals we have.

## The Act/Art Of Budgeting

Real budgeting pays many rewards to the budgeter. Maintaining a formal budget on paper/electronically gives us a tangible view of how we prioritize our income, where we can realistically spend smarter, and they help us to find relief options when we experience changes in the household. It would be remiss of us to take focus on our food budgeting without also clarifying our overall spending plan. These are the basic steps to building a better budget:

1. Outline Your Savings Goals
  - Set goals that are realistic and specific in time
  - Calculate savings required by pay period/month
2. Track Your Current Spending
  - Track by online banking and receipts/statements
  - Use your totals to calculate spending averages by month/pay period
3. Categorize Your Spending And Saving
  - List your expenses by name & average
  - Separate lists as “Essential” vs. “Discretionary”
  - Savings goals (step 1) and loan payments are listed as “Essential”
4. List Income, Subtract Average Spending
  - This is your sustainability check
  - Surplus = We can feed goals more aggressively
  - Deficit = We need relief via income, reducing non-essentials, or adjusting essentials
5. Set Goals, Monitor, Adjust
  - Identify where you think you can improve
  - Set specific goals for better spending & saving
  - Monitor your pace to goals and adjust as needed

[See Page 5: The Budgeting Worksheet](#)

## Menu/Meal Planning

You'll gain a more accurate understanding of your average food costs and waste while building your budget. Similarly, a structured meal plan can help you identify what your realistic balance can be between cooking and eating out. The process can benefit us nutritionally and financially so consider these tips:

- Don't handle food spending uncharacteristically when tracking your average habits to start
  - We want a realistic gauge of current behaviors
- Plan to cook more often, eat out “smartly”
  - Plan your food away from home on occasions that call for celebration or when the convenience is truly helpful/necessary in the day's context

- Explore to find low ingredient, high yield recipes
  - The internet's tips, tricks, and tutorials have made it easier than ever to become a home chef
  - Experiment and find recipes that call for a low quantity of ingredients and low costs
- Make high yielding dishes that holdover well
  - Choose recipes that yield higher serving counts
  - Prepare dishes that your household won't mind eating as leftovers
  - Soups, stews, pies, and casseroles can often accomplish both
  - Train yourself to see food waste as money waste!
- Strategic Meal Prep
  - Pre-cook base proteins separately to later use as versatile ingredients in different recipes
  - Example: Using your favorite neutral seasoning/ flavoring to cook chicken breasts that can later be used in stir-fry, on a salad, or on taco night!
- Use a menu to curb food waste
  - Plan meals at home and away weekly by the day to minimize waste
  - For food away from home, the BLS confirms that breakfast is the least expensive meal on average and dinner is the most expensive
  - [See Page 4: The Menu Organizer](#)

## Strategic Shopping

When choosing a restaurant to eat at, we often think about ambiance, taste, and price. Likewise, not all ingredients or grocers are equal and we should remember that the core concept of “value” measures what we get to what we pay. Particularly for shoppers who have inherited or developed loyalty to a brand or provider, it's important to survey the market and strive for the best value here and in all our commerce. The Dunnhumby study has provided this rank of USA's most inexpensive nationwide grocery chains in 2019:

### 10 Most Inexpensive Grocers (USA - 2019)

1. Aldi
2. Market Basket
3. WinCo
4. Food4Less
5. Costco
6. Walmart
7. Trader Joe's
8. Walmart Neighborhood Market
9. Lidl
10. Amazon

## Maximizing Food Cost Savings



While shopping at local grocers and farmer's markets may also help keep our food costs down, there are other steps we can take to make our shopping more efficient. Consider these tips:

- Compare and track the local prices of your “main staple” goods
  - Determine who your lowest cost option is for things like bread, water, milk, chicken, etc.
  - [See Page 4: Grocer Comparison Organizer](#)
- Take advantage of rebates, buy-one-get-one deals, coupons, closeout prices, and reward points
  - Along with the sales ads and limited promos, many of today's grocers offer rewards programs and phone apps to achieve additional savings
  - The “Coupon Challenge” has us commit to using coupons/rebates when shopping for at least a month, track and pay those savings amounts to ourselves in a savings account, then add the savings monthly to a bigger goal like retirement!
- Buy in bulk and use a rewards/rebate credit card
  - For routine essentials that we normally pay cash for, consider using a rewards credit card instead!
  - Charging to these cards will rack up points/cash back savings and we shouldn't have to worry about debt if we already have the cash to pay
  - Further structuring when we repay the credit card balance (instead) can also help to boost our credit score!

- Resist meal subscriptions and 3rd party delivery
  - Delivery services like Uber Eats and Door Dash add a 2nd level of mark-up through fees/tips and sometimes result in local restaurants getting less
  - Food prep/delivery services like Blue Apron also charge a premium for their service which often makes it cheaper to buy your own groceries for the same meals

## Strategic Meal Prep

To some, the costs of cooking at home can seem to increase when thinking of the time spent preparing food; as well as the convenience that comes from ordering take-out. As a solution for time and convenience, meal preparation has grown beyond just being for fitness fanatics. Whether we are preparing base proteins and versatile sides for future use, or preparing full, individual meals for the week, food prep days can make the act of eating food from home much easier on our schedules.

Things to consider:

- Best-By Dates – preparing food that we can't eat before expiration is counter-intuitive food waste
- Startup Costs – meal prepping calls for food containers, storage space, and some calibration when starting new
- Family And Self – meal prepping can become more difficult when there are more mouths to feed, consider everyone's preferences to avoid waste
- What Works Best – prepping base ingredients vs. whole meals is a preference, find yours!

