

## Radio Glencoe Podcasting

### *The Money Roundtable*

#### Episode 4 – Being a Money-Smart Shopper

Glenn and McGraw interview a shopping consultant who gives tips on how to budget yourself, how to avoid impulse buying, and how to take advantage of sales.

**Glenn** Good day, everyone. Welcome to Radio Glencoe Podcasting. I'm your host Glenn Coe.

**McGraw** And I'm your host McGraw Hill. You're listening to *The Money Roundtable*, where we talk about financial topics of importance in today's world.

**McGraw** Today's show is about *shopping* and our guest is Linda Reynolds, a professional shopping consultant who teaches young people how to become smart shoppers.

**Glenn** Hello Linda. So tell us, what is a *smart* shopper?

**Linda** A smart shopper is someone who controls their shopping rather than their shopping controlling them. You know, shopping is such a natural part of our culture because people love doing it. The problem is, it's easy to lose sight of the fact that shopping means you're spending money. If you're not careful, you can end up spending more than you have.

**McGraw** That's for sure. People always joke about the expression "shop till you drop" but sometimes it turns into "shop till you're broke."

**Linda** That's why I've developed a program about being a smart shopper. I call it The 5 Habits of Money Smart Shoppers.

**Glenn** Five habits, huh? So what's the first habit?

**Linda** The first habit is to make a personal budget every month. Now I didn't invent this. Every personal financial consultant will confirm this. A budget is the foundation for taking control of your money.

**McGraw** Budgeting always sound so easy, but do you really think teens can do it?

**Linda** I know that in the beginning, it seems as difficult as predicting the weather. You sit down and wonder, how can I possibly figure out how much I'm going to need a month from now? But you get better at it over time.

**Glenn** Give us an example of what a high school student's monthly budget might look like?

- Linda** Well in one column, they list all the money they have coming in from any jobs they have, their allowance, and any gifts. In the other column, they estimate how much they can spend on things like clothing, music, gas, movies, and so on. The goal is to make sure that you're not spending more than you have—and also that you're saving some money too.
- McGraw** Linda, I agree that having a budget is important, but the hard part is staying within your budget, don't you think?
- Linda** Here's how I answer that. Staying within your budget is like learning how to stay in between the lines in your lane when you drive. You have to do it or you'll have problems.
- Glenn** So what do you recommend to stay inside your budget?
- Linda** That's what my other four habits are about. They'll not only help you stay inside your budget, they also can help you save money or make your dollars go further.
- McGraw** Sounds great. So tell us these other habits?
- Linda** The second smart shopping habit is to make a list of what you need before you head out to go shopping, just like making a grocery list. A list keeps you from being tempted to buy merchandise you don't need. The fact is, stores *want* to sell us their merchandise. They do everything they can to attract our eyes and make us pull out our wallets.
- Glenn** Yes, I've heard that some stores actually use psychology to appeal to our *wants* instead of our *needs*.
- Linda** You've probably heard the term, *impulse buying*... where you buy something on the spur of the moment even though you don't need it.
- McGraw** I know. Impulse buying really wrecks your budget.
- Linda** A list helps people stay away from impulse buying. Let's say you've budgeted \$50 for new clothes this month. What I recommend is that you go through your closet and write down what you need to replace as specifically as you can before you go shopping.
- McGraw** This list idea works for other things too, right?
- Linda** Absolutely. It works whether you're buying makeup, CDs, books, birthday presents—whatever you're shopping for.
- McGraw** What's the next habit in your program?

- Linda** My third habit for smart shopping is to take advantage of store sales to make your major purchases. But beware, because some sales are better than others, so you need to plan your purchasing.
- Glenn** What do you mean? A sale is a sale, right?
- Linda** Not at all. Some sales offer much larger discounts than others. For example, after the December holidays and sometimes in July, big department stores always have what they call a *clearance* sale. You get the highest markdowns at these sales since the stores are trying to clear out their old inventory.
- McGraw** Yeah, I've noticed that clearance sales offer markdowns of 60% or 70%, and that means I pay only 30% or 40%. So a \$20 blouse only costs me \$6 or \$8.
- Linda** That's right, McGraw. Think how much you can save if you plan to shop at clearance sales for most of your clothes? Let's say you budgeted \$100 but were able to find everything you need for 60% off. You would spend only \$40 and save \$60.
- Glenn** What if you can't wait for a clearance sale? After all, they only happen twice a year.
- Linda** Fortunately, many stores have two other types of sales during the year. One is called an *annual* sale. The other is called an *anniversary* sale because it's usually on a holiday like Columbus Day, President's Day, or the Fourth of July. But the discounts for these sales are usually only 20% to 30%.
- McGraw** Is it worth it to shop at these other sales?
- Linda** Oh yes, you still save money. The point is, if you plan almost all your shopping around sales, you will make your dollars go much further or even save money on your budget.
- Glenn** Linda, what's your next smart shopping habit?
- Linda** My fourth habit is to look for coupons and use them. Grocery stores, department stores, and manufacturers all publish savings coupons in the newspapers, in magazines, and other places. You can also go on the Internet to search for coupons and discounts on just about anything you want to buy.
- McGraw** On the Internet?
- Linda** Oh yes, many manufacturers and stores let you print coupons out right from home. Between coupons and sales, I believe you almost never need

to pay full retail price for most merchandise these days.

**McGraw** What's your fifth smart shopping habit?

**Linda** My last smart shopping habit is make sure you shop calmly, because feeling stressed or pressured is what leads to impulse buying. Eat lightly before going shopping so you won't make bad decisions because you're hungry. And don't go shopping with friends who pressure you into spending more money than you budgeted.

**McGraw** Linda, we're almost out of time, so could you summarize your 5 Habits of Smart Shopping again.

**Linda** Sure.  
1: Make a personal budget every month.  
2: Make a list before you shop.  
3: Shop at sales for your major purchases.  
4: Find and use coupons.  
5: Shop calmly.

**Glenn** Linda, your 5 Habits for Smart Shopping program sounds very effective. Thanks so much for being here today. Our time is up, so I'm Glenn Coe, saying goodbye and good shopping.

**McGraw** And this is McGraw Hill. Thanks for listening. And remember, it's your money so take control of it.