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MANAGING IN TOUGH TIMES INITIATIVE

FAMILY FINANCIAL MANAGEMENT

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THIS MONTH'S TOPIC: The Price of Convenience

Have you ever thought that there are just not enough hours in the day to get your entire to-do list accomplished? We are all probably guilty of occasionally grabbing dinner at a drive-through in a mad dash after work to pick up the kids and get them to their extra-curricular activities. The demands of everyday life, including work, after school activities for the kids, and managing a household, often leave people searching for ways to complete tasks easier and faster in an effort to gain more time. Today's marketplace of goods and services recognizes the high value that individuals place on time, understanding that consumers will often pay more for convenience. Have you ever stopped to think about what you may be sacrificing—cost, quality, taste—in an effort to save a few extra minutes?



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We are bombarded with convenience products in our everyday life

There is no doubt that convenience products are most prevalent at the grocery store. Typically at the grocery, products are available in a variety of forms, such as scratch, semi-convenient, convenient, and ready-to-eat. Most often an item made from starch is perceived to be the most time consuming and the least expensive. However, this is not always true. There are several examples of items that may cost more when made from scratch, such as pizza. A pizza made from scratch has several ingredients, and depending on your toppings some of these may be expensive. Other grocery store options for a pizza may include picking up a box pizza mix, a store-made pizza in the deli, or a frozen pizza in the freezer aisle; all of these options are normally cheaper and quicker than making a pizza from scratch but you lose the ability to control all of your ingredients. Of course there is always the pick up and delivery, which represents the most convenient form of pizza but often the most expensive.

Although most people associate convenience items and food preparation, we are bombarded with convenience products in our everyday life. For example, have you ever noticed an ATM at a sporting event or mall? These machines are strategically placed in locations so that people can access cash quickly and easily. You should be aware that ATM machines not in your banking network normally charge significant fees, compared to other ATM locations. Or, have you ever forgotten to pay a bill and charged it to your credit card to avoid late fee charges? Depending on the biller, you may be charged a fee for paying by phone and/or by credit card. Planning ahead can often help you avoid those last minute convenience fees. If you know you have a big shopping trip or event coming up, determine the amount of cash you will need the week before and stop by the bank or ATM as part of your weekly errands.



Also, to be certain that you avoid late bills and associated fees, mark a calendar with the dates when all of your bills are due. Review the calendar once per week to make certain all payments have been made. Online banking can also be a fast and easy way to keep your payments organized and timely.

All of our daily decisions have trade-offs; the choice of convenience is no different. Be certain that you are truly gaining value by choosing a convenience product and not just a perceived value created by marketers. If there are certain convenience products or foods that you use often take few minutes to evaluate the different forms of the product and find the method that offers you the best balance of cost, quality, and time.

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