## Additional Resources

- U.S. Bureau of Labor Statistics – Food Costs
  - <https://www.bls.gov/>
- U.S. Department of Agriculture – Nutritional Facts
  - <https://www.usda.gov/>
- U.S. Department of Agriculture – Food Services
  - <https://www.fns.usda.gov/>

## Weekly Menu Organizer

Use this worksheet as a menu/meal prep organizer. Planning meals in advance can make overall budgeting easier!

Week Of:	Mon	Tue	Wed	Thu	Fri	Sat	Sun
<b>Breakfast</b>							
<b>Lunch</b>							
<b>Dinner</b>							
<b>Dessert</b>							
<b>NOTES</b> <i>(needed items, instructions, etc.)</i>							

## Grocer Comparison Organizer

Find cost-effective providers by tracking the costs of your main staples! List names, price per unit, and date here.

Week Of:	Staple #1: _____	Staple #2: _____	Staple #3: _____	Staple #4: _____	Staple #5: _____	Staple #6: _____	Staple #7: _____
<b>Store 1:</b> _____							
<b>Store 2:</b> _____							
<b>Store 3:</b> _____							
<b>Store 4:</b> _____							
<b>NOTES</b>							

# Budgeting Worksheet

This organizer helps us ensure that we're using income effectively and striving for improvement!

## 1. Average Spending – Track current weekly spending using receipts/statements to understand your averages.

Item	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Expense Totals	Monthly Projection (total x 4)
Groceries									
Restaurants									
Laundry									
Medical/ Dental									
Auto/Gas/ Parking									
Other Transportation									
Child Care									
Personal Care									
Clothing									
Bank Fees/ Postage									
Streaming Entertainment									
Books/Music/ Videos									
Cigarettes/ Alcohol									
Gifts									
Home/Garden									
Church/ Charities									
Other									
Other									
Other									
Other									

**2. Essential Expenses** – Use receipts/statements and Table 1 to list average monthly spending.

Category	Expenses	Average Per Month	Goal Per Month
<b>Housing</b>	Rent/ Mortgage		
	2nd Mortgage/ Equity Line		
	Homeowner's/Renter's Insurance		
	Condo Fees/HOA Dues		
	Home Maintenance/Monitored Alarm		
	Lawn/Garden/Pool		
	Gas/Electric		
	Water/Sewer/Garbage		
	Internet/Cable/Satellite		
	Cell Phone/Landline		
<b>Food</b>	Groceries/Household Items		
	At Work/School		
<b>Insurances</b>	Health/Dental/Vision/ Life/Disability		
<b>Medical Care</b>	Doctor/Chiropractor		
	Optometrist/Lenses		
	Dentist/Orthodontist		
	Prescriptions		
<b>Transportation</b>	Vehicle Payment #1		
	Vehicle Payment #2		
	Auto Insurance		
	Registration		
	Gasoline/Oil		
	Maintenance/Repairs		
	Public Transportation/Tolls/Parking		
<b>Childcare</b>	Daycare		
	Child Support/Alimony		
<b>Miscellaneous</b>	Credit Card/Personal Loan Payments		
	Banking Fees		
	Union Dues		
<b>Income Taxes</b>	Federal/State Tax Repayment		
	Estimated Tax Payments (Self-Employed)		
<b>Savings</b>	Emergency		
	Goals		
<b>MONTHLY TOTAL ESSENTIAL EXPENSES:</b>			

**3. Discretionary Expenses** – Use receipts/statements and Table 1 to list average monthly spending.

Category	Expenses	Average Per Month	Goal Per Month
Personal	Beauty/Barber		
	Clothing/Jewelry		
	Laundry		
	Cosmetics/Manicure		
Entertainment	Movies/Concerts/Theater		
	Books/Magazines		
	Music Subscriptions/CDs		
	Dining Out		
	Sports/Hobbies		
	Vacation/Travel		
	Video Subscriptions/DVDs		
Miscellaneous	Tuition/Lessons		
	Pet Care		
	Postage		
	Holiday/Birthday/Gifts		
	Cigarettes/Alcohol		
	Charity/Religious Contributions		
	Other		
	Other		
MONTHLY TOTAL DISCRETIONARY EXPENSES:			

**4. Income** – List average monthly income, separating all sources.

Source	Yours	Spouse/Partner
Primary Employer		
Part-Time/Second Job		
Retirement/Pension		
Child Support/Alimony		
Social Security		
Food Stamps		
Unemployment/ Insurance		
Support From Family/Friends		
Rental Income		
Other		
TOTAL MONTHLY INCOME:		

**5. Sustainability Check** – Use the totals from the previous tables to check your budget's sustainability.

_____	-	_____	-	_____	=	_____
<b>Total Monthly Income</b> - Table 4		<b>Total Essential Expenses</b> - Table 2		<b>Total Discretionary Expenses</b> - Table 3		<b>Surplus or Deficit</b>

**TIPS AND TRICKS:**

- Be honest and conservative when planning
- Round income down and round expenses up
- Adjust goals as needed to find the right balance
- If left with a deficit, reduce discretionary spending before reducing goals
- If left with a surplus, consider accelerating your goals by saving more
- Refinance old and inefficient loans to save money - Talk with a Truliant specialist to discover your options!

[Click here to schedule your Personal Financial Checkup today for helpful guidance and more tips!](#)

Or contact us directly via email:  
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[truliantfcu.org/tawmembership](http://truliantfcu.org/tawmembership)

