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Making Ends Meet: Know Thyself

Michigan State University

Cooperative Extension Service

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4 pages

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# making ends meet

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EXTENSION BULLETIN E-1367

## -- Know Thyself --

*THE LAST ISSUE OF "MAKING ENDS MEET" covered some skillful "get smart" shopping tactics: getting to know your sources and product quality, improving planning, cutting waste, etc. This issue starts with a few words on getting to know yourself, finding out how values and attitudes affect your shopping choices. We're going to focus on a tactic that most of us use to some extent and all of us could probably practice more - COMPARISON SHOPPING. We'll wind up with a look at ways to cut expenditures, with special emphasis on curbing skyrocketing energy costs. It's a lot of ground to cover in four pages -- so hold onto your hat!*

Our values and attitudes enter into our shopping choices. Becoming aware of these and understanding their influence can help you become a more skillful shopper.

To some people for instance a car is just transportation -- turn the key, step on the pedal and it gets you where you want to go. To others, their car says something about themselves, shows that they have "arrived," or that they reject status symbols. For others, comfort overweighs economy or low maintenance may be more important than styling.

Clothing is perhaps an even more personal expression of self. To some people, dressing in the latest designer fashions is crucial to their sense of well-being. Other people prefer a wardrobe of a few classic garments that will be stylish for a long time. To

someone else, wear and durability may be more important than style.

Wanting to get the most for your money is a value, also. (Because you signed up for "MAKING ENDS MEET", we assume it's at least moderately important to you.) A person's values are not always consistent, however. Your wish to get the most for your money may contradict your attitude toward dressing in the latest styles, eating at expensive restaurants, owning a home in a certain part of the city, or giving expensive gifts to family and friends. The time you would spend doing your homework and comparison shopping may be more important than dollars you might save. These are your judgments to make. Understanding your values and where they come from can help you make such choices.

## Comparison Shopping - The Extra Mile Against Inflation

A recent study by Citibank of New York showed that careful comparison shopping at the super market could save nearly 40 percent on a list of 36 items. This suggests that comparison shopping can be a major strategic weapon against inflation.

Some general principles of comparison shopping can be applied to all sorts of merchandise and services.

These include:

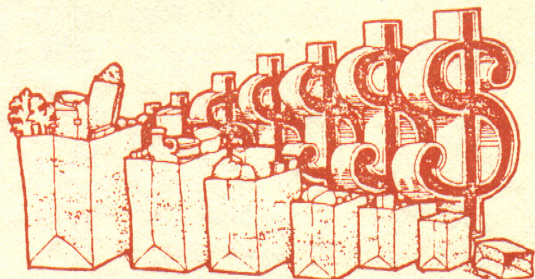
COMPARE PRICES. A "special" at a small boutique may be higher priced than a comparable item at a discount store or department store; whether an item or food product is in or out of season and a product's form (finished vs unfinished furniture) also influence price. A basic part of comparison shopping is



being familiar with the usual prices you pay and knowing the range available on occasional or major purchases. Checking standard items in the major retail catalogs would give you a starting point for comparisons.

You can also comparison shop for services. Interest rates on savings accounts vary little, but other free services you can get for maintaining a minimum savings balance do vary. If you're considering one of the savings/checking accounts, which earns interest while serving as a checking account, be sure to compare the cost of failing to maintain the balance to the interest you'll earn and the cost of an ordinary checking account. Harder to measure but still a factor to consider is the "opportunity cost" of the money kept in the account: could it earn more elsewhere or do something more meaningful for you than saving you from paying check charges?

COMPARE INGREDIENTS. The labels on two brands of canned mixed vegetables might show that the first ingredient on one can is potatoes, followed by carrots, beans, corn, water and a few other minor ingredients. On the other, slightly lower-priced brand, the first ingredient is water. The more expensive brand with more vegetables than water is probably the better buy. Likewise, all-cotton blue jeans might cost more than jeans made partially from synthetic fibers. But if you want comfort, durability and easy care, the 100 percent cotton jeans are probably your better choice. For what may be a surprise, study the labels on various brands of chlorine bleach. The contents are the same -- but prices vary.



COMPARE GUARANTEES, WARRANTIES, AFTER-THE-SALE SERVICE. Those all-cotton jeans would be an especially good buy if they carry a replacement guarantee. A discount store may give you a lower price on a major appliance, but what about repairs? An independent repairman may or may not be available, and it's almost certain that you'll not find a "nights and weekends emergency" number for him in the yellow pages.

COMPARE OPERATING COSTS. EPA mileage estimates for new cars are a comparison shopping tool. Soon you'll be able to look for another: Energyguide labels on refrigerators, freezers, water heaters, dishwashers, and clothes washers. These labels will provide the estimated dollar cost of operating the appliance, based on the national average cost of electricity. What it costs you to operate the appliance will depend, of course, on your electric rate and how much you use the appliance, whether you keep it in good operating condition, etc. The important point is that the labels will give you one more bit of information to help you with your buying decision.

COMPARE CARE AND MAINTENANCE NEEDS. In shopping for a raincoat you decide between two beige coats, one that is more expensive but washable and another that seems more reasonably priced but has to be dry-cleaned. Your final decision needs to be based at least in part on how much you expect to wear the coat and how often it will need cleaning. The washable coat may turn out to be cheaper in the long run.

COMPARE PRODUCT QUALITY AND RELATE IT TO INTENDED USE. Beef for stewing does not have to be as tender as beef for grilling. Unbranded canned fruit may be perfectly OK in a gelatin salad but unacceptable for a whole fruit compote for guests. Towels for the kids to take to camp need not be as high quality as those you put out for weekend guests.



# Energy Conservation - A Sure Fire Strategy

As an anti-inflation strategy, cutting expenditures sounds fairly simple. Deciding what's important and what you can cut isn't all that easy, however. Where and how much you cut is a choice only you can make, and it is closely tied to your values.

For instance, the person who works full-time may choose first to drop recreation away from home. Bowling with adults one day a week may be the last thing a mother of three preschoolers is willing to give up. The homebound mother values her chance to get out. The worker values her time at home.

Concentrate on areas where cutting down or out will have real impact. A Sunday paper may seem like a needless frill, but 50 cents a week will hardly make or break the budget, while a Michigan vacation instead of touring the West could make a big difference in the cost of your summer getaway.

Emphasize those areas where costs are rising fastest. Energy is a natural target for conservation. Your efforts there can make a significant difference. You set the thermostat, run the hot water and drive the car, so you have a lot of control over energy use.

The three biggest family energy uses are transportation, home space heating and water heating. You can reduce these costs without drastically changing your lifestyle -- especially if you make energy saving a family affair. Chances of success are much better if everyone pulls together.

Involve the family in saving heating energy by playing "find the energy leaks". On a cold day next fall organize the youngsters into a troop of draft detectives and put them to work ferreting out cracks around doors and windows where cold air leaks into your home. Have caulking and weatherstripping ready to seal cracks before winter.

This may seem insignificant, but these little cracks are like having a big hole in the side of your house. Sealing them can cut heat loss in half.

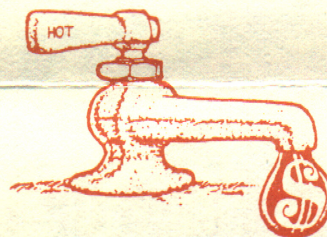
INSULATING CUTS HEAT LOSS much further, but it's expensive. So put

your insulation dollars where they'll do the most good: in the ceiling. Heat rises, and most of the heat lost from your home goes through the roof. Insulation helps hold that heat in.

TURNING DOWN THE THERMOSTAT can make a big difference in heating energy costs. Even a degree or two is significant over the long run. Dialing down when no one will be home all day or for a weekend and dialing down at night yield still more savings. Using flannel pajamas, flannel sheets or electric blankets may enable you to set the thermostat in the 50s at night and still be comfortable.

CLOSING OFF ROOMS OR WHOLE FLOORS may be an option. Other possibilities include wearing warmer clothes (two pair of socks are better than one), moving furniture away from cold walls and windows and pulling drapes and curtains at night and on cold cloudy days (it takes less energy to run a light bulb than a furnace).

The biggest single way to SAVE ENERGY FOR HEATING WATER is to use less hot water. You can turn this into a game, too. Ask the family to think of ways to save a quart of hot water a day. Write down all the ideas, weed out the ridiculous and impractical, and try out the rest.



If you doubt that changing habits will make much difference, take your usual shower with the tub drain closed and see how high the water gets. Or rinse the dinner dishes under the hot water faucet as always, but put the stopper in the sink. You may be amazed to find out how fast that little trickle mounts up!



If your clothes washer offers a choice in water temperatures and load sizes, take it. On the average, rinsing in cold water rather than warm saves 8 gallons of hot water. With electric water heating, that 8 gallons took two kilowatt-hours (kwh) of electricity to heat -- as much as it takes to burn two 100-watt light bulbs for 10 hours. If you wash several loads a week, the savings mount up. If you also wash all but heavily soiled garments in warm water, you double the savings per load.

Waiting to wash dishes and clothes until you have a full load, washing anything only when necessary, taking shorter showers, insulating the water heater and hot water pipes, and installing a water-conserving shower head are all no - or low-cost ways to help you save.

SAVING GASOLINE would be easier if we had to pay for every trip when we take it. The cost of unplanned dashes to the store might make us think twice before reaching for the car keys. Michigan motorists are cutting down. During the last 3 months of 1979 we reduced gasoline consumption 11.5% compared to 1978.

We could all find ways to save another gallon of gas. Here are a few to get you started thinking:  
--Plan shopping trips to eliminate backtracking, and minimize the number of times you need to take the car out.

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--Car pool when you can. Motorists who car-pool can also lower their insurance costs. Many auto insurers offer premium reductions for driving your car to and from work two days or less instead of five days a week. Check with your agent but discounts are as high as 18%.

--Take the bus.

--Do you have two cars? Cut back to one. It'll force you to plan your travel more carefully.

--Keep the engine well tuned and tires properly inflated.

--Drive 50-55 mph on the highway. It saves gas and it's safer.

--If you're buying a car, study EPA mileage estimates and choose optional equipment carefully. Extra weight and power options can cut fuel economy.

#### IT'S UP TO YOU

Every kilowatt counts when you're saving energy! So turn out the lights, defrost the refrigerator regularly, use a small oven instead of the large range oven--they'll all help. But concentrate your efforts on home heating, water heating and transportation -- where energy-saving efforts will pay the biggest dividends.

Energy conservation is one of the keystones to fighting inflation.

Next issue we'll look at how do-it-yourself activities can generate "real" income for your family.

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